

CK Power Public Company Limited

ANNUAL REPORT 2019



**SUSTAINABLE
OPERATION**



ENDLESS ENERGY FOR LIMITLESS FUTURE



CK POWER
ANNUAL REPORT 2019



RAISING THE BAR AS THE FIRST AND BEST-IN-CLASS BENCHMARK OF SUSTAINABLE HYDRO POWER PLANT IN SOUTHEAST ASIA



HYDROELECTRIC POWER PLANT

Producing electricity by using hydro power without relying on fuel. We have invested in two power plants in the Lao People's Democratic Republic, namely, the Nam Ngum 2 Hydroelectric Power Plant and the Xayaburi Hydroelectric Power Plant, 97 percent of all generated electricity is distributed to the Electricity Generating Authority of Thailand, and with the remaining 3 percent distributed to Electricité du Laos.





CREATING THE ENERGY SECURITY FOR SOCIETY WHILE CARING FOR THE ENVIRONMENT



SOLAR POWER PLANT

Generating electricity directly from sunlight, which provides clean and eco-friendly renewable energy. Currently, the Company invested in nine solar farm and solar rooftop power plants and ready for grow continuously in the future.





DRIVING THE ECONOMY TOWARD SUSTAINABLE GROWTH OF OUR NATION



COGENERATION POWER PLANT

Utilizing the combined power from both natural gas and steam in generating electricity. Our two cogeneration power plants are located in Bang Pa-in Industrial Estate, Phra Nakhon Si Ayutthaya Province, namely, the Bangpa-in Cogeneration Power Plants, Phase 1 and Phase 2, from which the generated electricity is distributed to the Electricity Generating Authority of Thailand and the industrial operators within Bang Pa-in Industrial Estate.



VISION

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

MISSION

01

To generate an optimal, stable and fair return for shareholders.

02

To be responsible to the environment, community and all stakeholders.

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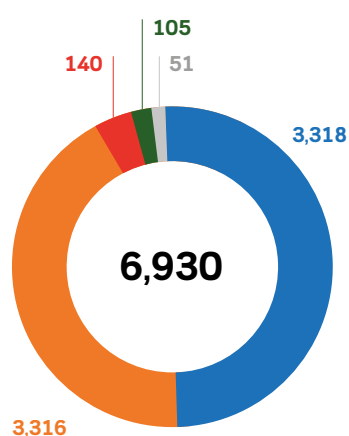
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FINANCIAL HIGHLIGHTS

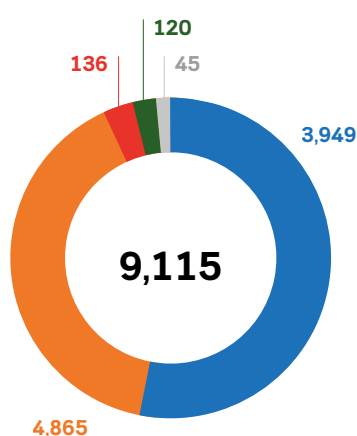
Revenue Breakdown¹

(Unit: Baht Million)

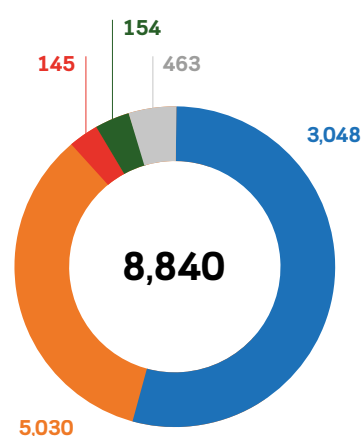
2017



2018



2019



Hydro

Cogeneration

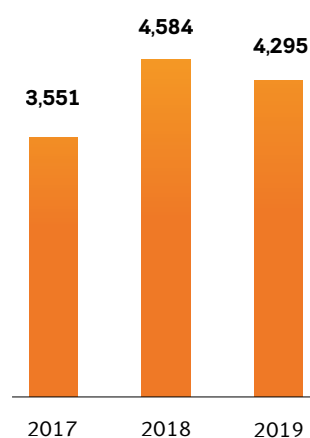
Solar

Project Management

Others

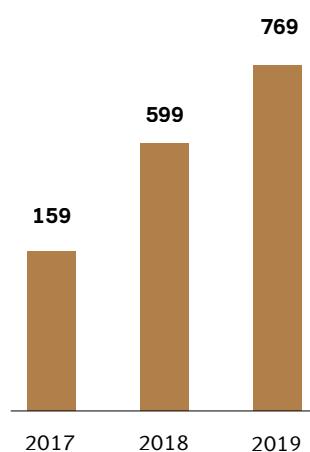
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)²

(Unit: Baht Million)



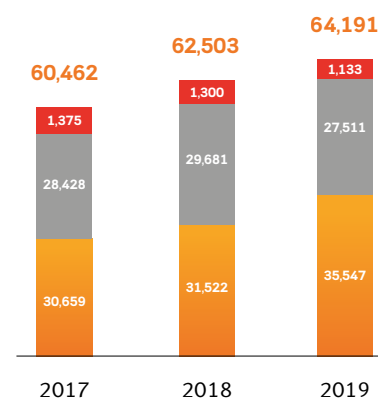
Net Profit Attributable to Equity Holders of the Company

(Unit: Baht Million)



Financial Position

(Unit: Baht Million)



Remarks:

¹ Excluding Foreign Exchange Gain

² Including Share of Profit from Investments in Jointly Controlled Entities and Associated Companies

Total shareholders' equity

Interest-bearing Debt

Other liabilities

Unit: Baht Million	2017	2018	2019
Revenue from Sales of Electricity and Steam	6,774	8,950	8,223
Project Management Income	105	120	154
Other Income	51	45	463
Total Revenues	6,930	9,115	8,840
Gross Profit	2,120	2,966	2,263
EBITDA ¹	3,551	4,584	4,295
Net Profit Attributable to Equity Holders of the Company	159	599	769
Earnings Per Share* (Baht)	0.022	0.081	0.100
Total Assets	60,462	62,503	64,191
Total Liabilities	29,803	30,981	28,644
Total Shareholders' Equity	30,659	31,522	35,547
Gross Profit Margin (%)	30.6%	32.5%	25.6%
EBITDA Margin (%)	51.2%	50.3%	48.6%
Net Profit Margin Attributable to Equity Holders of the Company (%)	2.3%	6.6%	8.7%
Total Liabilities to Total Shareholders' Equity Ratio (Times)	0.97	0.98	0.81
Net Interest-bearing Debt to Total Shareholders' Equity Ratio (Times)	0.74	0.76	0.62
Current Ratio (Times)	2.36	2.52	1.95
Return on Equity (%) ²	0.9%	3.3%	3.7%
Return on Assets (%) ³	0.3%	1.0%	1.2%

Remarks:

* Calculated from weighted average number of ordinary shares

¹ Including Share of Profit from Investments in Jointly Controlled Entities and Associated Companies² Calculated from Net Profit Attributable to Equity Holders of the Company divided by average Equity³ Calculated from Net Profit Attributable to Equity Holders of the Company divided by average Assets

MESSAGE FROM CHAIRMAN OF THE BOARD OF DIRECTORS

Dear All Shareholders and Stakeholders,

2019 marked another momentous year of CK Power Public Company Limited and its affiliated companies. According to the operating results in 2019, the Company generated a profit in the amount of Baht 769 Million, a growth by 28 percent as compared to that in 2018, after the recognition of the share of profit from the Xayaburi Hydroelectric Power Plant, which officially opened its commercial operation on October 29, 2019. The Company increased its indirect shareholding percentage in the Nam Ngum 2 Hydroelectric Power Plant from 42 percent to 46 percent and also offered for sale the debentures of NN2 in the total amount of Baht 6,000 Million, with TRIS Rating Co., Ltd. ("TRIS Rating") assigning the issue rating to the debentures No. 1/2019 of "A" and upgrading the issue rating for all other debentures of NN2 to "A", with "Stable" outlook, proceeds of which would be used for repayment of the remaining loans from the financial institutions to reduce financing costs. During 2019, the Company also gradually received the proceeds from the subscriptions for ordinary shares from exercise of the right of CKP-W1 in the amount of Baht 4,556 Million, thereby enormously strengthening the Company's financial position. As for CSR activities, the Company implemented various projects which met a total of five goals of the United Nations Sustainable Development Goals (UNSDG) in the previous year, and set out a plan to expand further in the next year under the Company's vision in delivering the clean energy security of CK Power to Thailand and the ASEAN region based on sustainability guidelines. Therefore, it can be said that the Company has achieved its goals, both revenue and profit, and also made significant strategic progresses in various fields, whether it be growth, efficiency and sustainability, all of which have enhanced the confidence of investors and stakeholders of all sectors in the long run.

In addition to the aforementioned achievements, the Company has also opened another five solar rooftop power plants, namely, Pachi Solar Power Plant in Phra Nakhon Si Ayutthaya Province with its installed

capacity of 0.89 megawatts, Banglen Solar Power Plant in Nakhon Pathom Province, with its installed capacity of 0.97 megawatts; Phutthamonthon Sai 5 Solar Power Plant in Nakhon Pathom Province, with its installed capacity of 0.97 megawatts; Mahachai Solar Power Plant in Samut Sakhon Province, with its installed capacity of 0.72 megawatts; and Krathum Ban Solar Power Plant in Samut Sakhon Province, with its installed capacity of 0.51 megawatts. All of these have reinforced the steady growth of the organization on the basis of sustainability. In the context of the organization, the Company is still committed to fostering development of human resources by emphasizing continuous development of our leaders and staff. In 2019, the Company had explicit operational goals based on sustainability guidelines in a more systematic manner, in which the Company adjusted the organization-wide operational processes to keep pace with the digital age (Digital Transformation) without forgetting to give priority to social and environmental responsibility and care, that is liken to the main philosophy to serve as a driving force behind the organization's business. Likewise, we have never forgotten to encourage our staff and business alliances to become aware of social responsibility.

On behalf of all directors, executives, and employees, I would like to extend my thanks to all of our shareholders, alliances, and stakeholders of all sectors for your trust in and continued support to the Company. Please rest assured that the Board of Directors, the management team and all staff are fully committed to devoting themselves to the greater development of the organization based on international sustainability by adhering to corporate governance and being responsible for all stakeholders. This is to ensure that the Company can achieve a steady growth, generate substantial returns for shareholders as well as play a part in enhancing stability of the alternative energy which is clean, sustainable and eco-friendly for Thailand and the ASEAN region. Lastly, I hope that everyone will continue to support the Company because at CK Power...Energy is Endless.





"In 2019, the Company had explicit operational goals based on sustainability guidelines in a more systematic manner, in which the Company adjusted the organization-wide operational processes to keep pace with the digital age (Digital Transformation) without forgetting to give priority to social and environmental responsibility and care, that is liken to the main philosophy to serve as a driving force behind the organization's business."

Dr. Thanong Bidaya
Chairman of the Board of Directors

REPORT OF THE AUDIT COMMITTEE

The Audit Committee of CK Power Public Company Limited comprises three qualified independent directors who are knowledgeable and experienced in the fields of accounting, finance and engineering, namely Dr. Jon Wongswan as Chairman of the Audit Committee, Dr. Vicharn Aramvareekul and Mr. Prawet Ingadapa as Members of the Audit Committee. Mr. Prawet Ingadapa resigned as Member of the Audit Committee, with effect from February 21, 2019, and the Board of Directors' Meeting No. 1/2019 resolved to approve the appointment of Dr. Patarut Dardarananda as Member of the Audit Committee to fill the vacancy, with effect from February 21, 2019, and the Head of the Internal Audit Unit serves as secretary to the Audit Committee.

The Audit Committee has performed its duties within the scope, duties and responsibilities as assigned by the Board of Directors, which are specified in writing in the Audit Committee's Charter in line with the requirements of the Stock Exchange of Thailand. In 2019, the Audit Committee held its four meetings among themselves, and one meeting with the audit without the management's presence, for independent discussion on material information in the preparation of the financial statements and exchange of opinions. The key performance of duties can be summarized as follows:

1. **Review of Financial Report:** The Audit Committee has reviewed the quarterly and 2019 annual financial statements of the Company and its subsidiaries, including changes in financial reporting standards with material effect on the financial statements, in association with the auditor and the management, and the auditor has provided an unqualified opinion in the Auditor's Report. The Audit Committee concurs with the auditor that the financial statements of the Company and its subsidiaries for the year 2019 are accurate and reliable in essence in compliance with generally accepted accounting principles and the financial reporting standards, with sufficient and timely information disclosure beneficial to users of the financial statements.
2. **Review of Internal Control System:** The Audit Committee has monitored the internal control system in accordance with the framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO), whereby the Internal Audit Division independently reviews and evaluates the sufficiency of the internal control system, and reports directly to the Audit Committee. The Audit Committee is of the view that the Company's internal control system is sufficient and appropriate.
3. **Review of Internal Audit:** The Audit Committee has supervised the internal audit, approved the 2019 annual internal audit plan, considered the performance according to the approved audit plan, and required quarterly audit reports to the Audit Committee, followed up pending issues and provided suggestions from the audit, as well as approved such appointment, transfer, removal of the Head of the Internal Audit Unit. The Audit Committee is of the opinion that the internal audit has been conducted independently, met the international standards, and helped improve the efficiency in the Company's operations.
4. **Review of Good Corporate Governance:** The Audit Committee has reviewed the Company's operations in compliance with the laws on securities and exchange, rules and regulations of the Office of the Securities and Exchange Commission, requirements of the Stock Exchange of Thailand, and other applicable laws relating to the Company's business operations, including such obligations which may arise from agreements executed with third parties. In addition, the Audit Committee adheres to the Principles of Good Corporate Governance, and as such, in 2019, the Audit Committee's Charter has been reviewed to ensure that it is up-to-date and in line with its duties and responsibilities, and also updates the relevant policies on corporate governance of the Company. The Audit Committee is of the opinion that the Company has duly and properly complied with the relevant laws and requirements in a timely manner.

5. Review and Opinion on Connected Transactions or Transactions which may give rise to a Conflict of Interest:

The Audit Committee has reviewed and provided its opinions on connected transactions or transactions which may give rise to a conflict of interest to ensure the Company's compliance with the applicable laws and requirements of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand. The Audit Committee is of the opinion that the Company has executed such transactions with transparency, justifications and in the best interests of the Company's business operations and its shareholders as a whole, along with correct and timely information disclosure.

6. Consideration, Selection/Termination, Nomination for Appointment of the Auditor and Proposal of Remuneration for the Auditor:

The Audit Committee has reviewed the auditor's performance in 2019 and the reasonableness of the audit fees of the Company and its subsidiaries. The Audit Committee is of the opinion that the auditor from EY Office Limited is independent, knowledgeable and experienced in terms of audit, consultation on accounting standards, and timely certification of the financial statements. Therefore, it is deemed appropriate to propose the appointment of either Mr. Chatchai Kasemsrithanawat (Certified Public Accountant No. 5813) or Miss Siraporn Ouannunkun (Certified Public Accountant No. 3844) or Mrs. Chonlaros Suntiasvaraporn (Certified Public Accountant No. 4523) as the auditor to conduct an audit and sign to certify the Company's financial statements for 2020. Such auditors are on the list of auditors approved by the Office of the Securities and Exchange Commission, and will be proposed to the Board of Directors for consideration in order to seek further approval of the Shareholders' Meeting.

In conclusion, the Audit Committee has performed its duties under the scope of duties and responsibilities as assigned by the Board of Directors, and exercised the knowledge and expertise to perform such work with due care and independence, and provided opinions and suggestions beneficial to all stakeholders on an equitable basis, and as such, the Audit Committee is of the opinion that the Company's financial report is correct and reliable in compliance with generally accepted accounting principles and the financial reporting standards, with sufficient and proper internal control system and effective internal audit, as well as due and full compliance with the Principles of Good Corporate Governance, applicable laws and requirements relating to the Company's business operations.



(DR. JON WONGSWAN)

Chairman of the Audit Committee

REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of CK Power Public Company Limited consists of three members, namely two independent directors and one executive director, in which Dr. Vicharn Aramvareekul serves as Chairman of the Nomination and Remuneration Committee, and Dr. Patarut Dardarananda and Mr. Prasert Marittanaporn serve as Members of the Nomination and Remuneration Committee, with high ranking management acting as secretary to the Nomination and Remuneration Committee.

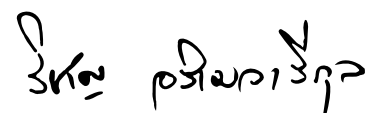
The Nomination and Remuneration Committee has performed its duties under the Charter and the scope of duties as assigned by the Board of Directors. In 2019, there were two meetings of the Nomination and Remuneration Committee which considered and proposed significant matters to the Board of Directors' Meeting and/or Shareholders' Meeting for consideration and approval, as follows:

1. Consideration and appointment of independent directors, Members of the Audit Committee and Members of the Nomination and Remuneration Committee, by way of nomination of qualified candidates under the Notification of the Capital Market Supervisory Board in terms of maturity and credentials, without any prohibited characteristics under the law, to fill the vacancies;
2. Consideration and selection of candidates as directors to replace those who were due to retire by rotation, by taking into account their qualifications, experience, knowledge, capabilities useful to the Company's business operations. There were four directors who were due to retire by rotation and they were nominated for re-appointment to resume their office as directors and as members of the subcommittees for another term;
3. Consideration and determination of 2018 annual reward and remuneration for 2019 for directors and members of the subcommittees, by taking into account

the appropriateness for duties and responsibilities of the directors, together with the results of the board self-assessment as a whole, including the Company's operational results in 2018, compared with that of companies in the same industry and on similar scale;

4. Consideration and determination of 2018 annual reward and remuneration for 2019 for Managing Director, by taking into account the appropriateness for duties and responsibilities of the Managing Director, compared with that of companies in the same industry and on similar scale, including the Company's operational results;
5. Consideration and review of the Nomination and Remuneration Committee's Charter to ensure that the format and topics are in the same direction and in line with the CG Code and currently applicable corporate governance criteria, which will be announced as guidelines for the Nomination and Remuneration Committee's performance.

In this regard, the Nomination and Remuneration Committee has performed the assigned duties with due care, transparency, fairness and independence in accordance with the Principles of Good Corporate Governance in the best interests of the Company and all stakeholders.



(DR. VICHARN ARAMVAREEKUL)

Chairman of the Nomination and
Remuneration Committee

REPORT OF THE CORPORATE GOVERNANCE AND RISK MANAGEMENT COMMITTEE

The Corporate Governance and Risk Management Committee of CK Power Public Company Limited comprises non-executive director, executive director and independent director, totaling three persons, in which Mr. Narong Sangsuriya serves as Chairman of the Corporate Governance and Risk Management Committee, Dr. Vicharn Aramvareekul and Mr. Thanawat Trivisvavet serve as Members of the Corporate Governance and Risk Management Committee, with the person who is knowledgeable and competent being appointed as secretary to the Corporate Governance and Risk Management Committee.

The Corporate Governance and Risk Management Committee has performed its work in accordance with the scope of duties and responsibilities as assigned by the Board of Directors, which is specified in writing in the Corporate Governance and Risk Management Committee's Charter. The Charter has been reviewed at least once a year to remain up-to-date and compatible with its duties and responsibilities. In 2019, the Corporate Governance and Risk Management Committee convened its four meetings to consider and follow up progress of compliance with the Principles of Good Corporate Governance and continuously support the Company's risk management. The key performance of the duties can be summarized as follows:

CORPORATE GOVERNANCE

1. Promoting information disclosure and transparency of quarterly reports on trading/changes in holdings of securities by directors and executives of the Company, both directly and indirectly, to ensure compliance with the Principles of Good Corporate Governance for Listed Companies;
2. Supporting the assessment of performance of the Board of Directors at least once a year for the purpose

of considering its performance in the previous year and operational plans for the following year, and its compliance with the Principles of Good Corporate Governance for Listed Companies;

3. Reviewing the code of ethics and relevant policies on corporate governance of the Company in compliance with the Principles of Good Corporate Governance of the Office of the Securities and Exchange Commission, and the Company's current business operations in order to promote and support the executives and staff at all levels of the Company and its affiliated companies to adhere to the corporate governance and the awareness of the significance of the environment, communities and all concerned parties for sustainability;
4. Promoting and supporting such arrangements concerning good corporate governance in respect of:
 - The assessment of the quality of the shareholders' meetings of the Company by the Thai Investors Association, in order to promote such meetings by taking into account the shareholders' rights in accordance with the good corporate governance guidelines. In 2019, the Company received an average score of 98 percent. In the 2019 annual assessment, there were 672 listed companies participating in such assessment, with the average score of 93.70 percent, which increased from 92.42 percent in 2018;
 - Participation in the Corporate Governance Report of Thai Listed Companies (CGR) by the Thai Institute of Directors Association (IOD). In 2019, the Company's overall average score was 92 percent, which represents an "Excellent" rating, which was higher than 90 percent in 2018, whereby the Company's assessment results in all categories were higher than the average assessment results of the overall listed companies;

- Thailand Sustainability Investment (THSI) for the year 2019, in which the Company participated in such assessment for the first time, and as such, the assessment results and suggestions from the Stock Exchange of Thailand will be taken into consideration for further development and improvement, in order to make sure that the Company will be selected on the list of Thailand Sustainability Investment for 2020 accordingly;
- 5. Following up any changes in rules, regulations/practices related to the Principles of Good Corporate Governance to ensure the Company's correct and complete information disclosure in compliance with the relevant rules, regulations/practices;
- 6. Reporting on the results of its performance in respect of corporate governance to the Board of Directors on a quarterly basis.

RISK MANAGEMENT

1. Considering the annual risk management plans of the Company and its subsidiaries to ensure that such plans have addressed such internal and external risk factors which may affect the Company's operations, and considering measures to deal with such risks to stay at the level acceptable to the Company;
2. Monitoring and supervising the risk management on a quarterly basis through the reports on risk management from the management of the Company and its subsidiaries to be compatible with the Company's operations and changes in circumstances;
3. Reporting on the results of its performance in respect of risk management to the Board of Directors on a quarterly basis.

The Corporate Governance and Risk Management Committee is of the opinion that the Company is committed to operating its business duly and transparently, taking into account the Principles of Good Corporate Governance, managing the risks of the Company and its subsidiaries to cover key risk factors, promoting the Company's operations to be carried out efficiently and effectively to meet the targets, and addressing all such risks. However, the Corporate Governance and Risk Management Committee remains committed to promoting and supporting the executives and staff at all levels of the Company and its affiliated companies to adhere to the corporate governance and the awareness of the significance of the environment, communities and all concerned parties for sustainability.



(MR. NARONG SANGSURIYA)

Chairman of the Corporate Governance
and Risk Management Committee

BOARD OF DIRECTORS



Dr. Thanong Bidaya

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

23 August 2012

Education/Training

- Ph.D. in Management
Northwestern University, U.S.A.
- M.A. in Economics
Northwestern University, U.S.A.
- B.A. in Economics
Yokohama National University, Japan
- Directors Accreditation Program (DAP),
Class 25/2004 Thai Institute of
Directors Association

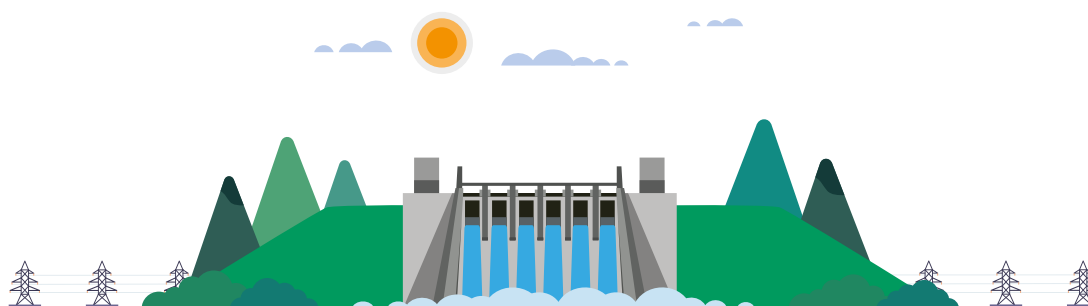
Position

Position in other Listed Company

- S.Khonkaen Foods Public Company Limited:
Chairman of the Board of Directors /
Independent Director
- Property Perfect Public Company Limited:
Chairman of the Board of Directors
- Scan Inter Public Company Limited:
Chairman of the Board of Directors /
Independent Director
- TTW Public Company Limited:
Chairman of the Board of Directors/
Independent Director

Position in other Company

- Xayaburi Power Company Limited:
Chairman of the Board of Directors





Mr. Plew Trivisvavet

Chairman of the Executive Committee

23 August 2012

Director

3 June 2011

Education/Training

- The Honorary Doctor of Science Degree, Industrial Management Technology, Southeast Bangkok College
- Honorable Doctorate of Engineering (Civil Engineering) Kasetsart University

- Honorable Doctorate of Science (Civil Engineering) Thai-Nichi Institute of Technology
- Honorable Doctorate of Engineering (Civil Engineering) Nakhon Phanom University
- Honorable Doctorate of Engineering (Civil Engineering) Rajamangala University of Technology Isan
- M.Sc. (Electrical Engineering), Osaka University, Japan
- B.Sc. (Electrical Engineering), Osaka University, Japan
- Advance Certificate of Energy Academy, Class 10/2017 Thailand Energy Academy
- National Defence Course for the Joint State Private Sector, Class 366 National Defence College
- Capital Market Academy Leadership Program (CMA), Class 4/2007 Capital Market Academy
- Director Certification Program (DCP), Class 50/2004 Thai Institute of Directors Association
- Director Accreditation Program (DAP), Class 18/2004 Thai Institute of Directors Association
- Finance for Non-Finance Directors (FND), Class 13/2004 Thai Institute of Directors Association

Position

Position in other Listed Company

- Bangkok Expressway and Metro Public Company Limited: Vice Chairman of the Board of Directors / Chairman of the Executive Committee / Nomination and Remuneration Committee Member / Director
- CH. Karnchang Public Company Limited: Corporate Governance and Risk Management Committee Member / Nomination and Remuneration Committee Member / Chairman of the Executive Committee
- TTW Public Company Limited: Vice Chairman of the Board of Directors / Director

Position in other Company

- Xayaburi Power Company Limited: Chairman of the Executive Committee / Director
- CH. Karnchang-Tokyu Construction Company Limited: Chairman of the Board of Directors
- Nam Ngum 2 Power Company Limited: Chairman of the Executive Committee / Director
- SouthEast Asia Energy Limited: Chairman of the Executive Committee / Director
- Bang Pa-in Land Development: Director



Dr. Jon Wongswan

Chairman of the Audit Committee / Independent Director

24 December 2018

Education/Training

- Doctor of Philosophy in Economics Duke University, U.S.A.
- Master of Economics Duke University, U.S.A.
- Bachelor of Economics (1st Class Honors and Gold Medal) Chulalongkorn University
- Director Accreditation Program (DAP), Class 157/2019 Thai Institute of Directors Association

Position

Position in other Listed Company

- Phatra Securities Public Company Limited: Assistant Managing Director: Head of Investment Solutions, Wealth Management Department / Assistant Managing Director: Head of Hedge Fund Department Equity Trading Group

Position in other Company

-



Mr. Narong Sangsuriya

Chairman of the Corporate Governance and Risk Management Committee

14 January 2013

Director

26 September 2011

Education/Training

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

Position

Position in other Listed Company

- CH. Karnchang Public Company Limited: Senior Executive / Corporate Governance and Risk Management Committee Member / Nomination and Remuneration Committee Member / Executive Committee / Director

Position in other Company

- Nam Ngum 2 Power Company Limited: Executive Committee / Director
- SouthEast Asia Energy Limited: Executive Committee / Director
- CH. Karnchang-Tokyu Construction Company Limited: Director



Dr. Vicharn Aramvareekul

Member of the Corporate Governance and Risk Management Committee

14 January 2013

Chairman of the Nomination and Remuneration Committee / Member of the Audit Committee / Independent Director

23 August 2012

Education/Training

- Doctorate of Business Administration, California Coast University, U.S.A.
- Master of Business Administration, Chulalongkorn University
- Bachelor of Business Administration, Sukhothai Thammathirat Open University
- Advance Audit Committee Program, Class 34/2019 Thai Institute of Directors Association
- Board that make Difference (BMD), Class 6/2018 Thai Institute of Directors Association
- Role of the Compensation Committee (RCC), Class 19/2014 Thai Institute of Directors Association
- Director Certification Program (DCP), Class 170/2013 Thai Institute of Directors Association

- 4-year Certification Program "Chemical Risk Assessment Method". The Oversea Human Resource & Industry Development Association (HIDA), Japan

Position

Position in other Listed Company

- Pacific Pipe Public Company Limited: Chairman of the Audit Committee / Independent Director

Position in other Company

- Daika (Thai) Inc., Ltd.: Chairman of the Advisory Board



Mr. Chaiwat Utaiwan

Director

9 June 2015

Executive Committee

9 April 2015

Education/Training

- Master of Business Administration
Sasin Graduate Institute of Business
Administration, Chulalongkorn University
- Master of Science
(Mathematics and Computer Science)
University of Louisville, Kentucky, U.S.A.

- Bachelor of Science in Statistics,
Faculty of Commerce and Accountancy
Chulalongkorn University
- Board Nomination and Compensation
Program (BNCP), Class 5/2018
Thai Institute of Directors Association
- Board that make Difference (BMD),
Class 7/2018 Thai Institute of Directors
Association
- National Defence Course, Class 20
The National Defence College
- Capital Market Academy Leadership
Program (CMA), Class 3
Capital Market Academy
- Corporate Governance for Directors and
Senior Executives of State Enterprises
and Public Organizations and Public
Director Institute, Class 12
- King Prajadhipok's Institute Top
Executive Program in Commerce
and Trade, Class 6
University of Thai Chamber of Commerce
- Bhumipalung Phandin Program for senior
executive level program, Class 1
Chulalongkorn University
- Role of Chairman Program (RCP),
Class 29/2012 Thai Institute of
Directors Association
- Director Certification Program (DCP),
Class 18/2002 Thai Institute of
Directors Association

Position

Position in other Listed Company

- Thanasiri Group Public Company Limited:
Chairman of the Board of Directors
- Grand Asset Hotels and Property Public
Company Limited: Chairman of the
Risk Management Committee /
Independent Director
- TTW Public Company Limited:
Advisor to the Board of Directors
- TBSP Public Company Limited:
Chairman of the Board of Directors

Position in other Company

- Next Capital Company Limited:
Chairman of the Board of Directors
- Advance Power Conversion Company
Limited: Chairman of the Board of Directors
- Thai Red Cross Society:
Director of Finance Bureau
- Faculty of Commerce and Accountancy,
Thammasat University: Qualified Director
- Thai Institute of Directors Association
(IOD): Director
- Faculty of Commerce and Accountancy,
Chulalongkorn University:
Director of Advisory
- King Rama II Phraboromrachanusorn
Foundation: Qualified Director
- Pathum Thani Water Company Limited:
Director
- Thai Water Operations Company Limited:
Director



Dr. Patarut Dardarannanda

**Member of the Nomination and
Remuneration Committee /
Member of the Audit Committee /
Independent Director**

21 February 2019

Education/Training

- Doctor of Philosophy Program in Public
Administration Ramkhamhaeng University
- Master of Science in Engineering (Civil)
Youngstown State University, Ohio, U.S.A.
- Bachelor of Engineering (Civil)
Chulalongkorn University
- Advanced Audit Committee Program
(AACCP), Class 34/2019 Institute of
Research and Development for
Public Enterprises
- Director Certificate Program (DCP),
Class 271/2019 Institute of Research and
Development for Public Enterprises
- Risk Management Program for corporate
Leaders (RCL), Class 18/2019 Institute of
Research and Development for Public
Enterprises
- Leadership Succession Program (LSP 1),
Institute of Research and Development
for Public Enterprises
- Digital Business Sustainability
EY Office Limited

Position

Position in other Listed Company

- TTW Public Company Limited:
Member Corporate Governance and
Risk Management Committee /
Member of the Audit Committee /
Independent Director

Position in other Company

- Bangkok Metropolitan Administration
(BMA): Permanent Secretary / Deputy
Permanent Secretary
- Department of Public Works: Director
General / Deputy Director General
- Mass Rapid Transit Authority of Thailand:
Board of Directors
- Office of the Permanent Secretary:
Deputy Inspector General



Mr. Prasert Marittanaporn

Member of the Nomination and Remuneration Committee

14 January 2013

Executive Committee

23 August 2012

Director

24 June 2011

Education/Training

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

Position

Position in other Listed Company

- CH. Karnchang Public Company Limited: Executive Committee / Corporate Social and Environmental Responsibility Committee Member / Director / Senior Executive

Position in other Company

- SouthEast Asia Energy Limited: Director
- Nam Ngum 2 Power Company Limited: Director
- CH. Karnchang-Tokyu Construction Company Limited: Director



Mr. Van Hoang Dau

Director

22 September 2016

Education/Training

- Bachelor Atlanta Technical School, Georgia, U.S.A.

Position

Position in other Listed Company

-

Position in other Company

- Xayaburi Power Company Limited: Executive Committee / Director
- Nam Ngum 2 Power Company Limited: Executive Committee / Director
- SouthEast Asia Energy Limited: Executive Committee / Director





Mr. Vorapote UChoepaiboonvong

Director

1 March 2016

Education/Training

- Master of Business Administration (International Banking and Finance) University of Birmingham, U.K.

- Master of Accountancy (Costing) Chulalongkorn University
- Bachelor of Accountancy Thammasat University
- Thailand Insurance Leadership Program, Class 9 Office of Insurance Commission (OIC)
- Security Management and Leadership for Executives Programme (SML), Class 10 The Association of National Defence College of Thailand Under The Royal-Patronage of His Majesty The King
- Capital Market Academy Leadership Program (CMA), Class 24 Capital Market Academy
- Executive Development Program, Class 9/2013 Fiscal Policy Research Institute Foundation (FPRI)
- Developing Corporate Governance Policy Thai Institute of Directors Association
- Company Secretary Program (CSP), Class 25/2008 Thai Institute of Directors Association
- Director Certification Program (DCP), Class 61/2005 Thai Institute of Directors Association

- Audit Committee Program (ACP), Class 10/2005 Thai Institute of Directors Association

Position

Position in other Listed Company

- Union Petrochemical Public Company Limited: Audit Committee Member / Independent Director

Position in other Company

- Bangkhengchai Company Limited: Chairman of the Board of Directors
- Nam Ngum 2 Power Company Limited: Executive Committee / Director / Managing Director
- SouthEast Asia Energy Company Limited: Executive Committee / Director / Managing Director
- Chiang Rai Solar Company Limited: Director
- Nakhon Ratchasima Solar Company Limited: Director
- Bangpa-in Cogeneration Limited: Director



Dr. Supamas Trivisvavet

Executive Committee / Director

23 August 2012

Education/Training

- Doctor of Philosophy in Public Administration University of Southern California, U.S.A.
- Master of Public Policy, Duke University, U.S.A.
- Bachelor of Arts, Chulalongkorn University

- Executive Program on the Rule of Law and Development (RoLD), Class 1/2017 Thailand Institute of Justice
- TIJ in Collaboration with the Institute of Global Law and Policy, Harvard Law School Workshop for Emerging Leaders and the Rule of Law & Policy, 2017 Thailand Institute of Justice
- Capital Market Academy Leadership Program (CMA), Class 22 Capital Market Academy
- Company Secretary Forum (R-CSF), Class 1/2013 Thai Institute of Directors Association
- Special Seminar (RSS), Class 1/2011 Thai Institute of Directors Association-Corporate Secretary Program (CSP), Class 37/2010 Thai Institute of Directors Association
- Effective Minute Taking (EMT), Class 16/2010 Thai Institute of Directors Association
- Board Reporting Program (BRP), Class 3/2010 Thai Institute of Directors Association
- Current Issue Seminar (R-CIS), Class 2/2010 Thai Institute of Directors Association
- Director Certification Program (DCP), Class 106/2008 Thai Institute of Directors Association

- Developing Corporate Governance Policy, 2008 Thai Institute of Directors Association

Position

Position in other Listed Company

- CH. Karnchang Public Company Limited: Executive Committee / Director / President

Position in other Company

- Kamala Senior Living Company Limited: Director
- CH. Karnchang Real Estate Company Limited: Director
- CH. Karnchang-Tokyu Construction Company Limited: Director
- Mahasiri Siam Company Limited: Director
- CH. Karnchang Holding Company Limited: Director
- CK. Office Tower Company Limited: Director
- Bang Pa-in Land Development Company Limited: Director
- Cholavet Civil Company Limited: Director
- Bangkhengchai Company Limited: Director



Mr. Thanawat Trivisvavet

**Member of Corporate Governance
and Risk Management Committee /
Managing Director /
Company Secretary**

1 July 2015

Executive Committee

23 August 2012

Director

3 June 2011

Education/Training

- Master of Economics
Northwestern University, U.S.A.
- Bachelor of Economics
(1st Class Honors)
Duke University, U.S.A.
- Director Certification Program (DCP),
Class 116/2009 Thai Institute of
Directors Association

Position

Position in other Listed Company

-

Position in other Company

- Bangpa-in Cogeneration Company Limited:
Chairman of the Board of Directors /
Director
- Xayaburi Power Company Limited:
Executive Committee / Director /
Managing Director
- Nam Ngum 2 Power Company Limited:
Executive Committee / Director



BUSINESS OPERATIONS

PART 1



BUSINESS POLICY AND OVERVIEW

BUSINESS OVERVIEW

CK Power Public Company Limited (the “Company” or “CKP”) was founded by CH. Karnchang Public Company Limited Group (“CH. Karnchang Group”), registered its incorporation on June 8, 2011, with its registered capital of Baht 1,000,000, and with the objective to become the center of CH. Karnchang Group’s focus on investment in the business of production and distribution of electricity generated from various types of energy sources. The Company registered its conversion into a public company on February 6, 2013, and its ordinary shares were listed as listed securities, and started trading on the Stock Exchange of Thailand (“Stock Exchange”) on July 18, 2013, with its registered capital of Baht 5,500 Million, fully paid-up. On April 10, 2015, the Company registered its capital increase to Baht 9,240 Million. At present, the Company’s registered and paid-up capital amounts to Baht 8,129 Million.

The Company currently invests in companies operating the business of production and distribution of electricity in three types of power plants, which are, Hydroelectric Power Plant, Cogeneration Power Plant, and Solar Power Plant, divided into investment in a total of six subsidiaries and associated companies, as follows:



HYDRO POWER



COGENERATION



SOLAR ENERGY

Investment in power plants of three subsidiaries, comprising:

- 1) Nam Ngum 2 Power Company Limited (“NN2”), as the Company’s core company, whose shares are held by the Company representing 46 percent, via SouthEast Asia Energy Limited (“SEAN”);
- 2) Bangpa-in Cogeneration Limited (“BIC”), whose shares are held by the Company representing 65 percent;
- 3) Bangkhenchai Company Limited (“BKC”), whose shares are held by the Company representing 100 percent.

Investment in power plants of three associated companies, comprising:

- 1) Xayaburi Power Company Limited (“XPCL”), whose shares are held by the Company representing 37.5 percent;
- 2) Chiangrai Solar Company Limited (“CRS”), whose shares are held by the Company representing 30 percent;
- 3) Nakhon Ratchasima Solar Company Limited (“NRS”), whose shares are held by the Company representing 30 percent.

NN2	BIC	BKC	XPCL	CRS	NRS
46%	65%	100%	37.5%	30%	30%

VISION, MISSIONS AND OBJECTIVES



VISION

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



MISSIONS

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



OBJECTIVES

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

SIGNIFICANT CHANGES AND DEVELOPMENT

● 2011

- On June 8, 2011, the Company was registered for its incorporation with the registered capital of Baht 1,000,000, with the objective to become the center of CH. Karnchang Group's focus on investment in the business of production and distribution of electricity generated from various types of energy sources.



● 2012

- On May 10, 2012, the Company acquired additional 110,112,500 ordinary shares in SEAN from Bangkok Expressway Public Company Limited (BECL), representing 16.7 percent of its registered capital, and as a result, the Company held a total of 361,168,999 shares in SEAN, representing 54.7 percent of its registered and fully paid-up capital.
- On June 26, 2012, the Company acquired ordinary shares in two companies operating in the business of solar power production and distribution from CH. Karnchang Public Company Limited ("CK"), as follows:
 - 2,342,498 shares in BKC, representing 100 percent of its registered and fully paid-up capital.
 - 664,500 shares in NRS, representing 30 percent of its registered capital, 85.06 percent of which was paid-up.
- On August 31, 2012, the Company acquired additional 8,809,000 shares in SEAN from TEAM Consulting Engineering and Management Co., Ltd., representing 1.3 percent of its registered capital, thereby resulting in the Company's shareholding in SEAN totaling 369,977,999 shares, or 56 percent of its registered and fully paid-up capital.
- On December 26, 2012, the Company acquired from CK ordinary shares in two companies operating in the business of electricity production and distribution in Solar Power and Cogeneration Power, as follows:
 - 875,250 shares in CRS, representing 30 percent of its registered capital, 95 percent of which was paid-up.
 - 63,019,999 shares in BIC, representing 46 percent of its registered and fully paid-up capital.

Remark: ¹ At present, Bangkok Expressway and Metro Public Company Limited ("BEM").

● 2013

- On January 2, 2013, the Company acquired additional 26,029,999 shares in BIC, representing 19 percent of its registered capital, from Bangpa-in Land Development Co., Ltd., and as a result, the Company held a total of 89,049,998 shares in BIC, or 65 percent of BIC's registered and fully paid-up capital.
- On January 11, 2013, the Company decreased its registered capital from Baht 9,200 Million to Baht 3,066.7 Million, divided into 306.7 million ordinary shares at the par value of Baht 10 each. The capital decrease was made to return the decreased capital to the shareholders in proportion to their shareholding percentage. Subsequently, in February 2013, the Company increased its registered capital to be Baht 4,600 Million for sale to the existing shareholders in proportion to their shareholding percentage, and reduce the par value per share from Baht 10 each to Baht 5 each. Concurrently, the Company also increased its registered capital from Baht 4,600 Million to Baht 5,500 Million by issuance of new 180 million ordinary shares at the par value of Baht 5 each for public offering.
- On February 6, 2013, the Company registered its conversion into a public company and change of its name to CK Power Public Company Limited.
- On July 18, 2013, the Company started trading its ordinary shares on the Stock Exchange of Thailand.

● 2014

- On April 22, 2014, the 2014 Annual Ordinary General Meeting of Shareholders resolved to grant approval for the Company to transfer the share premium in the amount of Baht 170 Million to offset the Company's deficit in the Company's separate financial statements.
- On October 28, 2014, the Company's Extraordinary General Meeting of Shareholders No. 1/2014 resolved to grant approval for BIC to execute a connected transaction for engagement of CK, the Company's major shareholder, as EPC Contractor for construction of the Bangpa-in Cogeneration Power Project 2 ("BIC2"), with a total value not exceeding Baht 4,310 Million. BIC2 was scheduled to start the construction on January 1, 2015, for a period of 29 months.

● 2015

- On April 24, 2015, the Company made the dividend payment from the operating results for 2014 at the rate of Baht 0.1 per share in the total amount of Baht 110 Million, representing the first dividend payment of the Company.
- On May 29, 2015, the Company decreased the par value per share from Baht 5 to Baht 1 and increased the Company's registered capital by Baht 3,740 Million, the total registered capital then amounted to Baht 9,240 Million, divided into:
 - 1) 1,870 million newly issued ordinary shares for offering for sale to the existing shareholders in proportion to their shareholding percentage (Rights Offering), with the result of the registered and paid-up capital amounting to Baht 7,370 Million.
 - 2) 1,870 million ordinary shares to accommodate the exercise of the right to convert the warrants to purchase the Company's newly issued ordinary shares ("CKP-W1") in the amount of 1,870 million units.
- On June 4, 2015, 1,870 million newly issued ordinary shares started trading on the Stock Exchange.
- On June 9, 2015, 1,870 million units of CKP-W1 started trading on the Stock Exchange.
- On June 9, 2015, the Company acquired 805,830,000 shares in XPCL from CK representing 30 percent of its registered capital, in the total amount of approximately Baht 4,344 Million.

PART
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● 2016

- On April 19, 2016, the Company's 2016 Annual Ordinary General Meeting of Shareholders resolved to grant approval as follows:
 - 1) Approval was granted for the Company to issue and offer for sale the debentures in the total amount not exceeding Baht 10,000 Million or equivalent in other currency.
 - 2) Approval was granted for NN2 to execute a connected transaction for engagement of CH. Kamchang (Lao) Co., Ltd. ("CHK") for the upgrade of voltage and the construction of the 230/500 kV Nabong Substation, in the total amount of Baht 799.85 Million and USD 39.11 Million (exclusive of value added tax), in order to accommodate the power transmission from various projects having the power purchase agreements with the Electricity Generating Authority of Thailand ("EGAT"). The construction was scheduled to be completed in 2018.
- On May 16, 2016, the Company made the dividend payment from the operating results for 2015 at the rate of Baht 0.02 per share, in the total amount of Baht 164.4 Million.
- On June 17, 2016, the Company issued and offered for sale the debentures No. 1/2016 to institutional investors and/or high net worth investors, in the total amount of Baht 4,000 Million, with a maturity of three years, at the interest rate of 4 percent per annum. The debentures were name-registered, unsubordinated, unsecured debentures, with debentureholder representative and the issuer's right to early redemption.
- On September 14, 2016, NN2 entered into the long-term loan agreement with the lending financial institutions for refinancing of existing long-term loans and additional financing for the upgrade and the construction of the Nabong Substation. This achievement resulted in a decrease of NN2's financial costs and enhanced NN2's liquidity.

● 2017

- On May 18, 2017, the Company made the dividend payment from the operating results for 2016 at the rate of Baht 0.06 per share, in the total amount of Baht 442.2 Million.
 - On June 29, 2017, BIC2 commenced its commercial operation. BIC2 has an installed capacity of 120 MW, subject to the Power Purchase Agreement with EGAT in the amount of 90 MW for a period of 25 years from the Commercial Operation Date, and distributes the remaining electricity to industrial operators in the Bangpa-in Industrial Estate.
 - On July 25, 2017, the Extraordinary General Meeting of Shareholders of NN2 No. 1/2017 resolved to grant approval for NN2 to issue and offer for sale the debentures for debt repayment to financial institutions in the amount and the outstanding value of the debentures not exceeding the existing long-term loan obligations of NN2 owed to the financial institutions, in Baht currency and/or its equivalent in foreign currency, whereby the debentures can be issued and offered for sale in one or several series, on a single or several occasions.
 - In July 2017, BIC called for the payment of the remaining ordinary share for capital increase for investment in BIC2, which was fully paid-up, and as a result, BIC's current registered capital was fully paid-up, at Baht 2,705 Million.
 - On October 5, 2017, NN2 issued and offered for sale the name-registered, unsubordinated, unsecured debentures No. 1/2017, with debentureholder representative, to institutional investors and high net worth investors, in the amount of Baht 6,000 Million, divided into:
 - the debentures with a maturity of three years, at the interest rate of 2.59 percent per annum, in the amount of Baht 1,000 Million;
 - the debentures with a maturity of seven years, at the interest rate of 3.48 percent per annum, in the amount of Baht 1,400 Million; and
 - the debentures with a maturity of ten years, at the interest rate of 3.69 percent per annum, in the amount of Baht 3,600 Million.
- In this regard, NN2 received a corporate rating of "A/Stable Outlook", and received an issue rating of "A-/Stable Outlook" from TRIS Rating Co., Ltd. ("TRIS Rating").

● 2018

- On March 30, 2018, NN2 issued and offered for sale the name-registered, unsecured, unsubordinated, amortizing repayment debenture No. 1/2018, with debentureholder representative and the issuer's right to early redemption, in the amount of Baht 3,000 Million, with a maturity of 12 years, at the rate of 3.98 percent per annum. NN2 received a corporate rating of "A/Stable Outlook", and received an issue rating of "A-/Stable Outlook" from TRIS Rating. In this regard, NN2 used the proceeds from the issuance and offering for sale of the debentures to repay the USD-currency debentures to reduce the financial cost.
- On April 10, 2018, the 2018 Annual Ordinary General Meeting of Shareholders of the Company resolved to approve the acquisition of shares in XPCL representing 7.5 percent of XPCL's registered capital in the total amount of approximately Baht 2,065 Million from BEM, as well as approving the share payment in proportion to its shareholding percentage in XPCL until completion of the construction of the Xayaburi Project, in the amount of approximately Baht 399.2 Million.
- On May 8, 2018, the Company made the dividend payment from the operating results for 2017 at the rate of Baht 0.0225 per share in the total amount not exceeding Baht 165.8 Million, representing 57.9 percent of the net profit under the separate financial statements.
- On May 28, 2018, the Board of Directors' meeting of BKC resolved to approve the investment in six Solar Rooftop and Solar Farm Projects for production and distribution of electricity to the private-sector operators, with the total installed capacity of 6.7 MW. The construction commenced from the third quarter of 2018 and was expected to gradually start the production and commercial distribution of electricity in 2019.
- On June 18, 2018, the Company issued and offered for sale the name-registered, unsubordinated, unsecured debentures No. 1/2018, without debentureholder representative, to institutional investors, in the amount of Baht 6,500 Million, divided into:
 - the debentures with a maturity of three years, at the interest rate of 2.56 percent per annum, in the amount of Baht 4,000 Million; and
 - the debentures with a maturity of ten years, at the interest rate of 4.06 percent per annum, in the amount of Baht 2,500 Million, with the issuer's right to early redemption

The Company received a corporate rating of "A/Stable Outlook", and received an issue rating of "A-/Stable Outlook" from TRIS Rating. The Company utilized the proceeds from the issuance and offering for sale of such debentures to repay the debentures No. 1/2016 issued and offered for sale in 2016 in the amount of Baht 4,000 Million and to pay for the shares in XPCL additionally acquired by the Company from BEM representing 7.5 percent in the amount of Baht 2,065 Million. The remainder of the proceeds was to be used for capital increase in XPCL which would gradually call for the payment until completion of the construction of the project.
- In August 2018, NN2 completed the upgrade and construction of the Nabong Substation to accommodate transmission of electricity from various projects having the power purchase agreements with EGAT.
- On October 19, 2018, the Company received an "Excellent" CG Score rating from Corporate Governance Report of Thai Listed Companies 2018 published by the Thai Institute of Directors Association.
- During November to December 2018, NN2 underwent the Partial Overhaul according to plan.

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SIGNIFICANT DEVELOPMENT IN 2019



- On April 11, 2019, TRIS Rating affirmed the Company's corporate rating of "A/Stable Outlook", and also affirmed the Company's issue rating for unsubordinated and unsecured debentures of "A-/Stable Outlook".
- On May 15, 2019, the Company purchased additional shares in SEAN accounting for 5.33 percent from PT Holding Limited, totaling Baht 681.5 Million, with SEAN being the major shareholder in NN2, a subsidiary engaging in the Company's main business, thereby resulting in an increase in the Company's shareholding percentage in SEAN from 56.0 percent to 61.33 percent of the registered capital and an increase in its proportion of indirect investment in NN2 from 42.0 percent to 46.0 percent.
- On May 21, 2019, the Company paid the dividend from the operating results of the year 2018 at the rate of Baht 0.0280 per share, in the total amount of Baht 206.4 Million, representing the dividend payment rate of 85.7 percent of the net profit under the separate financial statements.
- On June 30, 2019, there were 594.2 million shares exercised under CKP-W1, equivalent to Baht 3,565.4 Million. The Company registered the capital increase on July 1, 2019, and after the capital increase registration, the Company's registered capital increased to Baht 7,964.2 Million.
- On September 30, 2019, there were 165.1 million shares exercised under CKP-W1, equivalent to Baht 990.9 Million. The Company registered the capital increase on October 1, 2019, and after the capital increase registration, the Company's registered capital increased to Baht 8,129.4 Million.
- On October 25, 2019, the Company received an "Excellent" CG Score rating from Corporate Governance Report of Thai Listed Companies 2019 published by the Thai Institute of Directors Association.



NAM NGUM 2 POWER

NN2

- On February 8, 2019, TRIS Rating affirmed NN2's corporate rating of "A/Stable Outlook" and also upgraded NN2's issue rating for all debenture series to "A/Stable Outlook".
- On March 7, 2019, NN2 issued and offered for sale the name-registered, unsecured, unsubordinated debentures No. 1/2019, with debentureholder representative, in the amount of Baht 6,000 Million divided into:
 - the amortizing repayment-typed debentures with a maturity of three years, at the interest rate of 3.18 percent per annum, in the amount of Baht 3,200 Million;
 - the debentures with a maturity of four years, at the interest rate of 3.44 percent per annum, in the amount of Baht 800 Million; and
 - the amortizing repayment-typed debentures with a maturity of eight years, at the interest rate of 3.88 percent per annum, in the amount of Baht 2,000 Million, with the issuer's right to early redemption;
- NN2 utilized the proceeds from the issuance and offering for sale of the debentures to repay all outstanding loans from the financial institutions to reduce the financial cost.
- NN2 entered into the Nabong Substation Lease Agreement with the Government of the Lao PDR after completion of the upgrade of the voltage and the construction of the Nabong Substation, with effect from January 1, 2019.



- On June 2, 2019, Bangpa-In Cogeneration Power Project 1 underwent the Major Overhaul according to plan.


BKC

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01

- BKC invested in six Solar Rooftop and Solar Farm Power Plants, as follows:
 - Solar Rooftop Power Plant in Amphoe Phachi, Phra Nakhon Si Ayutthaya Province ("Phachi Solar Power Plant"), with the installed capacity of 0.89 MW, with the commencement of the electricity distribution to the private-sector operator in February 2019.
 - Solar Rooftop Power Plant in Amphoe Banglen, Nakhon Pathom Province ("Banglen Solar Power Plant"), with the installed capacity of 0.97 MW, with the commencement of the electricity distribution to the private-sector operator in May 2019.
 - Solar Rooftop Power Plant in Amphoe Sampran, Nakhon Pathom Province ("Phutthamonthon Sai 5 Solar Power Plant"), with the installed capacity of 0.97 MW, with the commencement of the electricity distribution to the private-sector operator in June 2019.
 - Solar Rooftop Power Plant in Amphoe Mueang Samut Sakhon, Samut Sakhon Province ("Mahachai Solar Power Plant"), with the installed capacity of 0.72 MW, with the commencement of the electricity distribution to the private-sector operator in June 2019.
 - Solar Rooftop Power Plant in Amphoe Krathum Ban, Samut Sakhon Province ("Krathum Ban Solar Power Plant"), with the installed capacity of 0.51 MW, with the commencement of the electricity distribution to the private-sector operator in July 2019.
 - Solar Farm Power Plant in Amphoe Khlong Preng, Chachoengsao Province ("Khlong Preng Solar Power Plant"), with the installed capacity of 2.67 MW, which was currently under construction.


XPCL

- The Xayaburi Hydroelectric Power Plant, with the installed capacity of 1,285 MW, 1,220 MW of which shall be distributed to EGAT and 60 MW of which shall be distributed to Electricite du Laos, with the commencement of the commercial operation by distributing electricity to EGAT on October 29, 2019 according to schedule specified in the Power Purchase Agreement with EGAT.

SHAREHOLDING STRUCTURE

POLICY ON OPERATION DIVISION OF GROUP COMPANIES

The Company operates its business as a holding company by investing in the companies which operate the business of production and distribution of electricity generated from various types of energy. The Company's core revenue under the Company's separate financial statements is derived from dividends from its investments in its subsidiaries and associated companies.

The Company has a mechanism in place to supervise operations of its subsidiaries and associated companies in a form of Shared Service Center, which performs work as if it were a work unit of such subsidiaries and associated companies, thereby enabling the Company to establish work methods to meet standards, with segregation of duties and appropriate internal control. Furthermore, it is a management technique which builds up employee's expertise in a specific field to ensure more efficient operation and more effective management.

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SHAREHOLDING STRUCTURE OF THE COMPANY GROUP

The Company's total investment value in companies operating the business of production and distribution of electricity as the Company's core business is 100 percent, which is in accordance with the criteria for maintaining the status of listed companies of holding companies pursuant

to the Regulations of the Stock Exchange of Thailand Re: Listing of Ordinary Shares or Preferred Shares as Listed Securities B.E. 2558 (2015). The details of the shareholding structure of the Company Group are as follows:

Group of Companies Operating Core Business	Nature of Business	Shareholding Percentage (%)	Other Shareholders
SouthEast Asia Energy Limited	Investment in hydroelectric power production business	61.33%	<ul style="list-style-type: none"> RATCH Group Public Company Limited 33.34% Shlapak Development Company Limited 5.33%
Nam Ngum 2 Power Company Limited ¹	Production and distribution of electricity from hydroelectric power	46.00% ²	<ul style="list-style-type: none"> SouthEast Asia Energy Limited 75.00% EDL - Generation Public Company Limited 25.00%
Bangpa-in Cogeneration Limited	Production and distribution of electricity and steam from the cogeneration system	65.00%	<ul style="list-style-type: none"> Global Power Synergy Company Limited 25.00% Industrial Estate Authority of Thailand 8.00% Other minority shareholders 2.00%
Bangkhenchai Company Limited	Production and distribution of electricity from the solar power	100.00%	-
Xayaburi Power Company Limited	Production and distribution of electricity from hydroelectric power	37.50%	<ul style="list-style-type: none"> Natee Synergy Company Limited 25.00% EDL - Generation Public Company Limited 20.00% Electricity Generating Public Company Limited 12.50% PT Sole Company Limited 5.00%
Nakhon Ratchasima Solar Company Limited	Production and distribution of electricity from the solar power	30.00%	Constant Energy Thailand I Co., Ltd. 70.00%
Chiangrai Solar Company Limited	Production and distribution of electricity from the solar power	30.00%	Constant Energy Thailand II Co., Ltd. 70.00%
CKP Solar Limited*	Development of electricity production business of various types	100.00%	-
Vis Solis Limited*	Development of electricity production business of various types	100.00%	-
Helios Power Limited*	Development of electricity production business of various types	100.00%	-
Apollo Power Limited*	Development of electricity production business of various types	100.00%	-
Sole Power Limited*	Development of electricity production business of various types	100.00%	-

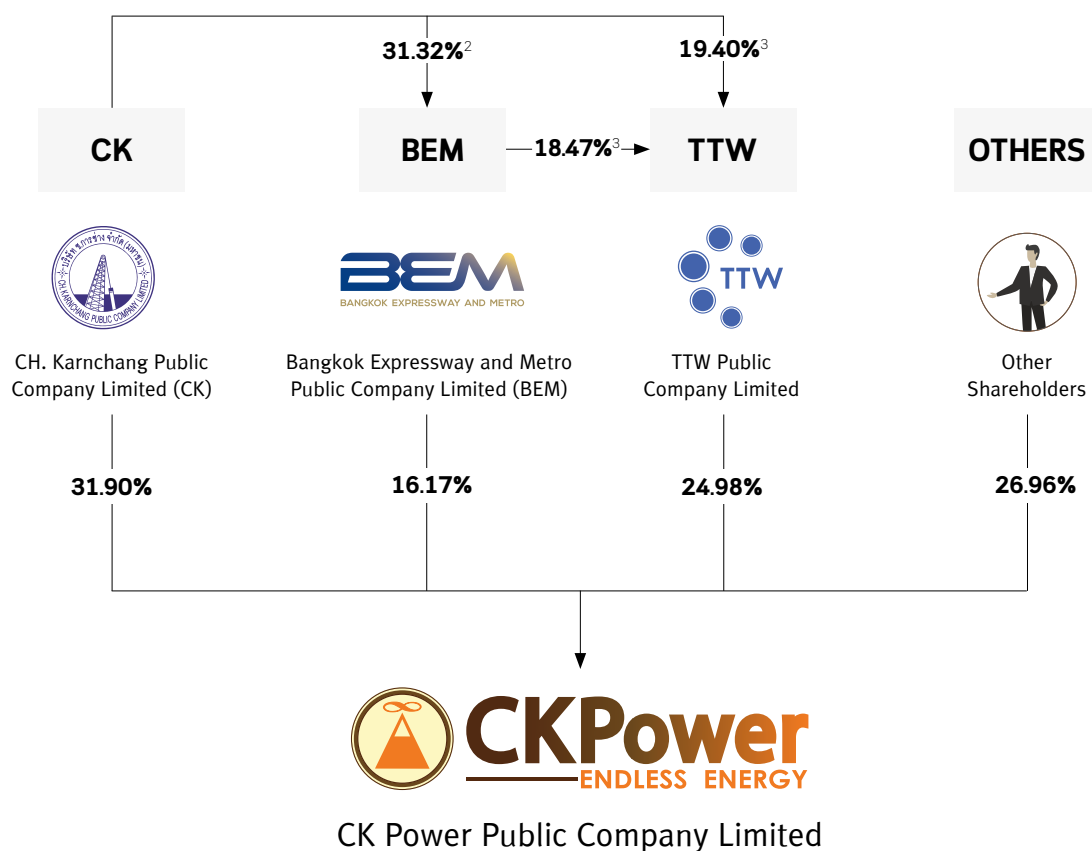
Remarks: ¹ Core company of CKP.
² Calculated basde on SEAN's shareholding percentage by CKP.
 * Not in operation.



RELATIONSHIP WITH MAJOR SHAREHOLDERS

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The Company's shareholding structure and percentages as at December 27, 2019, which was the Company's most recent closing date of the share register¹, were as follows:



The Company's three major shareholders comprise CK (31.90 percent), BEM (16.17 percent), and TTW Public Company Limited (TTW) (24.98 percent), all of which, including the Company, are deemed to be in CH. Karnchang Group.

Remarks:

¹ Source: www.set.or.th

² Shareholding proportion (%) as at the closing date of the shareholder register for suspension of share transfer for the right to receive dividend of BEM on August 23, 2019.

³ Shareholding proportion (%) as at the closing date of the shareholder register for suspension of share transfer for the right to receive dividend of TTW on August 27, 2019.

PART
01

NATURE OF BUSINESS OPERATIONS

The Company operates its core business as a holding company, engaging in production and sales of electricity from various types of energy, both in Thailand and overseas. The Company's core revenue as shown in the consolidated financial statements is derived from revenue from sales of electricity and steam (including electricity tariff adders) and

project management income. As at December 31, 2019, the Company has the total installed capacity of 2,167 MW. The Company classifies its investments in the electricity production and distribution business into three business sectors as follows:



HYDRO POWER

01

HYDROELECTRIC POWER PLANT

- Nam Ngum 2 Hydroelectric Power Plant ("Nam Ngum 2 Power Plant")
- Xayaburi Hydroelectric Power Plant ("Xayaburi Power Plant")



COGENERATION

02

COGENERATION POWER PLANT

- Bangpa-in Cogeneration Power Plant 1 ("BIC1")
- Bangpa-in Cogeneration Power Plant 2 ("BIC2")



SOLAR ENERGY

03

SOLAR POWER PLANT

- Bangkhenchai Solar Power Plant ("Bangkhenchai Solar Power Plant")
- Chiangrai Solar Power Plant ("Chiangrai Solar Power Plant")
- Nakhon Ratchasima Solar Power Plant ("Nakhon Ratchasima Solar Power Plant")
- Phachi Solar Power Plant in Phra Nakhon Si Ayutthaya Province ("Phachi Solar Power Plant")
- Banglen Solar Power Plant in Nakhon Pathom Province ("Banglen Solar Power Plant")
- Phutthamonthon Sai 5 Solar Power Plant in Nakhon Pathom Province ("Phutthamonthon Sai 5 Solar Power Plant")
- Mahachai Solar Power Plant in Samut Sakhon Province ("Mahachai Solar Power Plant")
- Krathum Ban Solar Power Plant in Samut Sakhon Province ("Krathum Ban Solar Power Plant")
- Khlong Preng Solar Power Plant in Chachoengsao Province ("Khlong Preng Solar Power Plant")

Revenue Breakdown during 2017-2019

(Unit: Million Baht)

Revenue	Installed Capacity (MW)	Operated by	% of Shareholding	2017	% of Total Revenue	2018	% of Total Revenue	2019	% of Total Revenue
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REVENUE FROM SALES OF ELECTRICITY AND STEAM

Hydroelectric Power Plant	615.0	SEAN	61.3%	3,318.3	47.8%	3,949.3	43.3%	3,048.0	32.9%
Cogeneration Power Plants	237.5	BIC	65.0%	3,315.5	47.8%	4,864.6	53.3%	5,030.2	54.2%
Solar Power Plant	14.7	BKC	100.0%	139.8	2.0%	136.1	1.5%	144.8	1.6%
Total Revenue from Sales of Electricity and Steam				6,773.7	97.7%	8,949.9	98.1%	8,223.0	88.7%

SHARE OF PROFIT (LOSS) FROM INVESTMENTS
IN JOINTLY CONTROLLED ENTITIES AND ASSOCIATED COMPANIES

Hydroelectric Power Plant	1,285.0	XPCL	37.5%	(25.9)	(0.4%)	(33.7)	(0.4%)	392.2	4.2%
Solar Power Plant	8.0	CRS	30.0%	17.4	0.3%	16.9	0.2%	24.0	0.3%
Solar Power Plant	6.0	NRS	30.0%	13.7	0.2%	23.5	0.3%	16.9	0.2%
Total Share of Profit (loss) from Investments in Jointly Controlled Entities and Associated Companies				5.2	0.1%	6.7	0.1%	433.1	4.7%

OTHER INCOME

Project Management Income	The Company	105.0	1.5%	119.9	1.3%	153.9	1.7%
Interest Income and Other Income*	The Company and its subsidiaries	51.2	0.7%	45.0	0.5%	463.3	5.0%
Total Other Income		156.2	2.3%	164.9	1.8%	617.2	6.7%
Total Revenue		6,935.1	100.0%	9,121.5	100.0%	9,273.3	100.0%

Remark: * Excluding foreign exchange gain

PART
0101 HYDROELECTRIC
POWER BUSINESS

The power plants in this sector comprise:

- Nam Ngum 2 Hydroelectric Power Plant ("Nam Ngum 2 Power Plant");
- Xayaburi Hydroelectric Power Plant ("Xayaburi Power Plant").

PRODUCTS OR SERVICES OF HYDROELECTRIC POWER BUSINESS

THE NAM NGUM 2 HYDROELECTRIC POWER PLANT

The Company holds shares in the Nam Ngum 2 Hydroelectric Power Plant, representing 46 percent of the registered and paid-up capital (by investment via SouthEast Asia Energy Limited) in Nam Ngum 2 Power Company Limited ("NN2"), which is a company registered in the Lao People's Democratic Republic ("Lao PDR"), and is awarded the concession from the Government of the Lao PDR for the design, development, construction and operation of Nam Ngum 2 Hydroelectric Power Plant for a period of 25 years from the Commercial Operation Date.

The Nam Ngum 2 Power Plant is located on the Nam Ngum River between Phou Xay and Phou Houat, Xayasomboun Province, Lao PDR, 35 kilometers northeast and upstream of Nam Ngum 1 Power Plant, and 90 kilometers from Vientiane, the capital city of 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 shall be sold to the Electricity Generating Authority of Thailand ("EGAT") pursuant to the Power Purchase Agreement for a period of 25 years from the Commercial Operation Date.

REVENUE FROM SALES OF ELECTRICITY OF
NAM NGUM 2 HYDROELECTRIC POWER PLANT

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

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

- Secondary Energy ("SE"): 92 GWh per year. This refers to the electrical energy generated only during August, September and October each year, all payments for which will be made in Thai Baht.
- Excess Energy ("EE") is the excess electricity generated when the volume of water exceeds the forecast, thereby, in such month, enabling The Plant to generate electricity in excess of the target designated in (a) and (b) as declared to EGAT in advance. The excess electricity will be considered the Excess Energy, all payments for which will be made in Thai Baht.

In addition, if electricity can be generated in excess of the designated target of PE or SE per year as determined in the Agreement, such Excess Energy may be accumulated in the Reserve Account, which may be utilized in the future in any year in which the project cannot generate and sell electricity to EGAT to meet the target as specified in the Power Purchase Agreement. The Reserve Account will be settled every 10 years in 2022, 2032, and the year ending the Power Purchase Agreement.

In case the water volume in the reservoir is low to the extent that it cannot generate electricity to meet the volume equivalent to PE or SE per year as determined in the Agreement, Nam Ngum 2 Project can accumulate the electricity units which have not yet been produced to be added in the electricity volume to be produced in the following year.

XAYABURI HYDROELECTRIC POWER PROJECT

The Company holds shares in Xayaburi Power Company Limited ("XPCL"), representing 37.5 percent of XPCL's registered and paid-up capital. XPCL is a company registered in the Lao PDR and is awarded the concession from the Government of the Lao PDR for the design, development, construction and operation of the Xayaburi Hydroelectric Power Plant for a period of 31 years from the Commercial Operation Date.

The Xayaburi Power Plant is a large run-of-river hydropower project on the Mekong River, with its construction designed by the hydroelectric power engineering model in order to avoid, prevent and minimize environmental and social impacts. Such design includes fishery resource preservation, sediment flushing, navigation, together with erosion prevention, and water quality preservation. With respect to the project safety, the large-sized spillway gates and sediment routing gates have been designed and constructed to effectively tolerate earthquake and natural disasters. In addition, machinery and equipment with the state-of-the-art technology from the high expertise and world-class manufacturers have been selected for electricity production.

The Xayaburi Hydroelectric Power Plant is a run-of-river type, which does not require high water head level, with its volume of water outflow equivalent to the water intake each day, which is different from the Nam Ngum 2 Power Plant, a storage-dam type. The Power Plant is located entirely within the boundary of the Lao PDR, on the Mekong

downstream, approximately 80 kilometers south of Luang Prabang Province, and approximately 160 kilometers from Amphoe Chiang Khan, Loei Province, Thailand, with the commencement of its commercial operations on October 29, 2019. Its installed capacity is 1,285 MW, 1,220 MW of which shall be sold to EGAT under the Power Purchase Agreement for 29 years from the Commercial Operation Date; and 60 MW of which shall be sold to Electricité du Laos ("EdL") under the Power Purchase Agreement between EdL and XPCL, for the period equal to the concession period granted from the Government of the Lao PDR.

REVENUE FROM SALES OF ELECTRICITY OF THE XAYABURI HYDROELECTRIC POWER PLANT

The Power Purchase Agreement determines the Annual Supply Target of 5,709 GWh to be purchased by EGAT, divided into:

- (a) Primary Energy (PE): 4,299 GWh per year, with the production capacity not exceeding 16 hours per day on Monday to Saturday. The payments for PE shall be made in Thai Baht and USD.
- (b) Secondary Energy (SE): 1,410 GWh per year, with the production capacity not exceeding 5.35 hours on Monday to Saturday only and not exceeding 8 hours on Sunday. All payments for SE shall be made in Thai.

Moreover, if the volume of water exceeds the forecast, Excess Energy (EE) can be produced. All payments for EE are made in Thai Baht.

MARKETING AND COMPETITION IN HYDRO POWER BUSINESS

The hydroelectric plant development relies on the suitability of the geographical locations. Countries in ASEAN region like the Lao PDR, Cambodia, Myanmar, including the People's Republic of China, have high potential for development of such projects for sale of the generated electricity to Thailand.

According to Thailand Power Development Plan 2018-2037 or PDP2018, in April 2019, Thailand jointly executed the Memorandum of Understanding ("MOU") for cooperation in the development and sale of the electric power to Thailand and neighboring countries, as follows:

- The Lao PDR, 9,000 MW, without specifying the end of the MOU term
- Myanmar, without specifying the power purchase volume, and with the MOU term until December 31, 2020
- Cambodia, without specifying the power purchase volume nor specifying the end of the MOU term

Based on the Memorandum of Understanding between Thailand and the Lao PDR, EGAT currently made the total power purchase of approximately 5,936 MW.

PART
01

The Company is confident in its competitiveness in hydroelectric power business through experience and expertise of its personnel in the development of the large-scale hydroelectric power plants, as well as through its ability to manage cooperation across companies within the group, which help ensuring that construction is under control within the specified time, budget, and scheduled Commercial Operation Date.

SUPPLY OF PRODUCTS OR SERVICES IN HYDROELECTRIC POWER BUSINESS

POWER GENERATION BY HYDROELECTRIC POWER PLANTS

The Nam Ngum 2 Power Plant is a storage dam, which impounds water in a reservoir, constructed with the water storage level higher than the powerhouse. When water is released from the water tunnels, the immense pressure of water in the tunnels will drive the turbine to spin at high velocity, and the turbine shaft mounted to the shaft of the generator will rotate the enclosed generator and hence produce electricity.

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

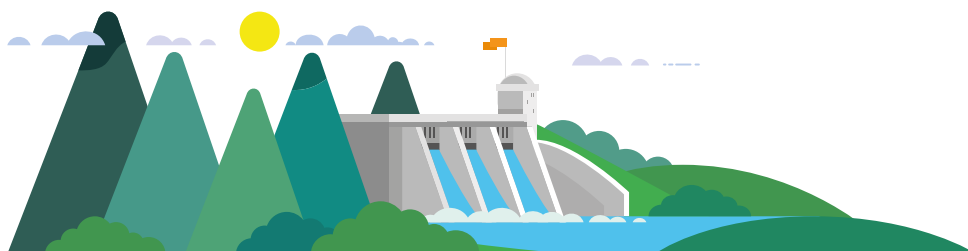
On the contrary, the Xayaburi Power Plant is a large run-of-river hydropower project, where the volume of water intake is equivalent to the water outflow, without storage or diversion of water from the Mekong River. Water will flow through and cause the turbine's blades to spin and the shaft of the generator mounted to the turbine will then rotate. Such rotation will drive the generator to produce electricity.

The powerhouse of the Xayaburi Power Plant is equipped with the Kaplan turbine at a low-rotational speed which is designed to provide safe passage for fish, and also equipped with 8 generator units, consisting of 7 turbine and generator units of 175 MW each and one turbine and generator unit of 60 MW, with the total installed capacity of 1,285 MW.

SOURCE OF ENERGY FOR POWER GENERATION BY HYDROELECTRIC POWER PLANTS

The Nam Ngum 2 Power Plant relies solely on the water in the Nam Ngum River, which originates from the Xiangkhouang Plateau, with a total length of approximately 354 kilometers. Its reservoir covers approximately 107 square kilometers, with the full water storage capacity of 4,886 million cubic meters at full supply level of 375 meters above mean sea level. Meanwhile, the power source for electricity production of the Xayaburi Power Plant is water from the Mekong River, with a total length of approximately 4,350 kilometers, covering an area of the People's Republic of China, Myanmar, the Lao PDR, Thailand, Cambodia, and the Socialist Republic of Vietnam.

Despite the fact that the water supply has no cost for power generation, as it is derived from natural sources, the water volume during each time period is uncertain and unpredictable depending on weather conditions and seasons. According to the feasibility studies of the Nam Ngum 2 Power Plant and the Xayaburi Power Plant, which take into account the last 50-60 year rainfall database, the amount of storm water is sufficient for power generation to meet the supply target under the Power Purchase Agreement with EGAT in the respective years.



The reservoir inflow volume of the Nam Ngum 2 Power Plant during 2017-2019 was as follows:

Month	2017		2018		2019	
	Water Level as at the end of the month (meters above Mean Sea Level)	Water Inflow (million cubic meters)	Water Level as at the end of the month (meters above Mean Sea Level)	Water Inflow (million cubic meters)	Water Level as at the end of the month (meters above Mean Sea Level)	Water Inflow (million cubic meters)
January	370.9	131	364.3	143	367.0	174
February	368.7	93	364.2	112	363.9	152
March	361.7	123	359.9	107	358.1	147
April	356.4	132	354.5	150	351.3	116
May	351.1	176	349.8	320	345.3	141
June	345.5	298	352.7	802	343.4	203
July	356.1	1,341	372.2	2,550	347.7	388
August	362.7	1,162	375.3	3,636	358.8	1,177
September	363.0	736	372.6	1,694	361.4	654
October	363.1	482	370.9	494	359.7	249
November	363.2	254	370.4	302	357.5	147
December	364.1	178	368.4	226	355.2	142
Total		5,104		10,535		3,689

Remark: Information from Nam Ngum 2 Power Company Limited

The average volume of water flowing through the Xayaburi Power Plant from the commencement of commercial operations was as follows:

Month	Average Volume of Water Flowing through the Xayaburi Power Plant (cubic meters per second)
October	1,820
November	1,572
December	1,842

Remark: Information from Xayaburi Power Company Limited

02 COGENERATION POWER BUSINESS

The power plants in this sector comprise:

- Bangpa-in Cogeneration Power Plant 1 ("BIC1")
- Bangpa-in Cogeneration Power Plant 2 ("BIC2")

PRODUCTS OR SERVICES IN COGENERATION POWER BUSINESS

The Company holds shares in Bangpa-in Cogeneration Limited ("BIC") representing 65 percent of its registered and paid-up capital. BIC is a producer and distributor of electricity and steam from the natural gas-fired cogeneration power which consists of two projects: BIC1 and BIC2. Both projects are located in Bang Pa-in Industrial Estate, Amphoe Bang Pa-in, Phra Nakhon Si Ayutthaya Province. BIC1 has installed capacity of 117.5 MW of electricity and 20 tons of steam per hour. The Power Plant has a Power Purchase Agreement with EGAT to sell 90 MW of electricity for a period of 25 years from the Commercial Operation Date, with the remainder of electricity and steam to be sold to industrial operators in Bang Pa-in Industrial Estate. BIC1 commenced its commercial operation on June 28, 2013. BIC2 has installed capacity of 120 MW and has a Power Purchase Agreement with EGAT to sell 90 MW for a period of 25 years from the Commercial Operation Date. The remainder of electricity will be also sold to industrial operators in Bang Pa-in Industrial Estate. BIC2 commenced its commercial operation on June 29, 2017.

REVENUE FROM SALES OF ELECTRICITY BY BIC1 AND BIC2 TO EGAT

- Capacity Payment, which is determined from EGAT's long run avoided capacity cost from purchase of electricity from Small Power Producer ("SPP"), including transmission system cost;
- Energy Payment, which is determined from fuel costs for power generation, operation and maintenance costs and cost for commercial operations of the power plants which EGAT can avoid in the future from purchase of electricity from small power producer with cogeneration power production system;
- Fuel Savings Payment, which is determined based on fuel saving derived from small power producer with cogeneration power production system.

REVENUE FROM SALES OF ELECTRICITY BY BIC1 AND BIC2 TO INDUSTRIAL OPERATORS

Power supply agreements for industrial operators are concluded by way of negotiations with the respective customers. The electricity price and discount are based on the reference tariff of the Provincial Electricity Authority ("PEA") for large-scale business.

REVENUE FROM SALES OF STEAM BY BIC1 TO INDUSTRIAL OPERATORS

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

MARKETING AND COMPETITION IN COGENERATION POWER BUSINESS

In expanding the cogeneration power business, the Company focuses on the model of selling the majority of the electricity to EGAT and selling the remaining electricity and steam to other industrial operators, which resulted in more stable revenue than selling electricity solely to the industrial operators.

Since 1992, the government announced intention to purchase electricity from the cogeneration power plants (Firm Type), with a capacity not exceeding 90 MW, resulted in many developers of power plants of such type. According to information as at August 2019, the status of cogeneration power plants was as follows:

Status	Number of Projects	Installed Capacity (MW)	Sale Volume under Power Purchase Agreements with the Government (MW)
Commercially Operational	76	9,611	6,332
PPA Executed, but not yet Commercially Operational	3	394	270
PPA Terminated	3	235	162
Application Cancelled	1	206	32
Total	83	10,447	6,796

Remark: Information from the Office of the Energy Regulatory Commission of Thailand, as at August 2019.

Based on the steady demand for electricity by EGAT and industrial operators, the Company is confident in the opportunity and competitiveness of its cogeneration power plants. The Company entered into the long-term power and steam purchase agreements, in order to guarantee the stability in the sales of electricity and steam to customers. In addition, the Company has continuously made preparations in various essential aspects, namely, securing fuel supply, connecting with customers with electricity and steam demand, etc.

SUPPLY OF PRODUCTS OR SERVICES IN COGENERATION POWER BUSINESS

POWER GENERATION BY COGENERATION POWER PLANTS

The production of electricity by the cogeneration power plants requires natural gas whose combustion creates thermal pressure that rotates the gas turbine. The rotating gas turbine will then spin the generator to produce electricity. Steam produced by such combustion will pass through the heat recovery steam generator (HRSG) to produce high pressure steam, which will be used to rotate the steam turbine. Such rotating steam turbine will further spin the power generator to produce electricity accordingly. The remainder of steam will be further sold to industrial operators who need steam in production process.

SOURCE OF ENERGY FOR POWER GENERATION BY COGENERATION POWER PLANTS

The cogeneration power plants utilize natural gas and tap water supplies as raw materials in the power generation. In this regard, BIC1 and BIC2 signed a Natural Gas Purchase Agreement with PTT Public Company Limited ("PTT") on March 18, 2011 and May 12, 2014, respectively and also entered into a Water Purchase Agreement with TTW Public Company Limited ("TTW") on February 15, 2011 and January 27, 2015, respectively. Such Agreements have a term of 25 years each from the Commercial Operation Date.



03 SOLAR POWER BUSINESS

The power plants in this sector include:

- Bangkhenchai Solar Power Plant ("Bangkhenchai Solar Power Plant")
- Phachi Solar Power Plant in Phra Nakhon Si Ayutthaya Province ("Phachi Solar Power Plant")
- Banglen Solar Power plant in Nakhon Pathom Province ("Banglen Solar Power Plant")
- Phutthamonthon Sai 5 Solar Power plant in Nakhon Pathom Province ("Phutthamonthon Sai 5 Solar Power Plant")
- Mahachai Solar Power plant in Samut Sakhon Province ("Mahachai Solar Power Plant")
- Krathum Ban Solar Power plant in Samut Sakhon Province ("Krathum Ban Solar Power Plant")
- Khlong Preng Solar Power plant in Chachoengsao Province ("Khlong Preng Solar Power Plant")
- Chiangrai Solar Power Plant ("Chiangrai Solar Power Project")
- Nakhon Ratchasima Solar Power Plant ("Nakhon Ratchasima Solar Power Project")

PRODUCTS OR SERVICES IN SOLAR POWER BUSINESS

BANGKHENCHAI SOLAR POWER PLANT ("BANGKHENCHAI SOLAR POWER PLANT")

The Company holds shares in Bangkhenchai Company Limited ("BKC") representing 100 percent of its registered and paid-up capital. BKC invests in the Bangkhenchai Solar Power Plant which is situated at Amphoe Pak Thong Chai, Nakhon Ratchasima Province, and employs thin film photovoltaic module technology with the installed capacity of 8 MW. A Power Purchase Agreement was executed for Very Small Power Producer ("VSPP") with PEA on July 28, 2009 for a period of five years from the Commercial Operation Date, with automatic renewal every five years until the Agreement is terminated. Under the Power Purchase Agreement, PEA agrees to purchase electricity at the maximum quantity of 8 MW, whereby the Bangkhenchai Solar Power Plant will receive the electricity tariff adder ("Adder") at the rate of Baht 8 per kWh ("units") for a period of 10 years from the COD. The Plant started the production and distribution of electricity to PEA on August 10, 2012.

Furthermore, BKC has invested in the Monocrystalline solar power plants, consisting of five solar rooftop power plant and one solar farm power plant, with the total installed capacity of 6.73 MW, for production and distribution of

electricity to the private sector. Each power plant has a power purchase agreement for a period of 25 years from the Commercial Development Date, namely:

- Solar Rooftop Power Plant in Amphoe Phachi, Phra Nakhon Si Ayutthaya Province ("Phachi Solar Power Plant"), with the installed capacity of 0.89 MW
- Solar Rooftop Power Plant in Amphoe Banglen, Nakhon Pathom Province ("Banglen Solar Power Plant"), with the installed capacity of 0.97 MW
- Solar Rooftop Power Plant in Amphoe Sam Phran, Nakhon Pathom Province ("Phutthamonthon Sai 5 Solar Power Plant"), with the installed capacity of 0.97 MW
- Solar Rooftop Power Plant in Amphoe Mueang Samut Sakhon, Samut Sakhon Province ("Mahachai Solar Power Plant"), with the installed capacity of 0.72 MW
- Solar Rooftop Power Plant in Amphoe Krathum Ban, Samut Sakhon Province ("Krathum Ban Solar Power Plant"), with the installed capacity of 0.51 MW
- Solar Farm Power Plant in Amphoe Khlong Preng, Chachoengsao Province ("Khlong Preng Solar Power Plant"), with the installed capacity of 2.67 MW, which was currently under construction.

CHIANGRAI SOLAR POWER PLANT (“CHIANGRAI SOLAR POWER PLANT”)

The Company holds shares in CRS representing 30 percent of its registered and paid-up capital. CRS invests in the Chiangrai Solar Power Plant which is situated at Amphoe Mae Chan, Chiang Rai Province, and employs Polycrystalline solar cells technology with the installed capacity of 8 MW. A Power Purchase Agreement was executed for Very Small Power Producer with PEA for a period of five years from the Commercial Operation Date,

with automatic renewal every five years until the Agreement is terminated. Under the Power Purchase Agreement, PEA agrees to purchase electricity at the maximum quantity of 8 MW, whereby the Chiangrai Solar Power Plant will receive Adder at the rate of Baht 8 per unit for a period of 10 years from the COD. The Power Plant started the production and distribution of electricity to PEA on January 17, 2013.

NAKHON RATCHASIMA SOLAR POWER PLANT (“NAKHON RATCHASIMA SOLAR POWER PLANT”)

The Company holds shares in NRS representing 30 percent of its registered and paid-up capital. NRS invests in the Nakhon Ratchasima Solar Power Plant which is situated at Amphoe Dan Khun Thot, Nakhon Ratchasima Province, and employs thin film photovoltaic module technology with the installed capacity of 6 MW. A Power Purchase Agreement was executed for Very Small Power Producer with PEA for a period of five years from the

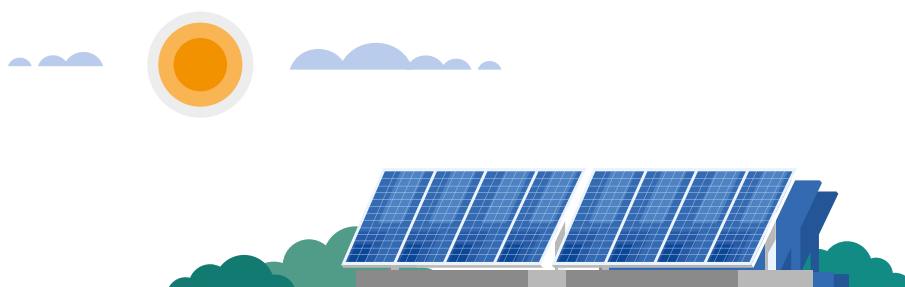
Commercial Development Date, with automatic renewal every five years until the Agreement is terminated. Under the Power Purchase Agreement, PEA agrees to purchase electricity at the maximum quantity of 6 MW, whereby the Nakhon Ratchasima Solar Power Plant will receive Adder at the rate of Baht 8 per unit for a period of 10 years from the COD. The Power Plant started the production and distribution of electricity to PEA on March 8, 2012.

REVENUES FROM SALES OF ELECTRICITY OF THE SOLAR POWER PLANTS WHICH DISTRIBUTED ELECTRICITY TO PEA:

- (a) The electricity tariff for electricity distributed to PEA is at the voltage of 11-13 kV, whereby the price and the Ft charge will be in accordance with the Notification of EGAT.
- (b) The Adder will be at the rate of Baht 8 per unit for a period of 10 years from the COD.

REVENUES FROM SALES OF ELECTRICITY OF THE SOLAR POWER PLANTS WHICH DISTRIBUTED ELECTRICITY TO THE PRIVATE SECTOR:

The electricity tariff for electricity distributed to the private sector will be subject to negotiations with the respective customers. The electricity price and discount are based on the reference tariff of PEA.



PART
01MARKETING AND COMPETITION IN
SOLAR POWER BUSINESS

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

In 2015, the Ministry of Energy has prepared the Alternative Energy Development Plan for 2015-2036 ("AEDP2015"), focusing on promoting production of energy from renewable sources available in the country, with the target to increase the proportion of solar power production to 6,000 MW by 2036, from 2,962 MW in 2018.

The data on the electricity power produced by solar and sold to the system during 2015-September 2019 was as follows:



Remark: * Installed capacity

Information from the Department of Alternative Energy Development and Efficiency, as at September 2019

SUPPLY OF PRODUCTS OR SERVICES IN SOLAR POWER BUSINESS

POWER GENERATION BY SOLAR POWER PLANTS

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

Electricity produced from the panels is a low voltage direct current, which must pass through an inverter for conversion into a low voltage alternating current, which will then flow through a transformer to increase its voltage, and be sent to the transmission system of the PEA for further distribution to customers.

SOURCE OF ENERGY FOR POWER GENERATION BY
SOLAR POWER PLANTS

The major source of energy in support of the solar power plants is sunlight, which is derived free of charge from natural resources. Even though sunlight is a natural and clean energy source, its utilization is somewhat limited to only in daytime, which also has the uncertain intensity of solar radiation depending on geography and climate, as well as different seasons.

Therefore, the Company conducted studies as to whether the solar radiation intensity of the respective power plant sites was sufficient to produce electricity, prior to selecting locations or sites for the solar power plants.

04 ELECTRICITY INDUSTRY IN THAILAND

The electricity demand during January to October 2019 continued to increase in accordance with Thailand's economic expansion. In the nine-month period of 2019, the Gross Domestic Product ("GDP") expanded by 2.5 percent, mainly as a result of consumption and greater expansion of private investment and public investment.

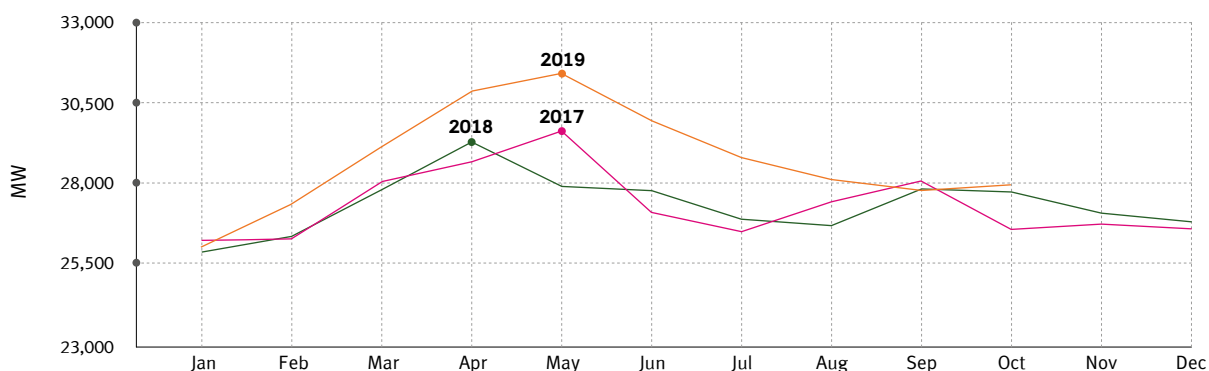
PART
01

THAILAND'S PEAK ELECTRICITY DEMAND

The peak electricity demand refers to the highest amount of electricity used by consumers altogether on any given day of each year. In 2019, the peak electricity demand took place on May 3, 2019, at 14.27 hours, at 32,273 MW, increased by 2,305 MW or 7.7 percent from the peak

electricity demand in 2018, which took place on April 24, 2018 at 13.51 hours, at 29,968 MW.

The monthly peak electricity demand from 2017 to 2019 was as follows:



Remark: Information from the Energy Policy and Planning Office, Ministry of Energy, published in January 2020.

30,303 MW
as at May 4, 2017,
at 14.20 PM

29,968 MW
as at April 24, 2018,
at 13.51 PM

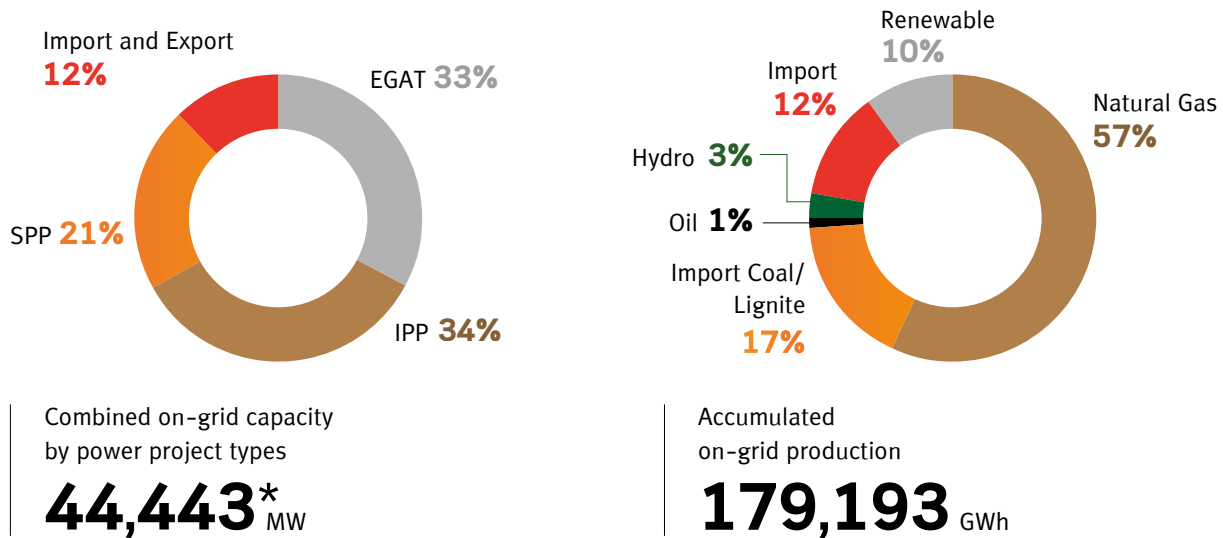
32,273 MW
as at May 3, 2019,
at 14.27 PM



PART
01

NATIONAL ELECTRICITY PRODUCTION CAPACITY

The combined on-grid capacity as at October 2019 by power project types and the accumulated on-grid production by fuel types from January to October 2019 were as follows:

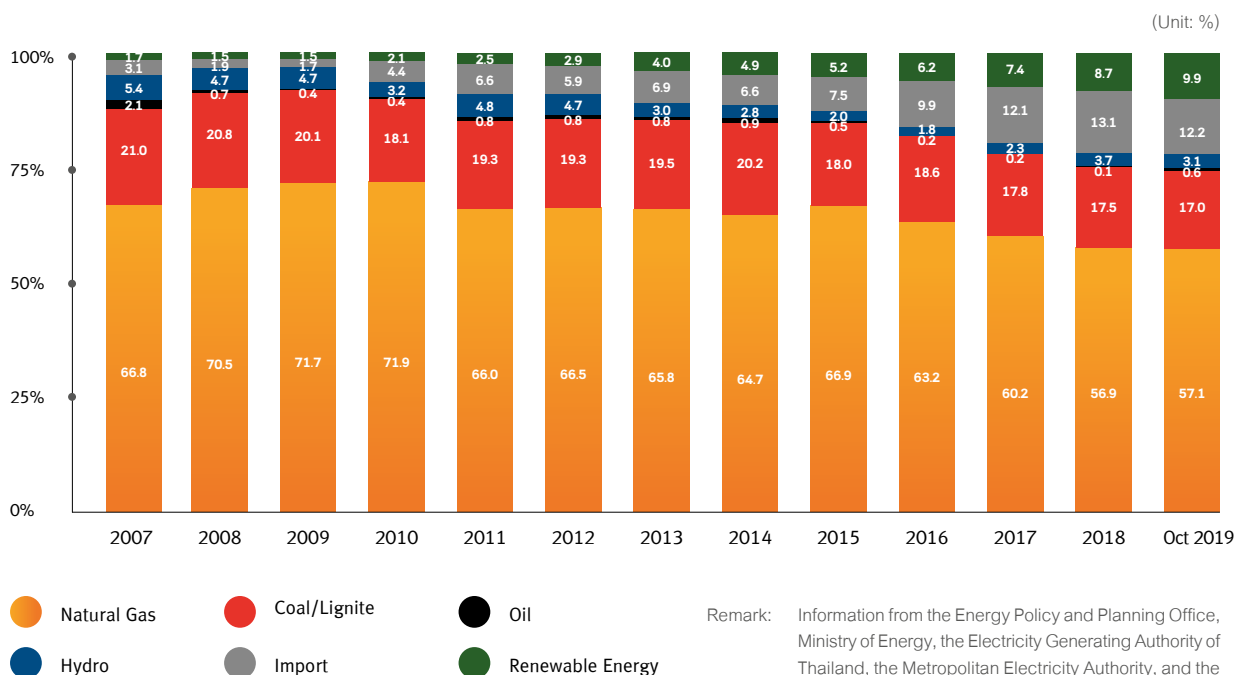


Remark: * Excluding VSPP

Information from the Energy Policy and Planning Office, Ministry of Energy, published in January 2020

The fuel type in the power production was adjusted over time to be appropriate to fuel supply condition, economic expansion, and the government policy. Since 2015, the proportion of natural gas in the power production has declined; while the usage of renewable energy in the power production and overseas power import have increased.

Power production by fuel type during 2007-October 2019 as follows:



ELECTRICITY DISTRIBUTION

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

The electricity distribution from January to October 2019 by customer types was as follows:

Customer	Electricity Distribution Volume (GWh)	Percent
Provincial Electricity Authority	116,679	72
Metropolitan Electricity Authority	45,175	27
Direct customers	1,204	1
Total	163,058	100

Remark: Information from the Energy Policy and Planning Office, Ministry of Energy, published in January 2020



FORECASTS OF NEW POWER PRODUCTION CAPACITY UNDER THAILAND POWER DEVELOPMENT PLAN 2018-2037 (PDP2018)

In April 2019, the Council of Ministers' Meeting approved the Thailand Power Development Plan 2018-2037 (PDP2018) as drew up by the Ministry of Energy. Such PDP2018 is committed to the stability of power production, transmission and distribution systems, power stabilization and sufficiency to meet power demand for accommodating the economic and social development of the country, including the quality of life of the people.

According to the Thailand Power Development Plan 2018-2037, it forecasted that at the end of 2037, Thailand will have the net power production capacity of 77,211 MW, 56,431 MW of which will be from the new production capacity of renewable power plants, pumped storage power plants, cogeneration power plants, combined cycle power plants, coal/lignite power plants, purchase of electricity from other countries, new power/renewable energy plants, and the energy conservation plan during 2018-2037.

Target power production percentage by fuel type under the PDP2018 as at 2037 in comparison with the forecast percentage as at 2019 is as follow:

Types of Fuels	Forecast 2019 Energy Mix (MW)	Target 2037 Energy Mix (MW)
Import	3,948	6,888
Hydroelectricity		
Renewable Energy	11,085	29,005
Natural Gas	29,111	31,572
Coal/Lignite	6,110	5,383
Diesel/Fuel Oil	380	65
Others	300	4,298
Total	50,934	77,211

Remark: Information from the Thailand Power Development Plan 2018-2037 published in April 2019

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RIGHTS AND PRIVILEGES
FROM INVESTMENT
PROMOTION

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

	Bangpa-in Cogeneration Project 1	Bangpa-in Cogeneration Project 2	Bangkhenchai Solar Power Plant	Phachi Solar Power Plant
Promotional Certificates Nos.	1565(2)/2554	1132(2)/2558	1089(1)/2555	61-1228-1-00-1-0
Dated	May 18, 2011	February 2, 2015	January 23, 2012	October 16, 2018
Business Category	Public Utilities and Basic Services	Public Utilities and Basic Services	Public Utilities and Basic Services	Production of Power or Electricity and Steam from Renewable Energy, except waste or waste-derived fuel
1. Permission to bring foreign experts or specialists into the Kingdom in the number and for the period of time as the Board of Investment may consider appropriate.	Granted	Granted	Granted	Granted
2. Permission to own land to the extent as the Board of Investment may consider appropriate.	None	None	None	None
3. Import duty exemption/reduction for machinery granted as the Board of Investment may approved.	Exempted (import by November 18, 2016)	Exempted (import by August 2, 2018)	Exempted (import by July 23, 2015)	Exempted (import by April 16, 2021)
4. Corporate income tax exemption granted for the net profit derived from the promoted business.	8 years (not exceeding Baht 4,934 Million)	8 years (not exceeding Baht 5,108 Million)	8 years	8 years
5. Period for carrying forward loss during the promoted period to set off against net profits to be derived after the corporate income tax exemption period.	5 years	5 years	5 years	5 years
6. Exemption from including dividend from the promoted business in the calculation for income tax payment.	8 years	8 years	8 years	8 years
7. 50 percent reduction of corporate income tax for the net profit derived from the promoted business.	None	None	5 years (from the day after the period in item 6)	None
8. Two times deduction of costs of transportation, electricity and water supply.	None	None	10 years (from the first day of receiving income from the promoted business)	None
9. Deduction of investment funds in installation or construction of facilities.	None	None	25 percent of investments	None
10. Permission to bring or remit foreign currencies out of the Kingdom.	None	None	None	None



Banglen Solar Power Plant	Phutthamonthon Sai 5 Solar Power Plant	Mahachai Solar Power Plant	Krathum Ban Solar Power Plant	Khlong Preng Solar Power Plant	Chiangrai Solar Power Plant	Nakhon Ratchasima Solar Power Plant
61-1295-1-00-1-0	61-1294-1-00-1-0	61-1293-1-00-1-0	61-1292-1-00-1-0	62-0417-1-00-1-0	2071(1)/2554	1300(1)/2554
November 5, 2018	November 5, 2018	November 5, 2018	November 5, 2018	April 25, 2019	August 30, 2011	March 11, 2011
Production of Power or Electricity and Steam from Renewable Energy, except waste or waste-derived fuel	Production of Power or Electricity and Steam from Renewable Energy, except waste or waste-derived fuel	Production of Power or Electricity and Steam from Renewable Energy, except waste or waste-derived fuel	Production of Power or Electricity and Steam from Renewable Energy, except waste or waste-derived fuel	Production of Power or Electricity and Steam from Renewable Energy, except waste or waste-derived fuel	Public Utilities and Basic Services	Public Utilities and Basic Services
Granted	Granted	Granted	Granted	Granted	Granted	Granted
None	None	None	None	None	Granted	Granted
Exempted (import by May 5, 2021)	Exempted (import by May 5, 2021)	Exempted (import by May 5, 2021)	Exempted (import by May 5, 2021)	Exempted (import by October 25, 2021)	Exempted (import by February 28, 2015)	Exempted (import by September 11, 2013)
8 years	8 years	8 years	8 years	8 years	8 years	8 years
5 years	5 years	5 years	5 years	5 years	5 years	5 years
8 years	8 years	8 years	8 years	8 years	8 years	8 years
None	None	None	None	None	5 years (from the day after the period in item 6)	5 years (from the day after the period in item 6)
None	None	None	None	None	10 years (from the first day of receiving income from the promoted business)	10 years (from the first day of receiving income from the promoted business)
None	None	None	None	None	25 percent of investments	25 percent of investments
None	None	None	None	None	Granted	Granted

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RISK FACTORS

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

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

1. RISKS TO THE COMPANY'S INVESTMENTS

The Company operates its business as a holding company by investing in other businesses and not operating its own core business, so the Company's cash flow and operating results depend on dividend income from the projects invested in by the Company. In 2019, 62.5 percent of revenue under the separate financial statements came from dividend income. Should the businesses whose shares were held by the Company be affected by various risks, the operating results would not meet the goal and it would be impossible to pay dividend as expected. The Company sets out its management guidelines as follows:

- **PROJECT SELECTION**

The Board of Directors recognizes the importance of investment projects selection process and thus has set out a clear policy on investment in other companies operating the business of electricity production and

distribution to ensure that risks have been managed to be at an acceptable level, with reasonable returns. The Project Development and Asset Management Department has the duty to conduct analysis of various related factors in support of consideration of project selection, in respect of both return on investment and risk factors, which may include engagement of external consultant or expert to provide specific advice, and to propose investment information to the Board of Directors for approval.

- **MANAGEMENT OF PROJECTS UNDER CONSTRUCTION**

The Company recognizes the importance of the projects under construction period which may face risks of construction behind schedule, resulting from engineering technical problem, contractor's machinery installation, natural perils, etc. For that reason, the Company only selected the contractor with expertise in the construction business and experience in management of large-scale construction projects and solar rooftop and solar farm projects as the contractor has experience in construction management with satisfactory performance. Furthermore, the contracts were on a Fixed Cost Lump Sum Turnkey basis, which help reduce risks on construction cost which might rise. Moreover, the Company has taken out insurance for the projects under construction, covering potential risks in construction and related works to ensure that the Company's projects under construction will be completed as planned. The majority of power projects invested by the Company already commenced commercial operations. In 2019, the Xayaburi Hydroelectric Power Plant under the operation of XPCL achieved its commercial operation date on October 29, 2019; and five solar rooftop and solar farm projects of BKC which gradually started production and distribution of electricity to the private-sector operators since February 2019, with one additional project under construction.

- **MONITORING OF THE OPERATIONAL RESULTS**

The Company sets out its clear control and governance mechanisms of the businesses invested by the Company in the Control Policy, appointing its representatives to serve as directors or executives of its subsidiaries and associated companies, according to their shareholding percentage, and also clearly determining the scope of power to exercise their discretion as the Company's representatives. Moreover, the businesses invested by the Company must regularly report their respective financial positions and operational results in comparison with the specified goals to the Board of Directors' Meeting on

a quarterly basis. The subsidiaries will submit information of new investment projects to the Company and also report on progress of the respective investment projects. Furthermore, the Company's Internal Audit Office will review the internal control systems of its subsidiaries to ensure sufficient and proper prudence and strict compliance therewith. This enables the Company to closely follow up the financial positions and operational results of the respective businesses invested by the Company in order to minimize and manage risks from such investments.

2. BUSINESS RISKS

The Company derives core revenue from dividends received from its subsidiaries and associated companies invested by the Company. Therefore, any changes in the results of operations of the businesses invested by the Company will directly affect the results of operations of the Company in the form of dividend income to be derived by the Company. The following risk factors may have an impact on the results of operations of the businesses invested by the Company:

- **RISK IN RESPECT OF RAW MATERIALS REQUIRED FOR ELECTRICITY PRODUCTION**

The Company invests in the electricity production business from various kinds of energy, which uses different raw materials in electricity production. The hydroelectric power plants and the solar power plants produce electricity from renewable energy, using natural raw materials in electricity production, and as such, there might be unexpected risks in respect of available raw materials, for example, climate change, natural phenomenon, irradiation, unanticipated change in rainfall volume during each period of time, etc. As for the cogeneration power plants which use natural gas as fuel in electricity production, there might be risks from natural gas shortage or natural gas supplier's failure to supply fuel to meet the electricity production demand, and as a result, the Company may be not able to produce electricity as specified in the Power Purchase Agreement.

The Nam Ngum 2 Hydroelectric Power Plant is a hydroelectric power plant with reservoir. The plant uses on a study of actual water volume over the past 50 years to determine its electricity production capacity, and it is thus believed that the project can produce electricity and fulfill the terms of the Power Purchase Agreement. In addition, the water level data were collected for regular inspection and assessment of the water situations in the dam, the results of which were used in preparing for information on sale of electricity to the Electricity Generating Authority of Thailand ("EGAT"). Since the Commercial Operation Commencement, the Nam Ngum 2 Power Plant has been managed in compliance with the Power Purchase Agreement.

The Xayaburi Hydroelectric Power Plant is a run-of-river hydroelectric power plant without reservoir, but discharging water to pass through the generators continuously. The Plant uses data of water volume in the Mekong River over the past 60 years to determine its electricity production capacity and the average yearly power volume. The electricity production capacity in each period varies according to the passing water volume to meet the electricity production targets and it tries to avoid ineffectively discharging overflow water through the spillway. Moreover, the Power Purchase Agreement with EGAT is designed to be suitable with the run-of-river hydroelectric power production, and as such, it can be assured that the Xayaburi Hydroelectric Power Plant can be managed to fulfill the terms of the Power Purchase Agreement.

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Regarding the solar power plants, namely: BKC, CRS, and NRS, studies on the project locations were conducted, taking into account the appropriate irradiation intensity as well as the average irradiation intensity in the past in any such areas before investment, including execution of the power purchase agreements of the solar power plants on a non-firm basis, and as such, no fine is imposed should these power plants be unable to produce electricity due to volatility of sunlight.

In respect of the cogeneration power plants, namely: BIC1 and BIC2, the Natural Gas Purchase Agreement was executed with PTT Public Company Limited (PTT), for a period of 25 years from the Commercial Operation Date, on condition that PTT must pay compensation for its failure to supply natural gas in the volume as specified in the Agreement. In the previous year, PTT supplied natural gas to the Company in accordance with the Agreement, thereby enabling the Company to produce electricity in compliance with the Power Purchase Agreement.

- **RISK IN RESPECT OF AVAILABILITY OF POWER PLANTS**

The electricity production process has a risk that equipment and machinery may be unavailable or not fully functional, which could occur for many reasons. Such risk can impair the efficiency of the electricity production or interrupt the production process, as well as causing damage to the power plants and putting personnel in danger, thereby reducing revenue but increasing expenses for repair of defective equipment. Furthermore, in case of any interruption of the electricity production for any other reason than normal maintenance, without prior notice to power purchasers, the power plants may be subject to a fine. To handle such matter, the annual preventive maintenance plan has been set out for inspection of equipment and machinery under the specified period of time, which must be monitored to ensure compliance with the maintenance plan. Staff training is also provided to enhance their knowledge and abilities for ensuring more efficiency in performance.

For the Nam Ngum 2 Power Plant, an agreement was made with EGAT to provide Operation and Maintenance services for a period of 25 years, with the partial overhaul and major overhaul plans to be implemented every six years and twelve years, respectively. Moreover,

an independent consultant is also engaged to measure the efficiency and stability in various aspects of the power plant, whereby the relevant reports are regularly followed up to improve the availability of the power plant.

The Xayaburi Hydroelectric Power Plant has managed its machinery and maintenance by its own personnel recruited from knowledgeable, competent and experienced personnel to fill all the positions over the past several years, to ensure the ongoing operations since the commissioning. The equipment in the power plant remain under the contractor's warranty for two years, and there is a repair and maintenance plan as suggested in the manuals of manufacturers or contractors, subject to strict compliance with the terms and conditions of the Power Purchase Agreement.

BKC solar power engages ENSYS Co., Ltd. and KG Engineering Co., Ltd. to operate and maintain the power plant, while CRS and NRS engage Assyce Fotovoltaica (Thailand) Co., Ltd. to operate and maintain their plants. Such companies have experience and expertise in management of solar power plants, by drawing up a plan for inspection and maintenance of machinery and equipment to ensure they are in ready condition for efficient performance and guarantee the availability of the power plants in accordance with the agreements.

The operation and maintenance of the cogeneration power plants, namely: BIC1 and BIC2, are under responsibility of personnel with knowledge, capability, and experience in cogeneration power production. Inspection and maintenance of equipment were done according to schedule as specified by manufacturers. In addition, GE International Operations, Inc and GE PACKAGED POWER, INC (GE's affiliated companies), as a major gas turbine manufacturer specializing in maintenance of power plants, were engaged to provide inspection and maintenance services for BIC's gas turbines. Such agreement covers spare gas turbine to replace the main turbine sent for repair and maintenance in order to prevent any loss of income in such period.

Moreover, the power plants invested by the Company have been taken out insurance on potential damage which may occur to equipment, machine and assets in power plants, covering property damage, business interruption, as well as public liabilities.

• RISK FROM NATURAL DISASTER

The power projects invested by the Company manage the risk from natural disaster by selecting power plant locations with low risk and appropriate risk management system as well as designing the structures and implementing measures to accommodate potential natural disasters.

The Nam Ngum 2 Power Plant was designed to accommodate an earthquake up to 0.32 based on the ground acceleration value, and also equipped with the overflow prevention system, by installing the spillway with its maximum capacity to drain water up to 6,545 cubic meters per second, which is sufficient to handle the 100-year flood (4,655 cubic meters per second).

The Xayaburi Project was studied and designed to have the structures with special reinforcement to accommodate possible earthquake in accordance with the international standards of the International Commission on Large Dams (ICOLD). It was also designed to be equipped with 7 spillway gates of 19 meters in width and 23 meters in height each and four lower level outlet gates of 12 meters in width and 16 meters in height each, with the maximum capacity to drain water up to 47,500 cubic meters per second, which is twice as high as the historical flooding records over the past 30 years (24,963 cubic meters per second).

Therefore, it can be certain that the structures of both power plants can safely handle such natural disasters as earthquake and flooding.

In light of the Mekong River's situations in 2019, the volume of rainfall was lower than the 100-year historical records, and the dams in China on the upper Mekong River discharged less water, and as such, the water volume in the lower Mekong River was relatively lower. However, the Xayaburi Power Plant has its plans to cope with a variety of circumstances to date and proceed with its commercial operation in line with the natural course of the Mekong River without any impact on the communities both upstream and downstream from the power plant.

The cogeneration power plants, namely: BIC1 and BIC2, are located in Phra Nakhon Si Ayutthaya Province, which is a lowland and flood-prone area; therefore, they in alliance with the Bang Pa-in Industrial Estate have

constructed concrete flood barriers surrounding the Industrial Estate, six meters in height above sea level, which is higher than the level of the occurred highest flood to ensure that they will no longer be affected by flooding.

In addition, the power plants invested by the Company have been taken out insurance on potential damage which may occur to assets used in the electricity production business, covering property damage, business interruption, and public liabilities.

• RISK IN RESPECT OF SAFETY, OCCUPATIONAL HEALTH, AND ENVIRONMENT

The Company invests in the electricity production business, which exposed it to risk in respect of safety, occupational health, and environment, which may affect life and property of staff and communities surrounding the power plants. As for all power plants invested by the Company, the quality of life and safety in working environment, as well as communities surrounding the projects, are matters of concern, therefore, measures to prevent possible dangers both in the power plant sites and surrounding areas are specified. In respect of the power plants which have already commenced the commercial operations, practical guidelines for safety and occupational health have been set out; staff are to undergo training on such matter, with the implementation of the monitoring and inspection systems reported to the management for acknowledgement on a regular basis. In addition, the international quality management systems (ISO 9001:2015 / OHSAS 18001:2017 / ISO 14001:2015) have been applied to management of the business operation process to enhance efficiency in the work performance, ensuring safety and appropriate care for the environment both within the power plants and surrounding areas. In 2019, the Company received no report on serious accidents to staff or events affecting communities and the environment surrounding the power plants.

The Xayaburi Hydroelectric Power Plant has started its commercial operation in October 2019, and given high priority to management of environment and communities. Its construction has been designed in accordance with the relevant engineering and environmental criteria in order to avoid, prevent, and minimize environmental and social impacts, as well as ensuring fish resource preservation, sediment flush management, navigation,

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as well as riverbank erosion prevention and water quality maintenance. In addition, the contractor has provided training measures on safety for staff prior to starting the work in the site; communicated operating procedures in case of accident or emergency; as well as carried out

management of drinking water quality and water for use in the construction, etc., to ensure work safety in the power plant and staff performance, including further training for staff on safety and occupational health.

3. FINANCIAL RISKS

- **RISK IN RESPECT OF FINANCIAL LIQUIDITY**

Given the Company's ongoing investment plans, the financial liquidity is vital to the uninterrupted operations of the projects under construction and further development of new projects. In addition, the subsidiaries borrowed large amounts of loans from commercial banks and issued debentures for construction of their power plants which required relatively high investments in early stage. As at December 31, 2019, the total long-term loans and debentures in the Company's consolidated financial statements was Baht 27,511 Million. The conditions of these loan agreements are specified concisely, particularly in respect of the maintenance of financial ratios and the conditions on dividend payment, as per the details in the caption of Policy on Dividend Payment and Notes Nos. 20 and 21 to Financial Statements, long-term loans from financial institutions and debentures, respectively. Failure by the subsidiaries to comply with the conditions of the loan agreements will affect the dividend to be received by the Company. Moreover, there are precise terms and conditions for debenture rights, in particular, the maintenance of financial ratios.

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

- **RISK FROM EXCHANGE RATE FLUCTUATIONS**

The Company is at risk of its consolidated financial statements being affected by the fair value adjustment of the changing exchange rates between USD and Baht for USD-denominated revenue and expenses of its subsidiary and its associated companies, despite the Company's cash flow risk management by way of natural hedge, that is, a partial revenue from sales of electricity in USD and partial expenses payable in USD as well.

In addition, the Company applied hedge accounting as appropriate in order to hedge the foreign exchange exposure on a certain portion of its forecasted revenue from sales of electricity in USD currency, whereby such revenue from sales of electricity was designated as the hedged item and the long-term loans in USD were designated as the hedging instrument. Based on the cash flow hedge accounting principles, the fluctuation of gain and loss on exchange rate could be minimized, whereby the effective portion of the change in the fair value of the cash flow hedging instrument is recognized in other comprehensive income, instead of profit and loss of the Company, and then transferred to profit or loss when the hedging item affects profit or loss.

- **RISK FROM INTEREST RATE FLUCTUATIONS**

Based on the Company's consolidated statement of financial position as at December 31, 2019, the Company's long-term loans amounted to Baht 27,511 Million, comprising debentures in the amount of Baht 20,810 Million and loans from financial institutions in the amount of Baht 6,701 Million, whereby the debentures were subject to fixed interest rate without any risk from interest rate fluctuations, whereas the loans from financial institutions which accounted for 24 percent of

all long-term loans were subject to floating interest rate. Therefore, any material changes in the interest rate will have an impact on finance cost of the Company and its subsidiaries. However, the Company and its subsidiaries manage such risk from interest rate through regular monitoring of the tendency of changes in interest rate, management of floating and fixed-interest rate loan

portions to stay within the appropriate level depending on circumstances, continuing management and improvement of finance cost, as well as considering entering into hedging agreements from floating interest rate to fixed interest rate as appropriate according to market conditions, without any intention of speculation.

4. RISKS WITH IMPACT ON THE RIGHT OR INVESTMENT OF SECURITIES HOLDERS

• RISK FROM THE COMPANY'S MAJOR SHAREHOLDERS WITH MORE THAN 50 PERCENT SHAREHOLDING

As at the Company's most recent closing date of the share register on December 27, 2019, the Company's major shareholder is CH. Karnchang Group, namely, CH. Karnchang Public Company Limited at 31.90 percent, TTW Public Company Limited at 24.98 percent, and Bangkok Expressway and Metro Public Company Limited at 16.17 percent, holding shares in aggregate of 73.04 percent. The shareholding percentage of more than 50 percent then allows votes of the major shareholder group to stabilize and have the power to control resolutions requiring the majority of votes of the shareholders' meetings, except for such matters which, by laws or the Company's articles of association, require three-fourths of all votes in the shareholders' meetings. Therefore, other shareholders may not be able to gather votes to check and counterbalance such matters proposed by the major shareholder group to the shareholders' meeting. However, CH. Karnchang Public Company Limited, TTW Public Company Limited, and Bangkok Expressway and Metro Public Company Limited, as listed companies on the Stock Exchange of Thailand, have management system proper with corporate governance and comply with the rules on transparent and auditable information disclosure, with the intention to enable the Company to operate its business to maximize benefit with fairness to all shareholders in the long run.

In executing a connected transaction with its major shareholders, approval for such transaction must comply with the applicable rules and provisions of laws, including sufficient information on the transaction

in support of decision-making by all shareholders and subject to approval of the Board of Directors' or the shareholders' meetings, as the case may be, as required by law, provided that the interested shareholders in any transaction, including their related persons, may not vote on such matter. Therefore, the Company can assure that the consideration of execution of connected transactions, both in the past and in the future, is transparent and legal in all respects.

Moreover, the Company gives priority to its good corporate governance by requiring its Board of Directors to comprise four independent directors, representing one-third of all directors, all of whom are knowledgeable, competent and independent, to provide their independent opinions in compliance with applicable rules. The Company is certain that such percentage of independent directors will efficiently counterbalance the power of the major shareholders to ensure protection and fairness to minor shareholders and stakeholders of all sectors.

• MANAGEMENT RISK IN ITS CORE SUBSIDIARIES DUE TO LESS THAN 75 PERCENT SHAREHOLDING

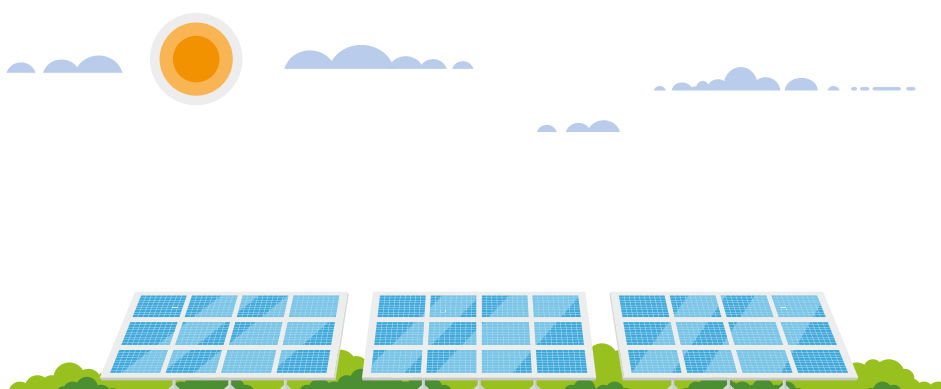
The Company holds shares in its three subsidiaries less than 75 percent, namely 61.33 percent of SEAN's registered and paid-up capital, and indirectly 46 percent of NN2's registered and paid-up capital, as a subsidiary of SEAN, and 65 percent of BIC's registered and paid-up capital. Despite the fact that the Company's voting right in a shareholders' meeting is more than half, given its shareholding less than 75 percent in those companies, the Company is unable to control all voting rights since certain transactions, e.g., capital increase, capital

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decrease, business acquisition or takeover, entire business sale or transfer, etc., require affirmative votes of not less than three-fourths of the shareholders attending the meeting and having the voting rights. However, considering the shareholding percentage, board composition and authorized signatory directors, as well as control and governance mechanisms for subsidiaries, the majority of votes in the board meetings and the shareholders' meetings are under the Company's control. In spite of certain major transactions requiring affirmative votes from other groups of shareholders, the Company believes that such transactions which will be beneficial to business operations will be approved by those other groups of shareholders.

- **MANAGEMENT RISK IN ITS CORE ASSOCIATED COMPANIES DUE TO LESS THAN 50 PERCENT SHAREHOLDING**

The Company holds shares in its three associated companies exceeding 20 percent, but less than 50 percent, namely (1) 37.5 percent of XPCL's registered capital; (2) 30 percent of CRS' registered capital; and (3) 30 percent of NRS' registered capital. Despite the fact that the Company's voting right in a shareholders' meeting is less than half, the Company has sent its representatives as directors according to its shareholding percentage, and the signatory conditions in the respective associated companies require at least one director representing the Company to jointly sign to be binding upon such associated companies, and as such, the Company is certain that it can maximize its benefit from investment in XPCL, CRS and NRS.



5. NEW POTENTIAL RISKS

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The Company recognizes new potential risks which may affect the Company's sustainability in terms of business prospects and challenges, whereby the Company has studied and analyzed significant issues which may expose the Company to new potential risks over the next 5-10 years as follows:

Risks	Potential Impact	Risk Management
Impact of climate change, e.g., water volume, high sea level, high temperature, more severe natural perils	<ul style="list-style-type: none"> Inefficiency in electricity production which affects the power system stability More difficult declaration of electricity charge due to climate change and varying water level 	<ul style="list-style-type: none"> Research and study on water volume and changes in natural perils and impacts on the power system stability In-depth risk assessment of natural perils and forecast of severity of climate change to all power plants Response to natural perils in terms of production, maintenance, equipment and safety of staff Enhancement of power plants to tolerate natural perils or fluctuating weather, e.g., uplifting of power plant sites against flooding, installation of weatherproof equipment and machinery which can tolerate extreme hot/cold conditions, and design of public utility systems of the power plants to be ready for flooding Installation of equipment to monitor the dam conditions and real-time Web-based monitoring system to make sure that after commercial operation commencement, the power plant structures remain subject to regular monitoring and proactive measures by a team of engineers and experts
Energy technology development, e.g., use of renewable energy, energy storage	<ul style="list-style-type: none"> Changes in energy consumption behavior Possible changes in electricity production business model Changes in applicable policies and laws to secure the power system stability Possible changes in tariff according to costs 	<ul style="list-style-type: none"> Study and assessment of renewable energy business operations in terms of personnel, budget, and applicable policies and laws Study and follow-up of renewable energy policies in various countries Determine a goal for investment in and expansion to renewable energy business Study and development of technology and tentative prices of equipment/battery for energy storage
Digital transformation	<ul style="list-style-type: none"> Changes in energy consumption behavior Rapid business operations in line with digital transformation 	<ul style="list-style-type: none"> Enhancement of efficiency of personnel in work performance Study of new technology which may affect the business operations Improvement of work procedures in line with changes in technology

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LEGAL DISPUTES

As at December 31, 2019, the Company, its subsidiaries and associated companies were not a party to any lawsuit and had no legal dispute or case outside the ordinary course of business operations of the Company, its subsidiaries and associated companies, which might give rise to damage or negative material impact on the business operations, regardless of whether it would be assessable or immeasurable in money terms.



GENERAL INFORMATION AND OTHER SIGNIFICANT INFORMATION

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GENERAL INFORMATION

Information of the Company

COMPANY ISSUING SECURITIES	CK POWER PUBLIC COMPANY LIMITED OR CKP FOR SECURITIES TRADING
Business Operation	Holding company, by holding shares in other companies engaging in the business of production and sales of electricity generated from various kinds of energy, both local and overseas, and providing of consulting service and other management services related to electricity production projects.
Registration No.	0107556000167
Head Office	587 Viriyathavorn Building, 19 th Floor, Sutthisan Winitchai Road, Ratchadaphisek Subdistrict, Dindaeng District, Bangkok
Telephone	02-691-9720-34
Fax	02-691-9723
Registered Capital	9,240,000,000 ordinary shares, at the par value of Baht 1 per share representing the registered capital of Baht 9,240,000,000. 8,129,382,039 fully paid-up representing the total registered and paid-up capital of Baht 8,129,382,039.
Foreign Limit	not exceeding 49 percent
Free Float	26.930 percent
Website	www.ckpower.co.th
Board of Directors	directors@ckpower.co.th
Company Secretary	compliance@ckpower.co.th
Investor Relations	ir@ckpower.co.th

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Information of Legal Entities in which the Company Holds 10 Percent of Shares or More

COMPANY ISSUING SECURITIES	SOUTHEAST ASIA ENERGY LIMITED OR SEAN
Business Operation	Investment in hydroelectric power production business
Registration No.	0105547063036
Head Office	587 Viriyathavorn Building, 20 th Floor, Sutthisan Winitchai Road, Ratchadaphisek Subdistrict, Dindaeng District, Bangkok
Registered Capital	660,675,000 ordinary shares, at the par value of Baht 10 per share. All shares fully paid-up, representing the total registered and paid-up capital of Baht 6,606,750,000.
Shareholding Percentage	61.33 percent

COMPANY ISSUING SECURITIES	NAM NGUM 2 POWER COMPANY LIMITED OR NN2
Business Operation	Production and distribution of electricity from hydroelectric power
Head Office	215 Lane Xang Avenue, Ban Xiang Yuen, Chanthabuly District, Vientiane Province, Lao People's Democratic Republic
Power Plant Location	Hom District, Xaysomboun, Vientiane Province, Lao People's Democratic Republic
Registered Capital	880,900,000 ordinary shares, at the par value of Baht 10 per share. All shares fully paid-up, representing the total registered and paid-up capital of Baht 8,809,000,000.
Shareholding Percentage	75 percent held by SEAN, or representing 46 percent held by the Company

COMPANY ISSUING SECURITIES	BANGPA-IN COGENERATION LIMITED OR BIC
Business Operation	Production and distribution of electricity and steam from the cogeneration power project
Registration No.	0105552021486
Head Office	587 Sutthisan Winitchai Road, Ratchadaphisek Subdistrict, Dindaeng District, Bangkok
Power Plant Location	456 Moo 2, Tambon Khlong Chik, Amphoe Bang Pa-in, Phra Nakhon Si Ayutthaya Province
Registered Capital	270,500,000 ordinary shares, at the par value of Baht 10 per share. All shares fully paid-up, representing the total registered and paid-up capital of Baht 2,705,000,000.
Shareholding Percentage	65 percent

Information of Legal Entities in which the Company Holds 10 Percent of Shares or More

COMPANY ISSUING SECURITIES	BANGKHENCHAI COMPANY LIMITED OR BKC
Business Operation	Production and distribution of electricity from the solar power
Registration No.	0105541054485
Head Office	587 Sutthisan Winitchai Road, Ratchadaphisek Subdistrict, Dindaeng District, Bangkok
Power Plant Location	190 Moo 9, Tambon Khok Thai, Amphoe Pak Thong Chai, Nakhon Ratchasima Province
Registered Capital	2,342,500 ordinary shares, at the par value of Baht 100 per share. Fully paid-up, representing the total registered and paid-up capital of Baht 234,250,000.
Shareholding Percentage	100 percent

COMPANY ISSUING SECURITIES	XAYABURI POWER COMPANY LIMITED OR XPCL
Business Operation	Production and distribution of electricity from hydroelectric power
Head Office	215 Lane Xang Avenue, Ban Xiang Yuen, Chanthabuly District, Vientiane Province, Lao People's Democratic Republic
Power Plant Location	Mekong River, Xayaburi Province and Luang Prabang Province, Lao People's Democratic Republic
Registered Capital	2,686,100,000 ordinary shares, at the par value of Baht 10 per share. All shares fully paid-up, representing the total registered and paid-up capital of Baht 26,861,000,000.
Shareholding Percentage	37.50 percent

COMPANY ISSUING SECURITIES	CHIANGRAI SOLAR COMPANY LIMITED
Business Operation	Production and distribution of electricity from the solar power
Registration No.	0105553149036
Head Office	23/30 Sorachai Building, 14 th Floor, Soi Sukhumvit 63, Sukhumvit Road, North Klongton Subdistrict, Wattana District, Bangkok
Power Plant Location	249-250 Moo 6, Tambon Tha Khao Plueak, Amphoe Mae Chan, Chiang Rai Province
Registered Capital	2,917,500 ordinary shares, at the par value of Baht 100 per share. 95.01 percent of which has been paid-up, representing the total registered and paid-up capital of Baht 277,212,500.
Shareholding Percentage	30 percent

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Information of Legal Entities in which the Company Holds 10 Percent of Shares or More

**COMPANY ISSUING
SECURITIES** **NAKHON RATCHASIMA SOLAR COMPANY LIMITED**

Business Operation	Production and distribution of electricity from the solar power
Registration No.	0105553011344
Head Office	23/30 Sorachai Building, 14 th Floor, Soi Sukhumvit 63, Sukhumvit Road, North Klongton Subdistrict, Wattana District, Bangkok
Power Plant Location	90-91, Tambon Takhian, Amphoe Dan Khun Thot, Nakhon Ratchasima Province
Registered Capital	2,215,000 ordinary shares, at the par value of Baht 100 per share. 85.06 percent of which has been paid-up, representing the total registered and paid-up capital of Baht 188,425,000.
Shareholding Percentage	30 percent

**COMPANY ISSUING
SECURITIES** **CKP SOLAR LIMITED**

Business Operation	Development of electricity production business of various types
Registration No.	0105556138728
Head Office	587 Viriyathavorn Building, Sutthisan Winitchai Road, Ratchadaphisek Subdistrict, Dindaeng District, Bangkok
Registered Capital	200,000 ordinary shares, at the par value of Baht 100 per share. 28.75 percent of which has been paid-up, representing the total registered and paid-up capital of Baht 5,750,000.
Shareholding Percentage	100 percent

**COMPANY ISSUING
SECURITIES** **HELIOS POWER LIMITED**

Business Operation	Development of electricity production business of various types
Registration No.	0105556152585
Head Office	587 Viriyathavorn Building, Sutthisan Winitchai Road, Ratchadaphisek Subdistrict, Dindaeng District, Bangkok
Registered Capital	10,000 ordinary shares, at the par value of Baht 100 per share. 25 percent of which has been paid-up, representing the total registered and paid-up capital of Baht 250,000.
Shareholding Percentage	100 percent

Information of Legal Entities in which the Company Holds 10 Percent of Shares or More

**COMPANY ISSUING
SECURITIES****APOLLO POWER LIMITED**

Business Operation	Development of electricity production business of various types
Registration No.	0105556152534
Head Office	587 Viriyathavorn Building, Sutthisan Winitchai Road, Ratchadaphisek Subdistrict, Dindaeng District, Bangkok
Registered Capital	10,000 ordinary shares, at the par value of Baht 100 per share. 25 percent of which has been paid-up, representing the total registered and paid-up capital of Baht 250,000.
Shareholding Percentage	100 percent

**COMPANY ISSUING
SECURITIES****SOLE POWER LIMITED**

Business Operation	Development of electricity production business of various types
Registration No.	0105556152577
Head Office	587 Viriyathavorn Building, Sutthisan Winitchai Road, Ratchadaphisek Subdistrict, Dindaeng District, Bangkok
Registered Capital	10,000 ordinary shares, at the par value of Baht 100 per share. 25 percent of which has been paid-up, representing the total registered and paid-up capital of Baht 250,000.
Shareholding Percentage	100 percent

**COMPANY ISSUING
SECURITIES****VIS SOLIS LIMITED**

Business Operation	Development of electricity production business of various types
Registration No.	0105556152526
Head Office	587 Viriyathavorn Building, Sutthisan Winitchai Road, Ratchadaphisek Subdistrict, Dindaeng District, Bangkok
Registered Capital	10,000 ordinary shares, at the par value of Baht 100 per share. 25 percent of which has been paid-up, representing the total registered and paid-up capital of Baht 250,000.
Shareholding Percentage	100 percent

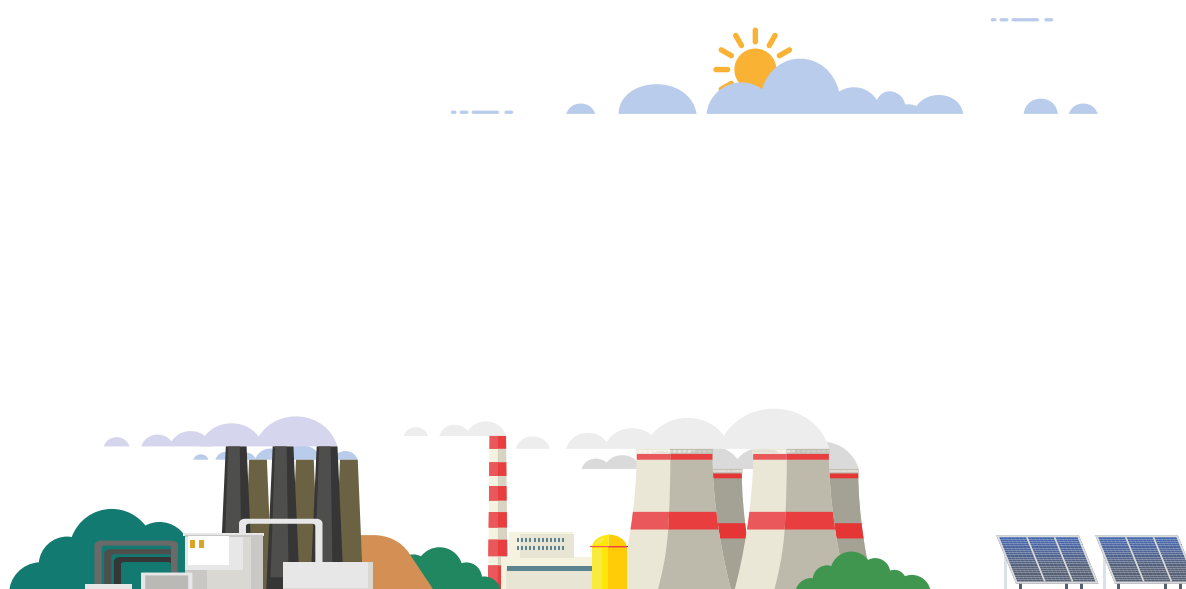
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Reference

SECURITIES REGISTRAR	THAILAND SECURITIES DEPOSITORY CO., LTD. 93 Rachadapisek Road, Dindaeng Subdistrict, Dindaeng District, Bangkok 10400 Telephone: 02-009-9000 Fax: 02-009-9991
AUDITOR	EY OFFICE LIMITED 193/136-137, 33 rd Floor, Lake Ratchada Office Complex, Ratchadaphisek Road, Klongtoey, Bangkok 10110 Telephone: 02-264-0777 / 02-661-9190 Fax: 02-264-0789-90

OTHER SIGNIFICANT INFORMATION

- As at December 31, 2019, there is no information which may materially affect the decision of investors.
- In 2019, the Company did not issue and offer for sale any debenture to the general public.



MANAGEMENT AND CORPORATE GOVERNANCE

— PART 2



INFORMATION ON SECURITIES AND SHAREHOLDERS

REGISTERED CAPITAL AND PAID-UP CAPITAL

- (1) As at December 31, 2019, the Company's registered capital amounted to Baht 9,240,000,000 divided into 9,240,000,000 ordinary shares, at the par value of Baht 1 per share, 8,129,382,039 shares of which have been paid-up, or amounting to Baht 8,129,382,039.
- (2) The Company has no other shares than ordinary shares.

SHAREHOLDERS

LIST OF MAJOR SHAREHOLDERS OF THE COMPANY

- (a) Top 10 major shareholders as at December 27, 2019 which was the most recent closing date of the share register were listed as follows:

No.	Name	Number of Shares	Shareholding Percentage
1	CH. Karnchang Public Company Limited	2,592,961,348	31.896
2	TTW Public Company Limited	2,030,759,929	24.980
3	Bangkok Expressway and Metro Public Company Limited	1,314,234,013	16.166
4	PT SOLE COMPANY LIMITED	214,824,730	2.643
5	Thai NVDR Co., Ltd.	151,863,100	1.868
6	Miss Chawaysara Pornpibul	131,800,000	1.621
7	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	110,152,078	1.355
8	Mr. Min Thianvorn	60,500,000	0.744
9	Mr. Sombat Phanichewa	52,000,000	0.640
10	Mr. Uthaiphan Jirakunphongthon	40,900,000	0.503
Total		6,699,995,198	82.416

Free Float Percentage of the Company

According to the information on shareholders as at the closing date of the share register for suspension of the share transfer as at December 27, 2019, the percentage of non-strategic shareholders was 26.930 percent of all issued and sold shares.

Shareholding by Directors and Executives

According to the list of shareholders as at December 27, 2019, there were three directors and executives holding shares in the Company as follows:

Name	Position	Shareholding Percentage	
		Number of Shares	Shareholding Percentage
Mr. Plew Trivisvavet (by his spouse)	Chairman of the Executive Committee	2,000,000	0.025
Dr. Vicharn Aramvareekul	Chairman of the Nomination and Remuneration Committee	2,680	0.000
Dr. Michael Eric Raeder	Deputy Managing Director: Engineering	125,000	0.002
Total		2,127,680	0.027

Remark: There were no other directors and executives, including the spouses and minor children of such other directors or executives, holding shares in the Company.

(b) Major shareholders who had substantial influence on the Company's management policy or operations comprised:

No.	Name	Number of Shares	Shareholding Percentage
1	CH. Karnchang Public Company Limited	2,592,961,348	31.896
2	TTW Public Company Limited	2,030,759,929	24.980
3	Bangkok Expressway and Metro Public Company Limited	1,314,234,013	16.166
Total		5,937,955,290	73.042

Remark

- Top 10 shareholders of CH. Karnchang Public Company Limited as at September 4, 2019 which was the closing date of the share register for the right to receive dividend comprised:

No.	Name	Number of Shares	Shareholding Percentage
1	Mahasiri Siam Co., Ltd.	237,512,365	14.02
2	CH. Karnchang Holding Co., Ltd.	171,396,530	10.12
3	Thai NVDR Co., Ltd.	111,596,189	6.59
4	CK. Office Tower Co., Ltd.	86,048,212	5.08
5	UOB KAY HIAN (HONG KONG) LIMITED - Client Account	42,007,200	2.48
6	Bangkok Bank Public Company Limited	38,950,000	2.30
7	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	37,452,900	2.21
8	Krungsri Dividend Stock LTF (KFLTFDIV)	24,262,100	1.43
9	K 20 Select LTF	21,200,000	1.25
10	The Viriyah Insurance Public Company Limited	15,545,200	0.92
Total		785,970,696	46.40

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- Top 10 shareholders of TTW Public Company Limited as at August 27, 2019 which was the closing date of the share register for the right to receive dividend comprised:

No.	Name	Number of Shares	Shareholding Percentage
1	Mitsui Water Holdings (Thailand) Company Limited	1,036,500,000	25.98
2	CH. Karnchang Public Company Limited	774,077,400	19.40
3	Bangkok Expressway and Metro Public Company Limited	736,900,000	18.47
4	Thai NVDR Co., Ltd.	251,208,715	6.30
5	Bangkok Life Assurance Public Company Limited	139,943,700	3.51
6	Mr. Min Thianvorn	73,000,000	1.83
7	AIA COMPANY LIMITED - EQDP - D FUND 1	65,742,100	1.65
8	SOUTH EAST ASIA UK (TYPE C) NOMINEE LIMITED	45,951,400	1.15
9	Dhipaya Insurance Public Company Limited	30,668,100	0.77
10	Mr. Phaisan Chatphithak	30,000,000	0.75
Total		3,183,991,415	79.81

- Top 10 shareholders of Bangkok Expressway and Metro Public Company Limited as at August 23, 2019 which was the closing date of the share register for the right to receive dividend comprised:

No.	Name	Number of Shares	Shareholding Percentage
1	CH. Karnchang Public Company Limited	4,787,121,829	31.32
2	Mass Rapid Transit Authority of Thailand	1,256,259,584	8.22
3	Thai NVDR Co., Ltd.	1,074,957,976	7.03
4	Krung Thai Bank Public Company Limited	1,047,025,175	6.85
5	Mr. Wichai Wachiraphong	390,678,757	2.56
6	STATE STREET EUROPE LIMITED	314,102,298	2.05
7	Bangkok Bank Public Company Limited	303,448,709	1.99
8	Social Security Office	296,545,458	1.94
9	SOUTH EAST ASIA UK (TYPE C) NOMINEE LIMITED	282,104,674	1.85
10	Mr. Min Thianvorn	204,000,000	1.33
Total		9,752,244,460	65.14

LIST OF SHAREHOLDERS OF SUBSIDIARIES OPERATING CORE BUSINESSES

(a) SouthEast Asia Energy Limited ("SEAN")

No.	Name	Number of Shares ¹	Shareholding Percentage
1	CK Power Public Company Limited ¹	405,213,999	61.333
2	RATCH Group Public Company Limited ²	220,225,000	33.333
3	Shlapak Development Company Limited ³	35,236,000	5.333
4	Mr. Nopadol Intralib	1	0.000
Total		660,675,000	100.000

Remarks: ¹ Information as at the Board of Directors' Meeting No. 2/2019 on April 23, 2019, which resolved to grant approval for the Company to additionally invest in Nam Ngum 2 Power Company Limited by executing the agreement for purchase of 35,236,000 ordinary shares in SEAN from PT Holding Limited, representing 5.33 percent, thereby increasing the Company's shareholding percentage in SEAN from 56.00 to 61.33 percent of SEAN's registered capital.

² The 2019 Ordinary General Meeting of Shareholders of Ratchaburi Electricity Generating Holding Public Company Limited held on April 12, 2019 resolved to approve the change of its name from Ratchaburi Electricity Generating Holding Public Company Limited to RATCH Group Public Company Limited.

³ Incorporated in Commonwealth of the Bahamas (the Bahamas).

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

No.	Name	Number of Shares ¹	Shareholding Percentage
1	SouthEast Asia Energy Limited	660,675,000	75.000
2	EDL - Generation Public Company Limited ²	220,225,000	25.000
Total		880,900,000	100.000

Remarks: ¹ Information as at the 2019 Ordinary General Meeting of Shareholders held on March 21, 2019. In 2019, the shareholdings in NN2 remained unchanged.

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

(c) Bangpa-in Cogeneration Limited ("BIC")

No.	Name	Number of Shares ¹	Shareholding Percentage
1	CK Power Public Company Limited	175,824,998	65.000
2	Global Power Synergy Public Company Limited	67,625,001	25.000
3	Industrial Estate Authority of Thailand	21,640,000	8.000
4	Mrs. Napaporn Poowuttikul	5,410,000	2.000
5	Mr. Nopadol Intralib	1	0.000
Total		270,500,000	100.000

Remark: ¹ Information as at the 2019 Annual Ordinary General Meeting of Shareholders on March 22, 2019. In 2019, the shareholdings in BIC remained unchanged.

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(d) Bangkhenchai Company Limited ("BKC")

No.	Name	Number of Shares ¹	Shareholding Percentage
1	CK Power Public Company Limited	2,342,498	100.000
2	Mr. Narong Sangsuriya	1	0.000
3	Mr. Vorapote Uchoepaiboonvong	1	0.000
Total		2,342,500	100.000

Remark: ¹ Information as at the 2019 Annual Ordinary General Meeting of Shareholders on March 22, 2019. In 2019, the shareholdings in BKC remained unchanged.

(e) CKP Solar Limited ("CKP Solar")

No.	Name	Number of Shares ¹	Shareholding Percentage
1	CK Power Public Company Limited	199,998	100.000
2	Mr. Vorapote Uchoepaiboonvong	1	0.000
3	Mr. Nopadol Intralib	1	0.000
Total		200,000	100.000

Remark: Currently, CKP Solar has not started its business operation.
¹ Information as at the most recent closing date of the share register on March 25, 2019. In 2019, the shareholdings in CKP Solar remained unchanged.

(f) Helios Power Limited ("Helios")

No.	Name	Number of Shares ¹	Shareholding Percentage
1	CK Power Public Company Limited	9,998	100.000
2	Mr. Vorapote Uchoepaiboonvong	1	0.000
3	Mr. Nopadol Intralib	1	0.000
Total		10,000	100.000

Remark: Currently, Helios has not started its business operation.
¹ Information as at the most recent closing date of the share register on March 25, 2019. In 2019, the shareholdings in Helios remained unchanged.

(g) Apollo Power Limited ("Apollo")

No.	Name	Number of Shares ¹	Shareholding Percentage
1	CK Power Public Company Limited	9,998	100.000
2	Mr. Vorapote Uchoepaiboonvong	1	0.000
3	Mr. Nopadol Intralib	1	0.000
Total		10,000	100.000

Remark: Currently, Apollo has not started its business operation.
¹ Information as at the most recent closing date of the share register on March 25, 2019. In 2019, the shareholdings in Apollo remained unchanged.

(h) Sole Power Limited ("Sole")

No.	Name	Number of Shares ¹	Shareholding Percentage
1	CK Power Public Company Limited	9,998	100.000
2	Mr. Vorapote Uchoepaiboonvong	1	0.000
3	Mr. Nopadol Intralib	1	0.000
Total		10,000	100.000

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

¹ Information as at the most recent closing date of the share register on March 25, 2019. In 2019, the shareholdings in Sole remained unchanged.

(i) Vis Solis Limited ("Vis Solis")

No.	Name	Number of Shares ¹	Shareholding Percentage
1	CK Power Public Company Limited	9,998	100.000
2	Mr. Vorapote Uchoepaiboonvong	1	0.000
3	Mr. Nopadol Intralib	1	0.000
Total		10,000	100.000

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

¹ Information as at the most recent closing date of the share register on March 25, 2019. In 2019, the shareholdings in Vis Solis remained unchanged.

Shareholders' Agreement

As at December 31, 2019, the Company had no shareholders' agreement on any matter affecting the Company's issuance and offering for sale of securities or its management.

ISSUANCE OF SECURITIES

The 2015 Annual Ordinary General Meeting of Shareholders on April 9, 2015 resolved to approve the Company's issuance and offering of the warrants to purchase new ordinary shares (CKP-W1), name-registered and transferable type, in the amount of 1,870 million units, to its existing shareholders, who subscribed for and made subscription payment for such shares, in proportion to their respective shareholdings (Rights Offering), at the exercise ratio: 1 unit of warrant per 1 new ordinary share at the exercise price of Baht 6 per share. The valid tenure of CKP-W1 shall be 5 years from the date of issuance and offering for sale of the warrants (ending on May 28, 2020). CKP-W1's first trading date was June 9, 2015 onwards.

Currently, CKP-W1 has the exercise ratio: 1 unit of warrant per 1.0007 new ordinary shares at the exercise price of Baht

6 per share. The hang in exercise ratio was because the 2019 Annual Ordinary General Meeting of Shareholders on April 23, 2019 resolved to approve the dividend payment in excess of 75 percent of net profit after income tax, therefore, the Company revised the exercise rate of CKP-W1 to protect the benefits of the CKP-W1 holders not to be inferior to that as previous, under the Terms and Conditions governing Rights and Obligations of the Issuer and Holders of Warrants to Purchase Newly Issued Ordinary Shares of the Company No. 1.

In 2019, the warrant holders had stated their intentions to exercise their right to convert the CKP-W1 to ordinary shares on two occasions, as follows:

- In quarter 2/2019, the warrant holders had exercised their right under the warrants of a total 593,816,848 units,

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amounting to 594,232,516 ordinary shares, and the Company already registered for change of the paid-up capital with the Department of Business Development, Ministry of Commerce, from 7,370,000,000 shares to 7,964,232,516 shares, at the par value of Baht 1 per share, representing the registered capital of Baht 7,964,232,516, on July 1, 2019.

- In quarter 3/2019, the warrant holders had exercised

their right under the warrants of a total of 165,034,000 units, amounting to 165,149,523 ordinary shares, and the Company already registered for change of the paid-up capital with the Department of Business Development, Ministry of Commerce, from 7,964,232,516 shares to 8,129,382,039 shares, at the par value of Baht 1 per share, representing the registered capital of Baht 8,129,382,039, on October 1, 2019.

POLICY ON DIVIDEND PAYMENT

POLICY ON DIVIDEND PAYMENT OF THE COMPANY

The Company has a policy on dividend payment at the rate of not less than 40 percent of the net profit under its separate financial statements after deduction of corporate income tax and legal reserve. In this regard, such dividend payment will depend on the Company's cash flows, investment plan, necessity in use of investments, obligations under the conditions of the loan agreement, other future factors and appropriateness. Upon approval granted by the Board of Directors for the annual dividend payment, the matter shall be proposed to seek approval of the shareholders' meeting, except for the interim dividend payment, which the Board of Directors has the power to grant such approval when it considers that the Company has sufficient profits and cash flows for dividend payment, and shall then report to the following shareholders' meeting for acknowledgement. The Company's previous dividend payments were as follows:

Operational Results as Reported in the Separate Financial Statement for the Year	2015	2016	2017	2018	2019 ¹
Earnings per Share (Baht)	0.05	0.15	0.04	0.03	0.07
Dividend per Share (Baht)	0.0223	0.0600	0.0225	0.0280	0.0300
Dividend Amount (Million Baht)	164.35	442.20	165.83	206.36	243.88 ³
Dividend Payout Ratio (percent) ²	51.16	40.37	57.89	85.69	42.81

Remarks : ¹ This is an agenda item to be proposed to the 2020 Annual Ordinary General Meeting of Shareholders to be held on April 28, 2020, for consideration. The right to receive such dividend remains uncertain until the approval of the 2020 Annual Ordinary General Meeting of Shareholders would be granted.

² Calculated from the dividend per share divided by net earnings per share as reported in the Company's separate financial statements for each of such years.

³ Calculated based on number of share as at December 31, 2019; The dividend amount may change depending on the exercise of warrants of the Company.

POLICY ON DIVIDEND PAYMENT OF THE SUBSIDIARIES

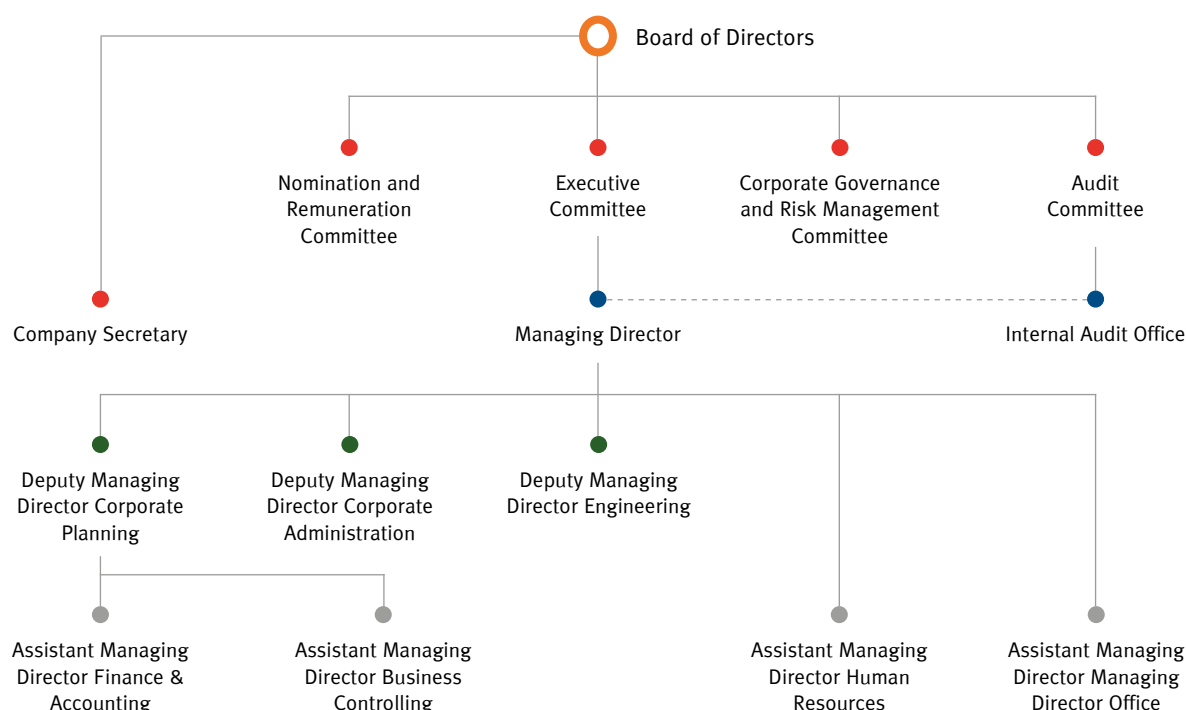
The subsidiaries have a policy on dividend payment at the rate of not less than 40 percent of the net profit under their respective separate financial statements after deduction of corporate income tax, legal reserve, and obligations under the loan agreement. In this regard, such dividend payment of the subsidiaries will depend on cash flows, investment plan, necessity in use of investments, other factors and appropriateness. The board of directors of each subsidiary will also consider granting approval and propose the matter to its own shareholders' meeting for approval on a yearly basis, except for the interim dividend payment, which the board of directors of each subsidiary has the power to grant

such approval when it considers that the subsidiary has sufficient profits and cash flows for dividend payment, and shall then report to the following shareholders' meeting for acknowledgement. In this regard, after the consideration for dividend payment by the board of directors' meeting or the ordinary general meeting of shareholders of each subsidiary (as the case may be), such resolution is required to be considered and approved by the Executive Committee's Meeting (for consideration on the interim dividend payment) or the Board of Directors' Meeting of the Company (for consideration on the annual dividend payment), as the case may be, the subsidiaries will then be able to make such dividend payment to their shareholders as approved.

MANAGEMENT STRUCTURE

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THE MANAGEMENT STRUCTURE OF CK POWER PUBLIC COMPANY LIMITED AS AT DECEMBER 31, 2019



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

BOARD OF DIRECTORS OF THE COMPANY AND ITS SUBSIDIARIES

STRUCTURE OF THE BOARD OF DIRECTORS

The Board of Directors has power, duties and responsibilities in supervision and management of the Company to ensure compliance with the laws, objectives and articles of association of the Company as well as resolutions passed by shareholders' meetings which are legally valid, based on the integrity and safeguard of the interests of the Company and its shareholders. The Company's management structure is clear, counterbalancing and auditable.

The structure of the Board of Directors is composed of qualified persons who have knowledge and experience in line with the Company's business strategies. As at December 31, 2019, the Company had 12 directors (one

of whom was a female director, representing 9 percent of Board of directors), divided into:

- five executive directors, one of whom served as the Managing Director, representing 9 percent of Board of directors; and
- seven non-executive directors, four of whom were independent directors (including Chairman of the Board of Directors), representing one-third or 33 percent of Board of directors.

In this regard, management of such structure of the Board of Directors was conducive to counterbalancing votes and ensuring inspection by and between executive directors and non-executive directors.

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The lists of names of the Board of Directors and number of meeting attendance are shown below:

Name	Position	Number of Meetings in 2019 ¹
Dr. Thanong Bidaya	Chairman of the Board of Directors Independent Director	6/6
Mr. Plew Trivisvavet	Chairman of the Executive Committee Director	5/6
Dr. Jon Wongswan	Chairman of the Audit Committee Independent Director	4/6
Mr. Narong Sangsuriya	Chairman of the Corporate Governance and Risk Management Committee Director	5/6
Dr. Vicharn Aramvareekul	Chairman of the Nomination and Remuneration Committee The Audit Committee Member The Corporate Governance and Risk Management Committee Member Independent Director	6/6
Mr. Chaiwat Utaiwan	Executive Committee Director	6/6
Mr. Prawet Ingadapa ²	The Audit Committee Member The Nomination and Remuneration Committee Member Independent Director	-
Dr. Patarut Dardarananda ³	The Audit Committee Member The Nomination and Remuneration Committee Member Independent Director	5/5
Mr. Prasert Marittanaporn	Executive Committee The Nomination and Remuneration Committee Member Director	6/6
Mr. Van Hoang Dau	Director	5/6
Mr. Vorapote Uchoepaiboonvong	Director	5/6
Dr. Supamas Trivisvavet	Executive Committee Director	6/6
Mr. Thanawat Trivisvavet	Executive Committee The Corporate Governance and Risk Management Committee Member Director Managing Director Company Secretary	6/6

Remarks: Information on qualifications of persons holding positions as the Company's directors appears in Attachment 1 - the Company's Annual Registration Statement for Year 2019 (Form 56-1).

¹ Attendances/Total Number of Meetings

² Mr. Prawet Ingadapa vacated the positions as Independent Director, the Audit Committee Member, and the Nomination and Remuneration Committee Member, with effect on February 21, 2019.

³ The Board of Directors' Meeting No. 1/2019 resolved to approve the appointment of Dr. Patarut Dardarananda as Independent Director, the Audit Committee Member, and the Nomination and Remuneration Committee Member, to fill such vacancies, with effect on February 21, 2019.

In this regard, the related high ranking executives are required to jointly attend all the Board of Directors' Meetings for presentation of information regarding report on operational results of the Company, overviews of the potential operational results, operational obstacles or problems, progress in development of future projects of the Company, including other significant matters, in order for the Board of Directors to closely follow up and acknowledge the operations. The Board of Directors will use such information to consider formulating the short-term and long-term managerial policies and strategies of the Company and each subsidiary.

THE COMPANY'S AUTHORIZED DIRECTORS

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

INDEPENDENT DIRECTORS

The Company has a policy to appoint independent directors who must account for at least one-third of all directors, but not less than three directors. The consideration, selection and appointment of candidates as the Company's independent directors must be conducted based on legal requirements, notifications of the Stock Exchange of Thailand, and the Office of the Securities and Exchange Commission (the "SEC Office") regarding qualifications of independent directors, which are stricter than the Notification of the Capital Market Supervisory Board No. TorChor. 39/2559 Re: Application for and Approval of Offer for Sale of Newly Issued Shares, including its amendments, together with the Board of Directors' Charter regarding qualifications of the Company's directors. In this regard, the Company determines independent directors' qualifications as follows:

1. Holding not more than 0.5 percent of the total number of voting shares in the Company, its parent company, subsidiary, associated company, major shareholder or controller of the Company, including shares held by the related parties;
2. Not being or having been a director having involvement in the management, an employee, a staff member, an advisor receiving a regular salary or a controller of the Company, its parent company, subsidiary, associated company, subsidiary at the same level, major shareholder or of controller of the Company, unless such independent director has no longer been in such capacity for not less than two years prior to assuming the position as Member of the Audit Committee;
3. Not having or having had any business relationship with the Company, its parent company, subsidiary, associated company, major shareholder or controller of the Company in a manner which may prevent the exercise of his or her independent judgment; and not being or having been a substantial shareholder or controller of any person having a business relationship with the Company, its parent company, subsidiary, associated company, major shareholder or controller of

the Company, unless such independent director has no longer been in such capacity for not less than two years, and not having any benefit or interest, whether directly or indirectly in respect of finance and management of the Company, its affiliated company, associated company, or a person who may give rise a conflict of interests in a manner which may result in a lack of independence;

4. Not having a relationship by blood or by legal registration in the capacity as parent, spouse, sibling or offspring, including spouse of the offspring, of other directors, executive, major shareholder of the Company, controller or any person to be nominated as director, executive or controller of the Company and its subsidiary;
5. Not being a director appointed as representative to safeguard interests of director, major shareholder or shareholder who is a related party of the major shareholder; and being capable of giving opinions or reporting in a free manner in accordance with the entrusted task irrespective of any benefit that might influence his/her independent opinion;
6. Not being or having been an auditor of the Company, its parent company, subsidiary, associated company, major shareholder, controller of the Company or legal entity which may have a conflict of interests; and not being a substantial shareholder, controller, or managing partner of an audit firm which employs the auditor of the Company, its parent company, subsidiary, associated company, or controller of the Company, unless such independent director has no longer been in such capacity for not less than two years prior to assuming the position as Member of the Audit Committee;
7. Not being or having been a professional service provider, including legal advisor or financial advisor which receives an annual service fee exceeding Baht 2 Million from the Company, its parent company, subsidiary, associated company, major shareholder, controller of the Company; and not being a substantial shareholder, controller, or partner of such professional service provider, unless such independent director has no longer been in such capacity for not less than two years prior to assuming the position as Member of the Audit Committee;
8. Not engaging in any business of the same nature as and in material competition with the Company or its subsidiary; or not being a substantial partner in a partnership or a director having involvement in the management, an employee, a staff member, an advisor receiving a regular salary or holding more than 0.5 percent of the total number of voting shares of another

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company engaging in any business of the same nature as and in material competition with the business of the Company or its subsidiaries;

9. The Members of the Audit Committee shall be the Company's independent directors in accordance with the qualifications required by the Office of the Securities and Exchange Commission.

As at December 31, 2019, the Company had four independent directors, who have the qualifications under the Notification of the Capital Market Supervisory Board, from a total of all 12 directors (one-third of all directors), as follows:

Name	Position
Dr. Thanong Bidaya	Chairman of the Board of Directors
Dr. Jon Wongswan	Chairman of the Audit Committee
Dr. Vicharn Aramvareekul	Chairman of the Nomination and Remuneration Committee The Audit Committee Member The Corporate Governance and Risk Management Committee Member
Mr. Prawet Ingadapa ¹	The Audit Committee Member The Nomination and Remuneration Committee Member
Dr. Patarut Dardarananda ²	The Audit Committee Member The Nomination and Remuneration Committee Member

Remarks: ¹ Mr. Prawet Ingadapa vacated the positions as Independent Director, the Audit Committee Member, and the Nomination and Remuneration Committee Member, with effect on February 21, 2019.
² The Board of Directors' Meeting No. 1/2019 resolved to approve the appointment of Dr. Patarut Dardarananda as Independent Director, the Audit Committee Member, and the Nomination and Remuneration Committee Member, to fill such vacancies, with effect on February 21, 2019.

In this regard, the Company appointed an independent director during 2019. All independent directors as listed above neither have any business relationship with nor provide any professional service to the Company.

THE CHAIRMAN OF THE BOARD OF DIRECTORS

It is a policy of the Company that the Chairman of the Board of Directors and the Managing Director shall not be the same person and shall be independent directors who have no interest in the Company's management, in order to clearly distinguish between the policy making, and the day-to-day management. The Company clearly separates roles, duties and responsibilities between the Board of Directors and management and also ensures a counterbalance of power in its operations, whereby the Board of Directors determines policies, supervises and monitors the performance of management at the policy level, while management is responsible to manage the Company's various works to comply with the specified policies. In this regard, Dr. Thanong Bidaya, as an independent director and the Chairman of the Board of Directors, has knowledge and ability in line with the Company's business strategies, and also has acceptable experience, which can rest assured that he will be able to lead the Company to accomplish the Company's vision and mission.

APPOINTMENT, RESIGNATION AND RETIREMENT FROM DIRECTORSHIP

The shareholders' meeting appoints directors who have the qualifications and do not have any prohibited characteristic as specified by law, and do not have any characteristic indicating a lack of appropriateness in respect of trustworthiness in management of a business whose shares are held by public shareholders as specified by the SEC Office. That is, the Board of Directors shall be composed of at least five directors, and at least one-third of all such directors must be independent directors, and at least half of all such directors must reside in Thailand.

In case of a vacancy on the directorship position otherwise than retirement by rotation, the Board of Directors may select any person who is qualified as a replacement director at the following meeting with the votes of three-fourths of the remaining number of directors. The replacement director will hold office only for the remaining term of the director whom he or she replaces. In each annual ordinary general meeting of shareholders, one-third of the total number of directors shall vacate their office, whereby those directors

to vacate their office shall be the directors who have been in office for the longest term. Upon expiration of the term of office, a vacating director may be re-appointed under the resolution of the shareholders' meeting.

SCOPE OF POWERS, DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS PER THE DETAILS UNDER THE BOARD OF DIRECTORS' CHARTER OF THE COMPANY ARE AS FOLLOWS:

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

Market Supervisory Board, the SET regulations, together with applicable laws relating to the Company's business;

6. To consider, review, examine and approve the business expansion plan, large scale investment projects, including any joint investment with other operators as proposed by the Management;
7. To apply the Control Policy and Governance Mechanisms to its subsidiaries or associated companies, namely:
 - 7.1 To perform the duties within the scope of duties and responsibilities for directors as specified and approved by the Board of Directors' meeting in connection with the appointment as directors or executives of subsidiaries in accordance with the Company's shareholding in such subsidiaries;
 - 7.2 To continuously monitor the operational results of the subsidiaries and associated companies to ensure compliance with the operation plans and budget;
 - 7.3 To ensure that the subsidiaries disclose accurate and complete information to the Company regarding their financial position and operational results, connected transactions and acquisition or disposition of material assets;
 - 7.4 In case a subsidiary executes a transaction with a connected person, acquires or disposes of assets or executes any other material transactions, the Board of Directors, in particular such directors or any other person approved by resolutions of the Board of Directors' meeting of the Company for appointment as directors or executives of such subsidiary, has a duty to ensure that the subsidiary complies with the mechanisms relating to connected transactions, acquisition and disposition, including material transactions as specified by the Company; provided that the subsidiary will consider and execute such transactions in compliance with the applicable rules on execution of such transactions of similar nature and size as those of the Company which require resolutions of the meeting of the Board of Directors or of shareholders of the Company, as the case may be.
8. To consider and pass a resolution to approve the appointment or replacement of persons as directors and/or executives in subsidiaries or associated companies, in accordance with the Company's shareholding in the subsidiaries or associated companies, and to apply the Control Policy and Governance Mechanisms to the subsidiaries or

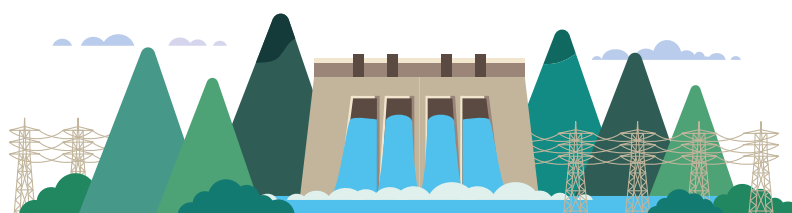
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associated companies, in order to demonstrate that the Company adheres to the governance mechanisms for its subsidiaries under the notifications of the Capital Market Supervisory Board and applicable regulations;

9. To consider specifying the management structure, to have the power to appoint an Executive Committee, Managing Director and other subcommittees as appropriate, e.g., Audit Committee, Nomination and Remuneration Committee, and Corporate Governance and Risk Management Committee, etc., including to determine the scope of power and duties as well as remuneration of the Executive Committee, Managing Director and such subcommittees so appointed in compliance with the rules and notifications of the Capital Market Supervisory Board and/or any other notifications of the relevant authorities, without a manner of empowerment to consider and approve any transaction which may give rise to a conflict of interest or any other benefits, to be executed with the Company or its subsidiaries, except for approval of such transactions in compliance with the policies and rules which have already been considered and approved by the Board of Directors;
10. To authorize one or several directors or any other person(s) to take any action on its behalf, subject to its monitoring and supervision, or may authorize such person(s) to have such powers and for such period of time as it deems appropriate, which may be cancelled, revoked, changed or amended at any time by the Board as appropriate. The said authorization must not be construed to empower such person(s) to consider and approve any transaction in which he or she or other person(s) may have a conflict or interest or any other conflict of interest, except for approval of such transaction in the ordinary course of business and on the general trading conditions or in compliance with the policies and rules which have already been

considered and approved by the Board of Directors, subject to the rules, conditions and procedures as specified in relation to connected transactions and acquisition or disposition of material assets of listed companies under the notifications of the Capital Market Supervisory Board and/or any other notifications of the relevant authorities;

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



SUBCOMMITTEES

Based on the powers under the Board of Directors' Charter, the Board of Directors appoints four subcommittees to perform the duty to conduct the Company's management, as follows:

(1) Executive Committee

As at December 31, 2019, the Executive Committee comprises five members, per names and number of their meeting attendances listed below:

Name	Position	Number of Meetings in 2019 ¹
Mr. Plew Trivisvavet	Chairman of the Executive Committee	10/10
Mr. Chaiwat Utaiwan	Executive Committee	10/10
Mr. Prasert Marittanaporn	Executive Committee	10/10
Dr. Supamas Trivisvavet	Executive Committee	10/10
Mr. Thanawat Trivisvavet	Executive Committee / Managing Director / Secretary to the Executive Committee	10/10

Remark: The Executive Committee has the scope of powers and duties per the details in the caption of Corporate Governance.
¹ Attendances/Total Number of Meetings

(2) Audit Committee

As at December 31, 2019, the Audit Committee comprises three independent directors, per names and number of their meeting attendances listed below:

Name	Position	Number of Meetings in 2019 ¹
Dr. Jon Wongswan ²	Chairman of the Audit Committee	3/4
Dr. Vicharn Aramvareekul	The Audit Committee Member	4/4
Mr. Prawet Ingadapa ³	The Audit Committee Member	1/1
Dr. Patarut Dardarananda ⁴	The Audit Committee Member	3/3

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

¹ Attendances/Total Number of Meetings

² As the Audit Committee Member who is knowledgeable and experienced to review the Company's financial statements.

³ Mr. Prawet Ingadapa vacated the positions as Independent Director, the Audit Committee Member, and the Nomination and Remuneration Committee Member, with effect on February 21, 2019.

⁴ The Board of Directors' Meeting No. 1/2019 resolved to approve the appointment of Dr. Patarut Dardarananda as Independent Director, the Audit Committee Member, and the Nomination and Remuneration Committee Member, to fill such vacancies, with effect on February 21, 2019.

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02**(3) Corporate Governance and Risk Management Committee**

As at December 31, 2019, the Corporate Governance and Risk Management Committee comprises one independent director, one non-executive director, and one executive director, totaling three persons, per names and number of their meeting attendances listed below:

Name	Position	Number of Meetings in 2019 ¹
Mr. Narong Sangsuriya	Chairman of the Corporate Governance and Risk Management Committee	4/4
Dr. Vicharn Aramvareekul	The Corporate Governance and Risk Management Committee Member	4/4
Mr. Thanawat Trivisvavet	The Corporate Governance and Risk Management Committee Member	3/4

Remark: The Corporate Governance and Risk Management Committee Member shall have a term of office of three years according to the term of office as director. Upon expiration of the term of office, he/she may be re-appointed under the resolution of the board of directors' meeting. The Corporate Governance and Risk Management Committee has the scope of powers and duties per the details in the caption of Corporate Governance.

¹ Attendances/Total Number of Meetings

(4) Nomination and Remuneration Committee

As at December 31, 2019, the Nomination and Remuneration Committee comprises two independent directors and one executive director, totaling three persons, per names and number of their meeting attendances listed below:

Name	Position	Number of Meetings in 2019 ¹
Dr. Vicharn Aramvareekul	Chairman of the Nomination and Remuneration Committee	2/2
Mr. Prawet Ingadapa ²	Chairman of the Nomination and Remuneration Committee	0/1
Mr. Prasert Marittanaporn	Chairman of the Nomination and Remuneration Committee	2/2
Dr. Patarut Dardarananda ³	Chairman of the Nomination and Remuneration Committee	1/1

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

¹ Attendances/Total Number of Meetings

² Mr. Prawet Ingadapa vacated the positions as Independent Director, the Audit Committee Member, and the Nomination and Remuneration Committee Member, with effect on February 21, 2019.

³ The Board of Directors' Meeting No. 1/2019 resolved to approve the appointment of Dr. Patarut Dardarananda as Independent Director, the Audit Committee Member, and the Nomination and Remuneration Committee Member, to fill such vacancies, with effect on February 21, 2019.

BOARD OF DIRECTORS OF SUBSIDIARIES

The Company operates its business as a holding company. As at December 31, 2019, the Company had its subsidiaries, namely, SouthEast Asia Energy Limited (which has invested in Nam Ngum 2 Power Company Limited), Bangpa-in Cogeneration Limited, and Bangkhenchai Co., Ltd.

In this regard, the Company's four subsidiaries are required to present their respective transactions under notifications of connected transactions or notifications of acquisition

or disposition of assets, including transactions which are deemed material which, once executed, will materially affect the financial position and operational results of each subsidiary, to the Board of Directors' Meeting or the Executive Committee's Meetings of the Company (as the case may be) in compliance with the Control Policy and Governance Mechanisms (Control Policy), together with the Board of Directors' Charter of each subsidiary (please see details of the Control Policy in the caption of Corporate Governance).

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

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02

01 SouthEast Asia Energy Limited (SEAN)

The management structure of SEAN as at December 31, 2019 was as follows:



SEAN's board of directors consisted of 10 directors, five of whom were executive directors, per names and number of their meeting attendances listed below:

Name	Position	Total Number of Meetings in 2019 ¹	
		The Board of Directors' Meeting	The Executive Committee's Meeting
Dr. Virabongsa Ramangkura	Chairman of the Board of Directors	3/3	
Mr. Plew Trivisvavet ²	Chairman of the Executive Committee	3/3	3/3
Mr. Supong Chayutsahakij ²	Director	3/3	
Mr. Narong Sangsuriya ²	Director	3/3	
	Executive Committee		3/3
Mr. Prasert Marittanaporn ²	Director	3/3	
Mrs. Sunee Rajatamutha ³	Director	-	
Mr. Nimit Lekcharoensuk	Director	2/3	
	Executive Committee		3/3
Mrs. Wadeerat Charoencoop ³	Director	2/2	
Mr. Van Hoang Dau	Director	1/3	
	Executive Committee		1/3
Mr. Milton William Shlapak	Director	2/3	
Mr. Vorapote Uchoepaiboonvong ²	Director	3/3	
	Executive Committee		3/3
	Managing Director		

Remarks: Information on qualifications of persons holding positions as the Subsidiaries' directors appears in Attachment 2 - the Company's Annual Registration Statement for Year 2019 (Form 56-1).

¹ Attendances/Total Number of Meetings

² Directors representing the Company in SEAN in proportion to the Company's shareholding in SEAN at 61 percent (excluding the Chairman of the Board of Directors who is an independent director)

³ The Board of Directors' Meeting No. 1/2019 on February 14, 2019 resolved to approve the appointment of Mrs. Wadeerat Charoencoop as director to replace Mrs. Sunee Rajatamutha who resigned the position, with effect from the date of the resolution of the Board of Directors' Meeting.

Authorized Signatory Directors of SEAN

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

PART
02**02 Nam Ngum 2 Power Company Limited (NN2)**

The Company holds shares in NN2 through SEAN's shareholding, representing 46 percent of the Company's indirect shareholding in NN2. The management structure of NN2 as at December 31, 2019 was as follows:

- Board of Directors
- Executive Committee
- Managing Director
- Deputy Managing Director:
Operation and Maintenance Department

NN2's board of directors consisted of 13 directors, six of whom were executive directors, per names and number of their meeting attendances, as follows:

Name	Position	Total Number of Meetings in 2019 ¹	
		The Board of Directors' Meeting	The Executive Committee's Meeting
Dr. Virabongsa Ramangkura	Chairman of the Board of Directors	5/5	
Mr. Plew Trivisvavet ²	Chairman of the Executive Committee	5/5	5/5
Mr. Supong Chayutsahakij ²	Director	5/5	
Mr. Narong Sangsuriya ²	Director	5/5	
	Executive Committee		5/5
Mr. Prasert Marittanaporn ²	Director	5/5	
Mr. Thanawat Trivisvavet ²	Director	4/5	
	Executive Committee		4/5
Mrs. Sunee Rajatamutha ³	Director	0/1	
Mr. Nimit Lekcharoensuk ³	Director	5/5	
	Executive Committee		5/5
Mrs. Wadeerat Charoencoop	Director	5/5	
Mr. Van Hoang Dau	Director	2/5	
	Executive Committee		2/5
Mr. Milton William Shlapak	Director	3/5	
Dr. Bounleua SINXAYVOLAVONG	Director	1/5	
Dr. Bounsalong SOUTHIDARA	Director	3/5	
Mr. Vorapote Uchoepaiboonvong ²	Director	5/5	
	Executive Committee		5/5
	Managing Director		

Remarks: Information on qualifications of persons holding positions as the Subsidiaries' directors appears in Attachment 2 - the Company's Annual Registration Statement for Year 2019 (Form 56-1).

¹ Attendances/Total Number of Meetings

² Directors representing the Company in NN2 in proportion to the Company's shareholding in NN2 at 46 percent.

³ The Board of Directors' Meeting No. 1/2019 on February 14, 2019 resolved to approve the appointment of Mrs. Wadeerat Charoencoop as director to replace Mrs. Sunee Rajatamutha who resigned the position, with effect from the date of the Board of Directors' Meeting.

Authorized Signatory Directors of NN2

- Two of the following four directors, namely, Mr. Plew Trivisvavet, Mr. Narong Sangsuriya, Mr. Thanawat Trivisvavet, Mr. Vorapote Uchoepaiboonvong, jointly sign and affix NN2's seal; or
- Either Mr. Plew Trivisvavet or Mr. Narong Sangsuriya or Mr. Thanawat Trivisvavet or Mr. Vorapote Uchoepaiboonvong, and another director, totaling two directors, and jointly sign and affix NN2's seal.

03 Bangpa-in Cogeneration Company Limited (BIC)

The management structure of BIC as at December 31, 2019 was as follows:



BIC's board of directors consisted of five directors, without any Executive Committee, per names and number of their meeting attendances listed below:

Name	Position	Number of Meetings in 2019 ¹
Mr. Thanawat Trivisvavet ²	Chairman of the Board of Directors	5/6
Mr. Kamphuy Jirararuensak ²	Director	6/6
Mr. Vorapote Uchoepaiboonvong ²	Director	6/6
Mr. Smornchai Khoonrak	Director	5/6
Mr. Woravudh Anuruxwongsri ²	Director / Managing Director	6/6

Remarks: Information on qualifications of persons holding positions as the Subsidiaries' directors appears in Attachment 2 - the Company's Annual Registration Statement for Year 2019 (Form 56-1).

¹ Attendances/Total Number of Meetings

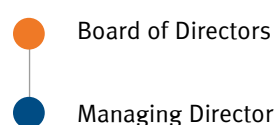
² Directors representing the Company in BIC in proportion to the Company's shareholding in BIC at 65 percent.

Authorized Signatory Directors of BIC

Two directors jointly sign and affix BIC's seal.

04 Bangkhengchai Company Limited (BKC)

The management structure of BKC as at December 31, 2019 was as follows:



BKC's board of directors consisted of four directors, without the Executive Committee, per names and number of their meeting attendances listed below:

Name	Position	Number of Meetings in 2019 ¹
Mr. Vorapote Uchoepaiboonvong ²	Chairman of the Board of Directors	4/4
Miss Rujira Chuaybamrung ²	Director	4/4
Mr. Varoth Saksucharita ²	Director	4/4
Mr. Sombat Trivisvavet ²	Director / Managing Director	4/4

Remarks: Information on qualifications of persons holding positions as the Subsidiaries' directors appears in Attachment 2 - the Company's Annual Registration Statement for Year 2019 (Form 56-1).

¹ Attendances/Total Number of Meetings

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

Authorized Signatory Directors of BKC

Two directors jointly sign and affix BKC's seal.

MANAGEMENT TEAM**CK POWER PUBLIC COMPANY LIMITED****(1) The Company's Management Team Structure**

The Managing Director is the Company's top executive. As at December 31, 2019, the Company had a total of eight executives under the definition of the Notification of the Capital Market Supervisory Board, per names and positions, as follows:

Name	Position
Mr. Thanawat Trivisvavet	Managing Director
Dr. Michael Eric Raeder	Deputy Managing Director: Engineering
Mrs. Muntana Auekitkarjorn	Deputy Managing Director: Corporate Planning
Mr. Varoth Saksucharita	Deputy Managing Director: Corporate Administration
Miss Parichat Othayakul	Assistant Managing Director: Managing Director Office
Mr. Jessadin Suwanbubpa	Assistant Managing Director: Human Resources
Miss Rujira Chuaybamrung	Assistant Managing Director: Business Controlling
Mr. Thitipat Nananukool	Assistant Managing Director: Finance & Accounting

Remark: Information on qualifications of persons holding positions as the Company's executives appears in Attachment 1 - the Company's Annual Registration Statement for Year 2019 (Form 56-1).

(2) Scope of Powers, Duties and Responsibilities of the Managing Director

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

EXECUTIVES OF SUBSIDIARIES

As at December 31, 2019, the subsidiaries' executives as defined by the Capital Market Supervisory Board, per names and positions, were as follows:

Subsidiaries	Name	Position
SouthEast Asia Energy Limited	Mr. Vorapote Uchoepaiboonvong	Managing Director
Nam Ngum 2 Power Company Limited	Mr. Vorapote Uchoepaiboonvong	Managing Director
	Mr. Tossaporn Thipvoratham	Deputy Managing Director, Operation and Maintenance Department
Bangpa-in Cogeneration Limited	Mr. Woravudh Anuruxwongsri	Managing Director
	Mr. Chumpol Vessabutra	Project Manager
	Mr. Decha Jantawee	Power Plant Manager
Bangkhenchai Co., Ltd.	Mr. Sombat Trivisvavet	Managing Director

Remark: Information on qualifications of persons holding positions as the aforesaid Subsidiaries' executives appears in Attachment 2 - the Company's Annual Registration Statement for Year 2019 (Form 56-1).

COMPANY SECRETARY

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

- To convene meetings and prepare and keep the following documents:
 - The register of directors;
 - The notices of directors' meetings, minutes of meetings of the Board of Directors and an annual report of the Company;
 - The notices of shareholders' meetings and minutes of shareholders' meetings;
 - The report on interest filed by directors or executives; to perform other matters.
- To provide advice to directors relating to relevant legal provisions, rules, requirements, and regulations;
- To ensure the Company's compliance with laws, the Company's articles of association, relevant regulations and good corporate governance principles, as well as coordinating to ensure compliance with resolutions of

the Board of Directors or resolutions of the shareholders with efficiency;

- To ensure disclosure of information and report on information memoranda to the regulatory units;
- To contact and communicate with shareholders and the relevant regulatory units;
- To promote training in various courses and provide information useful for performance of duties of directors.

The Company Secretary has adequate qualifications to discharge the aforesaid duties, in a manner of working group, whereby the Business Controlling composing personnel graduated in law and accounting has supported working of the Company Secretary to ensure efficiency in work performance and cover the scope of duties of the Company Secretary in accordance with laws, objectives, articles of association, resolutions of the board of directors' meetings and the shareholders' meetings, together with other applicable laws, in line with the operations based on the Principles of Good Corporate Governance.

The details of qualifications of the person who holds the position of Company Secretary are described in Attachment 1 - the Company's Annual Registration Statement for Year 2019 (Form 56-1).

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REMUNERATION FOR DIRECTORS AND EXECUTIVES

The Company has the criteria for determination of remuneration for its directors and subcommittee members for submission to the shareholders' meeting for consideration and approval, and the policy on determination of appropriate remuneration for its executives in line with their duties and responsibilities, as follows:

REMUNERATION FOR DIRECTORS

(1) The Nomination and Remuneration Committee has the duty to consider related rules, regulations and criteria, including results of the board self-assessment in the previous year, for considering determining remuneration for directors, comprising remuneration, annual reward, for submission to the shareholders' meeting for further consideration and approval. In this regard, remuneration rates will be reviewed yearly to ensure appropriateness under the Company's policy and operational results;

(2) Remuneration for directors shall be considered according to performance, appropriateness for the scope of duties and responsibilities of each director in the previous year, including his/her experience, benefits expected from each director, remuneration level sufficient to attract and retain knowledgeable and qualified directors to perform duties for the Company, along with the Company's operational results and dividend payment to shareholders, as well as the Directors Compensation Survey of listed companies, compared to that of companies in the same industry;

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

In 2019, the 2019 Annual Ordinary General Meeting of Shareholders approved remuneration for directors in the amount not exceeding Baht 5,000,000 and 2018 annual reward in the amount not exceeding Baht 3,500,000, per the details as follows:

Remuneration

1. Remuneration for Directors

Position	Remuneration ^{1,2} (Baht per person)
Directors	300,000.00
Executive Committee	40,000.00
The Audit Committee Member	40,000.00
The Corporate Governance and Risk Management Committee Member	40,000.00
The Nomination and Remuneration Committee Member	40,000.00

2. Remuneration

Position	Remuneration ^{1,2} (Baht per person)
Chairman of the Board of Directors	300,000.00
Chairman of the Executive Committee	100,000.00
Chairman of the Audit Committee	100,000.00
Chairman of the Corporate Governance and Risk Management Committee	100,000.00
Chairman of the Nomination and Remuneration Committee	100,000.00

Remarks: ¹ The Company has fixed remuneration at such rates since 2013 onwards.
² The Company paid the remuneration to its directors/members according to their respective terms of office in 2019.

2018 Annual Reward

Position	Number (person)	Annual Reward (Baht per person) ^{1, 2}	Total Amount (Baht)
Chairman of the Board of Directors	1	625,000.00	625,000.00
Chairman of the Executive Committee	1	375,000.00	375,000.00
Chairman of the Audit Committee	1	250,000.00	250,000.00
Chairman of the Corporate Governance and Risk Management Committee	1	250,000.00	250,000.00
Chairman of the Nomination and Remuneration Committee	1	250,000.00	250,000.00
Directors and subcommittee members	5	250,000.00	1,250,000.00
Directors	2	250,000.00	500,000.00
Total	12		3,500,000.00

Remarks: ¹ The Company made payment of the annual reward for its directors in 2014 for the first year.
² The Company made payment of the annual reward to its directors holding their positions throughout the year and its directors resigning from their positions during the year, by taking into account their respective terms of office.

In this regard, the total remuneration for the Company's directors and subcommittee members paid over the past years from 2014 - 2019 is detailed as follows:

Details/Year	2015	2016	2017	2018	2019 ¹
Remuneration for Directors ²	4,607,410.96	4,700,000.00	4,700,000.00	4,623,913.04	4,700,000.00
Annual Reward ³	2,750,000.00	4,400,000.00	2,800,000.00	3,452,054.79	2,800,000.00
Total⁴	7,357,410.96	9,100,000.00	7,500,000.00	8,075,967.83	7,500,000.00

Remarks: ¹ The Company will consider the 2019 annual reward for the directors in the 2020 Annual Ordinary General Meeting of Shareholders.
² The 2015 - 2019 Annual Ordinary General Meetings of Shareholders considered remuneration for directors at the same rate every year, namely, remuneration in the amount not exceeding Baht 5,000,000.
³ The Company considered paying the annual reward based on the Company's operational results and dividend payment to shareholders, whereby the Company started to pay the annual reward to its directors in 2014 for the first year.
⁴ The Company considered paying the remuneration and the annual reward according to each director's term of office.

Remuneration for Directors for 2019

1. Monetary Remuneration

In 2019, the Company paid monetary remuneration to each director in the total amount of Baht 8,152,054.79, divided into remuneration for directors for 2019 in the amount of Baht 4,700,000.00 and the 2018 annual reward in the amount of Baht 3,452,054.79, as per the following details:

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Unit: Baht

Name of Director	Position	Remuneration for 2019					Total Remuneration for 2019	2018 Annual Reward	Total
		Board of Directors	Executive Committee	Audit Committee	Corporate Governance and Risk Management Committee	Nomination and Remuneration Committee			
Dr. Thanong Bidaya	Chairman of the Board of Directors	300,000.00	-	-	-	-	600,000.00	625,000.00	1,225,000.00
	Independent Director	300,000.00	-	-	-	-	-	-	
Mr. Plew Trivisvavet	Chairman of the Executive Committee	-	100,000.00	-	-	-	400,000.00	375,000.00	775,000.00
	Director	300,000.00	-	-	-	-	-	-	
Mr. Techapit Sangsingkeo ¹	Chairman of the Audit Committee	-	-	-	-	-	-	196,575.34	196,575.34
	Independent Director	-	-	-	-	-	-	-	
Dr. Jon Wongswan ²	Chairman of the Audit Committee	-	-	100,000.00	-	-	400,000.00	5,479.45	405,479.45
	Independent Director	300,000.00	-	-	-	-	-	-	
Dr. Vicharn Aramvareekul	Chairman of the Nomination and Remuneration Committee	-	-	-	-	100,000.00	480,000.00	250,000.00	730,000.00
	Independent Director	300,000.00	-	-	-	-	-	-	
	Chairman of the Audit Committee	-	-	40,000.00	-	-	-	-	
	The Corporate Governance and Risk Management Committee Member	-	-	-	40,000.00	-	-	-	
Mr. Narong Sangsuriya	Chairman of the Corporate Governance and Risk Management Committee	-	-	-	100,000.00	-	400,000.00	250,000.00	650,000.00
	Director	300,000.00	-	-	-	-	-	-	
Mr. Chaiwat Utaiwan	Director	300,000.00	-	-	-	-	340,000.00	250,000.00	590,000.00
	Executive Committee	-	40,000.00	-	-	-	-	-	
Mr. Prawet Ingadapa ³	Independent Director	42,499.83	-	-	-	-	53,833.33	250,000.00	303,833.33
	Chairman of the Audit Committee	-	-	5,666.61	-	-	-	-	
	The Nomination and Remuneration Committee Member	-	-	-	-	5,666.61	-	-	
Dr. Patarut Dardarananda ⁴	Independent Director	257,500.17	-	-	-	-	326,166.67	-	326,166.67
	Chairman of the Audit Committee	-	-	34,333.39	-	-	-	-	
	The Nomination and Remuneration Committee Member	-	-	-	-	34,333.39	-	-	
Mr. Prasert Marittanaporn	Director	300,000.00	-	-	-	-	380,000.00	250,000.00	630,000.00
	Executive Committee	-	40,000.00	-	-	-	-	-	
	The Nomination and Remuneration Committee Member	-	-	-	-	40,000.00	-	-	
Mr. Van Hoang Dau	Director	300,000.00	-	-	-	-	300,000.00	250,000.00	550,000.00
Mr. Vorapote Uchoe-paiboonvong	Director	300,000.00	-	-	-	-	300,000.00	250,000.00	550,000.00
Dr. Supamas Trivisvavet	Director	300,000.00	-	-	-	-	340,000.00	250,000.00	590,000.00
	Executive Committee	-	40,000.00	-	-	-	-	-	
Mr. Thanawat Trivisvavet	Director	300,000.00	-	-	-	-	380,000.00	250,000.00	630,000.00
	Executive Committee	-	40,000.00	-	-	-	-	-	
	The Corporate Governance and Risk Management Committee Member	-	-	40,000.00	-	-	-	-	
Total		3,900,000.00	260,000.00	180,000.00	180,000.00	180,000.00	4,700,000.00	3,452,054.79	8,152,054.79

Remarks:

- Mr. Techapit Sangsingkeo vacated the positions as Chairman of the Audit Committee and independent director, with effect from October 15, 2018.
- The Board of Directors' Meeting No. 7/2018 resolved to approve the appointment of Dr. Jon Wongswan as Chairman of the Audit Committee and independent director to fill the vacancies, with effect from December 24, 2018.
- Mr. Prawet Ingadapa vacated the positions as Independent Director, the Audit Committee Member, and the Nomination and Remuneration Committee Member, with effect on February 21, 2019.
- The Board of Directors' Meeting No. 1/2019 resolved to approve the appointment of Dr. Patarut Dardarananda as Independent Director, the Audit Committee Member, and the Nomination and Remuneration Committee Member, to fill such vacancies, with effect on February 21, 2019.

2. Other Remuneration and Benefits

- None -

REMUNERATION FOR EXECUTIVES OF THE COMPANY

The Company has established criteria and policy on remuneration for executives of the Company as reasonable and in line with the Company's operational results and the burden of duties and responsibilities of executives according to performance. That is, the Nomination and Remuneration Committee shall consider determining remuneration for Managing Director for submission to the Board of Directors' Meeting for consideration and approval; the Managing Director shall consider determining remuneration for Deputy Managing Director under the requirements as specified by the Executive Committee for submission to the Executive Committee's Meeting for consideration and approval. As for personnel in the positions of Assistant Managing Director downwards, their remuneration shall be considered by the Managing Director. Moreover, the Company's annual salary increment shall be proposed to the Executive Committee for consideration and approval. In this regard, such remuneration increment shall be in accordance with the criteria specified by the Company. The Company has policy on consideration of remuneration as follows:

Monetary Remuneration: comprising salary and annual reward (bonus), of which the Company's policy on consideration is as follows:

- Remuneration for Managing Director shall be considered from the short-term remuneration by applying the Key Performance Indicator (KPIs), consisting of Performance Appraisal and Management Competency, as criteria for performance assessment; and the long-term remuneration by taking into consideration the Company's operational results together with the attainment of the Company's specified vision, mission and strategies.
- Remuneration for executives at all levels shall be based on KPIs, consisting of Performance Appraisal and Management Competency, as jointly specified by the Executive Committee and the Managing Director, whereby there are performance indicators for executives in each position in line with his/her roles.

Furthermore, the Company considers comparing such remuneration with that of other companies in the same industry on similar scale for determining appropriate

remuneration as sufficient to attract and retain professional and skilled executives to work for the Company.

Other Remuneration and Benefits: The Company provides for a provident fund for saving of all executives and staff, whereby executives and staff can choose to contribute savings at a rate from 5 to 15 percent of their respective salaries and the Company will then make the contribution at the rate of five percent to the fund.

In 2019, the Company paid remuneration to eight executives, consisting of:

- Monetary remuneration in the amount of Baht 56,333,120.00;
- Other remuneration and benefits in the amount of Baht 1,663,228.00.

REMUNERATION FOR DIRECTORS AND EXECUTIVES OF SUBSIDIARIES

In 2019, the subsidiaries paid remuneration to its directors and executives, per the following details:

1. SouthEast Asia Energy Limited ("SEAN")

(a) Remuneration for Directors

(1) Monetary Remuneration

None, this was because directors in SEAN's board of directors concurrently held office as directors in NN2. Therefore, the shareholders' meeting of SEAN resolved to grant approval for the board of directors and the executive board of SEAN to receive remuneration as either directors or executive directors in NN2 only.

(2) Other Remuneration and Benefits

- None -

(b) Remuneration for Executives

In 2019, SEAN paid remuneration to one executive, consisting of:

(1) Monetary Remuneration

It comprised salary and annual reward in the amount of Baht 8,454,060.00.

(2) Other Remuneration and Benefits

It amounted to Baht 281,802.00 for the provident fund. The staff and executives can choose to contribute savings at a rate from 5 to 15 percent of their respective salaries and SEAN will then make the contribution at the rate of five percent to the fund.

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2. Nam Ngum 2 Power Company Limited ("NN2")

(a) Remuneration for Directors

(1) Monetary Remuneration

The 2019 annual ordinary general meeting of shareholders of NN2 on March 21, 2019 resolved to approve remuneration for directors for 2019 in the amount not exceeding Baht 5,220,000 and the 2018 annual reward in the amount not exceeding Baht 9,000,000.

In 2019, NN2 paid such remuneration to each director, per the following details:

Unit: Baht

Name of Director	Position	Remuneration for 2019		Total Remuneration for 2019	2018 Annual Bonus	Total
		Board of Directors	Executive Board			
Dr. Virabongsa Ramangkura	Chairman of the Board of Directors	700,000.00	-	700,000.00	1,250,000.00	1,950,000.00
Mr. Plew Trivisvavet	Chairman of the Executive Committee	-	620,000.00	620,000.00	1,000,000.00	1,620,000.00
Mr. Supong Chayutsahakij	Director	300,000.00	-	300,000.00	500,000.00	800,000.00
Mr. Narong Sangsuriya	Director	300,000.00	-	420,000.00	500,000.00	1,170,000.00
	Executive Committee	-	120,000.00	-	250,000.00	
Mr. Prasert Marittanaporn	Director	300,000.00	-	300,000.00	500,000.00	800,000.00
Mr. Thanawat Trivisvavet	Director	300,000.00	-	420,000.00	500,000.00	1,170,000.00
	Executive Committee	-	120,000.00	-	250,000.00	
Mrs. Sunee Rajatamutha ¹	Director	36,666.67	-	36,666.67	500,000.00	536,666.67
Mrs. Wadeerat Charoencoop ²	Director	263,333.33	-	263,333.33	-	263,333.33
Mr. Van Hoang Dau	Director	300,000.00	-	420,000.00	500,000.00	1,170,000.00
	Executive Committee	-	120,000.00	-	250,000.00	
Mr. Milton William Shlapak	Director	300,000.00	-	300,000.00	500,000.00	800,000.00
Dr. Bounleua SINXAYVOLAVONG	Director	300,000.00	-	300,000.00	500,000.00	800,000.00
Dr. Bounsalong SOUTHIDARA	Director	300,000.00	-	300,000.00	500,000.00	800,000.00
Mr. Somnuk Jindasup ³	Director	-	-	-	68,493.15	102,739.73
	Executive Committee	-	-	-	34,246.58	
Mr. Nimit Lekcharoensuk ⁴	Director	300,000.00	-	420,000.00	431,506.85	1,067,260.27
	Executive Committee	-	120,000.00	-	215,735.42	
Mr. Vorapote Uchoepaiboonvong	Director	300,000.00	-	420,000.00	500,000.00	1,170,000.00
	Executive Committee	-	120,000.00	-	250,000.00	
	Managing Director	-	-	-	-	
Total		4,000,000.00	1,220,000.00	5,220,000.00	8,999,982.00	14,219,982.00

Remarks: Information on qualifications of persons holding positions as the Subsidiaries' directors appears in Attachment 2 - the Company's Annual Registration Statement for Year 2019 (Form 56-1).

¹ The Board of Directors' Meeting No. 1/2018 on February 20, 2018 resolved to appoint Mr. Nimit Lekcharoensuk as director and executive director to replace Mr. Somnuk Jindasup who resigned his positions, with effect from the date of the resolution of the Board of Directors' Meeting, whereby remuneration for the director was considered to be paid according to his term of office.

² The Board of Directors' Meeting No 1/2019 on February 20, 2019 resolved to appoint Mrs. Wadeerat Charoencoop as director to replace Mrs. Sunee Rajatamutha who resigned his position, with effect from the date of the resolution of the Board of Directors' Meeting, whereby remuneration for the director was considered to be paid according to her term of office.

(2) Other Remuneration and Benefits

- None -

(b) **Remuneration for Executives**

In 2019, NN2 paid remuneration to two executives, consisting of:

(1) Monetary Remuneration

It comprised salary and annual reward in the amount of Baht 9,928,080.00.

(2) Other Remuneration and Benefits

None, this was because NN2 was incorporated in the Lao People's Democratic Republic (Lao PDR) in which criteria relating to provident fund is not established, thus NN2 does not provide for a provident fund for its staff and executives.

3. **Bangpa-in Cogeneration Limited ("BIC")**(a) **Remuneration for Directors**(1) Monetary Remuneration

The 2019 annual ordinary general meeting of shareholders of BIC on March 20, 2019 resolved to approve only remuneration for directors for 2019 in the amount not exceeding Baht 1,320,000 and the 2018 annual reward in the total amount not exceeding Baht 1,320,000.

In 2019, BIC paid such remuneration to each director, per the following details:

Unit: Baht

Name of Director	Position	Remuneration for 2019	2018 Annual Bonus	Total
Mr. Thanawat Trivisvavet	Chairman of the Board of Directors	360,000.00	360,000.00	720,000.00
Mr. Kamphuy Jirararuensak	Director	240,000.00	240,000.00	480,000.00
Mr. Vorapote Uchoepaiboonvong	Director	240,000.00	240,000.00	480,000.00
Mr. Smornchai Khoonrak	Director	240,000.00	240,000.00	480,000.00
Mr. Woravudh Anuruxwongsri	Director and Managing Director	240,000.00	240,000.00	480,000.00
Total		1,320,000.00	1,320,000.00	2,640,000.00

Remark: Information on qualifications of persons holding positions as the Subsidiaries' directors appears in Attachment 2 - the Company's Annual Registration Statement for Year 2019 (Form 56-1).

(2) Other Remuneration and Benefits

- None -

(b) **Remuneration for Executives**

In 2019, BIC paid remuneration to three executives, consisting of:

(1) Monetary Remuneration

It comprised salary and annual reward in the amount of Baht 6,896,960.00.

(2) Other Remuneration and Benefits

It amounted to Baht 258,636.00 for the provident fund. Its staff and executives can choose to contribute savings at a rate from 5 to 15 percent of their respective salaries and BIC will then make the contribution at the rate of five percent to the fund.

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4. Bangkhenchai Co., Ltd. ("BKC")

(a) Remuneration for Directors

(1) Monetary Remuneration

The 2019 annual ordinary general meeting of shareholders of BKC on March 22, 2019 resolved to approve only remuneration for directors for 2019 in the amount not exceeding Baht 240,000.

In 2019, BKC paid such remuneration to each director, per the following details:

Unit: Baht

Name of Director	Position	Remuneration for 2019	2018 Annual Bonus	Total
Mr. Vorapote Uchoepaiboonvong	Chairman of the Board of Directors	60,000.00	-	60,000.00
Mr. Varoth Saksucharita	Director	60,000.00	-	60,000.00
Miss Rujira Chuaybamrung	Director	60,000.00	-	60,000.00
Mr. Sombat Trivisvavet	Director and Managing Director	60,000.00	-	60,000.00
Total		240,000.00	-	240,000.00

Remark: Information on qualifications of persons holding positions as the Subsidiaries' directors appears in Attachment 2 - the Company's Annual Registration Statement for Year 2019 (Form 56-1).

(2) Other Remuneration and Benefits

- None -

(b) **Remuneration for Executives**

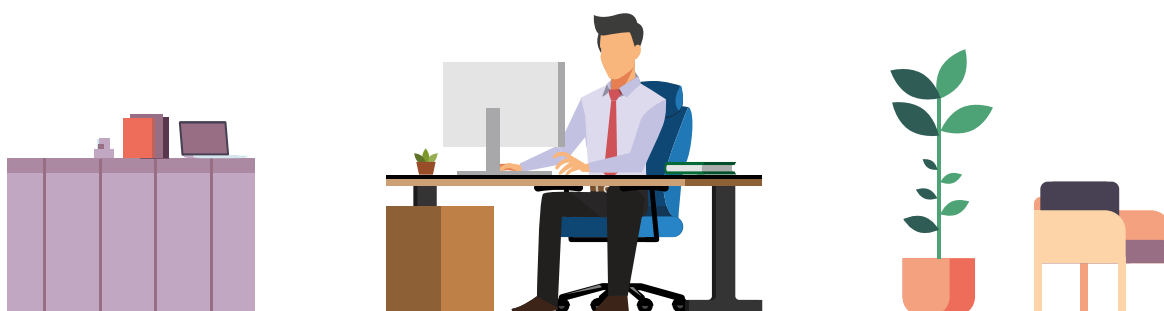
In 2019, BKC paid remuneration to one executive, consisting of:

(1) Monetary Remuneration

It comprised salary in the amount of Baht 849,240.00.

(2) Other Remuneration and Benefits

- None -



PERSONNEL

NUMBER OF PERSONNEL AND REMUNERATION OF THE COMPANY AND ITS SUBSIDIARIES

As at December 31, 2019, the Company and its subsidiaries had a total of 262 staff members at the level lower than executive downwards, some of whom were staff performing work for the Company and its subsidiaries, including the Company's staff performing work for its subsidiaries via the Management Service Agreements between the Company and its subsidiaries.

In 2019, the Company and its subsidiaries paid staff remuneration in the total amount of Baht 222,338,041.17, consisting of:

- (1) Salary, based on performance of each staff;
- (2) Bonus, based on the Company's operational results;
- (3) Contribution to the provident fund paid by the Company at the rate of five percent of each staff's salary to the provident fund.

Company	Number of Personnel ¹	Remuneration ¹
CK Power Public Company Limited	125	135,900,232.00
SouthEast Asia Energy Limited	4	2,799,264.99
Nam Ngum 2 Power Company Limited	77	27,942,695.98
Bangpa-in Cogeneration Limited	55	55,379,208.20
Bangkhenchai Co., Ltd.	1	316,640.00
Total	262	222,338,041.17

Remark: ¹ The total number of personnel and remuneration for personnel at the level lower than executive downwards.

PERSONNEL MANAGEMENT OF THE COMPANY AND ITS SUBSIDIARIES

The Company has established a personnel management policy which emphasizes the human resource operations of the Company and its subsidiaries in accordance with the Principles of Good Corporate Governance in a transparent manner, and also ensures the maximum efficiency. To that effect, the Company has applied a standard personnel management program to the Company and all of its subsidiaries to achieve efficiency

in human resource management, and also continues to oversee operations through the mechanisms together with provision of the services in a manner of Shared Service Center, which performs work as if it were a work unit of such subsidiaries and associated companies, thereby enabling the Company to establish work methods to meet standards, with segregation of duties and appropriate internal control. Furthermore, it is a management technique which builds up employee's expertise in a specific field to increase work efficiency and to ensure effective management. Moreover, the Company and its subsidiaries have employed the Key Performance Indicators (KPIs) for performance measurement together with assessment of core competencies and managerial competencies of the executives and employees to ensure clear, transparent and comprehensive performance assessment, results of which can be used for personnel development. The Company gives priority to personnel development by underlining employees' participation in providing suggestions and developing work processes to be fast and efficient by using Kaizen as a tool, as well as encouraging supervisors to give advice and serve as a role model. The Company has also used the Engagement Survey as a guideline for drawing up strategies and actions plans in terms of human resources as well following up the results on a concrete basis.

In respect of creating corporate culture, the Company has organized activities to raise awareness and understanding of the core values of the organization for all employees in the Company and its subsidiaries, and encourages employees to concretely apply the same to their own works and understand the expectations of core competencies and managerial competencies in their own roles.

In 2019, the Company and its subsidiaries had 18 resigned employees, with such resignations not resulting in significant change in the number of personnel. However, there was an increase in the number of employees to support the operation of the Xayaburi Hydroelectric Power Plant, by focusing on manpower management to ensure the suitable number of manpower and optimum efficiency. The Company has a policy to employ local labor, particularly in the areas adjacent to the Power Plant so that villagers in nearby communities are given an opportunity to develop occupational skills, secure income, and achieve the sustainable growth.

The Company and its subsidiaries had no labor dispute throughout the period from which the Company was

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incorporated. In this regard, the Company has set out the work rules for acknowledgement and compliance by staff of the Company and its subsidiaries, whereby such work rules have been clearly announced and posted at the Company's office and its subsidiaries' offices, including at each power plant. In such work rules, the Board of Directors has specified key principles as framework for compliance by the Managing Director, and the Managing Director will further set out practical guidelines to ensure consistency therewith. This is also aimed to ensure that personnel management of the Company and its subsidiaries is carried out smoothly, focusing on attainment of the highest benefits for the group, based on transparency and auditability. In addition, such work rules contain significant details comprising employment, recruitment, appointment, staff transfer, management, salary and wage, welfare and fringe benefits, staff development, performance assessment, code of conduct, discipline, disciplinary actions, submission of appeal and grievance, etc.

PERSONNEL DEVELOPMENT POLICY

Management of the Company and its subsidiaries recognizes the significance of improvement of skills and capabilities of both staff operating in respect of power plants and support staff. All staff are the key part that drives the Company to the direction set out by management. Furthermore, the management is aware that the Company and its subsidiaries must emphasize personnel development to ensure that their personnel have readiness in terms of knowledge, capability and experience which can be applied to work operations, without ignoring development of ethics and sense of accountability towards their own duties, colleagues and society.

(1) Development of Competency

The Company and its subsidiaries encourage their staff to attend local and international training courses to enhance staff's knowledge and skills in work performance. The department of human resources shall select the local training course in fields which personnel intend to develop, subject to approval of the executives in each line of command. Moreover, the Company opens up an opportunity for its staff to propose courses which are useful and conducive to work operations for development and enhancement of their competency. In this respect, the Company fixes an annual budget for the staff training at least Baht 10,000 per person.

The Company has opened up an opportunity for its staff to attend international training courses, whereby the work units shall consider the appropriateness and necessity in sending staff to receive such training. In the past, the Company sent its staff to attend the knowledge development-based training courses in various fields to be efficiently applied to work operations, and courses necessary for work operations of staff of each associated company. Besides, training plans can be proposed by any companies in the group. In 2019, the executives and staff of the Company and its subsidiaries attended the training courses and seminars as follows:

- **Internal courses:** 6,602 hours, such as, Outward Mindset, Problem Solving & Decision Making, Technical Interview for Line Manager, English Reading, Kaizen Tools for Productivity Improvement, Story Telling, Systematic Problem Solving & Decision Making, and Forming Team for Great Success, etc.
- **External courses:** 3,534 hours, such as, Auditors of the Future: Perspective of Stakeholder and Audit Data Analytics, Information Technology Operation Scheduling, Growth Mindset, Training for Licensors, Supervisors, Assistants and Workers in Confined Spaces, COSO ERM 2017: Enterprise Risk Management Integrating with COSO 2013, Increasing Board's Accountability and Disclosure, Emotional Intelligence, and Step-in Leader.

The Company has a process in place to monitor the knowledge development of the staff attending the training and seminars to measure their performance efficiency. The staff participating in the external courses must prepare their respective training summaries so that knowledge from the training can be used to improve and extend performance, with the supervisors being responsible for monitoring results of the staff's performance after such training. Moreover, the staff participating in the training programs must make a knowledge sharing among other staff in their lines of work and disseminate the training-related documents on the Share Drive.

The Board of Directors of the Company adopts a policy to support and encourage the directors, the executives, and the Company Secretary to attend training courses, seminars and make site visits, to enhance their knowledge and capability in work operations, by mainly

taking into consideration those courses, seminars and site visits, both local and international, which convey content and details useful to the Company's business operations. In 2019, the directors attended the following training and seminars:

- **External courses:** 64 hours, such as, Director Accreditation Program (DAP 157/2019), and Advance Audit Committee Program (AACP 34/2019) organized by the Thai Institute of Directors Association.

(2) Career Advancement Opportunity

The Company and its subsidiaries considered restructuring their respective management to make it more transparent. Such restructuring not only secures staff's career advancement in their line of work, but also promotes highly capable and competent staff to become executives. The Company and its subsidiaries also employ KPIs, as an internationally acceptable system, for performance assessment of staff of the Company and its subsidiaries on a concrete basis, together with assessment of success factors, behavior, and potential of staff, to serve as another instrument for effectively developing staff, with an aim of ensuring that the Company's staff will be developed to become decent and competent citizens. Moreover, the Company and its subsidiaries are connected in the form of business group, therefore, staff in either of the group companies has an opportunity to pursue their cross-functional career path within the company group, which is another channel to build confidence and secure career advancement of staff.

(3) Determination of Succession Plan

The Company realizes the significance of continued operations for sustainable growth of the Company and its subsidiaries, and recruitment of competent personnel to promptly succeed any resigned or retired staff. The Company has a policy to recruit quality personnel within the organization for appointment as successor before external recruitment. The Company uses the performance evaluation mechanism based on KPIs to consider staff's abilities and work behavior, as one of the factors for selection of personnel to be succeeded as executives, which will be incorporated in the succession plan. The hierarchy-based recruitment process has been available in place to ensure compliance with the personnel management policy in recruiting personnel to secure the succession to the important positions. The Company has also granted scholarships to potential staff

to further their studies at the doctorate level in a field with a shortage of experts.

In this regard, details on the succession plan are shown in the caption of Responsibility of the Board of Directors - Succession Plan.

(4) Work Safety

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

- The Nam Ngum 2 Hydroelectric Power Plant operated by Nam Ngum 2 Power Company Limited has received the ISO 9001:2015 standard certification. The certificate has been granted to the operation and maintenance of the Nam Ngum 2 Hydroelectric Power Project under the scope of Electricity Generating and Distribute by Hydro Power Plant, which is regarded as the Electricity Generating Authority of Thailand's first overseas project that received the ISO 9001:2015 certification.
- The Cogeneration Power Project 1 (BIC1) and the Cogeneration Power Project 2 (BIC2) operated by Bangpa-in Cogeneration Limited have received the ISO 9001:2015, ISO 14001:2015 standard certification, and also attained certification for the Occupational Health and Safety Management System (OHSAS 18001:2007).
- Solar power project operated by Bangkhenchai Co., Ltd. has received the ISO 9001:2015 standard certification.

(5) Anti-corruption

The Company and its subsidiaries give priority to anti-corruption in every step of its operating procedures by incorporating the policy on anti-corruption in operating procedures into the Corporate Governance Policy and the Control Policy and Governance Mechanisms (Control Policy), such as, guidelines for handling inside information and insider trading control, policy on execution of transactions with major shareholders, directors, executives and their connected persons, guidelines for consideration of execution of connected

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transactions, requirements relating to business ethics and code of ethics, and a whistleblower guide when any corruption is found, all of which have been communicated by the Company to staff of the Company and its subsidiaries via the Intranet and the articles of association to build up acknowledgment and awareness of significance of proper compliance with the business ethics. Moreover, the Company has disclosed such policies to the public on the Company's website for transparency and review, as well as communicating the Company's commitment to anti-corruption.

In this regard, details on the anti-corruption policy are shown in the caption of Corporate Social Responsibility - Anti-Corruption.

(6) Staff Benefits

The Company and its subsidiaries provide both permanent staff and employees with benefits as required by law and allow their staff to jointly express their opinions on welfare, as well as using recommendations from the Engagement Survey as a guideline for designing staff's welfare. The Company believes that employees who are happy, healthy and think positively can achieve the excellence of the performance. The Company has then started to implement the health protection measures for staff by giving the influenza, hepatitis A and B vaccinations to the at-risk staff, and continues to support staff's sports and exercise, e.g., a yoga club, badminton club, football club.

The Company has a fair and comprehensive enforcement of such criteria on consideration of staff benefits in accordance with standards, laws, and humanitarian principles. Moreover, the Company has provided staff with more fringe benefits by taking into account work achievement or as occasionally specified by the Company as appropriate, to raise staff morale. In addition, staff benefits are increased according to changes in economic and social conditions as appropriate. The Company's staff benefits are also comparable to those provided by other companies in the same industry. Over the past years, the Company and its subsidiaries had no any material labor dispute.

POLICY ON CONSIDERATION OF STAFF REMUNERATION

The Company clearly formulates its staff remuneration policy, under which the Managing Director shall consider determining remuneration and increments of salaries and wages of staff, by taking into consideration various factors, comprising, salary and wage rates comparable to those in labor market according to the Company's salary and wage structures, qualifications, knowledge, capability, experience and chain of command, to ensure that staff receive salaries and wages at the rates suitable for their positions and responsibilities. Furthermore, a salary increment will be considered from the staff performance assessment based on the Key Performance Indicators (KPIs), as used in performance assessment of staff of the Company and its subsidiaries on a concrete basis. This includes an assessment of staff's success factors, behavior, and competency in work, as well as consideration of comparable rates to those in the same industry of similar scale.

In this regard, the Company and its subsidiaries have conducted human resource management in accordance with the Code of Business Conduct, the Personnel Management Policy, together with other relevant codes of conduct, to achieve efficiency in management under the Principles of Good Corporate Governance.



CORPORATE GOVERNANCE

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The Board of Directors is confident that the good corporate governance serves as an important factor to reflect the efficient, transparent, and auditable management systems and also as an important factor to promote the Company's overall success as a socially responsible organization. These will help build the trust and confidence on the part of shareholders, investors, stakeholders and all related parties. The Company has adhered to and complied with the Principles of Good Corporate Governance through operations of the Board, management and staff, by formulating the Company's Code of Business Conduct in

order to strengthen the norms and culture for organization-wide compliance; realizing the significance and following the codes of conduct, and the corporate governance policy in accordance with the Principles of Good Corporate Governance for Listed Companies 2012 ("CG Principle") of the Stock Exchange of Thailand ("Stock Exchange"), regulations of the Securities and Exchange Commission ("SEC Office"), and the Capital Market Supervisory Board, and in line with the Corporate Governance Code for Listed Companies 2017 ("CG Code") to accomplish the Company's vision and mission with sustainability.

CORPORATE GOVERNANCE POLICY

With realizing the significance of operations in accordance with the Principles of Good Corporate Governance, the Board of Directors then sets out the Corporate Governance Policy in written format to ensure the corporate practical guidelines with clarity, transparency, auditability, and the Board of Directors' Meeting reviews the Company's Corporate Governance Policy to ensure that it is appropriate and kept up-to-date in compliance with the regularly amended Principles of Good Corporate Governance of the Stock Exchange. Moreover, the Board has been aware of compliance with the CG Code of the SEC Office by applying such principles to the Company's operations, details are shown in the Information Disclosure in accordance with the CG Code. The Company also discloses such Corporate Governance Policy on the Company's website in order to communicate the Company's business commitment to the good corporate governance to the public.

COMMUNICATION AND COMPLIANCE WITH THE CORPORATE GOVERNANCE POLICY

The Board of Directors has communicated and shared the Corporate Governance Policy to directors, executives and staff at all levels, together with all stakeholders via the Company's website at www.ckpower.co.th to ensure their accurate awareness, understanding and adherence, which will bring up the trust on all related parties.

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

THE RIGHTS OF SHAREHOLDERS

The Company recognizes the significance and equality of various fundamental rights of all shareholders, both retail shareholders and institutional investors, whereby all shareholders are required to have right to accept profit sharing of the business, right to access adequate information and news of the business, right to attend meetings to exercise the voting right at shareholders' meetings for appointment or removal of directors, appointment of auditors, and right to participate in decisions on any matters which have an impact upon the Company, such as allocation of dividends, determination or amendment of the Articles of Association and the Memorandum of Association, capital decrease or increase, etc.

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

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02**1. Access to Information on Shareholders' Meetings and Information Memorandum of the Company**

- The Company gives prior notice of the schedule of a shareholders' meeting and agenda items of such meeting, including the record date for the right to attend the meeting and for the right to receive dividend (if any) via the news system of the Stock Exchange of Thailand and on the Company's website immediately after resolution by the Board of Directors' Meeting or the ordinary general meeting of shareholders.
- The Company sends the invitation letter to attend a shareholders' meeting and supporting documents to shareholders at least 7 days or 14 days (as the case may be) in advance. Such invitation letter contains clear details on the agenda, various documents in support of the agenda, together with opinions of the Board of Directors, proxy forms as specified by the Ministry of Commerce, and the list of independent directors, as an option to facilitate shareholders' appointment of a proxy to attend the meeting, including map of the meeting venue. Furthermore, such invitation letter and supporting documents are disclosed via the news system of the Stock Exchange and on the Company's website. The Company will also prepare the minutes of the shareholders' meeting, which contain correct and complete information, including constructive questions of shareholders, within 14 days from the meeting completion date and submit the minutes of the shareholders' meeting to relevant authorities within the specified period of time, and disclose such draft minutes on the Company's website, as another channel of perception for all shareholders to access information conveniently, easily and transparently. In addition, the atmosphere of the meeting is also yearly recorded as video clips to be available on the Company's website in order for the shareholders who are unable to attend the meeting to be equally informed and view the atmosphere of the shareholders' meeting.
- The Company sets policy to require the Board of Directors and executives to attend shareholders' meetings, particularly Chairman of the Board of Directors and chairpersons of various subcommittees, to jointly clarify matters or answer questions raised by shareholders in each meeting. The Company also allows shareholders to have equal rights to fully make inquiries and offer

opinions and suggestions, all of which are greatly appreciated and welcomed by the Company for consideration and further actions as appropriate.

- The Company prepares the Annual Registration Statement ("Form 56-1") and the Annual Report ("Form 56-2") in the bilingual version, namely, Thai and English, to make it conveniently accessible to all shareholders. Form 56-1 will be submitted to the SEC Office prior to the due date on March 31 each year and the Annual Report will be submitted in the form of QR Code to shareholders prior to the due date within 120 days from the ending date of the accounting period, together with the invitation letter to attend the annual ordinary general meeting of shareholders. Moreover, the Annual Report has been disclosed on the Company's website, and will be sent in hard copies to shareholders on request, in order to facilitate the shareholders' easy and timely access to information on the Company's operations.

2. Participation in Shareholders' Meetings

The Company held the meeting at the Company's head office which was situated in the convenient location for shareholders' commute to attend the meeting by various modes of transportation, and arranged for a reception for shareholders at the meeting venue. The Company used a computerized registration system which could instantly process results after the end of each meeting agenda item. Such system rendered it convenient and auditable in a manner which the voting results could be precisely inspected. The legal advisors were assigned to verify the counting of votes, and representatives of shareholders were also present to witness the counting of votes in each agenda item throughout the meeting time. The votes required for each agenda item and the actual votes of such agenda item were clearly displayed after the end of collection of votes during the meeting in order to build up confidence in the counting of votes and encourage shareholders to regularly participate in meetings, as well as allowing shareholders to ask directors questions during the meetings to ensure convenience of the shareholders attending meetings and their actual participation in meetings.

3. Participation in Management

The Company advised the shareholders to propose any agenda items and nominate candidates for selection as independent director via the news system of the Stock Exchange and on the Company's website at least three months before the end of 2019 in order to allow retail shareholders to share their useful opinions with the Company.

Moreover, the Company allows the shareholders to inquire about operational results, or request any documents directly with the Company throughout the year via the Company's email at ir@ckpower.co.th.

THE EQUAL TREATMENT FOR SHAREHOLDERS

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

1. Provision of Information in Support of Shareholders' Meetings

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

2. Participation in Shareholders' Meetings and Management

Details refer to Item the Rights of Shareholders, namely, Participation in Shareholders' Meetings and Participation in Management.

3. Prevention of Insider Trading

The Board of Directors imposes measures against insider trading by related persons, including directors, executives, staff, and employees, as well as their spouses and minor children, and also enforces punishments for disclosure or use of the Company's information for personal gain in accordance with the Corporate Governance Policy relating to insider trading. Directors and executives of the Company have acknowledged about the duty to report to the SEC Office

on their holdings of securities in the Company, including holdings of securities by their spouses and minor children, of which reporting method has been changed from hard-copy filing to electronic filing. In this regard, the Company will give written notice of a silent period of the Company's securities at least one month prior to the date of approval of the financial statements and at least one day after approval of the financial statements, in each quarter, in order for directors and executives to refrain from trading the securities during such period, in compliance with the regulations on insider trading. The Company also requires its directors and executives, including their respective related persons to quarterly report to the Corporate Governance and Risk Management Committee's Meeting and the Board of Directors' Meeting on change in their holdings of the Company's securities and the latest amounts of securities held by them.

4. Interests of Directors and Executives

- **Report on Conflicts of Interest of Directors**
The Company requires its directors and executives to report their personal interests and disclose their and their related persons' directorships or executive positions in other legal entities. This is to ensure that directors have available information in support of their consideration and approval of execution of transactions of the Company and its subsidiaries with accuracy and transparency in compliance with the relevant rules and regulations. In this regard, the Company Secretary keeps such reports on conflicts of interest of the directors and executives.
- **Interested Directors' Participation in Meetings**
The Board of Directors sets out a policy to prohibit its directors and executives who are connected persons or interested persons in relation to any agenda items from participating in the meeting and voting on such items, whereby such directors and executives are allowed to be present at the meeting only for presentation of information. Considering an interested person or connected person is based on such report on conflicts of interest, together with facts, to truly comply with the Principles of Good Corporate Governance.

5. Execution of Connected Transactions

- **Transactions in Ordinary Course of Business or Transactions in Support of Ordinary Course of Business with General Commercial Terms and Remuneration based on Assets or Reference Value**
There is no restriction on value of execution of

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transactions in ordinary course of business or in support of ordinary course of business with general commercial terms and remuneration which can be calculated from assets or reference value, to ensure that the execution of a transaction of high value will be duly approved by the Board of Directors' Meeting of the Company, the Board of Directors' Meeting of the Company has then resolved to grant approval in principle for management, namely, the Executive Committee's Meeting or management (as the case may be), to have the power to consider approving execution of transactions in ordinary course of business or in support of ordinary course of business with general commercial terms in compliance with the SEC Office's Letter No. SEC.Jor.(Wor) 38/2551 dated July 16, 2008 Re: Guidelines for Compliance with Section 89/12 (1) of the Securities and Exchange Act (No. 5) B.E. 2559 (2016).

In this regard, execution of connected transactions shall be promptly reported to the Audit Committee and the Board of Directors for acknowledgment in the next meeting.

- **Connected Transactions of other Categories**

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

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

THE ROLE OF STAKEHOLDERS

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

1. Rights of Stakeholders

Shareholders

The Company realizes its role as a business entity committed to generating long-term profit with good and steady returns to shareholders' utmost satisfaction, and subject to an obligation as a member of society to operate its business responsibly to ensure its sustainable growth. The Company thus sets its management structure to take into account all groups of stakeholders by way of transparent and reliable disclosure of clear and correct information to shareholders in support of their decisions to invest in the Company. In addition, shareholders have the opportunity to participate in and examine the Company's operations through various channels at all times.

Staff

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

(1) Nomination and Employment

The Company employs personnel nomination systems which meet standards in a variety of channels to nominate candidates who are the most qualified for each position as well as promoting their awareness of good values of the organization via various channels of continuous and broad communication.

(2) Structure and Evaluation

Despite the fact that the Company's corporate structure and evaluation meet standards, the businesses invested by the Company have gradually commenced their respective commercial operations, as a result, the Company's scopes of operations had been expanded extremely over the past years to ensure that the Company has its structure and evaluation which meets standards and can determine clear personnel structure and job descriptions of the Company and each of its subsidiaries, together with appointment, transfer and reward program which are transparent and appropriate to staff based on overall competency and performance of each staff. Moreover, the Company applies the performance assessment system based on Key Performance Indicators ("KPIs") as criteria for consideration and performance assessment of each staff. In this regard, the Company firmly believes that the clear measurement system will motivate staff's self-development in work performance and greatly assure staff of their career advancement.

(3) Remuneration and Welfare

The Company adopts a policy on payment of appropriate remuneration to staff at all levels by taking into consideration staff's performance and efficiency, along with the Company's operational results, through assessment centered on each staff's knowledge, ability and performance in the previous year, by comparison with average remuneration rates of staff in the electricity industry of similar size, economic factors and inflation rates. Moreover, the Company determines staff welfare and assistance programs in various aspects, among of which, for example, are establishment of a provident fund, granting the right to receive medical treatment and annual health check-up in medical institutions which meet standard, etc.

(4) Training for Development of Work-Related Skills and Knowledge together with Ethics

The Company realizes the significance of personnel development by encouraging staff at all levels to attend training courses; both in theory and in practice, along with occupational technique development courses of each business line and other courses which help enhance efficiency in work performance. Furthermore, the Company provides staff opportunity to propose any interesting and useful courses to the Company's consideration

and approval, subject to the annual budget for staff training. The Company also gives priority to building of working environment and corporate culture to encourage all staff to participate in the Company's activities, help each other, and respect seniority and rights of one another, as well as promote awareness of the concepts and values of quality systems, which will strengthen relationships and unity among staff of the Company and its subsidiaries.

In this regard, details on training for staff's knowledge development are shown in the section of Personnel Development Policy - Development of Competency.

(5) Work Environment, Safety and Hygiene

The Company realizes the quality of life and work safety for staff of the Company and its subsidiaries, both staff who perform duty inside their offices and who perform duty at various power projects, whereby the Company formulates measures on occupational safety and health, including arranging for officers to conduct inspection on work safety as well as improving working surroundings and environment on a regular basis in accordance with the ISO requirements and related safety rules to ensure safety. Moreover, both office and field staff of the Company and its subsidiaries have been provided with annual health check-up services on a yearly basis. In addition, new staff are enjoined to receive health check-up prior to actual performance, which can rest assured that staff are healthy and ready to fully perform works under his/her responsible duty and encourage staff to be aware of proper health care. In addition, the Company not only strictly complies with the labor laws, but also pays respect for staff privacy, whereby their personal data, such as salary, medical treatment records, family background, will not be disclosed to any third party or unrelated persons, except for such information required to be disclosed to relevant third parties under the provisions of laws. This can assure staff that staff's personal information provided to the Company will not be disclosed to others without prior consent of staff, and if required, for the purpose of work performance of such staff only.

In this regard, details on safety and hygiene at work are shown in the section of Corporate Social Responsibility - Environmental Care.

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02**(6) Compliance with Rules and Regulations**

The Company emphasizes that staff of the Company and its subsidiaries must strictly comply with laws and rules and regulations of the Company or its subsidiaries, whereby the Company has announced and disclosed the written Corporate Governance Policy ("CG Policy"), in pursuit of work performance and desirable behaviors of staff, including the Operation Manual of all work units as prepared in writing and disclosed in the Intranet system of the Company, in order to ensure that staff have acknowledged and adopted such policy for compliance therewith. Meanwhile, the Company enjoins all staff via staff's line of command to refrain from taking any illegal risk or action, whether criminal or civil. The Company also prevents any infringement of copyrights or intellectual property, whether with or without intent, and supports staff to follow the code of business conduct and perform duties in good faith without any involvement in corruption. Furthermore, the Company sets out guidelines on disciplinary sanctions, after investigation, against any violation or wrongful act in order: verbal warning, written warning, suspension and dismissal, in which case, the Company shall fairly consider providing severance pay under law.

Creditors/Financial Institution Lenders

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

Trade Competitors

The Company complies with equitable and transparent competition rules in a manner that the Company properly operates its business in compliance with applicable laws and the code of business ethics, as well

as meeting standard competition practices, and avoids any dishonest means to discredit trade competitors.

Customers and Traders

As the Company operates its business as a holding company, holding shares in other companies engaging in business of production and distribution of electricity from hydropower, solar power, and cogeneration system, therefore, direct customers of its subsidiaries and associated companies whose shares are held by the Company are the Electricity Generating Authority of Thailand ("EGAT") and the Provincial Electricity Authority ("PEA"), as government agencies which purchase the electricity, and operators within the industrial estates, therefore, the people are indirect customers of the Company. The Company aims at providing maximum benefits from the efficient and steady distribution of electricity, which not only meets customers' satisfaction, but also contributes to the national economic and social development. In furtherance of the vision to be a leading power business company in Thailand and ASEAN region with the efficient operation, the Company formulates policies, and reviews, monitors the operational results of the companies invested by the Company on a monthly basis to ensure their satisfactory operational results, with the full capacity in uninterrupted distribution of electricity to the traders in accordance with the power purchase agreements. In addition, satisfaction of electricity purchasers has been assessed, with consecutive good and excellent results. Currently, the power projects as invested by the Company have already passed certifications of ISO standards. The Company also realizes the significance of the government sector's energy balance policy to reduce utilization of electricity generated by consumable fuels and promote more utilization of renewable energy, which will result in the sustainable energy security for communities, society and the country.

The Company and its subsidiaries have not only given priority to their customers, but also to their traders, by complying with the Code of Business Conduct, the Suppliers' Code of Conduct, and the Procurement Policy, to achieve the fairness and equality; as well as taking into account social and environmental responsibility to ensure the mutual benefits.

In this regard, details on customers' satisfaction survey are shown in the section of Corporate Social Responsibility - Fair Business Operations.

Communities and Society

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

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

In this regard, details on activities for communities and society are shown in the caption of Corporate Social Responsibility - Corporate Social Responsibility Activity.

2. Protection of Rights and Roles of Stakeholders

The Company realizes the significance of equal rights of all stakeholders and then arranges for whistleblower channels to report any non-compliance with its code of conduct, any illegal acts or any suspected dishonest acts or misconduct committed by personnel in the Company and its subsidiaries, including any flaws in the internal control system caused by both staff and other stakeholders, as well as a whistleblower protection mechanism. In this regard, the whistleblower guidelines have been defined as follows:

2.1 Whistleblowing: The Company arranges for three whistleblower channels to the executives and the Board of Directors, per the following:

- To the Company Secretary at compliance@ckpower.co.th;
- To the Audit Committee members and the Board of Directors at directors@ckpower.co.th;
- To the Investor Relations at ir@ckpower.co.th.

2.2 Implementation: The executives and the Board of Directors have appointed a working group to collect details; consider examining facts of happened

events; and set out appropriate methods for dealing with each matter.

2.3 Reporting: The Company Secretary, Executives or Audit Committee members shall report to the Board of Directors for acknowledgement and for further report to stakeholders.

In this regard, the Company provides protection measures, confidentiality policy and restricted access to such information and disclosure to the persons concerned only, in order to make the complainant feel safe and secure. The whistleblower or complainant may choose to disclose their identity or to remain anonymous. The Company may, if applicable, provide special protection measures if the process is likely and can be expected to cause any difficulty or unsafety, and the whistleblower or complainant will receive damage alleviation or compensation as appropriate and fair from the Company or persons causing damage under the Company's management mechanism and the rules of laws.

The Company has incorporated various forms of anti-corruption in the CG Policy, and the Company is also setting out additional guidelines for formulating appropriate internal control measures.

In this regard, details on anti-corruption policy are shown in the section of Corporate Social Responsibility - Anti-corruption.

3. Respect of Human Rights

All directors, executives and staff of the Company and its subsidiaries will be duly treated by the Company and its subsidiaries in accordance with the human rights and civil rights under the Constitution and laws. Furthermore, the Company and its subsidiaries set out employment guidelines for both permanent staff and employees for strict compliance with the labor employment standards and requirements under the labor laws so that the workplace is safe and hygienic as appropriate. In addition, directors, executives and staff are expected to treat others respectfully in terms of human rights, including their honor and dignity. The Company and its subsidiaries provide channels for communication, suggestion and grievance on matters relating to work, to ensure that personnel of the Company and its subsidiaries embrace participatory management, which will make all staff of the Company

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and its subsidiaries feel part of the organization; and also realize the duty to be part in organization development, as well as creating good understanding and relationship for work cooperation. At the same time, the Company also opens communication channels for whistle-blowing and complaints between the Company and third parties for any problems, impacts or improvements resulting from the business operations of the Company and its subsidiaries, together with suggestions for development of management and supervision of the Company and its subsidiaries. Over the past years, the Company and its subsidiaries have never received any report on or encountered any labor dispute or violation of human rights.

4. Respect of Intellectual Property Rights or Copyrights

The Company formulates the Corporate Governance Policy which reflects strict respect for intellectual property rights or copyrights, as well as incorporating the same into the Operation Manual to ensure efficient communication and compliance of staff, namely, strictly prohibiting the Company's personnel from using any copyrighted work or information for gain or taking any act in a manner risking infringement of intellectual property or copyrights, by requiring that all programs installed in the Company's computers for work operations must be legally copyrighted only.

5. Environmental Responsibility and Utilization of Resources

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

Currently, more than 90 percent of the Company's power projects are renewable energy projects, namely, hydropower projects and solar power projects. In this regard, the Company is committed to continuing development of renewable energy project of various categories.

Additionally, details on environmental responsibility and utilization of resources are shown in the section of Corporate Social Responsibility - Environmental Care.

DISCLOSURE AND TRANSPARENCY

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

1. Channels for Disclosure

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

- The Company's general information, namely, company background, vision and mission, policies and strategies, investment portfolio, results of project implementation and that as presented to analysts or the public, organization chart, Board of Directors and subcommittees, including pending future projects, etc.
- Financial highlights, namely, financial reports, analysis summary of periodic operational results, stock information, stock news, analyst coverage and information for general people as presented to analysts or the public, etc.

- Corporate Governance, namely, Corporate Governance Policy, Form 56-1, Form 56-2, supporting documents and VDOs of shareholders' meetings, channels for whistleblowing or complaints, social and environmental responsibility activity news, etc.

Other than disclosure via the website, the Company also submits the invitation letter to attend the meeting or various documents within the periods required for the shareholders' meeting or the SEC Office's or the Stock Exchange's requirements for submission of documents to shareholders, that is, the Company submits Form 56-1 to the SEC Office before the due date on March 31 each year and submits the Annual Report in the form of QR Code to shareholders before the due date of 120 days from the end of the accounting period. In each year, the Company submits the invitation documents to attend the meeting, together with the Annual Report in the form of QR Code to shareholders, at least 14 days before the Annual Ordinary General Meeting of Shareholders, and also delivers the printed Annual Report at the request of the shareholders, as well as disclosing the Annual Report on its website on the same date as that of delivery of the invitation letter and the Annual Report to shareholders for ensuring the shareholders' broad and prompt access to information on the Company's operational results. In addition to those documents required under the requirements of the SEC Office and the Stock Exchange, the Company also provides information on movements and discloses the Company's operational results via its website and a variety of printed media, including roadshows organized by the Stock Exchange or invited by other agencies, including those organized by the Company on a quarterly basis.

In this connection, the Company provides channels for disclosure and explanation on company information to ensure all parties have clear, equal, accurate, complete and prompt access to the Company's information through the Company's central unit, namely, Investor Relations, which is responsible for contact and communication with shareholders, financial institution investors, securities analysts, investors and interested persons in accordance with the Investor Relations Code of Conduct to ensure that the Investor Relations Unit has carried out operations with fairness and non-discrimination under the Principles of Good Corporate Governance.

In 2019, the Company organized related activities, as summarized below:

- 4 analyst meetings;
- 7 company visit and conference call meetings;
- 13 roadshows, both inside and outside the country;
- Answering questions by telephone and email relating to business operations and business direction in the future, etc.

2. Preparation and Submission of Financial Reports

The Board of Directors acknowledges its responsibility for the accurate, complete, justifiable, and transparent information in financial reports, which can prevent any fraud and inspect any unusual conduct as well as safeguarding benefits of minority shareholders. The Company's financial statements are thus prepared in accordance with generally accepted accounting standards in Thailand and comply with applicable laws and notifications, subject to the selected accounting policies and regular compliance, with an exercise of discretion with due care, including adequate and complete disclosure in the notes to the financial statements.

The Company has appointed the auditor who has knowledge and expertise in this field, standard practice, and has an international reputation, without a conflict of interests with the Company which will cause a lack of independence in serving as the Company's auditor, to perform the duty in auditing the Company's financial statements, and the Company's certified public accountant will be rotated in accordance with the requirements of the SEC Office and relevant authorities, to ensure transparency and independence in the duty performance in compliance with the Principles of Good Corporate Governance. Moreover, the Company also releases the Management Discussion and Analysis relating to the financial position, operational results, and significant financial changes during the preceding quarters for shareholders and investors on a quarterly basis, together with disclosure via SET Portal of the Stock Exchange along with submission of financial statements. Moreover, the information shall be disclosed on the Company's website to facilitate any interested persons' access to such information as another channel. Until now, the Company has disclosed the quarterly and annual financial statements in advance before the due date of disclosure, and has no record of being ordered to revise the financial statements.

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

3. Criteria for Trading Securities of Directors and Executives

The Company requires its directors and executives to refrain from trading securities of the Company at least one month before the date of approval of financial statements and at least one day after approval of the financial statements, whereby the Company will give written notice to its directors and executives, including their spouses and minor children, to refrain from trading or changing their holdings of securities, whereby they are required to report to the Corporate Governance and Risk Management Committee, the Audit Committee, and the Board of Directors in each quarter. Moreover, the Company requires staff authorized to have access to the Company's significant information, which may affect movement of securities price, to refrain from trading such securities or to wait until the public receives information and has adequate time to review such information as appropriate to ensure real compliance with the requirements for insider information usage prevention under the CG Policy of the Company. In this regard, the Company requires its directors or executives to report to the Compliance Unit upon his/her trading of securities or change in his/her holding of securities so that the Company, together with such directors or executives, will prepare complete reports for submission to the regulatory units within the periods of time specified by law, namely:

- Report of holding securities in the Company ("Form 59-1") which shall be submitted upon appointment as director, executive, auditor, within 30 days from the date of appointment.
- Report on changes in securities holding ("Form 59-2") which shall be submitted in each trading or change in holding of securities in the Company, within 3 business days from the date of such trading or change in holdings of securities.

Furthermore, the Company requires its directors and executives to report to the Company for acknowledgement on their interests and their related persons upon their holding of office for the first time and each change therein. In this part, the Company will

regularly inquire about any change on a yearly basis to update information relating to their interests. These arrangements can assure the Company of transparency in consideration of execution of transactions, including in arrangements of various matters, without involvement of any director or executive who has interests.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS

1. Structure of the Board of Directors

1.1 The Board of Directors comprises qualified persons who have knowledge, abilities and experience on an executive level from various organizations and from a diverse variety of professions, namely, economics, administration, accounting, engineering and law, which are in line with the Company's business strategy to be a leading power business company in Thailand and ASEAN region with the efficient operation. The Board of Directors' advisors, who are knowledgeable and specialize in different areas, namely, economics, accounting, finance, administration, and engineering, are appointed for useful consultation on technical and administrative matters for the Company and its subsidiaries. Therefore, they can efficiently apply their experience, knowledge and abilities to develop and determine policies and directions of the Company's business operations to ensure the utmost benefits to the Company and shareholders. The Board of Directors plays a key role to introduce policies and strategies, and sustain the corporate image, along with supervision, monitoring, inspection, follow-up on work performance of the management and assessment of the Company's operational results according to plan. The Board of Directors of the Company and its subsidiaries will meet to review the respective operational results in the preceding year to consider whether it meets the target and it is within the specified budget, as well as future action plans to ensure consistency with strategies and business plan for the long and short terms on a yearly basis.

The Board of Directors realizes the significance of regular meetings to jointly consider reviewing the vision, mission and strategies of the Company on a continuous basis, as well as considering approval of significant transactions and annual action plans to fix the direction for the business operations.

- 1.2 The Board of Directors is composed of a total of 12 directors, comprising five executive directors and seven non-executive directors, with four independent directors (including the Chairman of the Board of Directors) who represent not less than one-third of the total number of directors. Such structure gives rise to a counterbalance of votes on consideration of various matters. Furthermore, the Board of Directors appoints four subcommittees, namely, the Executive Committee, the Audit Committee, the Corporate Governance and Risk Management Committee, and the Nomination and Remuneration Committee.
- 1.3 Directors shall have a term of service for three years. Directors who retire by rotation may be re-appointed. At every annual general meeting of shareholders, at least one-third of the number of directors shall vacate their office.
- 1.4 The Chairman of the Board of Directors and the Managing Director are not the same person to distinguish between the Corporate Governance Policy making and the day-to-day management, whereby the Board of Directors clearly determines powers and duties of the Chairman of the Board. The Chairman of the Board of Directors is an independent director as defined by the Stock Exchange and has no any relationship with management.

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

- 2.1 The Board of Directors ensures that the Corporate Governance Policy is set and regularly reviewed at least once a year in the Board of Directors' Meeting, and communicates the Corporate Governance Policy to all personnel in the organization for their full and proper compliance.
- 2.2 The Company requires the Board of Directors to comply with the Code of Best Practice for directors of listed companies in accordance with the guidelines of the Stock Exchange. The Board of Directors must acknowledge and understand their roles, duties and responsibilities, and perform the duties in accordance with the laws, business objectives, the Articles of Association of the Company, together with resolutions of shareholders' meetings, with integrity, in the best interests of the Company and shareholders.
- 2.3 The Board of Directors determines policies, business goals, business plans and budget of the Company, and also supervises and monitors to ensure the efficiency and effectiveness of the management's operations in compliance with the specified policies, action plans and budget to ensure the utmost benefits of the Company and shareholders.
- 2.4 The Board of Directors arranges for assessment of the performance of the Board of Directors and subcommittees as a whole and on an individual director/member basis, covering various matters under the Board Self-Assessment Form issued by the Stock Exchange to guide the listed companies in their respective board self-assessment in line with the Principles of Good Corporate Governance for Listed Companies of the Stock Exchange.
- 2.5 To efficiently supervise and monitor its subsidiaries and associated companies in which the Company invests as if they were business units of the Company, the Company then sets the Control Policy and Governance Mechanisms for those businesses in which the Company invests, for use as a mechanism for supervision and monitoring of those subsidiaries and associated companies. This is to ensure that the subsidiaries and associated companies adopt management and internal control systems in material matters in compliance with the rules of the SEC Office and the Stock Exchange in the same manner as the Company.
- 2.6 The Company requires the Board of Directors to regularly meet every three months, at least four times a year, and all directors are requested to attend such meetings, particularly the Chairman of the Board of Directors and Chairpersons of the subcommittees in accordance the Good Corporate Governance guidelines and all directors managed to attend the meetings to jointly consider significant agenda items.
- 2.7 The Company gives top priority to information to be used by the Board of Directors in support of its consideration. It then has set out in the Company's Corporate Governance Policy that the period of delivery of each meeting's supporting documents to directors shall be at least seven days prior to the meeting date, except for urgent or confidential agenda items which will be sent on the day preceding the meeting date, in order for the Board of Directors to have time to study such information before attending the meeting.

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

(1) Conflict of Interest Policy

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

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

(2) Requirements Relating to Ethics and Code of Conducts

To ensure good practices for directors, executives, and staff of the Company so that they conduct themselves under the appropriate guidelines to professionally operate the business, and fulfill their moral, economic and social responsibilities as a whole in support of the Good Corporate Governance

system mainly based on integrity, fairness and transparency, business ethics and code of conduct have been determined as standard framework for business operations for compliance by directors, executives, staff and all parties concerned. The desirable behavior in various aspects includes:

- Desirable behavior to the Company's business operations, requiring that the Company operate its business legally for the benefit of the economic, social and environmental systems; treat all parties concerned fairly and refrain from taking advantage of them; disclose information; treat its staff properly; create values that focus on the organization's interests rather than personal interests; and implement a whistleblower guide.
- Desirable behavior of directors, requiring that directors perform their duties with honesty, integrity, fairness, prudence and due care; completely separate their personal dealings from the Company's dealings; keep the Company's information confidential and refrain from disclosing it except with the Company's permission; strictly adhere to and observe the laws, rules and regulations of the relevant regulatory agencies; refuse to receive any money or gift and refrain from abusing their directorships to seek personal benefit.
- Desirable behavior of management, requiring that executives conduct themselves morally and make any decision in good faith, with due care, honesty, integrity in the best interests of the Company, shareholders, customers and staff; and demonstrate their commitment to ethics; and treat staff politely and deal with their subordinates with fairness; and respect staff's rights and opinions.
- Desirable behavior of staff, requiring that staff must strictly comply with the Company's work rules and regulations; perform works with honesty, integrity, perseverance, diligence and improve their productivity; have a positive attitude, respect seniority and hierarchy; act morally and refrain from engaging in disgraceful conduct; and refrain from disclosing confidential information they have access from work; cooperate with and help others; perform work in the best interests of the organization; and effectively use resources at their optimum.

- Desirable behavior to customers, requiring that staff provide customers with good services and integrity, and maintain efficient performance for the customers' utmost satisfaction, resulting in social development as a whole.
- Desirable behavior to traders, requiring that staff treat traders with integrity and equality.

(3) Internal Control System

The Company is aware of the significance of the internal control system at the management and operating levels, and then clearly determines the scope of powers, duties and authorities in writing, as well as establishing the Internal Audit Office with the duty to review to ensure compliance with the internal control system, and also supervises, monitors the use of assets for the optimum benefits, as well as separates the duties and responsibilities for approval, recording of accounting transactions and information memorandum, and storage and care of assets, to ensure an appropriate counterbalance and audit system. Moreover, the Company also implements an internal control relating to financial system by way of financial reporting to the executives in charge. In addition, the Company and its subsidiaries plan to employ the same auditor for convenient control and management of accounting and finance, and also require that the Company's auditor must be rotated in accordance with the regulations of the SEC Office and relevant authorities. In this regard, the Company sets out clear and measurable business goals. That is, the management must review and compare the actual operational results with the specified goals; assess external and internal risk factors found in the operations; analyze contributing factors and determine measures to follow up events which cause such risk factors, including measures to minimize risks and delegation to relevant units to regularly follow up such risks, the results of which must be reported to the Board of Directors.

(4) Risk Management

The Board of Directors appoints the Corporate Governance and Risk Management Committee to have the duties to consider approving the Company's risk management and acknowledge its subsidiaries' risk management, as well as follow up and acknowledge the risk management plans of the Company and its subsidiaries, including the duty to quarterly report to the Board of Directors'

Meeting on problems in respect of key risks and progress of remedial actions for such risks.

(5) Remuneration for Directors and Executives

The Company fixes remuneration for directors and executives, on which details are shown in the caption of Remuneration for Directors and Executives - Remuneration for Directors and Executives.

(6) Development of Directors and Executives

The Board of Directors has a policy to promote and support training and provision of acknowledgment to personnel related to the Company's Corporate Governance system on a continuous basis.

Details on training are shown in the caption of Personnel Development Policy - Development of Competency.

(7) Report of the Board of Directors

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

3. Subcommittees

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

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4. Board and Committee Meetings

Name	Attendances/Total Number of Meetings in 2019				
	Board of Directors	Executive Committee	Audit Committee	Corporate Governance and Risk Management Committee	Nomination and Remuneration Committee
Dr. Thanong Bidaya	6/6				
Mr. Plew Trivisvavet	5/6	10/10			
Dr. Jon Wongswan	4/6		3/4		
Mr. Narong Sangsuriya	5/6			4/4	
Dr. Vicharn Aramvareekul	6/6		4/4	4/4	2/2
Mr. Chaiwat Utaiwan	6/6	10/10			
Mr. Prawet Ingadapa ¹	-		1/1		0/1
Dr. Patarut Dardarananda ²	5/5		3/3		1/1
Mr. Prasert Marittanaporn	6/6	10/10			2/2
Mr. Van Hoang Dau	5/6				
Mr. Vorapote Uchoepaiboonvong	5/6				
Dr. Supamas Trivisvavet	6/6	10/10			
Mr. Thanawat Trivisvavet	6/6	10/10		3/4	

Remarks: ¹ Mr. Prawet Ingadapa vacated the positions as Independent Director, the Audit Committee Member, and the Nomination and Remuneration Committee Member, with effect from February 21, 2019.

² The Board of Directors' Meeting No. 1/2019 resolved to approve the appointment of Dr. Patarut Dardarananda to hold the positions as Independent Director, the Audit Committee Member, and the Nomination and Remuneration Committee Member to fill such vacancies, with effect from February 21, 2019.

(1) Board of Directors' Meetings

The Company gives prior notice of annual schedule and main agenda of the Board of Directors' Meetings as well as the Company's annual meeting plan, to directors and executives so that directors can manage their time to attend the meetings. Pursuant to the Articles of Association, the Board of Directors must hold a meeting every three months. In this regard, the Board of Directors appoints and authorizes the Executive Committee to have the

power to consider approving significant matters, subject to the power of consideration and approval of the Executive Committee and as delegated by the Board of Directors, and monitor management's performance. The Company sends the invitation letter to attend the Board of Director's Meeting, together with agenda and supporting documents to directors and executives at least seven days prior to the meeting date, except for urgent or confidential agenda items which will be sent on

the day preceding the meeting date, in order for the Board of Directors to have time to study such information before attending the meeting.

In 2019, the Company's Board of Directors convened six meetings to consider a variety of material matters, and a meeting with non-executive directors, without management, in order for non-executive directors to independently share their views and to efficiently follow up management's performance. The Chairman of the Board of Directors attended and presided over the meetings. As there were items on execution of connected transactions for consideration, directors who were interested persons as listed in the invitation letter and the agenda delivered by the Company to all directors and executives in advance, were well aware of their rights and duties, they then requested to be excused from attending such meetings and voting on such items to ensure compliance with the Company's Corporate Governance Policy and the Principles of Good Corporate Governance for Listed Companies.

In 2019, all directors' attendance at the meeting was not less than 90 percent of all Board of Directors' meetings, and all directors mostly attended the meetings not less than 80 percent of all meetings throughout the year.

Furthermore, the Company sets out the practices relating to the minimum quorum at the Board of Directors' Meeting, namely, at the time when the Board of Directors casts their votes in the meeting, there shall be directors present at the meeting in a number not less than three-fourth or not less than 75 percent of all directors and there shall be composed of chairpersons of all subcommittees, to constitute a quorum, etc.

(2) Subcommittees' Meetings

- Executive Committee

In 2019, the Executive Committee convened ten meetings to consider scrutinizing matters relating to management before proposing them to the Board of Directors, and consider approving various matters in relation to management under the power as delegated to it by the Board of Directors. Last year, the executive directors' attendance at the meeting

which formed the quorum was 100 percent of all meetings.

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

As for details of report on performance of other subcommittees, they are shown in the caption of Report of Subcommittees.

5. Board Self-Assessment

The Board of Directors has a policy to support assessment of the performance of the Board of Directors and subcommittees as a whole and on an individual director/member basis, at least once a year in accordance with the Principles of Good Corporate Governance for Listed Companies. The Board of Directors' Meeting used the Board Self-Assessment Form prepared by the Stock Exchange in the assessment of the performance of the Board of Directors and subcommittees, comprising:

- Assessment criteria were calculated from the weighted average of the appraisers and the weighted average in each assessment subject as follows:
 - 4 = Strongly agree or excellently conducted
 - 3 = Considerably agree or well conducted
 - 2 = Agree or moderately conducted
 - 1 = Disagree or seldom conducted
 - 0 = Strongly disagree or never conducted
- Self-assessment for the Board of Directors as a whole, divided into six subjects, namely, (1) structure and qualifications of the Board of Directors; (2) roles, duties and responsibilities of the Board of Directors; (3) the Board of Directors' meetings; (4) performance of duties of the Board of Directors; (5) relationship with management; and (6) self-development of directors.

In 2019, the total average assessment scores were higher than that in 2018, with the overall scores at a somewhat excellent level.

- Self-assessment of the subcommittee members as a whole and on an individual basis, divided into five subjects, namely, (1) structure and qualifications of the Board of Directors; (2) the Board of Directors' meetings; (3) roles, duties and responsibilities of the Audit Committee; (4) roles, duties and

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responsibilities of the Nomination and Remuneration Committee; and (5) roles, duties and responsibilities of the Audit Committee.

In 2019, the total average assessment scores were higher than that in 2018, with the overall scores at a somewhat excellent level.

- Self-assessment of the Board of Directors on an individual basis, divided into three subjects, namely, (1) structure and qualifications of the Board of Directors; (2) the Board of Directors' meetings; and (3) roles, duties and responsibilities of the Board of Directors.

In 2019, the total average assessment scores were higher than that in 2018, with the overall scores at a somewhat excellent level.

To assess the performance of the Board of Directors and subcommittees as proposed by the Corporate Governance and Risk Management Committee, the Company Secretary has been authorized to summarize and present the results of the performance assessment to the Nomination and Remuneration Committee to consider acknowledging such results, as well as setting out guidelines for improvement of efficiency in performance of the Board of Directors to ensure consistency with the Principles of Good Corporate Governance.

6. Remuneration for Directors and Executives

- **Remuneration for Directors**
The Company establishes a clear policy on remuneration for directors in line with duties and responsibilities of each director, per details as shown in the caption of Remuneration for Directors and Executives - Remuneration for Directors.
- **Remuneration for Managing Director and Executives**
The Company establishes criteria and policy on payment of remuneration for executives of the Company, per details as shown in the caption of Remuneration for Directors and Executives - Remuneration for Executives.

The amounts of remuneration for executives appear in the caption of Management Structure - Remuneration for Executives.

7. Development of Directors and Executives

(1) Training for Directors and Executives

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

(2) Orientation for New Directors

The Company arranges for orientation for newly-appointed directors for the new directors to understand the business and performance of duties as directors. The Managing Director Office, in association with management, prepares the company profile documents, comprising, company background, listed company director's handbook, the Principles of Good Corporate Governance, power and duties of the Board of Directors, previous operational results, and projects in the development plan, including schedules of committees/subcommittees' meetings. Furthermore, the Company encourages new directors to participate in training courses organized by the IOD, such as, DCP, to support directors' and executives' performance of duties.

8. Succession Plan

The Company prepares a succession plan for the positions of Managing Director, the high level executives and in the primary line, to nominate personnel with competency to secure succession and smoothly perform duties in line with the Company's objectives and policies. In so doing, the Company emphasizes the internal recruitment, by taking into account the performance, potentials and readiness of each person. In this regard, the Company prepares to provide those potential successors with development of knowledge, competency and skills as required for succession to their work positions in the absence of the Managing Director or executives in such positions, to

ensure smooth and continued succession. Moreover, promotion is required to be considered every year under the specified criteria for development of personnel with good performance and competency to hold the higher position in accordance with the staff's line of command. There are procedures for determination and nomination of successors, namely, the Executive Committee will consider selecting successors to the position of Managing Director for nomination to the Nomination and Remuneration Committee's Meeting to consider scrutinizing such successors; and the Managing Director will consider selecting successors to the position of Deputy Managing Director for nomination to the Executive Committee's Meeting to consider

approving appointment as Deputy Managing Director; and the Managing Director will consider selecting successors to the position of Assistant Managing Director for further consideration and appointment.

As for Human Resource Management at the middle management level downwards, the Company sets up a Human Resource Management system by allocating, monitoring, following up and conducting assessment, including an appropriate and fair remuneration system, with determination of duties and responsibilities, performance of personnel, performance standard, personnel development and efficient communication.

SUBCOMMITTEES

The Board of Directors has appointed four subcommittees to closely follow up and supervise the operations, and regularly report on the results to the Board of Directors, comprising the Executive Committee, the Audit Committee, the Corporate Governance and Risk Management Committee, and the Nomination and Remuneration Committee. The Board of Directors appoints and determines the duties and responsibilities of each subcommittee, as follows:

EXECUTIVE COMMITTEE

The Board of Directors appoints the Executive Committee, comprising five members with the duty to lay down business guidelines and operations to pursue the strategies and goals set by the Board of Directors and ensure smooth administration. Details of the persons who serve as Chairman of the Executive Committee and Executive Directors, together with their attendances at the Executive Committee's Meetings, appeared in the caption of Management Structure - Subcommittees.

Scope of Powers, Duties and Responsibilities of the Executive Committee as Specified by the Board of Directors is as follows:

1. The Executive Committee has powers, duties and responsibilities to manage matters in relation to the ordinary course of business and management of the Company; scrutinize and set out policies, business plans, budget, management structure, with managerial

powers of the Company; and set out criteria for business operation in line with the economic conditions, for submission to the Board of Directors' Meeting for consideration and approval and/or endorsement, including review and follow up of the Company's operational results in accordance with the specified policies;

2. To propose goals, policies, business plans, including business strategies and annual budget of the Company, business expansion, financial plans, human resources management policies as well as to consider and screen the proposals of Management for submission to the Board of Directors for consideration and approval;
3. To monitor and supervise the Company's business operations to ensure compliance with policies, action plans, and budget as approved by the Board of Directors;
4. To consider approving operations in the ordinary course of business, together with operations in support of the ordinary course of business of the Company on an arm's length basis, but not exceeding budget as approved by the Board of Directors or approved in principle by the Board of Directors' resolution, subject to the rules of the Office of the Securities and Exchange Commission, including the Stock Exchange of Thailand in relation to connected transactions and acquisition or disposition of assets;
5. To have power to authorize one or several persons to take any action, subject to supervision of the Executive

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Committee, or such person(s) may be authorized to have such powers and for such period of time as the Executive Committee may deem appropriate, and such authorization may be cancelled, revoked, changed or amended as appropriate at any time by the Executive Committee; provided that the said authorization must not empower person(s) or appoint substitute(s) to enable such person(s) authorized by the Executive Committee to approve any transaction in which he or she or other person(s) may have a conflict or interest or any other conflict of interests, to be executed with the Company or its subsidiaries and/or associated companies, except for approval of such transaction in the ordinary course of business and on an arm's length basis in compliance with the notifications of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or the relevant authorities, subject to approval in principle by the Board of Directors;

6. To consider profit and loss of the Company, proposals for payment of interim or annual dividends for submission to the Board of Directors' consideration or screening and proposing such matters to the shareholders' meeting for approval;
7. To consider approving the interim dividend of subsidiaries;
8. To consider approving any related party transactions in which no member of the Executive Committee has an interest under the same general commercial terms as those an ordinary person would agree with a general counterparty under the same circumstances, on the basis of commercial negotiation without any influence between the Company and its subsidiaries, directors, executives or other parties concerned, as well as to take necessary steps in relation to such transactions, and to consider authorizing any persons to proceed with such matters under the scope of such authorization from time to time. The Executive Committee must report to the Board of Directors' Meeting on such transactions that are of a material high value on a quarterly basis or as required by the Board of Directors;
9. To perform any other functions as assigned by the Board of Directors from time to time.

AUDIT COMMITTEE

The Board of Directors appoints members of the Audit Committee, comprising three independent directors holding the position of members of the Audit Committee, who have qualifications under the regulations as specified by the SEC Office. The Audit Committee's duty is to

inspect and control the Company's operations to ensure compliance with the regulations of the relevant regulatory agencies for submission to the Board of Directors for consideration and acknowledgement. The Board of Directors also sets out the Audit Committee's Charter to determine duties, qualifications, appointment and term of office of members of the Audit Committee. Members of the Audit Committee have a term of office for three years according to the term of directorship office. Upon expiration of the term of office, he/she may be re-appointed by the resolution of the Board of Directors' Meeting. Details of the persons who serve as Chairman of the Audit Committee and members of the Audit Committee, together with their attendances to the Audit Committee's Meetings, appear in the caption of Management Structure - Audit Committee.

Scope of Powers, Duties and Responsibilities of the Audit Committee as Specified by the Board of Directors is as follows:

1. To review and ensure that the Company's and its subsidiaries' financial reporting is accurate and adequately disclosed;
2. To approve the quarterly financial statements for submission to the Board of Directors for acknowledgement in the following Board of Directors' Meeting, as well as considering reviewing the annual financial statements for submission to the Board of Directors to consider scrutinizing and proposing the same to the shareholders' meeting;
3. To review and ensure that the Company's and its subsidiaries' internal control and internal audit systems are suitable and effective; and consider the independence of the internal audit unit as well as approving consideration, appointment, transfer, termination of employment of the internal audit head or any other unit heads with responsibility relating to internal audit;
4. To approve the internal audit plan and review the audit report as well as considering following up issues found in the audit report;
5. To review and ensure the Company's performance in compliance with the laws on securities and exchange, requirements of the Stock Exchange of Thailand and the laws relating to the Company's business, and review and ensure the Company's subsidiaries' performance in compliance with the regulations specified in the Control Policy and Governance Mechanisms;
6. To consider, select, nominate, appoint/terminate employment, and determine remuneration of an

- independent person to serve as the Company's auditor, together with meeting with the auditor, and propose remuneration for such person, as well as meeting with the auditor without the Management Team at least once a year;
7. To consider connected transactions or transactions which may involve a conflict of interest, including transactions on acquisition or disposition of assets of the Company and its subsidiaries in compliance with the laws and requirements of the Stock Exchange of Thailand, together with the Control Policy and Governance Mechanisms, in order to ensure that such transactions are justified and of the utmost benefit to the Company;
 8. To prepare the Audit Committee's report and disclose it in the Company's Annual Report. Such report must be signed by the Chairman of the Audit Committee and consist of at least the following information as required by the Stock Exchange:
 - 8.1 Opinion on accuracy, completeness, reliability of the Company's financial reports;
 - 8.2 Opinion on adequacy of the Company's internal control system;
 - 8.3 Opinion on compliance with laws on securities and exchange, regulations of the Stock Exchange, or laws related to the Company's business;
 - 8.4 Opinion on suitability of the auditor;
 - 8.5 Opinion on transactions which may cause conflicts of interests;
 - 8.6 Number of the Audit Committee's meetings, and attendance at such meetings by each Audit Committee member;
 - 8.7 Opinion or overview comment received by the Audit Committee from its performance of duties in accordance with the Charter;
 - 8.8 Any other reports which should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Board of Directors
 9. To perform any other activities as assigned by the Board of Directors and approved by the Audit Committee;
 10. In performing duties of the Audit Committee, if the Audit Committee finds or has any doubt that any transaction or action may materially affect the financial position and the operational results of the Company, the Audit Committee must report to the Board of Directors on such doubt for improvement and remedy within the period of time as the Audit Committee deems

appropriate. Types of transactions or actions to be reported are as follows:

- 10.1 Transactions which cause conflicts of interests;
- 10.2 Dishonest or unusual incidents or material defects in the internal control system;
- 10.3 Violation of the laws on Securities and Exchange, requirements of the Stock Exchange or laws related to the Company's business. Should the Audit Committee report to the Board of Directors on any matter having a material effect upon the financial position, the operational results, and have already discussed such matter with the Board of Directors and Management, which deemed that improvement and remedies must be made, therefore, upon the end of the mutually specified timeframe, should the Audit Committee find that the required remedial action has not been taken without any reasonable grounds, either member of the Audit Committee may report on such found matter to the Office of the Securities and Exchange Commission and/or the Stock Exchange of Thailand.

CORPORATE GOVERNANCE AND RISK MANAGEMENT COMMITTEE

The Board of Directors appoints three members of the Corporate Governance and Risk Management Committee, comprising one non-executive director, one independent director, and one executive director (Managing Director), with the duty to supervise and monitor to ensure that the operations of the Company and its subsidiaries are in line with the managerial strategies of the company group, as well as ensuring administration, monitoring and management of risks with efficiency. Members of the Corporate Governance and Risk Management Committee have a term of office for three years according to the term of director office. Upon expiration of the term of office, he/she may be re-appointed by the resolution of the Board of Directors' Meeting. Details of the persons who serve as Chairman of the Corporate Governance and Risk Management Committee and members of the Corporate Governance and Risk Management Committee, together with their attendances to the Corporate Governance and Risk Management Committee's Meetings, appeared in the caption of Management Structure - Corporate Governance and Risk Management Committee.

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02**Scope of powers, Duties and Responsibilities of the Corporate Governance and Risk Management Committee as Specified by the Board of Directors is as follows:****Corporate Governance**

1. To determine and propose policies and directions of operations in respect of the good corporate governance of the Company, including the code of business ethics, to the Board of Directors for consideration and approval for further compliance at all levels;
2. To supervise and monitor the business operation of the Company and performance of the Board of Directors, Management and personnel of the Company to ensure compliance with Clause 1;
3. To evaluate and review policies, directions, code of ethics, and best practices or practical guidelines in respect of the good corporate governance of the Company to ensure compliance with the international practices and recommendations of various agencies, as well as to propose the same to the Board of Directors for further consideration and approval;
4. To follow up on movements, tendencies, as well as to compare performance in respect of the good corporate governance of the Company with the practices of other leading companies;
5. To oversee and support performance in compliance with the Corporate Governance Policy to ensure continual effectiveness and appropriateness to the Company's business;
6. To give advice to the Company, the Board of Directors, Management and working groups on the matters relating to the good corporate governance;
7. To report on the corporate governance of the Company to the Board of Directors on a regular basis, and immediately report to the Board of Directors for consideration in case there is any matter materially affecting the Company, as well as to provide opinions on the practices and suggestions for improvement and remedy as appropriate;
8. To disclose information relating to the good corporate governance of the Company to related parties and in the Annual Report, subject to the Board of Directors' prior approval;
9. To appoint any working group as it deems appropriate.

Risk Management

1. To determine policies and scope of risk management operations of the Company, as well as to give advice to the Board of Directors and Management on risk management;

2. To consider the annual risk management plans of the Company and its subsidiaries to rest assured that they have specified risks covering internal and external factors which affect the Company's business operations, as well as considering measures to deal with risks to stay at the level acceptable to the Company;
3. To oversee and support the risk management to ensure successful implementation by emphasizing the significance of and taking into account risk factors in support of the decision making as appropriate;
4. To consider the Company's material risks in line with the Company's business, e.g., in terms of investment, finance, security, laws, rules and regulations, by suggesting measures to prevent and minimize risks to stay at an acceptable level, as well as to follow up, evaluate and improve the working plans for minimizing risks on a continual basis as appropriate to the condition of the business operation;
5. To report on performance in risk management and operations to minimize risks to the Board of Directors on a regular basis, and promptly report to the Board of Directors for consideration if there is any matter materially affecting the Company;
6. To establish any working group as it deems appropriate.

NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors appoints three members of the Nomination and Remuneration Committee, comprising two independent directors and one executive director, to perform the duty to nominate candidates qualified to hold the positions of Managing Director and director, and propose remuneration rates for the Managing Director to the Board of Directors' Meeting to consider approving the matter, and also propose remuneration rates for directors to the Board of Directors' Meeting to consider scrutinizing and proposing the matter to the ordinary general meeting of shareholders for consideration and approval. In this regard, members of the Nomination and Remuneration Committee have a term of office for three years according to the term of director office. Upon expiration of the term of office, she/he may be re-appointed by the resolution of the Board of Directors' Meeting. Details of the persons who serve as Chairman of the Nomination and Remuneration Committee and members of the Nomination and Remuneration Committee, together with their attendances to the Nomination and Remuneration Committee's Meetings, appeared in the caption of Management Structure - Nomination and Remuneration Committee.

Scope of Powers, Duties and Responsibilities of the Nomination and Remuneration Committee as Specified by the Board of Directors is as follows:

Nomination

1. To consider, select and propose persons who possess diversified qualifications in terms of professional skills and expertise irrespective of gender, together with appropriateness to hold office as director or subcommittee member, in line with the Company's business strategies, to the Board of Directors for further nomination to the shareholders' meeting or to the Board of Directors for consideration and appointment;
2. To consider, select and propose qualified persons to hold office as Managing Director to the Board of Directors for appointment;
3. To establish a work group as it deems appropriate and perform any other matters as assigned by the Company.

The nomination per clauses 1 and 2 above shall be in accordance with the criteria for nomination and appointment of directors and Managing Director.

Remuneration

1. To consider laying down criteria for consideration of remuneration, determination of remuneration and salary review and other remuneration of directors and subcommittee members in line with the Company's operational results and dividend payment to shareholders, for submission to the shareholders' meeting for consideration;
2. To consider laying down criteria for consideration of remuneration in determination of remuneration and salary review and other remuneration of Managing Director for submission to the shareholders' meeting for consideration and approval;
3. To establish a work group as it deems appropriate and perform any other matters as assigned by the Company.

NOMINATION AND APPOINTMENT OF DIRECTORS AND TOP MANAGEMENT

APPOINTMENT OF DIRECTORS

The Nomination and Remuneration Committee considers screening qualified persons under the criteria of the Notification of the Capital Market Supervisory Board No. TorChor. 39/2559 in respect of qualifications, work experience, and prohibited characteristics under law, for proposal to the Board of Directors' Meeting to consider appointing or consider screening, approving such persons, for submission to the shareholders' meeting for consideration and appointment, as the case may be.

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

1. Each shareholder shall have one vote for every one share.
2. Each shareholder may vote to elect one or several persons as directors, but it shall not exceed the number of directors to be elected at that time.
3. In case a shareholder exercises his or her votes to elect more than one person as director, the shareholder may exercise all his or her votes to each such person and may not allot his or her votes to any person in any number.

4. The candidates receiving the highest number of votes in descending order shall be elected as directors to the fill number of directors to be elected at that time. If there is a tie for the last to be elected and this exceeds the said number of directors to be elected at that time, the Chairman of the meeting shall cast the final vote to fill the number of directors to be elected at that time.

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

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

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

APPOINTMENT OF INDEPENDENT DIRECTORS

The Board of Directors' Charter and the Audit Committee's Charter set out that the Board of Directors has the power to appoint directors and members of the Audit Committee properly qualified as independent directors pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 39/2559 Re: Application for and Approval of Offer for Sale of Newly Issued Shares, including its amendments, together with the Articles of Association regarding the qualifications of directors, for the purpose of appointment of independent directors accounting for at least one-third of all directors, with a minimum of three independent directors. The consideration, selection and appointment of candidates as the Company's independent directors must be conducted based on legal requirements.

In this regard, it is a policy of the Company that the Chairman of the Board of Directors be an independent

director, and the Chairman of the Board of Directors and the Managing Director not be the same person to clearly distinguish between the Corporate Governance Policy making and the day-to-day management, with an aim to ensure a counterbalance of power in its operations, transparency, auditability under the Principles of Good Corporate Governance.

APPOINTMENT OF MANAGING DIRECTOR AND TOP MANAGEMENT

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

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

SUPERVISION OF OPERATIONS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

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

WRITTEN CONTROL POLICY ON MANAGEMENT

The Company sets out the CG Policy and the Control Policy in written format, to supervise and monitor to ensure that its subsidiaries' corporate governance is in accordance with the rules specified by various regulatory agencies in the same manner as the Company does, as a company listed

on the Stock Exchange. To ensure that supervision of its subsidiaries is conducted more practically, the Company then requires its subsidiaries invested by the Company to set out the written Subsidiaries' Charters, the essence of which is in line with the Control Policy, whereby its subsidiaries are required to accept and adopt the specified rules like its own articles of association. The essence of such policy is as follows:

1. Representative Directors and/or Management in Subsidiaries in which the Company Invests

The Board of Directors' Meeting will elect persons to hold the positions as directors and/or executives in subsidiaries according to the Company's shareholding percentage in each subsidiary. The Company is

certain that the aforesaid policies and charters will be instrumental in controlling and directing the management of those businesses in which the Company invests as if they were business units of the Company, which is in accordance with the rules specified in the Notification of the Capital Market Supervisory Board No. TorChor. 39/2559, together with any other related rules. It can be assured that such policies and charters will be a mechanism for transparent and auditable management systems of subsidiaries and associated companies in order to actually protect the interests in the Company's investments.

2. Guidelines for Voting in Shareholders' Meetings

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

3. Control and Direction for Management and Investment

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

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

4. Financial Control

The Company requires its subsidiaries and associated companies to have a duty to submit their respective monthly operational results and quarterly financial statements reviewed by their certified public accountants, documents in support of the preparation of the financial statements of the subsidiaries and

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

In this regard, the Company requires its subsidiaries to arrange for auditor rotation in accordance with the requirements of the SEC Office and relevant authorities.

5. Compliance with the Principles of Good Corporate Governance

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

DETAILED ESSENCE OF THE CG POLICY AND THE CONTROL POLICY CAN BE SUMMARIZED AS FOLLOWS:

1. Control Policy on Management of Subsidiaries and Associated Companies

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

1.1 The scope of power and duties of the respective Board of Directors of subsidiaries is in accordance

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

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

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

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

2. Control Policy on Financial Matters of Subsidiaries and Associated Companies

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

- 2.1 The subsidiaries and associated companies have a duty to submit their monthly reports on operational results and quarterly financial statements reviewed by their certified public accountants, as well as documents in support of the preparation of the financial statements of the subsidiaries and associated companies, to the Company, and will allow the Company to use such information in support of the preparation of the consolidated financial statements or report on operational results of the Company, quarterly or annually, as the case may be.
- 2.2 The subsidiaries and associated companies have a duty to estimate their operational results and comparative summary between planned and actual operational results on a quarterly basis, and monitor their operational results to ensure compliance with the plans for reporting to the Company.

The subsidiaries and associated companies have a duty to report on any financial issues which are material to the Company upon finding or request by the Company for inspection and report.

- 2.3 The subsidiaries must report to the Company on the business operation plan, business expansion, large-scale projects, together with joint investment with other manufacturers through the monthly report

on operational results. The Company has the right to have any subsidiary explain or submit documents in support of consideration of any such matter, in respect of which the subsidiary must strictly comply forthwith. The subsidiaries must also submit information or documents related to operations to the Company upon request as appropriate.

INSIDER TRADING CONTROL

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

GUIDELINES FOR STORAGE AND DISCLOSURE OF INSIDER INFORMATION

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

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

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

GUIDELINES FOR INSIDER TRADING CONTROL

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

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

The Company has complied with measures for confidentiality and insider information control and measures for information and information technology security formulated in the Code of Business Conduct, together with the information technology policy, to achieve consistency with the Principles of Good Corporate Governance.

PART
02**REMUNERATION FOR AUDITOR FOR YEAR 2019**

The Company and its subsidiaries engaged EY Office Limited as their auditor for the accounting period of 2019, per the details of remuneration for the auditor as follows:

1. Audit fee was a total of Baht 3,522,000.00, consisting of Baht 1,000,000.00 as remuneration for the auditor of

the Company and Baht 2,522,000.00 as remuneration for the auditor of its subsidiaries.

2. Non-audit fee was a total of Baht 1,615,400.00.

COMPLIANCE WITH THE PRINCIPLES OF GOOD CORPORATE GOVERNANCE IN OTHER MATTERS**REPORT ON SECURITIES HOLDINGS OF DIRECTORS AND EXECUTIVES**

The Company requires its directors and executives to prepare and report to the Company on their holdings of securities, including those of their spouses and minor children, with respect to every purchase, sale, transfer of the Company's securities, for accurate disclosure to the Stock Exchange pursuant to Section 59 of the rules of the Securities and Exchange Act B.E. 2535 (1992), and its amendments, together with the Notification of the Office of the Securities and Exchange Commission No. SorChor. 12/2552 Re: Preparation and Disclosure of Report on Securities Holding of Director, Executive and Auditor.

In 2019, directors and executives reported to the Company on their holdings of securities of the Company, including on any changes in such securities holding, and accurately disclosed their holdings of securities under the rules, as well as regularly reported on their holdings of securities and changes in their holdings of securities to the Board of Directors' Meeting on a quarterly basis. Last year, from the Company's status as listed company on the Stock Exchange, holdings of securities of the Company and changes in such securities holdings of its directors and/or executives, including their spouses and minor children were as follows:



Name	Position	Holding of Securities Status	Amount of Shares at the Beginning of the Year (shares)	Amount of Shares at the End of the Year (shares)	Shareholding Percentage in the Company (Percent)
Dr. Thanong Bidaya	Chairman of the Board of Directors / Independent Director	-	-	-	-
(His spouse and minor children)		-	-	-	-
Mr. Plew Trivisvavet	Chairman of the Executive Committee	-	-	-	-
(His spouse and minor children)		Purchase	2,000,000	2,000,000	0.0246
Dr. Jon Wongswan	Chairman of the Audit Committee / Independent Director	-	-	-	-
(His spouse and minor children)		-	-	-	-
Mr. Narong Sangsuriya	Chairman of the Corporate Governance and Risk Management Committee	-	-	-	-
(His spouse and minor children)		-	-	-	-
Dr. Vicharn Aramvareekul	Chairman of the Nomination and Remuneration Committee / Independent Director	Purchase/ Capital Increase under the proportion	2,680	2,680	0.0000
(His spouse and minor children)		-	-	-	-
Mr. Chaiwat Utaiwan	Director	-	-	-	-
(His spouse and minor children)		-	-	-	-
Mr. Prawet Ingadapa ¹	Director	Transferee	250,000	250,000	0.0031
(His spouse and minor children)		Transferee	200,000	200,000	0.0025
Dr. Patarut Dardarananda ²	Director	-	-	-	-
(His spouse and minor children)		-	-	-	-
Mr. Prasert Marittanaporn	Director	-	-	-	-
(His spouse and minor children)		-	-	-	-
Mr. Van Hoang Dau	Director	-	-	-	-
(His spouse and minor children)		-	-	-	-
Mr. Vorapote Uchoepailboonvong	Director	-	-	-	-
(His spouse and minor children)		-	-	-	-
Dr. Supamas Trivisvavet	Director	-	-	-	-
(Her spouse and minor children)		-	-	-	-
Mr. Thanawat Trivisvavet	Director and Managing Director	-	-	-	-
(His spouse and minor children)		-	-	-	-
Mr. Michael Eric Raeder	Deputy Managing Director	Purchase	125,000	125,000	0.0015
(His spouse and minor children)		-	-	-	-
Mrs. Muntana Auekitkarjorn	Deputy Managing Director	-	-	-	-
(Her spouse and minor children)		-	-	-	-
Mr. Varoth Saksucharita	Deputy Managing Director	-	-	-	-
(His spouse and minor children)		-	-	-	-
Miss Parichat Othayakul	Assistant Managing Director	-	-	-	-
Miss Rujira Chuaybamrung	Assistant Managing Director	-	-	-	-
Mr. Thitipat Nananukool	Assistant Managing Director	-	-	-	-
(His spouse and minor children)		-	-	-	-
Mr. Jessadin Suwanbubpa	Assistant Managing Director	-	-	-	-
(His spouse and minor children)		-	-	-	-

Remarks: ¹ Mr. Prawet Ingadapa vacated the positions as Independent Director, the Audit Committee Member, and the Nomination and Remuneration Committee Member, with effect from February 21, 2019.

² The Board of Directors' Meeting No. 1/2019 resolved to approve the appointment of Dr. Patarut Dardarananda to hold the positions as Independent Director, the Audit Committee Member, and the Nomination and Remuneration Committee Member to fill such vacancies, with effect from February 21, 2019.

PART
02**CORRUPTION OR ETHICAL OFFENCE**

In 2019, none of the directors or executives committed any corruption or ethical offence, and none of the directors resigned due to corruption or non-compliance with the Principles of Good Corporate Governance. The Company has provided the summary report on violation of the Code of Business Conduct to the subcommittees and the Board of Directors to pursue guidelines for prevention of any repeated violation.

INFORMATION DISCLOSURE IN ACCORDANCE WITH THE PRINCIPLES OF GOOD CORPORATE GOVERNANCE

In 2019, the Company completely disclosed information in Form 56-1, along with publicly available documents in accordance with the Principles of Good Corporate Governance of the Stock Exchange (CG Principle). The Board of Directors was considering and reviewing the Company's policies, action plan, mission, vision and strategies of the Company and its affiliated to ensure compliance with laws, requirements of the SEC Office and relevant authorities, including consistency with the CG Code under the guidelines of the SEC Office, with effect in 2019.

Nevertheless, the Board of Directors has put the CG Code into practice to be consistent with the Company's operations by drawing up plans for development and improvement of relevant policies. The Board of Directors'

Meeting No. 4/2019 considered approving review of the respective Charters of the Audit Committee, the Nomination and Remuneration Committee and the Corporate Governance and Risk Management Committee, as required to be regularly reviewed at least once a year to achieve consistency with the Company's direction.

Moreover, the Board of Directors' Meeting No. 5/2019 considered approving the Company's Codes of Conduct and policies in relation to corporate governance, comprising Code of Business Conduct, Suppliers' Code of Conduct, Investor Relations Code of Conduct, Accounting, Finance, Budget and Tax Policy, Personnel Management Policy, Procurement Policy, Information Technology Policy, and Sustainability Management Policy; and required that practical guidelines for occupational health and safety, information disclosure, insider information control, anti-corruption, and whistleblowing shall be reviewed and laid down. Furthermore, the Company sets out a plan to draw up and/or review the Company's Codes of Conduct and policies in relation to Corporate Governance to rest assure that the Company and its affiliated companies have operated the business with commitment to ethics, social and environmental responsibility, without violation of stakeholders. This is to serve as a guideline for all sectors in the Company to sustainably achieve the objectives and goals. In this regard, such codes of conduct and policies have been made available via the Company's website.



CORPORATE SOCIAL RESPONSIBILITY

Throughout the past years, CK Power Public Company Limited and its affiliated companies have conducted the business operations by striving to create a balance of corporate governance-based efficient operations, environmental preservation, and close relationships with communities surrounding the power plants. Therefore, the Corporate Social Responsibility (CSR) activities of the Company and its affiliated companies have been undertaken in pursuit of sustainability, covering all 3 dimensions, namely, Environment, Social, Governance (ESG), with our commitment to contributing to preservation of the environment to be least affected by the operations of the Company, as well as maximizing the use of resources, coupled with development of the society and communities nearby to achieve sustainable co-existence. Moreover, we have supported the United Nations Sustainable Development Goals (UNSDGs) in aspects relevant to the Company's business operations, namely:

GOAL 3: GOOD HEALTH AND WELL-BEING

The Company and its affiliated companies are committed to supporting the communities surrounding the power plants, in which the Company and its affiliated companies have invested, to have good health and well-being.

GOAL 7: AFFORDABLE AND CLEAN ENERGY

The Company and its affiliated companies are committed to promoting clean energy which is sustainably affordable for all and reliable, modern, and environmentally friendly, by increasing a proportion of clean energy in the integration of the regional and domestic energy utilization through investment in energy and technology infrastructure, in order to ensure clean energy which is eco-friendly.

GOAL 8: DECENT WORK AND ECONOMIC GROWTH

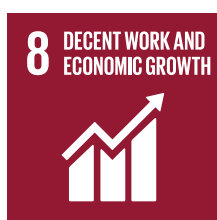
The Company and its affiliated companies continue to play a part in promoting economic growth which is comprehensive and sustainable, as well as creating equal opportunity employment, including local labor which is valuable to every society in which the Companies and its affiliated have invested.

GOAL 11: SUSTAINABLE CITIES AND COMMUNITIES

The Company and its affiliated companies have taken a stand on helping to ensure that cities and settlements are inclusive, safe, and ready to adapt to change and sustainable development, whether by road improvement or transportation expansion, along with our efforts to protect and safeguard cultural heritage, provide financial and academic support and assistance.

GOAL 12: ENSURE SUSTAINABLE CONSUMPTION AND PRODUCTION PATTERNS

The Company and its affiliated companies are committed to ensuring sustainable production and consumption plans, by emphasizing creation of active engagement. In this regard, CK Power has established the Sustainability Management Policy for the Company and its affiliated companies, which has been promulgated throughout the organization, to express our explicit intention. Such policy covers issues which help achieve the sustainable business growth to serve as practical guidelines for the Company, its affiliated companies, directors, executives and staff to perform their works in the same direction with standard. The following is the framework for the Sustainability Management Policy:



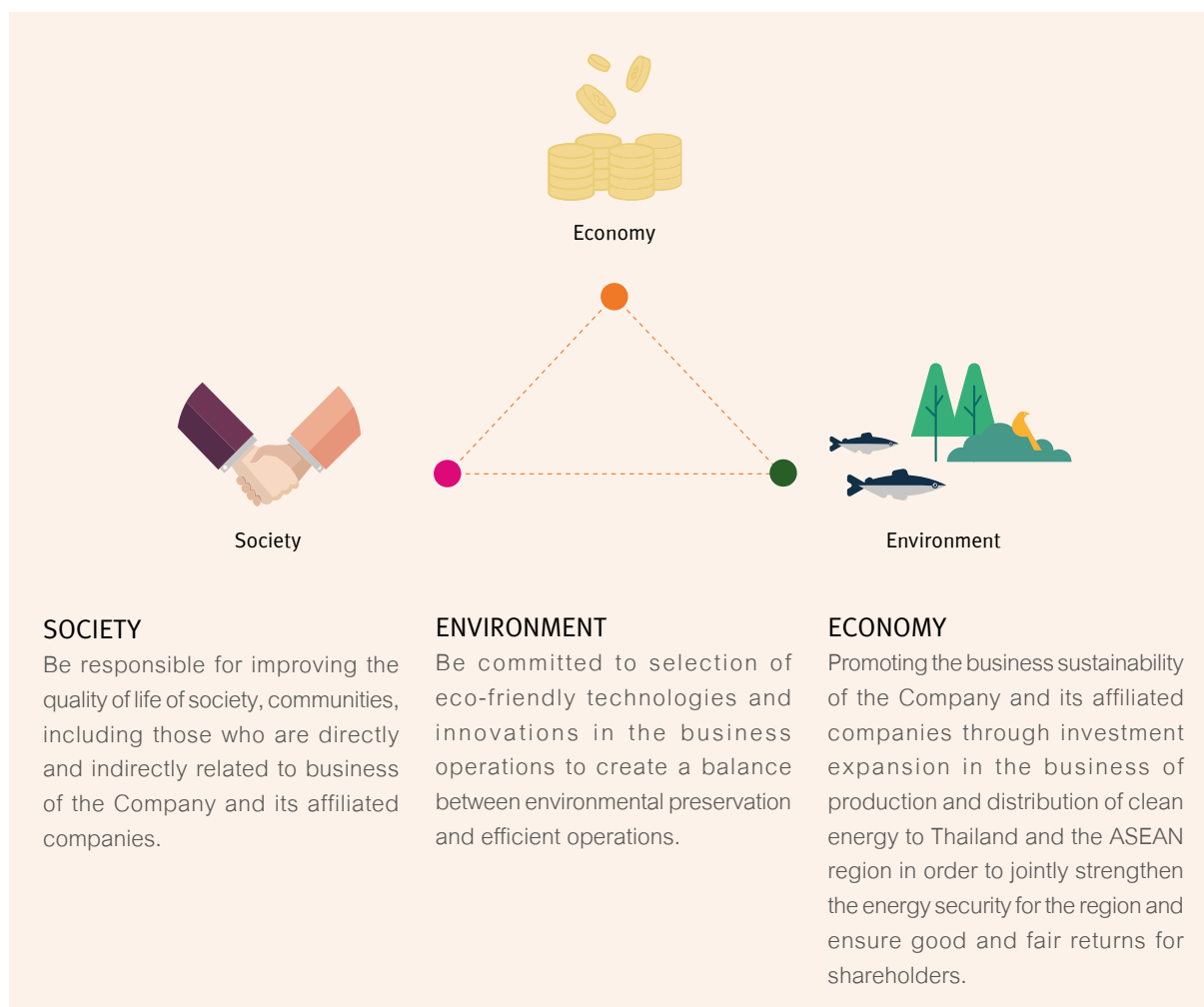
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1. Comply with relevant laws and requirements of the countries in which the operations are carried out and observe international practices.
2. Ensure corporate governance with efficiency, accuracy, transparency, and adhere to a code of ethics by mainly taking stakeholders into account.
3. Realize maintenance of an economical, social and environmental balance, including stakeholders of all sectors in carrying out operations for the purpose of sustainable business growth.
4. Raise awareness about the sustainability management policy of CK Power Group to stakeholders, as well as supporting the adaptation of the sustainable practical guidelines to minimize impacts as a result of the operations throughout the Value Chain.
5. Employ the modern, efficient, eco-friendly innovations and technologies in carrying out operations on a regular basis in the pursuit of the economical, social and environmental sustainability.

6. Adhere to the Good Corporate Citizenship with conscious awareness of social and environmental responsibility by using special skills in terms of clean energy business of CK Power Group in order to serve as a part in improving the quality of life in communities to attain the sustainability as a whole.

In this regard, directors, executives and employees at all levels of CK Power Group shall have duty to support, uphold, and observe the sustainability management policy and framework as specified.

Furthermore, in 2019, the Company has established the organizational sustainability management work unit which shall directly report to the Office of the Managing Director, with the duty to draw up a sustainability master plan, organize activities and publicize the corporate social responsibility activities and sustainability activities within the organization and to the public. Moreover, the objectives of the sustainability management of the organization have been identified in 3 main areas, as follows:



In addition, the Company has established the CK Power Sustainability Working Team, consisting of experts who have qualifications in various fields within the organization, i.e., internal audit, investor relations, procurement, organization management, compliance and law, sustainability management, human resources, environment, and engineering. This working team is responsible for driving strategies, operating guidelines, key performance indicators, action plans, tools for sustainability, and operational support guidelines, forward, as well as inspecting and monitoring the operations, provision of advice on how to comply with international standards, together with report on the operating results, to ensure that the sustainability-related operations have been integrated with the business operations of the Company and its associated companies.

This includes the continuous development and clear communication. This working team is required to hold a meeting once a quarter, together with reporting on operating results to the Managing Director, the Corporate Governance and Risk Management Committee, and the Board of Directors for acknowledgement on a regularly basis, along with information disclosure via the Annual Report and the Sustainability Report, so as to ensure transparency and fairness in business management based on corporate governance, which covers the following:

- Good corporate governance
- Risk management
- Disclosure and reporting

SIGNIFICANT SUSTAINABILITY ISSUES AND FRAMEWORK



1. ENVIRONMENTAL SUSTAINABILITY MANAGEMENT AND PERFORMANCE IN 2019

With the visions and missions, the Company is committed to being a leader in the electricity production business both in Thailand and the ASEAN region via strategic policies on investment in the business of production and distribution of electricity from various types of clean energy in order to create energy stability and security of Thailand and the ASEAN region. All projects invested in by the Company, apart from investment in a renewable energy business which is environmentally friendly, are power plant projects that are beneficial to society and take care of the environment efficiently, due to the fact that the Company focuses on investing in projects of clean electricity, renewable energy which produces minimal pollution, as well as maximizing the use of resources to achieve the highest efficiency in the production process, for example, investment in hydroelectric power plants, solar power plants, and cogeneration power plants, etc. The Company also chooses to use modern, standard and eco-friendly technology, to create a balance between business and environmental

protection in accordance with international sustainable development guidelines, as well as overseeing to ensure the Company's power plants have strictly complied with various environmental laws and regulations, including ISO standards, while rehabilitating the environment to achieve the balance and growth of the communities in parallel to the sustainable existence of the environment. Moreover, the Company gives priority to responsibility for safety, occupational health and environment; it therefore formulated measures to prevent various hazards that may occur in both the power plant areas and their surrounding areas, whereby a policy on safety and occupational health has been established for all projects. In addition, the Company arranges for employees to attend training courses regarding such matters on a regularly basis, and also applies the management system in accordance with international standards such as ISO 9001:2015, OHSAS 18001:2007, and ISO 14001:2015 to management of both the electricity production process and the maintenance process in order to increase the efficiency in the business operations. In 2019, the Company received no report on accident or situation which had an adverse impact on communities and/or the environment surrounding the power plants. The environmental sustainability activities which were undertaken by the Company and its affiliated companies can be summarized as follows:

XAYABURI POWER COMPANY LIMITED



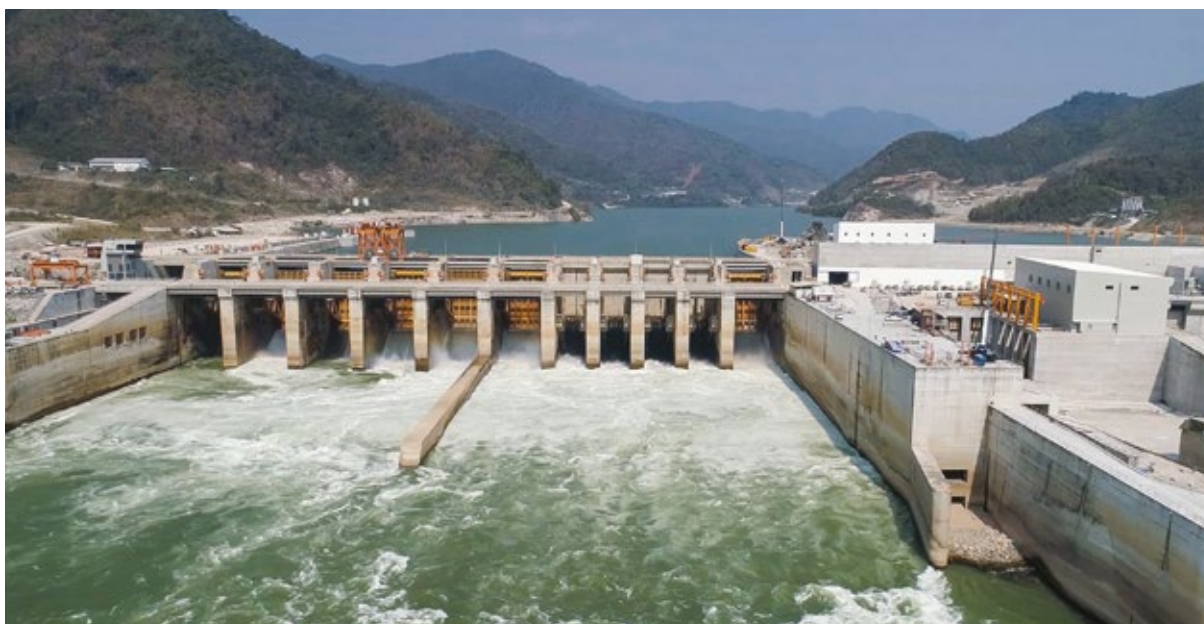
Over 75 percent of electricity used in Thailand was produced from the fuel combustion process in the category of exhaustible resources, while hydropower is renewable energy without fuel use, it only depends on the water level and water flow, therefore there is no heat generated in the electricity production process and it can reduce greenhouse gas by approximately 0.5 kilograms per unit of electricity (kWh). In comparison, the Xayaburi Hydroelectric Power Plant can produce an average electricity of 7,600 GWh per year, with the capacity to reduce Carbon Dioxide by up to 3.8 million tons per year, equal to an adsorption of Carbon Dioxide from the forest by approximately 2.1 million rai every year of the hydroelectric production from Xayaburi (reference sources: Huachiew Chalermprakiet Science and Technology Journal and PTT Reforest Station).

2019 was the year in which the Xayaburi Hydroelectric Power Plant was completed and all of seven generators of 1,285 megawatts commenced and achieved its official Commercial Operation Date: COD with the Electricity Generating Authority of Thailand (EGAT) on October 29, 2019. This power plant is regarded as a prototype of the sustainable power plant on the Mekong River, with its design and construction planning in strict accordance with relevant laws, regulations and commitments, to strive for sustainable operation by making the least impact on

society and environment, whereby it has been designed using excellent engineering in hydropower.

The Mekong River, the Asia's main river, is an area with high biodiversity, serving as sources of water, fish species, plant varieties, as a source of food security which sustains a way of life and constitutes an origin source of cultures and traditions. There are small and large fish of more than thousand types which are the indicators of the biodiversity of this universal river, and also a great number of animals, including mammals, reptiles, birds and various plant species. The biodiversity of this kind has a direct effect on the fertility of soil, water and air which is always in the interest to the people who habitat the Mekong River Basin. The location of the Xayaburi Hydroelectric Power Plant, is approximately 1,900 kilometers away from the mouth of the Mekong River, and there are people who need to use the downstream water in 4 countries, namely, Laos, Thailand, Cambodia and Vietnam, the Company considers the concerns and anxieties of the downstream countries regarding the amount of fish and the suspension of sediment carried by the water during a flood which may affect the fertility of the Mekong River Basin, into consideration.

The Xayaburi Hydroelectric Power Plant has been designed and developed by using the state-of-the-art technology under direction of experts from world-class consultants from many countries, namely, Pöyry Energy Limited,





AF-Consult Ltd. from Switzerland, Compagnie Nationale du Rhône (CNR) from France, and Team Group from Thailand. In addition, the Company closely consulted and received recommendations from the Mekong River Commission (MRC) in relation to critical concerns such as the development of the Multi-System Fish Passages and sediment control, by taking into consideration the balance of the ecosystem in the watercourse and the flow volume of the Mekong River. As a result, the international engineering principles have been applied to the design of the flood and sediment flushing gates, the Fish Passage Facilities, and the Navigation Lock in order to minimize environmental and social impacts as much as possible.

The Company made an additional investment of Baht 19,400 Million to study and design the Xayaburi Hydroelectric Power Plant to settle three main critical issues concerning environment and safety, including fish, sediment, and safety of the power plant. Fish are regarded as a key resource on which the people living along the banks of the Mekong River have relied. They are essential to both their living and careers. In this connection, the Company in association with the environmental engineering team, fishery experts, including local fishermen and a team of fish behavioral expert advisors, conducted a study to collect information, and found that the life cycles of the Mekong River fish have both downstream and upstream migration, depending on

the duration of fish life cycles. That is, the fully mature fish in the Mekong River, when the spawning season comes, will habitually swim upstream from their existing habitats to various tributaries in the Mekong River for the purpose of spawning in a stream where the current stays calm and the spawn will develop into strong juvenile fish before they start swimming into the mainstream. As such, the Xayaburi Hydroelectric Power Plant has been designed to be equipped with the Fish Passage Facilities in the type of Multi-System Fish Passages.

The Multi-System Fish Passages for upstream migration consists of Multi-Fish Entrance, Fish Ladder, equipped with slots of three sizes in width, namely, 0.5, 1.0, and 1.6 meters in width, along the distance of 460 meters. The Fish Ladder is also designed to have an average slope of 1.2 percent, that is, in a horizontal distance of one meter, a gradient will be raised by only 1.2 centimeters. Water flowing through the slots of varied sizes will cause differences in the water flows which are similar to nature and attract fish of different sizes which swim at different speeds. This method helps reduce the opportunity for bigger fish to eat the smaller fish. In addition, there is a Fish Lock with two units which will alternatively function to ensure the maximum efficiency in upstream fish migration. The technology applied by the Company helps maximize the fish shoals' chances of survival and minimizes their survival, that is, fish shoals will



be raised up together with the water level. It is considered that the Multi-System Fish Passages of this type are suitable and in harmony with the fish behavior in the Mekong River. The Fish Passage Facilities at the Xayaburi Power Plant are designed to be integrated into all parts of the main structures, from Navigation Lock, Spillway, Intermediate Block, leading to the front area of the power plant at which a tunnel for large-sized fish and five-blade vertical Kaplan turbines in fish friendly design are installed, with lower rotational speed and more gaps between each blade than that of other types, to ensure that fish can pass through the turbines with a high survival rate.

Moreover, the Company has established a Fish Conservation Zone which plays a part in the conservation of biodiversity of fish species in the Mekong River, and also set up the Mekong Aquaculture Center to conduct studies and development of the best ways to preserve the fish resources of the Mekong River. In the future, it may be developed into a Mekong fish breeding and educational institution.

With the Xayaburi Hydroelectric Power Plant giving no less importance to the issue of sediment transportation which has a substantial impact on the ecosystem and biodiversity of the Mekong River. Whether it be pebbles, rocks, soil or sand carried along in a flood, it will be a sanctuary,

a source of food for aquatic animals, and with various minerals coming with the sediment, a good natural fertilizer which can be used in cultivation by the communities living along the banks of the Mekong River. The designer team of the Xayaburi Hydroelectric Power Plant conducted additional studies to assess the quantity and nature of sediment in the watercourse to obtain basic information needed for the design of the sediment flushing gates. With high strength and unique characteristics, sediment of all types and sizes can be discharged through the structure of the Xayaburi Hydroelectric Power Plant as if there were no obstacles. As for the Powerhouse, it covers half the area of the main structure and is separated by the Intermediate Block before reaching the Spillway. The Low Level Outlets are equipped with a total of 11 gates which facilitate a water management and keep the upstream water at a level of 275 MASL. The Spillway is designed to pass 47,500 cubic meters/second, thereby mitigating the severity of natural disasters. It will also be used to flush the suspended sediment carried in the currents. Therefore, rest assured with these measures the Xayaburi Power Plant will not impede the sediment transport from upstream to downstream.

All 11 sediment flushing gates are not only designed to have strength, but also to have a unique characteristic, to be

capable of passing sediment at two levels, via 7 Surface Gates of 19x21 meter dimension which carry surface sediment and another 4 Low Level Outlet Gates with 12x16 meter dimension which drain water together with large-sized sediments falling to the bottom of the river to pass through. In addition, the Spillway's gates can be adjusted to high and low level to support and control discharge of water and sediment in all seasons. However, as a result of the upstream and downstream level difference of approximately 30 meters, opening of the flushing gates during the flooding season would give rise to high water stream forces, which would cause to erosion of the banks in the downstream area. The engineering team has designed a Stilling Basin to absorb the forces and return the river to its natural flow conditions. The Stilling Basin will provide some curved areas

to absorb the force of water before spilling excess water into the Mekong at the same level as the downstream. This is intended to prevent erosion and preserve the natural conditions of the downstream banks. In this regard, whether it will be during pre-construction, during construction, after construction, until after the official commercial operation, the Company's environmental engineering team will continue to monitor and follow up information on the Mekong River, both upstream and downstream of the power plant, to compare the sediment discharge. Sediment monitoring equipment will be installed to conduct real time detection of sediment passing through the Xayaburi Hydroelectric Power Plant in early 2020. This is to ensure that the Xayaburi Hydroelectric Power Plant gives priority to sustainable electricity production with the least possible environmental impact.

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BANGKHENCHAI COMPANY LIMITED



Hero! Solar Zero Waste Activity

On September 19, 2019, the Company in alliance with Bangkhengchai Co., Ltd., an associated company, organized a corporate social activity titled "Huean Kiang Hong (Electricity)" under the concept "Hero! Solar Zero Waste" to raise awareness among students of Ban Du School (Saharat Witthaya), Tambon Mueang Pak, Amphoe Pak Thong Chai, Nakhon Ratchasima Province, which is located near Bangkhengchai Solar Power Plant as to how to preserve the environment and separate waste correctly. There was approximately 60 volunteer staff of the Company participating in this activity to educate students about clean energy, proper waste separation and waste recycling. The Company donated 15 computers together with software to school assist the students to use to enhance their educational knowledge.



SOUTHEAST ASIA ENERGY LIMITED



Tree Planting Activity on the National Tree Day of the Lao PDR

On June 1, 2019, SouthEast Asia Energy Limited organized a tree planting activity on the National Tree Day of the Lao PDR in association with the Electricity Generating Authority of Thailand and Electricite du Laos, by planting 100 Siamese Rosewoods and 100 rubber trees (Yang) in the area of the courtyard beside the football field. This is because Siamese Rosewood is considered a sacred wood with a high economic value and is commonly used to make furniture, wagons, lathes and carvings, combs, walking sticks, tools and utensils, and even musical instruments. Not only that, it can be also used as herbal medicine. The Siamese Rosewood is regarded as a sacred wood used in construction of buildings or construction of various artificial foundations. Thai people have ranked the

“Siamese Rosewood” in the top 9 species of sacred trees which should be planted in gardens. The Yang tree is one of the plants which is about to become extinct from the Thai forest system. The Yang tree is a multipurpose wood and almost every part of it can bring benefits, both directly and indirectly. The Forest Act B.E. 2454 (1911) considers the Yang tree to be as important as teak. The Yang tree provides high economic value as when it reaches 20 years, it will worth Baht 15,000-20,000, which is equivalent to an average value of Baht 8 per day. If 100 Yang trees are planted, it will generate revenue in an amount of Baht 800 per day or Baht 24,000 per month or averaging Baht 288,000 per year.

In this connection, the Company will do systematic planning for forest plantations at appropriate areas in the coming years to ensure that the Company and its affiliated companies play a part in increasing green spaces and creating economic value for all societies and locations in which the Company has invested.

BANGPA-IN COGENERATION LIMITED



The Company continued to monitor and inspect the environmental quality through monitoring of air quality in the atmosphere at various areas surrounding the project, totaling 6 points, namely, Wat Khlong Phutsa, Wat Chumphon Nikayaram, Ban Bang Krasan, Wat Wiwek Wayuphat, Chaofasang School, and Ban Khlong Phutsa; monitoring of quality from the ventilations; monitoring of general noise levels; monitoring of noise levels at workplace, Noise Contour, with an average sound level of 8 hours (Leq(8)); and monitoring of water quality. According to the aforesaid monitoring of environmental quality, all of them met normal standard.

2. SOCIAL SUSTAINABILITY MANAGEMENT AND PERFORMANCE IN 2019

The Company has always participated in development of communities and society and realizes its role as a part of Thai business sector which operates the business with sustainable social responsibility, and then has strived to carry out development of the organization so as to strengthen and achieve sustainable growth. This is to play a part in developing the country to move forward. The Company considers not only the benefits to be derived by the society through the Company's business operations, but also provision of continued support to social activities, especially activities for the communities adjacent to the power plants invested by the Company in order to ensure development of the nearby communities

and to instill in staff the awareness of participation in social responsibility and public consciousness.

To further strengthen relationships with the communities surrounding the power plants, in 2019, the Company then organized an activity titled "Huean Kiang Hong (Electricity)", a sustainable relationship activity to improve the quality of life for villagers living around the associated power plants of CK Power. The Company also undertook other activities based on Good Corporate Citizenship in having an awareness of social and environmental responsibility by using the expertise of CK Power Group in clean energy business to play a part in improving the quality of life for the communities in the pursuit of sustainability of the public as a whole. Such activities and projects included:

BANGPA-IN COGENERATION LIMITED

Children's Day Gifts to Children in Communities and Schools Activity



Scholarship Activity



Bed-Ridden Patient Visit Activity



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02**Site Visit Activity**

To greatly strengthen relationships with the communities surrounding the power plants, the Company then organized a site visit activity to give the communities an opportunity to experience the operations of the power plants to gain confidence and exchange concerns, as well as educating the communities in regard to environmental quality measurement.

**XAYABURI POWER COMPANY LIMITED**

Livelihood before Resettlement & Relocation



Livelihood after Resettlement & Relocation

Resettlement & Relocation

The Company has taken care of affected people from 612 households in 15 villages, consisting of 6 villages in Xayaburi Province and another 9 villages in Luang Prabang Province, which they originally lived along both banks of the Mekong River. The Company conducted resettlement of the affected people while improving the quality of life of the affected people in accordance with the Resettlement Action Plan and in line with the National Economic and Social Development Plan of the Lao PDR. In so doing, there was close consultations among the project developer, the government authorities at central level and local agencies, the affected people, and all stakeholders for the project. The operating results can be summarized as follows:

- 7 resettled villages, the land for which was provided by combine small villages to form a larger village. Infrastructure and services were constructed.
- 8 relocated villages, were relocated from lowland areas to locations above the flood water level.

The Company has participated in contributing to development of small, scattered and remote villages as a result of geographical features to become a large community which has been developed with substantial benefits.

- Construction of 663 new houses, with basic utilities, electricity, water supply, and transportation routes.
- Remuneration for compensation for loss of arable land and income from the original land, including payment of subsidies during the period when no income is generated, this will be made directly to the affected people, together with compensation for the affected property and assets.
- Community development program, 22 occupational training activities were held for the resettled people and the host residents, including 10 agricultural occupations and 12 non-agricultural occupations. Each family may take up more than one occupation.

The Company has participated in promotion of sustainable self-reliance in the communities by allocating agricultural areas for each household to grow vegetables, cultivate mushroom, breed fish, raise chickens, pigs to use meat and eggs for consumption based on the Self-Sufficient Economy. The produce may be also exchanged or sold if the quantity exceeds their demand.

- Livelihoods Restoration Program

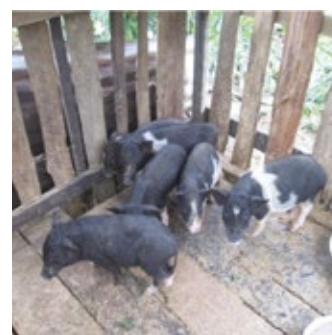
The Company has played a part in helping promote careers for the communities, such as, motorcycle repair

and hairdressing, so that the affected people can make a career for themselves and their families.

- Household Income Inspection

The Government of the Lao PDR has appointed officials from 2 ministries, namely, the Ministry of Energy and Mines and the Ministry of Natural Resources and Environment, to monitor the operating results every quarter. As at the end of September 2019, the household income was higher than the poverty line as stipulated by the Lao PDR. For 633 households, from 663 households, amounting to 95 percent were out of poverty or had income not less than USD 1,800. This household income will be continuously monitored, with an aim of eradicating the poverty of all households.

An example of sources of the Company's pride is Ban Na Tor Yai, a prototype resettlement village which can successfully escape from the misery line. Ban Na Tor Yai, located 35 kilometers from the Xayaburi Hydroelectric Power Plant, a location has been resettled from Ban Huai Sui to locate near Xayaburi Province only 4 kilometers, with its resettlement starting in 2012. The Company has provided career promotion, together with basic utilities and products of various types can generate income for the villagers.



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Examples of households which can earn income from the career promotion supported by the Company at Ban Na Tor Yai

Career	Income	The Company's Participation
Raising black pigs	Making a daily maximum income of 1.5 million LAK	Providing occupation training
Making fermented sour fish	Making an income of 40-50 thousand LAK per kilogram, with an average income of 3 million LAK per month.	Providing occupation training
Weaving	Making an income of Baht 1,000 per meter.	Generating income for the villagers by the Company's purchase of such weaving to develop it into souvenirs for various events of the Company and its affiliated companies.

CK POWER PUBLIC COMPANY LIMITED AND AFFILIATE COMPANY



Flood Relief Assistance to Muang Nan in the Lao PDR Activity

The Xayaburi Hydroelectric Power Plant in association with the Company contributed survival kits together with essential necessities, including rice, ready-made food, drinking water, medicine, and blankets, to the villagers of Muang Nan in the Lao PDR, which was affected by heavy rainfall and floods which inundated 358 households in early August 2019. In this connection, the Company investigated the sustainable flood solutions by sending a team of civil and geological engineers, including environmental consultants to survey the area together with the Lao government officials after the flood. In order to check the condition of the area and find out the cause of the problems of flash

flood and run-off; formulate measures by using engineering knowledge, skills and technique; assess and propose measures to prevent impacts from floods, in order to serve as guidelines to lessen a chance of flash flood, as well as minimizing impacts from floods, flash floods in the future; focusing on problem solution and reduction with sustainability, reduction of budget expenditure of the GOL for rehabilitation and restoration after flooding in Muang Nan, Luang Prabang, with its administrative district covering the left-side area of the Mekong River which is 40 kilometers north of the Xayaburi Hydroelectric Power Plant, it is then regarded as a "next-door neighbor" of the Xayaburi Hydroelectric Power Plant.

Run as One Activity

The Run as One activity was held to persuade employees in CK Power Group to exercise, take care of their health, by taking part in running to raise donations for the Pediatric Cardiac Surgery Foundation, Rajavithi Hospital. For each lap round, a runner would receive one wristband which represented a donation of Baht 165. Many employees were determined to run in many laps to get many wristbands because they became aware that this potential could be changed into contributions to help children who needed heart surgery. When the activity was completed in 1 hour, CK Power Group had Run a total of 1,917 laps, worth Baht 316,305, this together with additional contributions from staff and executives, totaled Baht 350,000. Each cardiac surgery for each child would incur a high cost of Baht 30,000 - 50,000.

The “Run as One” activity and the value of wristband amounting to Baht 165 each was originated from “Number 1 is a combination together as one; Number 6 is a combination of CKPowerGroup, comprising CKPowerPublic Company Limited,



Xayaburi Power Company Limited, Nam Ngum 2 Power Company Limited, Bangpa-in Cogeneration Co., Ltd., Bangkhenchai Co., Ltd., and SouthEast Asia Energy Limited; and Number 5 is the five core values: Coaching and Learning, Accountability, Work Ethics, Teamwork and Adaptability.” This activity has successfully helped 11 children, one Laotian child and 10 Thai children with heart surgery to the extent that they were able to return to normal life.



Happy Fish Activity

The Company in association with the affiliated power plants organized the activity titled “Happy Fish” in the Mekong River...the Xayaburi Hydroelectric Power Plant at the Xayaburi Hydroelectric Power Plant in Xayaburi Province, the Lao PDR, to strengthen relationships between the management and staff in raising awareness of doing good deeds together. This Happy Fish activity was held at the “Fish Palace” which is upstream of the Xayaburi Hydroelectric Power Plant. The location afforded plenty of various kinds of fish, fish already passed the traditional fish sanctuary ceremony, in order to serve as an area for conservation of local fish species to ensure that fish are vital resources to have grown and lived in great harmony with the communities’ way of life in the Mekong River Basin. In this activity, information on release of proper fish and fish species was provided by fishery biologists, professional consultants and environmental engineers. All fish released into the Fish Palace were found in the Mekong River, and supplemented by the fish species from the Department of Livestock and Fisheries of the Lao PDR.



For these aforesaid reasons, it was the proof that the Xayaburi Hydroelectric Power Plant has not only generated electricity, but also created a balance between business and environmental preservation, with continued participation of staff through various awareness activities.

CK POWER PUBLIC COMPANY LIMITED

**Hing Hoi Project Year 4**

This activity was organized in the 4th year, titled “Huean Kiang Hong (Electricity)”, signifying the communities or houses located near the affiliated power plants of CK Power, consisting of 2 hydroelectric power plants, namely, the Xayaburi Hydroelectric Power Plant in Xayaburi Province, the Lao PDR, and the Nam Ngum 2 Hydroelectric Power Plant in Xaysomboun Province, the Lao PDR; the cogeneration power plants, namely, the Bangpa-in Cogeneration Power Plant Phase 1 and Phase 2, Phra Nakhon Si Ayutthaya Province; 3 solar power plants, namely, Bangkhenchai Solar Power Plant and Nakhon Ratchasima Solar Power Plant in Nakhon Ratchasima Province and Chiangrai Solar Power Plant in Chiang Rai Province.

Volunteer staff and volunteers of CK Power and the affiliated power plants jointly created sustainable relationship activities, divided into 2 teams, starting from production of a DIY pop up board to educate children, with the engineers

of the Xayaburi Hydroelectric Power Plant taking the role as teachers to teach them about sources of electricity, alongside children toys to demonstrate how water flows down by gravity flow through a toy turbine, as well as giving them ideas on how to preserve water resources to ensure we have electricity for use from generation to generation. As for the volunteers who were full of hidden talents for football player, together they set up a football clinic to teach children how to play football, including dribbling, goal kicking and other techniques. The “Huean Kiang Hong (Electricity)” activity (Hing Hoi Project Year 4) was held at Ban Kang Primary School, Luang Prabang, a school servicing 3 villages, namely, Ban Kang Village, Ban Pasak Village and Ban Phone Si Village, which have shared utilities under the concept of Sustainable Power for the Future Generation. Also provided was educational equipment, sports equipment, school bags and rice box sets, reliant water bottles, sportswear with socks and shoes. Activity booths used to store playthings and other equipment as used by the school in organizing its activities were repaired.



SOUTHEAST ASIA ENERGY LIMITED



Donation of Patient Beds and Medicine Cabinets to Vang Vieng Hospital in the Lao PDR

The Company in association with SouthEast Asia Energy Limited donated 7 patient beds, 5 bedside tables, and 2 medicine cabinets, to Vang Vieng Hospital in the Lao DPR, to play a part in improving the quality of life for the communities surrounding the projects of the Company and its affiliated companies.



Children's Day Activity

SouthEast Asia Energy Limited in association with the Electricity Generating Authority of Thailand organized the Children's Day activity at Somboon Muang Sum Primary School by providing educational equipment, sports equipment and sponsoring a luncheon for the students.

In addition to the foregoing main activities, the Company and its affiliated companies also supported other social contribution activities in order to demonstrate the Company's commitment to a Good Corporate Citizenship by having awareness of social responsibility, per the following details:

Art and Cultural Support

- Elephant Merit Ceremony
- Support of Art Gallery of the Ministry of Press Conference
- Buddhist Phapa Samakkhi Ceremony at Wat Ban Ruam Jai Huang Yai Do Lae Dek Pikan

Educational Support

- Children's Day Activity at Somboon Muang Sum Primary School
- Support of Underprivileged Children to Watch the Stage Play
- Support of a Study Visit to the Prototype Community for Ban Na Ton Chan Community Enterprise Management

Disaster and Flooding Relief Support

- Flooding Relief Assistance in Ubon Ratchathani Province
- Flood Relief Assistance in the South of the Lao PDR
- Support of 200 Winter Blankets

Sports Support

- Support of Sportswear for the National Defense Headquarter in Xaysomboun Province
- Support of Sportswear for the Ban Don Sampan Administration in Xaysomboun Province

PART
02**RESPONSIBILITIES FOR CONSUMERS**

The Company's main customers are the Electricity Generating Authority of Thailand (EGAT) and Electricite du Lao, and the Company's indirect customer is the private sector, therefore, the Company and its associated companies have primarily realized the significance of responsibilities for consumers and stakeholders of all sectors, by strictly complying with the terms specified in the Power Purchase Agreements and carrying out management of the power projects to achieve the highest efficiency to ensure that the electricity can be supplied under the agreements. 2019 was the year in which the Xayaburi Hydroelectric Power Plant was completed and officially commenced its commercial operations. The Company successfully passed the test of electricity supply to the EGAT's system with stringent standards, both the Individual Test and the Joint Test, to make sure that the Xayaburi Hydroelectric Power Plant can function as a main power plant with high stability to satisfy the country's electricity demand during normal periods and daily peaking periods, as well as functioning in an emergency due to a failure in a large power plant nearby. In this regard, EGAT issued the Power Plant Operation Readiness Certificate to the Company before the Commercial Operation Date (COD) scheduled for October 29. And most importantly, as a consequence of the earthquake in the Lao PDR in November 2019, the strength and safety (Dam Safety) of the structures of the power plants within the Company Group when the earthquake struck could be well proven, as the structures and all equipment of the Nam Ngum 2 Hydroelectric Power Plant and the Xayaburi Hydroelectric Power Plant were not damaged. They remained able to uninterruptedly produce and distribute electricity to EGAT and Electricite du Lao under the agreements as normal.

CUSTOMER SATISFACTION SURVEY**BIC**

The Company normally conducts two customer satisfaction surveys per year, i.e., from January to June and from July to December, with its evaluation from a total of 11 customers. In the first evaluation, the company received an average score of 95.71 from 100 points. The Company did not pass the evaluation criteria from 2 customers who set their satisfaction criteria at 96.25 and 97.70, respectively. In this regard, the Company further asked for the customers' opinions on matters for improvement of internal operations. After significant development taking place, in the second

customer satisfaction survey, the Company received an average score of 98.72 or an increase by 3.01 points and the Company could fulfill the satisfaction criteria of the two customers.

NN2

The Company arranges for customer satisfaction evaluation in a total of 4 dimensions, namely, quality, communication, personnel, and image of the power plant. In 2019, the Company received a score of 90.63 out of 100 points, with one issue receiving an intermediate-level score, i.e., notice relating to documents under the PPA requirements. In this connection, the Company has taken the results so obtained to consider improving the operations to be appropriate under the suggestions of customers.

RESPECT FOR HUMAN RIGHTS

The Company and its affiliated companies have carried out the business operations by taking into account the human rights and civil rights of stakeholders of all sectors as stipulated by the Constitution and law, and have obeyed local laws, culture, custom, tradition and values, with our commitment to the principles of international human rights organizations. The Board of Directors, management and all staff of the Company and its affiliated companies have also realized the significance and respected the human rights in all respects, together with societies and communities, in accordance with laws of each country without discrimination. In light of employment, the Company in no way prevents the employment of disabled persons and also employs personnel aged over 60 years, due to the fact that the Company sees their experience, knowledge and ability in specific fields. Furthermore, the Company also supports Thailand's step into the aged society so that the elderly over 60 years of age remains employed. In this respect, the Company is committed to encouraging staff at home and abroad, whether permanent or daily staff, to exercise their lawful rights as citizens required by laws, provided that the said rights must not violate others' rights. Moreover, the Company and its affiliated companies have arranged for communication channels for employees to provide suggestions and complain about work matters at all time so that personnel feel involved in management and played a part in the organization development. In 2019, the Company was never reported about nor had any labor dispute or violation of human rights, whether a dispute between management and staff or between staff and staff. In this connection, the Company is formulating

the separate Human Right Policy in order to ensure explicit and concrete guidelines in terms of human rights other than the content specified in the Code of Business Conduct and the Personnel Management Policy.

FAIR TREATMENT TOWARDS LABOR

The Company always gives priority to personnel in the belief that driving the organization to achieve its goals and sustainable growth in the future needs human resource management with fairness, without discrimination in employment, regardless of gender, race, religion, language, or social status, without use of forced labor and child labor. Thus, the Company has firmly upheld principles of labor laws and other relevant laws to determine remuneration and benefits as required by laws, together with the policy on consideration of fair and appropriate remuneration by taking into account competency and performance of staff, including provision of welfare and privileges to staff, which are comparable to those provided by companies in the same industry, such as, provident fund, medical treatment and annual health checkup welfare, and allowance for various events. And no less important, the Company also provides the safe and health working environment, including recreational activities for employees.

The Company continues to realize the significance of personnel development and supports its staff's career path and advancement on an equitable basis without discrimination, together with provision of staff training required for performance of their works, including other training in other aspects, for enhancement of their competency. In 2019, the Company still carried out evaluation of performance of the executives and staff based on Key Performance Indicators (KPIs) to obtain the clear and fair results which could be efficiently used in support of development of competency of the executives and staff. In addition, the Company continues to encourage executive and staff to apply Kaizen to performance of their works to ensure continuous improvement and development via various activities throughout the organization all year round. In 2019, more than 99 percent of employees submitted the Kaizen-based work plans, which the Company encouraged employees to implement such work plan to concretely improve their work efficiency while always welcoming suggestions and comments useful to working from employees.

Moreover, to encourage employees to have a higher quality of life and work safety, the Company has renovated the 17th

floor of the Head Office and areas of various power plant projects to accommodate the business expansion and an increasing number of employees, as well as regularly providing annual health checkups for staff of the Company and its subsidiaries. Another important thing was the Company has campaigned for raising awareness into its staff as to the code of conduct and corporate governance by emphasizing practical applications of the same in daily work life, together with the principles of the sustainability and the Self-Sufficient Economy.

SAFETY, OCCUPATIONAL HEALTH AND ENVIRONMENT AND TRAINING RELATED TO POWER PLANTS

BIC

Regarding work-related safety statistics, the maximum number of days with no record of lost time accident was 2163 days from the set target at 2500 days, the Company has then further improved the action plans in respect of safety and training, including provision of fire and fire evacuation drills, first aids training, chemical spill emergency response training, radiator explosion emergency response training, electricity work safety training, and also set up a safety week to ensure that staff become aware of work safety at all time.

BKC

In 2019, no accident was reported.

NN2

2019 was the first year with a record of a lost time injury accident of employees and contractors, totaling two persons, as a result, the Company carried out work improvement and provision of safety, occupational health and environment training to be more intensive, with the zero-accident goal like the previous year.

	2017	2018	2019 (November)
Fatality			
• Staff	0	0	0
• Contractor	0	0	0
Lost Time Injury (LTI)			
• Staff	0	0	1
• Contractor	0	0	1

PART
02**INNOVATIONS AND DIFFUSION**

The Company, with the commitment to creating and developing a prototype of the eco-friendly hydroelectric power plant of the Mekong River, not only has selected the leading-edge technology to present design and construction innovations of the hydroelectric power plant which has never been available in the region, for instance, Multi-System Fish Passages which are not harmful to the environment and sediment, but the Company also remains committed to conveying knowledge, experience and achievements in various aspects to all sectors through site visits to the power plants, with giving a lecture on operations from the stages of pre-construction, during construction and post-construction, including dissemination of knowledge and understanding as to clean energy, renewable energy, and innovations in energy saving and efficient energy use, which are necessary for the country's energy stability in the future. Furthermore, the Company has regularly taken part in various activities to play a part in sharing knowledge on energy innovations and technologies. In 2019, the Company gave priority to education to increase knowledge of the youth living near the projects operated

by the Company, in preparation for concretely planning in support of Goal 4 of the United Nations Sustainable Development Goals (UNSDG) regarding equitable quality education, for the next budget year. Furthermore, in 2019, the Company also engaged a consulting firm to conduct operation of the organizational or business transformation projects, especially the use of digital technology as a tool to transform or improve the business to be more ready in the digital world (Digital Transformation) whereby the Company employed SAP S/4 HANA with new solutions to enhance the operational efficiency and reduce the IT complexity in the organization, including adjustment of the work process within the organization to improve the existing work process in preparation for the future growth, coupled with modernization of the work process based on Industry Framework, an industry standard model for business processes, to ensure CK Power's achievement of the goal of the Digital Transformation according to schedule and under the set budget until the project's objectives are achievable with high quality and internal communication can be made smoothly.



3. SUSTAINABILITY MANAGEMENT IN CORPORATE GOVERNANCE AND PERFORMANCE IN 2019

Whistleblower

The Company has arranged for reliable and independent whistleblower channels for any third party to report any non-compliance with the code of conduct, any illegal acts or any suspected dishonest acts or misconduct committed by personnel in the Company, including any flaws in the internal control system caused by both staff and any other third parties, via three channels as follows:

- 1) via the Company's website directly to the Investor Relations at www.ckpower.co.th/th/ir;
- 2) via email to the Members of the Audit Committee and the Board of Directors at directors@ckpower.co.th or the Investor Relations at ir@ckpower.co.th;
- 3) via a sealed letter to the Chairman of the Audit Committee of CK Power Public Company Limited No. 587 Viriyathavorn Building, Sutthisan Winitchai Road, Ratchadaphisek Subdistrict, Dindaeng District, Bangkok 10400.

In 2019, the Company received no whistleblowing report.

	2017	2018	2019
Number of Whistleblowing Reports/Number of Settled Matters	0 / 0	0 / 0	0 / 0

Anti-Corruption

According to the Company's clear measures to impose sequential punishment on personnel who have committed any corruption, in 2019, the Internal Audit Office received no corruption report. The Company is currently in the process of drafting an anti-corruption policy for further promulgation and enforcement throughout the organization

	2017	2018	2019
Number of Reported Clues/ Number of Settled Clues	0 / 0	0 / 0	0 / 0



To affirm the Company's strong commitment to anti-corruption, in 2019, the Company announced the guidelines for neither accepting nor giving gifts of the Company and its affiliated companies for the first time and widely notified the Company's stakeholders of all sectors, including notice

via the Company's website and Facebook. In this regard, the Company is also preparing to officially incorporate the guidelines for neither accepting nor giving gifts of the Company and its affiliated companies into the organization's policy in the next step in order to clearly demonstrate our intention in the organizational management under the concept "Zero Tolerance" in all cases.

Evaluation of Good Corporate Governance

The Company received an "Excellent" rating from Corporate Governance Report of Thai Listed Companies 2019 published by the Thai Institute of Directors Association (IOD) for the second year in a row.



INTERNAL CONTROL AND RISK MANAGEMENT

INTERNAL CONTROL

The Company recognizes the significance of the efficient and effective internal control system to prevent and minimize risks on a continuous basis, with the Board of Directors authorizing the Audit Committee to oversee the internal control system by having the Internal Audit Unit in place with the duty to independently review and evaluate the operating systems in various work sectors of the Company and its subsidiaries under the internal audit plan approved by the Audit Committee, to rest assured that the internal control system is sufficient, suitable and effective in accordance with the standard of the Committee of Sponsoring Organizations of the Treadway Commission (COSO), covering Operational Control, Financial Control, and Compliance Control. In this regard, the operations are subject to control and supervision to ensure that assets of the Company and its subsidiaries can be prevented from misuse or unauthorized use by any directors, executives or staff; the Company's financial report is accurate and reliable. In 2019, the Board of Directors and the Audit Committee received no report on material defect in the internal control system from the auditor and the Internal Audit Unit.

In the Board of Directors' Meeting 2/2020 on February 25, 2020, the Board of Directors considered and evaluated the internal control system from the management's report on internal control system evaluation based on the Internal Control Sufficiency Evaluation Form publicized by the SEC which has been approved by the Audit Committee, comprising five components, Control Environment, Risk Assessment, Control Activities, Information & Communications, and Monitoring Activities. The Board of Directors was of the opinion that the Company's internal control system was adequate.

RISK MANAGEMENT

The Company places the importance on the use of risk management system in operating the business to achieve stability and sustainability in the interest of all concerned parties. The Board of Directors has authorized the Corporate Governance and Risk Management Committee to effectively and comprehensively oversee and review the risk management of the Company and its subsidiaries, including monitoring of significant risks with effect on the Company's business.

The Corporate Governance and Risk Management Committee has established a risk management working group of the Company and its subsidiaries, consisting of executives from all lines of work, namely, business planning, engineering, operation and maintenance, power plant manager, etc., with the duty to draw up an annual risk management plan, with risk evaluation covering five aspects, 1. Strategic Risk; 2. Financial Risk; 3. Operational Risk; 4. Compliance Risk; and 5. Environment and Social Risk, and address relevant risk factors, conduct analysis of potential impacts and opportunities, as well as determining risk appetite/risk tolerance (an acceptable risk level) and risk indicators, risk management measure, and quarterly report on risk management for evaluation and monitoring of the risk management measures to ensure they remain up-to-date and able to manage risk to stay at an acceptable level. Moreover, the Company has assigned the Internal Audit Unit to monitor and review the risk management process, which is independent of the risk management work group, as well as appointing a knowledgeable and competent person to serve as a secretary to the Corporate Governance and Risk Management Committee with the duty to collect information and report on results to the Corporate Governance and Risk Management Committee and further report to the Board of Directors for acknowledgement on a quarterly basis.

HEAD OF INTERNAL AUDIT UNIT

The Internal Audit Unit performs the duties independently to review and evaluate the effectiveness of the Company's risk management process, internal control, and supervision on a systematic basis, which shall directly report to the Audit Committee. Miss Jiraporn Putiparsoed has been appointed as the secretary to the Audit Committee and the Head of Internal Audit Unit, due to the fact that she has knowledge, abilities and working experience in internal audit in the business of the same nature as that of the Company, and she also continues to attend training courses relating to the internal audit work, not to mention the fact that she has been granted a certificate as the Certified Professional Internal Auditor of Thailand, with the understanding of the Company's activities and operations, as well as being capable of performing such duties appropriately. In this regard, consideration and approval for appointment, removal, transfer of the Head of Internal Audit Unit of the Company is subject to approval of the Audit Committee. The qualifications of the Head of Internal Audit Unit are described in Attachment 3 of Annual Registration Statement for Year 2019 (Form 56-1) of the Company.

HEAD OF COMPLIANCE UNIT

The Company has authorized Miss Rujira Chuaybamrung, Assistant Managing Director - Business Controlling, to supervise the Company's compliance with the rules and regulations of relevant agencies. The qualifications of the Head of Compliance Unit of the Company are described in Attachment 3 of Annual Registration Statement for Year 2019 (Form 56-1) of the Company.



CONNECTED TRANSACTIONS

The Company and its subsidiaries executed connected transactions with persons who may have a conflict of interest in 2019 based on the following criteria:

NECESSITY AND JUSTIFICATION OF CONNECTED TRANSACTIONS

The Audit Committee was of the view that the connected transactions of the Company or its subsidiaries executed with a related company or party, had general commercial conditions in a manner persons of ordinary prudence might enter into with general parties under the same circumstances, through commercial negotiation without exercising influence in their capacity as persons who may have a conflict of interest (arm's length basis) and without transfer of benefit between the Company and persons who may have a conflict of interest, and for the utmost benefit of the Company, in accordance with the Notification on Connected Transactions.

MEASURES OR PROCEDURES FOR APPROVAL OF CONNECTED TRANSACTIONS

1. To consider that any executed transactions are related party transactions between the Company or its subsidiaries and a party/person who may have a conflict of interest or have interests in accordance with the definitions of the connected person as specified by the SEC;
2. In case of a related party transaction, value of the related party transaction shall be calculated and compared with the Company's net tangible assets (NTA) to consider the volume and category of the related party transaction as specified by the SEC, divided into five main categories, namely, a transaction of ordinary course of business of the Company, a transaction in support of the ordinary course of business, a transaction of short-term rental or lease of immovable property, a transaction relating to assets or service, and a transaction of financial support;
3. In case of a related party transaction in the category of transactions in the ordinary course of business and in support of the ordinary course of business, the Board of Directors approves in principle to authorize

management to consider executing such transactions, provided that such transactions are subject to general commercial conditions, namely, commercial conditions with reasonable and fair price, without transfer of benefit. In this regard, management is required to summarize such transactions for acknowledgment by the Audit Committee and the Board of Directors; and

4. In case of a related party transaction of other categories, the transaction volume of each category and the power to execute the transaction shall be considered as specified by the SEC. All transactions are subject to consideration as to justification in execution of the transactions the Audit Committee, taking into account the utmost benefit of the Company as if such transactions were executed with a third party (arm's length basis), to ensure transparency, without giving rise to any conflict of interest, and for the utmost benefit of the Company and all shareholders, and the transactions shall be proposed to the Board of Directors or shareholders based on nature and volume of transactions of each category. Directors who have any interests in execution of the connected transactions shall not be entitled to approve nor vote on such matters in which they have interests.

POLICY AND TREND OF FUTURE CONNECTED TRANSACTIONS

The Company expects that connected transactions will be executed in the future, mostly continuously from the existing transactions, such as, Maintenance Contract, Purchasing on Gas or Raw Water Contract, Management Contract etc., whereby the transactions are in the ordinary course of business and for the utmost benefit of the Company and its subsidiaries. The Company assigns the Audit Committee to consider and provide opinions as to necessity and justifications for execution of the transactions, and justification of the prices, so as to ensure that the conditions of such transactions are not different from transactions in the same category executed with third parties, and in compliance with relevant laws and regulations.

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

RELATIONSHIP BETWEEN THE COMPANY AND ITS SUBSIDIARIES WITH RELATED COMPANIES/PARTIES

PART
02

CK POWER PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Company	Shareholding Percentage	Business Operation
CK Power Public Company Limited (CKP or the Company)		The Company operates its core business as a holding company by holding shares in other companies engaging in the business of production and sales of electricity generated from various kinds of energy and provision of consulting service and other services related to electricity production projects.
SouthEast Asia Energy Limited (SEAN)	61.33 percent of shares held by CKP	SEAN operates the business of investment and development of electricity production business in the Lao People's Democratic Republic (Lao PDR).
Nam Ngum 2 Power Company Limited (NN2)	75 percent of shares held by SEAN (46 percent of shares in NN2, indirectly held by CKP); NN2 is CKP's core company.	NN2 produces and sells the hydroelectric power as concessionaire under the Concession Agreement for the Nam Ngum 2 Hydroelectric Power Project, awarded by the Government of the Lao PDR, with a production capacity of 615 megawatts. The project is located in Xaysomboun District, Vientiane Capital, the Lao PDR.
Bangpa-in Cogeneration Limited (BIC)	65 percent of shares held by CKP	BIC operates the business of production and sales of electricity and steam from cogeneration power projects, using natural gas as fuel, with a production capacity of 237.5 megawatts for electricity (both BIC1 and BIC2 Projects) and 19.6 tons per hour for steam (BIC1 Project). The two projects are located in the Bangpa-in Industrial Estate, Amphoe Bangpa-in, Phra Nakhon Si Ayutthaya Province.
Bangkhenchai Company Limited (BKC)	100 percent of shares held by CKP	BKC produces and sells solar power from solar power projects, with a production capacity of 14.7 megawatts from the total of 7 projects.
CKP Solar Limited	100 percent of shares held by CKP	This company has been established for electricity production and sales.
Helios Power Limited	100 percent of shares held by CKP	This company has been established for electricity production and sales.
Apollo Power Limited	100 percent of shares held by CKP	This company has been established for electricity production and sales.
Vis Solis Limited	100 percent of shares held by CKP	This company has been established for electricity production and sales.
Sole Power Limited	100 percent of shares held by CKP	This company has been established for electricity production and sales.

DETAILS OF CONNECTION TRANSACTIONS IN 2019

1. TRANSACTIONS OF CKP AND ITS SUBSIDIARY WITH CH. KARNCHANG PUBLIC COMPANY LIMITED (CK)

CK engages in the construction business and a full range of development, investment and management of large-scale infrastructure concession projects within the country and the region. CK is also CKP's related company since CK is CKP's major shareholder, holding shares in CKP amounting to 31.90¹ percent of CKP's registered and paid-up capital. CKP and CK also have four common directors, namely, (1) Mr. Plew Trivisvavet, (2) Mr. Narong Sangsuriya, (3) Mr. Prasert Marittanaporn, and (4) Dr. Supamas Trivisvavet.

Transaction	Transaction Volume (Million Baht)			Transaction Nature/Necessity and Justification
	Accounting Period Ended December 31, 2019	Accounting Period Ended December 31, 2018	Accounting Period Ended December 31, 2017	
Lease of the Company's Office Area and Facility Services in Viriyathavorn Building				
• Office area rental	10.82	10.36	7.28	CKP and BIC utilized the areas on the CH, 17 th , 18 th , and 20 th Floors of Viriyathavorn Building of CK. The rates of the office area rental and the utility cost were at the normal rates charged by CK to general lessees.
• Other payables	0.79	0.38	1.03	
• Deposit receivables	2.20	2.05	2.05	
Lease of Virtual Private Server				
• Rental	0.60	0.60	0.60	BIC has taken on lease of three sets of servers for 430 GB each, for a period of one year from February 2015 and if either party does not terminate the agreement, it shall be deemed that the agreement remains effective for another one year each. The rental was at the normal rate charged by CK to general customers, as well as taking into account the security of stored data.
• Other payables	0.05	0.05	0.11	
Engagement for Construction				
• Project costs during construction phase	-	-	896.00	BIC engaged CK to carry out design, engineering, production, purchase, supply, construction, installation, and commission for the Cogeneration Power Project 2 (BIC2).
• Construction payable	-	-	11.97	

Remark: ¹ As at the Company's latest closing date of the share register for suspension of the share transfer on December 27, 2019.

2. TRANSACTIONS OF CKP AND ITS SUBSIDIARY WITH CH. KARNCHANG (LAO) CO., LTD. (CHK)

CHK was incorporated under the law of the Lao PDR and engages in the construction business in the Lao PDR. CHK is CK's related party since it is wholly owned by CK, and as a result, CKP and CHK have a common major shareholder and CHK is considered CKP's related company. CKP and CHK have no common director.

Transaction	Transaction Volume (Million Baht)			Transaction Nature/Necessity and Justification
	Accounting Period Ended December 31, 2019	Accounting Period Ended December 31, 2018	Accounting Period Ended December 31, 2017	
Engagement for the Upgrade of Voltage and Construction of the 230/500 kV Nabong Substation				
• Project costs during construction phase	-	223.66	1,345.94	NN2 engaged CHK to upgrade voltage and construct the Nabong Substation to be 500 kV, which was completed by May 2018. This was in compliance with the conditions of the Power Purchase Agreement with EGAT in order to ensure that the Nabong Substation can accommodate various power projects in the Lao PDR which execute the power purchase agreements with EGAT.
• Project payable	-	-	49.18	
Engagement for Repair of Road within the Project	12.76	-	-	NN2 engaged CHK to improve and repair road within the Project during March and May 2019, at the contract price in the ordinary course of business.
Engagement for Repair of Spillway	-	-	5.14	NN2 engaged CHK to repair the damaged spillway. CHK completed such repair and delivered the same to NN2 on June 21, 2017.



PART
02

3. TRANSACTION OF THE SUBSIDIARIES WITH TTW PUBLIC COMPANY LIMITED (TTW)

TTW engages in the tap water production and sale business. TTW is considered CKP's related company since TTW is one of CKP's major shareholders, holding shares in CKP representing 24.98¹ percent of CKP's registered and paid-up capital. CKP and TTW have three common directors, namely, (1) Dr. Thanong Bidaya, (2) Mr. Plew Trivisvavet, and (3) Dr. Patarut Dardarananda.

Transaction	Transaction Volume (Million Baht)			Transaction Nature/Necessity and Justification
	Accounting Period Ended December 31, 2019	Accounting Period Ended December 31, 2018	Accounting Period Ended December 31, 2017	
Tap Water Purchase				
• Tap water cost	50.47	45.88	34.76	BIC executed the Agreement for Tap Water Purchase (with the tap water charges at the rate as specified in the Notification of the Industrial Estate Authority of Thailand) and for water treatment with TTW for BIC1 and BIC2 from the construction period and the operation commencement until present. Such transaction was the purchase and sale of tap water in the ordinary course of business, with payment according to the Agreement.
• Water treatment cost	3.26	2.97	2.42	
• Trade payables	4.16	4.47	8.16	
Sales of Electricity				
• Revenue from sales of electricity	7.16	-	-	Solar rooftop or solar farm projects under BKC executed the Power Purchase Agreements with TTW. Such transactions were the purchases and sales based on the electricity tariffs charged by the Provincial Electricity Authority and in the ordinary course of business.
• Trade receivables	1.16	-	-	

4. TRANSACTION OF CKP WITH BANGKOK EXPRESSWAY AND METRO PUBLIC COMPANY LIMITED (BEM)

BEM engages in the construction and operation business of the Si Rat Expressway (Second Stage Expressway) and expressway extensions, and also engages in the metro business. BEM is considered CKP's related company since BEM is one of CKP's major shareholders, holding shares in CKP representing 16.17¹ percent of CKP's registered and paid-up capital. BEM and CKP have one common director, namely, Mr. Plew Trivisvavet.

Transaction	Transaction Volume (Million Baht)			Transaction Nature/Necessity and Justification
	Accounting Period Ended December 31, 2019	Accounting Period Ended December 31, 2018	Accounting Period Ended December 31, 2017	
Increase of Shareholding Percentage in XPCL				
• Investments in associated company	-	2,065.00	-	On April 10, 2018, the 2018 Annual Ordinary General Meeting of Shareholders of CKP resolved to approve the purchase of shares in Xayaburi Power Company Limited ("XPCL") representing 7.5 percent of XPCL's registered capital, in the total amount of approximately Baht 2,065.00 Million, from BEM. In this regard, the trading price was already negotiated between CKP and BEM and considered reasonable, based on the opinions of the independent financial advisors of the purchaser (CKP) and the seller (BEM) as proposed to the respective shareholders' meetings of both companies for consideration and approval.

Remark: ¹ As at the Company's latest closing date of the share register for suspension of the share transfer on December 27, 2019.

5. TRANSACTION OF CKP WITH XAYABURI POWER COMPANY LIMITED (XPCL)

XPCL operates the Xayaburi Hydroelectric Power Project in the Lao PDR. As at December 31, 2019, CKP was XPCL's major shareholder holding 37.5 percent of XPCL's registered capital, XPCL is then considered CKP's associated company. XPCL and CKP have two common directors, namely, (1) Mr. Plew Trivisvavet; and (2) Mr. Thanawat Trivisvavet.

Transaction	Transaction Volume (Million Baht)			Transaction Nature/Necessity and Justification
	Accounting Period Ended December 31, 2019	Accounting Period Ended December 31, 2018	Accounting Period Ended December 31, 2017	
Project Management Income				
• Project management income	149.10	119.87	105.01	XPCL executed an agreement engaging CKP to conduct management of the Xayaburi Hydroelectric Power Project, provided that CKP shall support XPCL in terms of experienced and expert personnel in management, provision of advice, and support in other aspects, such as, provision of engineering advices, personnel management, purchase and procurement, financial management, accounting, etc. In this regard, the determination of the project management cost was already negotiated and considered by the persons with the approval authority. Such cost was justifiable and reasonable due to its comparison and reference to wage rates for experienced personnel in the same industry.
• Other income	3.21	3.00	-	
• Trade receivables - associated company	14.79	11.38	10.26	
• Accrued income	0.18	0.07	-	
Revenue from Extending Loan				
• Loan	3,000.00	-	-	CKP executed the loan agreement with XPCL under the existing conditions specified in the Sponsors Support Agreement, at the same interest and repayment rates as those on Baht loans from the lending banks to XPCL, representing the normal lending conditions of the lending banks. In this regard, XPCL shall repay such loan, together with interest, from the remaining cash after fulfilling the terms of the long-term loan agreement of the lending banks of XPCL.
• Accrued interest	54.31	-	-	
• Income interest	33.94	-	-	

PART
02

6. TRANSACTIONS OF THE SUBSIDIARY WITH PT (SOLE) CO., LTD. (PT)

PT engages in the business of investment in various types of businesses in the Lao PDR. PT's president is a related party of CKP's director, namely, Mr. Van Hoang Dau. CKP and PT have no common director.

Transaction	Transaction Volume (Million Baht)			Transaction Nature/Necessity and Justification
	Accounting Period Ended December 31, 2019	Accounting Period Ended December 31, 2018	Accounting Period Ended December 31, 2017	
Implementation of EMP and RAP during Operation Phase for the people affected by the NN2 Project				
• Operating expenses	4.80	4.80	5.00	NN2 engaged PT to carry out implementation of EMP and RAP during Operation Phase, provide necessary food supplies and commodities for the people affected by the NN2 Project to migrate to Muang Fuang, including provision of occupational training throughout the concession period, in compliance with the concession conditions with the Government of the Lao PDR.
• Trade payables	3.53	7.95	3.15	
Implementation of EMP and RAP during Operation Phase- (Para-Rubber Project) for the people affected by the NN2 Project				
• Operating expenses	-	13.00	13.00	NN2 engaged PT to provide occupational training and restore livelihoods for the affected people who migrated to Muang Fuang, by way of para-rubber plantation in the area allocated by the Government throughout the concession period, in accordance with the Concession Agreement.
• Trade payables	16.25	16.25	3.25	

7. TRANSACTIONS OF THE SUBSIDIARIES WITH RATCH GROUP PUBLIC COMPANY LIMITED (RATCH)

RATCH is a holding company that leads the RATCH group in setting out the direction of operations and various strategies in conformity with the target of business development and expansion by focusing on investments in the electricity production business and related businesses. RATCH is SEAN's major shareholder since RATCH holds shares in SEAN representing 33.33 percent of the registered capital in SEAN CKP's subsidiary, and RATCH is also CKP's related company. CKP and RATCH have no common director.

Transaction	Transaction Volume (Million Baht)			Transaction Nature/Necessity and Justification
	Accounting Period Ended December 31, 2019	Accounting Period Ended December 31, 2018	Accounting Period Ended December 31, 2017	
Engagement for Management Service				
• Administrative expenses	-	-	3.03	SEAN executed the agreement among SEAN's shareholders specifying that RATCH would assign its personnel to jointly perform financial work of SEAN for the Nam Ngum 2 Hydroelectric Power Project, since RATCH had experience and expertise in management of hydroelectric power plants (the agreement was cancelled in January 2018).
• Other payables	-	-	0.27	
Engagement of Project Consultant for Operation and Maintenance of Nam Ngum 2 Hydroelectric Power Project				
• O&M consulting service charges	25.00	25.00	25.00	NN2, as SEAN's subsidiary, entered into an Operation and Maintenance Consulting Service Agreement of Nam Ngum 2 Hydroelectric Power Project with RATCH. Such Agreement specifies that RATCH shall serve as Project Consultant in respect of matters relating to project development, contract documents, technical and construction advice, purchase of parts, equipment, and other items related to business. The Agreement would end upon the expiry of the Power Purchase Agreement or when the rate of return value is not lower than that agreed in the Agreement, whichever occurs first. In this regard, the determination of consideration of such Agreement was negotiated and considered by the persons with the approval authority. Such price was justifiable and reasonable due to its comparison and reference to wage rates for experienced personnel in the same industry.

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02**8. TRANSACTION OF THE SUBSIDIARY WITH GLOBAL POWER SYNERGY PUBLIC COMPANY LIMITED (GPSC) AND PTT PUBLIC COMPANY LIMITED (PTT)**

GPSC is a company in the PTT group. Its core business is to produce and sell industrial electricity, steam and water to industrial customers and the Electricity Generating Authority of Thailand (EGAT). GPSC holds shares in BIC representing 25 percent of BIC's registered capital, as a result, GPSC is one of BIC's major shareholders, and GPSC is considered CKP's related company. CKP and GPSC have no common director.

PTT engages in the petroleum business and other businesses in relation to or in support of the petroleum business, as well as investments in companies engaging in the petroleum-related business. PTT holds shares representing 22.58¹ percent of GPSC's registered capital, as a result, PTT is one of GPSC's major shareholders, and PTT is considered CKP's related company. CKP and PTT have no common director.

Transaction	Transaction Volume (Million Baht)			Transaction Nature/Necessity and Justification
	Accounting Period Ended December 31, 2019	Accounting Period Ended December 31, 2018	Accounting Period Ended December 31, 2017	

Natural Gas Purchase with PTT

• Natural gas cost	3,334.15	3,163.16	2,163.19	BIC executed two Natural Gas Purchase Agreements with PTT (for BIC1 and BIC2). Such Agreements were in standard agreement format for sale of natural gas to all Small Power Producers (SPP) Projects, for a term of 25 years from the date of commercial use of natural gas. In addition, the Agreements specified a minimum purchase from PTT at not less than 85 percent of the total volume of natural gas for the whole year as calculated from the formula specified in the Agreements. The prices under the Agreements were subject to normal commercial conditions as PTT sold to all other projects of the same nature.
• Trade payables	262.60	302.01	470.25	

Remark: ¹ As at the closing date of the share register for suspension of the share transfer for the right to receive dividend on September 4, 2019 from www.set.or.th



9. TRANSACTIONS OF CKP AND THE SUBSIDIARY WITH BANG PA-IN LAND DEVELOPMENT CO., LTD. (BLDC)

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

Transaction	Transaction Volume (Million Baht)			Transaction Nature/Necessity and Justification
	Accounting Period Ended December 31, 2019	Accounting Period Ended December 31, 2018	Accounting Period Ended December 31, 2017	
Lease of Area in Industrial Estate for Gas Pipeline Installation <ul style="list-style-type: none"> Land rental 	0.22	0.22	0.22	BIC has taken on lease of land from BLDC for various utilizations, with the purposes for construction, expansion, utilization, maintenance and repair services of the pipeline system (natural gas pipeline), as natural gas is BIC's main raw material. The land rental was at the price normally charged by BLDC to lessees for similar utilization of land in adjacent area.
Lease of Area in Industrial Estate for Steam Pipeline Installation and Installation of Power Poles <ul style="list-style-type: none"> Land rental 	1.32	1.32	1.24	BIC has taken on lease of land from BLDC for installation of power poles of the 22 kV transmission line; and for steam pipeline installation for sale of electricity and steam produced to customers within the Bang Pa-in Industrial Estate. The land rental was at the rate normally charged by BLDC to lessees for similar utilization of land in adjacent area.
Lease of Area in Industrial Estate for Use as Office and Temporary Residence for Staff <ul style="list-style-type: none"> Land rental 	-	-	5.44	BIC entered into the lease agreement, with the objective for use of the land for construction of office and temporary residence for staff, during the construction of BIC2, for the period of 32 months from January 1, 2015 to August 31, 2017. Currently, the construction was completed, and the structures were demolished and such area was handed over to BLDC.

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Transaction	Transaction Volume (Million Baht)			Transaction Nature/Necessity and Justification
	Accounting Period Ended December 31, 2019	Accounting Period Ended December 31, 2018	Accounting Period Ended December 31, 2017	
Lease of Area for Installation of the 115 kV Underground Transmission Lines <ul style="list-style-type: none"> Land rental 	0.90	0.90	0.60	BIC has taken on lease of land from BLDC for installation of the 115 kV underground transmission lines for sale of electricity produced to customers within the Bang Pa-in Industrial Estate. The land rental was at the rate normally charged by BLDC to lessees for similar utilization of land in adjacent area.
Memorandum of Agreement for Use of Area for Installation of the Air Quality Monitoring Station (AQMs) <ul style="list-style-type: none"> Land rental Trade payables 	0.03 0.01	0.03 -	0.03 0.02	BIC took on lease of land from BLDC for installation of the Automatic Air Quality Monitoring Station (AQMs). The rental was at the price normally charged by BLDC to lessees for utilization of land in adjacent area.
Memorandum of Agreement for Use of Area for Installation of the 22 kV Transmission Line <ul style="list-style-type: none"> Land rental 	2.22	2.22	1.30	BIC took on lease of land from BLDC for installation of the 22 kV transmission line for sale of electricity produced to customers within the Bang Pa-in Industrial Estate. The rental was at the price normally charged by BLDC to lessees for similar utilization of land in adjacent area.
Service Agreement <ul style="list-style-type: none"> Service fee Other payables 	- -	- -	0.72 0.06	BIC arranged for personnel with experience to temporarily perform work during the recruitment of qualified personnel. The remuneration was based on the average rate of remuneration for personnel with qualifications and performance of duties in such position.
Facility Maintenance Cost and Utility Fee <ul style="list-style-type: none"> Service fee Other payables 	0.70 0.06	0.70 0.06	0.06 0.06	BIC engaged BLDC to carry out maintenance, supply of facilities and service provision of utilities. The service fee was charged at the rate in accordance with the Notification of the Industrial Estate Authority of Thailand. BLDC would collect the service fee at such rate from all operators within the Bang Pa-in Industrial Estate.

Transaction	Transaction Volume (Million Baht)			Transaction Nature/Necessity and Justification
	Accounting Period Ended December 31, 2019	Accounting Period Ended December 31, 2018	Accounting Period Ended December 31, 2017	
Memorandum of Agreement on Payment for Floodwalls of the Bang Pa-in Industrial Estate				
• Service fee	0.85	0.64	-	BIC entered into the Memorandum of Agreement on
• Trade payables	0.08	0.08	-	Payment for Floodwalls of the Bang Pa-in Industrial Estate, for a period of 10 years, commencing from April 2018 to March 2028. The service fee was based on the prices charged by BLDC to BLDC's customers within the Industrial Estate.

10. TRANSACTIONS OF THE SUBSIDIARY WITH THE GOVERNMENT OF THE LAO PEOPLE'S DEMOCRATIC REPUBLIC (GOL)

GOL granted a concession for the Nam Ngum 2 Hydroelectric Power Project to SEAN (which subsequently transferred the Concession Agreement to NN2), for a concession period of 25 years from the Commercial Operation Date. NN2 is obliged to pay the royalty fee and taxes to GOL as per the time and rates specified in the Concession Agreement. NN2 began making payment of the royalty fee to GOL on the Initial Operation Date (March 26, 2011). GOL is a shareholder of Electricité du Laos (EdL). EdL holds 75 percent of shares in EDL-Generation Public Company (EDL-Gen) and EDL-Gen holds 25 percent of the registered capital in NN2, subsidiary of SEAN, which in turn is CKP's subsidiary. GOL is considered CKP's related party. CKP and GOL have no common director.

Transaction	Transaction Volume (Million Baht)			Transaction Nature/Necessity and Justification
	Accounting Period Ended December 31, 2019	Accounting Period Ended December 31, 2018	Accounting Period Ended December 31, 2017	
Royalty Fee Payment				
• Royalty fee paid under the Concession Agreement	104.85	133.11	113.34	NN2 was required to pay the royalty fee to GOL at the rates specified by GOL. The execution of such concession was reasonable, as the execution of such Agreement was made with the governmental sector of the Lao PDR, subject to clear pricing regulations and practices, and was already considered and approved by the persons with the approval authority of SEAN.
• Trade payables	41.23	88.10	63.70	
Tax				
• Tax	11.90	44.29	16.22	NN2 has an obligation to comply with the Concession Agreement to pay tax to GOL from the Initial Operation Date (March 26, 2011) until the end of the concession period of the Nam Ngum 2 Hydroelectric Power Project. In this regard, NN2 was granted exemption from income tax for the first five years from the Initial Operation Date. NN2 started to pay tax to GOL from March 27, 2016.
• Tax payable	(1.34)	10.06	2.46	

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Transaction	Transaction Volume (Million Baht)			Transaction Nature/Necessity and Justification
	Accounting Period Ended December 31, 2019	Accounting Period Ended December 31, 2018	Accounting Period Ended December 31, 2017	
Finance Lease Agreement-Nabong Substation				
• Income interest under the finance lease agreement	351.81	-	-	On August 1, 2019, NN2 signed the agreement for the upgrade and lease of the Nabong Substation with the GOL, under which the GOL shall take a lease of all assets of the Nabong Substation from NN2, at the rental rate specified in the agreement, with effect from January 1, 2019 to the end of the concession period of the Nam Ngum 2 Hydroelectric Power Project; and on the same date, NN2 signed the Nabong Interconnection and Transmission Agreement with the Government of the Lao People's Democratic Republic, at the rate of wheeling charge specified in the agreement, with effect from January 1, 2019 to the end of the concession period of the Nam Ngum 2 Hydroelectric Power Project.
• Management income	4.80	-	-	
• Wheeling charge	216.89	-	-	
• Receivables under the lease agreement	3,859.79	-	-	
• Other receivables	81.56	-	-	

11. TRANSACTIONS OF THE SUBSIDIARY WITH ELECTRICITÉ DU LAOS (EDL)

EdL, as a state enterprise under the Ministry for Energy and Mines of the Lao PDR, engages in the core business of production, supply, and distribution of electricity in the Lao PDR, and also imports and exports electricity. Moreover, EdL has the duty to develop power plant projects, including hydroelectric power projects of the Lao PDR. EdL is EDL-Gen's major shareholder, holding 75 percent of shares in EDL-Gen, and EDL-Gen is NN2's major shareholder, holding 25 percent of the registered capital in NN2, subsidiary of SEAN, which in turn is CKP's subsidiary. Therefore, EdL is deemed as CKP's related company. EdL and CKP have no common director.

Transaction	Transaction Volume (Million Baht)			Transaction Nature/Necessity and Justification
	Accounting Period Ended December 31, 2019	Accounting Period Ended December 31, 2018	Accounting Period Ended December 31, 2017	
Operation and Maintenance Services of Nabong Substation and Transmission Systems				
• Service fee under the Agreement on O&M of Nabong Substation and Transmission Systems	11.80	18.86	19.52	NN2 engaged EdL to provide operation and maintenance services of the Nabong Substation and Transmission Systems from the project to the delivery point, namely, the 230 kV Transmission Line from the project to the Nabong Substation, and the 500 kV Transmission Line from the Nabong Substation to the delivery point in the middle of the Mekong River. EdL had expertise in the transmission systems of the Lao PDR, and the execution of such Agreement was made with the governmental sector of the Lao PDR, subject to clear pricing regulations and practices, and was already considered and approved by the persons with the approval authority of NN2.
• Trade payables	4.30	1.58	1.57	

Transaction	Transaction Volume (Million Baht)			Transaction Nature/Necessity and Justification
	Accounting Period Ended December 31, 2019	Accounting Period Ended December 31, 2018	Accounting Period Ended December 31, 2017	
Assignment of EdL's Staff to Perform Work for NN2				
• Administrative expenses	1.14	1.14	1.49	EdL, the major shareholder of EDL-Gen, assigned one staff member to perform work for NN2 in the position of General Manager - General Affair, with the duties to supervise works relating to the Transmission Systems of the Nabong Substation, effective from November 1, 2016. NN2 would pay the monthly service fee to EdL in the amount as agreed upon between EdL and NN2.
• Trade payables	0.10	0.10	0.09	

12. TRANSACTIONS OF THE SUBSIDIARY WITH THE ELECTRICITY GENERATING AUTHORITY OF THAILAND (EGAT)

EGAT is RATCH's major shareholder holding 45 percent of the registered capital of RATCH, and RATCH holds shares representing 33.33 percent of the registered capital of SEAN, CKP's subsidiary. Therefore, EGAT is deemed as CKP's related company. EGAT and CKP have no common director.

Transaction	Transaction Volume (Million Baht)			Transaction Nature/Necessity and Justification
	Accounting Period Ended December 31, 2019	Accounting Period Ended December 31, 2018	Accounting Period Ended December 31, 2017	
Power Purchase Agreement between NN2 and EGAT				
• Revenue from sales of electricity	3,048.03	3,949.29	3,318.34	NN2 sold electricity to EGAT at the price and in the volume under the conditions specified in the Power Purchase Agreement (PPA) between NN2 and EGAT, for the PPA period of 25 years from COD.
• Costs of import energy and other costs under PPA	17.01	12.46	13.38	
• Trade receivables	416.60	461.68	416.90	
• Other income	0.09	0.01	0.10	
• Other receivables	0.15	0.16	0.13	
• Other long-term liabilities	289.60	270.75	182.57	
Lump-Sum Fee under the Operation and Maintenance Subcontract Agreement (OMA) ¹ of the Nam Ngum 2 Project				
• Contract price	109.61	106.87	105.72	NN2 engaged EGAT to make arrangements relating to operation and maintenance of the Nam Ngum 2 Hydroelectric Power Project. The execution of the Subcontract Agreement was reasonable. The contract price was in accordance with the negotiated conditions and the clear pricing regulations and practices of EGAT.
• Trade payables	9.13	8.87	8.61	

Remark: ¹ OMA: Subcontract Agreement on Operation and Maintenance

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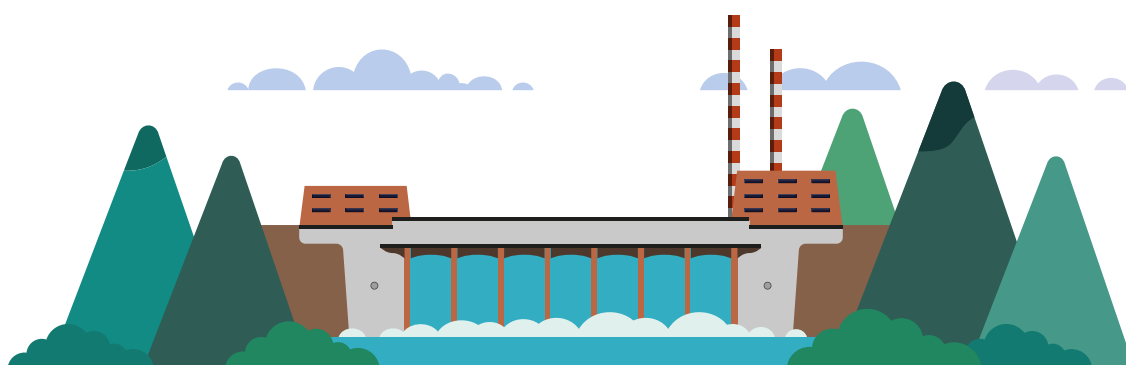
Transaction	Transaction Volume (Million Baht)			Transaction Nature/Necessity and Justification
	Accounting Period Ended December 31, 2019	Accounting Period Ended December 31, 2018	Accounting Period Ended December 31, 2017	
Lump-Sum Fee under the Major Maintenance Agreement Subcontract Agreement (MMA) ² of the Nam Ngum 2 Project <ul style="list-style-type: none"> Contract price Trade payables 	21.37	52.54	51.01	NN2 engaged EGAT to make arrangements relating to the major maintenance of the Nam Ngum 2 Hydroelectric Power Project. The execution of the Subcontract Agreement was reasonable. The contract price was in accordance with the negotiated conditions and the clear pricing regulations and practices of EGAT.
	3.56	4.38	4.25	
Other Maintenance Costs <ul style="list-style-type: none"> Maintenance cost Trade payables 	0.59	1.64	2.11	NN2 engaged EGAT to carry out other maintenance works than those under the OMA and the MMA contracts. Such costs were in accordance with the negotiated conditions and the clear pricing regulations and practices of EGAT.
	-	0.36	1.64	
Other Maintenance Costs related to Partial Overhaul <ul style="list-style-type: none"> Cost Trade payables 	-	1.95	-	NN2 engaged EGAT to additionally conduct the Partial Overhaul in 2018. Such cost was in accordance with the negotiated conditions and the clear pricing regulations and practices of EGAT.
	-	1.95	-	
Expenses for Communication Work under the Power Purchase Agreement <ul style="list-style-type: none"> Cost 	-	0.75	0.67	NN2 entered into the agreement with EGAT for use of the direct inward dialing service for communication of EGAT staff. In this regard, NN2 would consider the necessity for renewal of the agreement for another one year each.
Lump-Sum Fee for Operation and Maintenance of the 230/500 kV Nabong Substation <ul style="list-style-type: none"> Operating cost Trade payables Other payables 	-	15.28	-	NN2 engaged EGAT to make arrangements relating to operation and maintenance of the Nabong Substation. The contract price was in accordance with the negotiated conditions and the clear pricing regulations and practices of EGAT.
	3.49	-	-	
	-	2.16	-	

Remark: ² MMA: Subcontract Agreement on Major Maintenance Services

13. TRANSACTION OF THE SUBSIDIARY WITH NAM THEUN 1 POWER COMPANY LIMITED (NT1)

NT1's major shareholder is EdL which holds shares in NT1 representing 15 percent of NT1's registered capital and EdL is EDL-Gen's major shareholder holding 75 percent of shares in EDL-Gen, and EDL-Gen holds shares in NN2 representing 25 percent. Therefore, NT1 and NN2 have a common shareholder. NT1 and CKP have no common director.

Transaction	Transaction Volume (Million Baht)			Transaction Nature/Necessity and Justification
	Accounting Period Ended December 31, 2019	Accounting Period Ended December 31, 2018	Accounting Period Ended December 31, 2017	
Upgrade Cost for the Nabong Substation				
• Receivables	-	-	4.09	NN2 entered into the Memorandum of Agreement with NT1 to be jointly responsible for additional expenses for construction and installation of equipment for connection of the 500 kV Transmission System between the Nam Theun 1 Hydroelectric Power Project (Nam Theun 1 Project) and the Nabong Substation to accommodate transmission of electricity from the Nam Theun 1 Project. NN2 and NT1 have agreed to share the responsibility for such expenses equally. In this regard, such agreement was reasonable for execution of the transaction since such responsibility was shared between NN2 as the owner of the Nabong Substation and NT1 whose project must transmit electricity via the Nabong Substation.



FINANCIAL POSITION AND OPERATIONAL RESULTS

— PART 3



FINANCIAL POSITION AND OPERATIONAL RESULTS

PART
03

FINANCIAL HIGHLIGHTS

FINANCIAL STATEMENTS

Summary of the auditor's report on the financial statements for the year ended 31 December 2019

The auditor's report of the consolidated financial statements of the Company and its subsidiaries and the separate financial statement of the Company for the year ended 31 December 2019, which were audited by Mr. Chatchai Kasemsrithanawat, Certified Public Accountant No. 5813 of EY Office Limited as approved by the Office of the Securities and Exchange Commission, expressed an unqualified opinion on the financial statements. The report also highlighted key audit matters consisting of the investments in subsidiaries and jointly controlled entities. The financial statements present fairly, in all material respects, the financial position of the Company and its subsidiaries as at 31 December 2019, the financial performance and cash flows for the year ended and of the separate Company in accordance with Thai Financial Reporting Standards.



PART
03**SUMMARY OF FINANCIAL STATEMENTS**

The financial statements so presented comprising the audited statement of financial position, statement of comprehensive income and cash flow statement for the year ended 31 December 2019 compared with the audited financial statements for the years ended 31 December 2018 and 2017 are shown as follows:



- Statements of financial position

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Description	Consolidated financial statements (Unit: Baht)					
	2017		2018		2019	
	Amount	%	Amount	%	Amount	%
Assets						
Current assets						
Cash and cash equivalents	2,197,480,517	3.6	2,586,577,697	4.1	4,214,184,164	6.6
Short-term restricted bank deposits	351,281,753	0.6	507,165,600	0.8	-	-
Current investments	2,266,936,735	3.7	1,647,791,836	2.6	694,854,506	1.1
Trade and other receivables	1,161,854,893	1.9	1,313,450,266	2.1	1,292,196,206	2.0
Current portion of finance lease receivable – related party	-	-	-	-	87,265,115	0.1
Spare parts and supplies	47,335,915	0.1	61,817,692	0.1	61,473,814	0.1
Refundable input tax	137,098,980	0.2	65,395,684	0.1	7,645,773	0.0
Other current assets	132,001,211	0.2	90,451,581	0.1	248,616,077	0.4
Total current assets	6,293,990,004	10.4	6,272,650,356	10.0	6,606,235,655	10.3
Non-current assets						
Long-term restricted bank deposits	980,592,511	1.6	1,034,530,094	1.7	459,335,947	0.7
Long-term loans to associated company and interest receivable	-	-	-	-	3,054,308,219	4.8
Finance lease receivable – related party, net of current portion	-	-	-	-	3,772,521,935	5.9
Investments in jointly controlled entities	291,345,757	0.5	319,665,842	0.5	343,735,530	0.5
Investments in associated company	7,835,861,960	13.0	11,154,499,380	17.8	11,971,263,062	18.6
Right to produce and sell electricity - Equity attributable to owners of the Company	4,524,840,786	7.5	4,282,493,769	6.9	4,387,131,688	6.8
Right to produce and sell electricity - Non-controlling interests of the subsidiaries	5,763,154,779	9.5	5,484,217,972	8.8	4,858,296,229	7.6
Project costs during construction phase	2,462,947,873	4.1	3,075,480,261	4.9	105,057,547	0.2
Assets of hydroelectric power project under concession agreement	22,167,289,937	36.7	21,096,265,056	33.8	19,108,398,692	29.8
Property, plant and equipment	9,870,653,617	16.3	9,483,396,592	15.2	9,246,964,400	14.4
Intangible assets	93,669,576	0.2	93,684,692	0.1	83,720,684	0.1
Deferred tax asset	2,631,601	0.0	113,859	0.0	-	-
Other non-current assets	174,622,603	0.3	206,104,304	0.3	193,960,183	0.3
Total non-current assets	54,167,611,000	89.6	56,230,451,821	90.0	57,584,694,116	89.7
Total assets	60,461,601,004	100.0	62,503,102,177	100.0	64,190,929,771	100.0

Description	Consolidated financial statements (Unit: Baht)					
	2017		2018		2019	
	Amount	%	Amount	%	Amount	%
<u>Liabilities and shareholders' equity</u>						
<u>Current liabilities</u>						
Trade and other payables	1,064,974,172	1.8	875,620,455	1.4	690,088,222	1.1
Current portion of liabilities under finance lease agreements	411,266	0.0	-	-	-	-
Current portion of long-term loans from financial institutions	1,540,885,347	2.5	1,519,657,611	2.4	522,494,325	0.8
Current portion debentures	-	-	-	-	2,100,000,000	3.3
Income tax payable	2,472,220	0.0	10,325,541	0.0	170,779	0.0
Retention payable	704,080	0.0	1,478,077	0.0	1,647,613	0.0
Other current liabilities	59,917,988	0.1	80,632,479	0.1	79,350,431	0.1
Total current liabilities	2,669,365,073	4.4	2,487,714,163	4.0	3,393,751,370	5.3
<u>Non-current liabilities</u>						
Long-term loans from financial institutions, net of current portion	16,943,411,140	28.0	12,732,914,091	20.4	6,178,407,594	9.6
Debentures, net of current portion	9,943,050,247	16.4	15,428,902,210	24.7	18,709,860,714	29.1
Derivative financial liabilities	21,265,771	0.0	7,937,056	0.0	-	-
Provision for long-term employee benefits	43,419,168	0.1	52,883,302	0.1	64,538,746	0.1
Provision for decommissioning	-	-	-	-	8,064,827	0.0
Other long-term liabilities – related party	182,569,933	0.3	270,752,440	0.4	289,602,186	0.5
Total non-current liabilities	27,133,716,259	44.9	28,493,389,099	45.6	25,250,474,067	39.3
Total liabilities	29,803,081,332	49.3	30,981,103,262	49.6	28,644,225,437	44.6

Description	Consolidated financial statements (Unit: Baht)					
	2017		2018		2019	
	Amount	%	Amount	%	Amount	%
<u>Shareholder's equity</u>						
Registered capital	9,240,000,000	15.3	9,240,000,000	14.8	9,240,000,000	14.4
Issued and fully paid up	7,370,000,000	12.2	7,370,000,000	11.8	8,129,382,039	12.7
Share premium	9,522,332,101	15.7	9,522,332,101	15.2	13,319,242,296	20.7
Retained earnings						
Appropriated – statutory reserve	95,440,063	0.2	107,480,923	0.2	135,968,184	0.2
Unappropriated	679,772,386	1.1	1,101,156,516	1.8	1,635,211,021	2.5
Other components of shareholders' equity	80,868,226	0.1	232,457,595	0.4	328,879,305	0.5
Equity attributable to owners of the Company	17,748,412,776	29.4	18,333,427,135	29.3	23,548,682,845	36.7
Non-controlling interests of the subsidiaries	12,910,106,896	21.4	13,188,571,780	21.1	11,998,021,489	18.7
Total shareholders' equity	30,658,519,672	50.7	31,521,998,915	50.4	35,546,704,334	55.4
Total liabilities and shareholders' equity	60,461,601,004	100.0	62,503,102,177	100.0	64,190,929,771	100.0

- Statements of comprehensive income

Description	Consolidated financial statements (Unit: Baht)					
	2017		2018		2019	
	Amount	%	Amount	%	Amount	%
Revenue from sales						
Revenue from sales of electricity and steam	6,672,494,872	96.3	8,852,227,341	97.1	8,127,561,349	91.9
Revenue from sales of electricity – electricity tariff adders	101,215,680	1.5	97,696,320	1.1	95,427,840	1.1
Project management income	105,011,627	1.5	119,872,867	1.3	153,896,815	1.7
Other income						
Gain on exchange	-	-	1,662,393	0.0	2,296,842	0.0
Interest income	13,630,796	0.2	19,220,526	0.2	413,532,653	4.7
Others	37,526,481	0.5	25,783,622	0.3	49,788,981	0.6
Total revenues	6,929,879,456	100.0	9,116,463,069	100.0	8,842,504,480	100.0
Cost of sales						
Cost of sales of electricity and steam	4,219,007,690	60.9	5,538,925,319	60.8	5,964,821,158	67.5
Amortization of right to produce and sell electricity	521,283,824	7.5	521,283,824	5.7	521,283,824	5.9
Cost of project management	69,522,744	1.0	88,435,523	1.0	90,772,698	1.0
Administrative expenses	414,208,768	6.0	465,145,790	5.1	442,336,300	5.0
Loss on exchange	119,339,023	1.7	-	-	-	-
Total expenses	5,343,362,049	77.1	6,613,790,456	72.5	7,019,213,980	79.4
Profit before share of profit (loss) from investments in jointly controlled entities and associated company, finance cost and income tax expenses	1,586,517,407	22.9	2,502,672,613	27.5	1,823,290,500	20.6
Share of profit from investments in jointly controlled entities	31,111,340	0.4	40,320,085	0.4	40,869,688	0.5
Share of profit (loss) from investments in associated company	(25,929,516)	(0.4)	(33,650,551)	(0.4)	392,234,624	4.4
Profit before finance cost and income tax expense	1,591,699,231	23.0	2,509,342,147	27.5	2,256,394,812	25.5
Finance cost	1,267,857,721	18.3	1,100,426,415	12.1	1,161,294,032	13.1
Income tax expenses	16,329,610	0.2	44,859,885	15.5	12,277,780	0.1
Profit for the period	307,511,900	4.4	1,364,055,847	15.0	1,082,823,000	12.2

Description	Consolidated financial statements (Unit: Baht)					
	2017		2018		2019	
	Amount	%	Amount	%	Amount	%
<u>Other comprehensive income:</u>						
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>						
Gain (loss) on changes in value of available-for-sale investments	16,861,597	0.2	3,774,412	0.0	(19,185,248)	(0.2)
Unrealized gain from cash flow hedges	469,520,084	6.8	164,814,963	1.8	9,063,166	0.1
Less: Income tax effect	(20,420,724)	(0.3)	(2,517,743)	(0.0)	(113,859)	(0.0)
Share of other comprehensive income from associate	94,462,955	1.4	77,633,970	0.9	(36,579,484)	(0.4)
Other comprehensive income to be reclassified to profit or loss in subsequent periods – net of income tax	560,423,912	8.1	243,705,602	2.7	(46,815,425)	(0.5)
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>						
Actuarial loss	(11,288,631)	(0.2)	-	-	-	-
Share of other comprehensive income from associate	339,047	0.0	-	-	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods	(10,949,584)	(0.2)	-	-	-	-
Other comprehensive income for the year	549,474,328	7.9	243,705,602	2.7	(46,815,425)	(0.5)
Total comprehensive income for the year	856,986,228	12.4	1,607,761,449	17.6	1,036,007,575	11.7
<u>Profit attributable to</u>						
Equity holders of the Company	158,773,091	2.3	599,068,450	6.6	768,901,766	8.7
Non-controlling interests of the subsidiaries	148,738,809	2.1	764,987,397	8.4	313,921,234	3.6
	307,511,900	4.4	1,364,055,847	15.0	1,082,823,000	12.2
<u>Total comprehensive income attributable to</u>						
Equity holders of the Company	446,876,435	6.4	750,657,819	8.2	716,830,284	8.1
Non-controlling interests of the subsidiaries	410,109,793	5.9	857,103,630	9.4	319,177,291	3.6
	856,986,228	12.4	1,607,761,449	17.6	1,036,007,575	11.7

- Cash flow statements

Description	Consolidated financial statements (Unit: Baht)		
	2017	2018	2019
Cash flows from operating activities			
Profit before tax	323,841,510	1,408,915,732	1,095,100,780
Adjustments to reconcile profit to net cash provided by (paid from) operating activities			
Depreciation and amortization	1,438,033,658	1,553,597,442	1,517,820,856
Share of profit from investments in jointly controlled entities	(31,111,340)	(40,320,085)	(40,869,688)
Share of (profit) loss from investments in associated company	25,929,516	33,650,551	(392,234,624)
Loss on write-off of assets of hydroelectric power project under concession agreement	-	7,373,958	-
Loss on sales/write-off of equipment and intangible assets	88,877	2,169,955	3,846,903
Unrealized loss (gain) on exchange	34,088,829	15,494,079	(1,375,155)
Amortization of interest rate reduction fee and debenture issuing costs	8,628,574	11,399,205	32,277,979
Amortization of right to produce and sell electricity	521,283,824	521,283,824	521,283,824
Interest income	-	-	(385,752,226)
Interest expenses	1,320,863,270	1,078,735,111	871,694,329
Provision for long-term employee benefits	9,309,719	11,471,934	14,330,378
Profit from operating activities before changes in operating assets and liabilities	3,650,956,437	4,603,771,706	3,236,123,356
Operating assets (increase) decrease			
Trade and other receivables	(441,428,611)	(153,098,940)	22,563,719
Spare parts and supplies	(13,209,091)	(14,481,777)	(358,040)
Other current assets	(32,827,239)	200,381,279	169,770,898
Other non-current assets	(958,276)	(39,658,908)	3,966,915
Operating liabilities increase (decrease)			
Trade and other payables	391,643,187	(162,711,662)	(58,967,752)
Retention payable	(102,412)	773,997	169,536
Other current liabilities	23,435,132	20,714,491	(1,282,048)
Long-term employee benefit expenses	-	(2,007,800)	(2,674,934)
Other long-term liabilities - related party	-	73,116,718	-
Cash flows from operating activities	3,577,509,127	4,526,799,104	3,369,311,650
Cash paid for interest expenses	(179,301,076)	(205,570,007)	(219,488,422)
Cash paid for corporate income tax	(19,613,026)	(38,104,298)	(25,245,114)
Net cash flows from operating activities	3,378,595,025	4,283,124,799	3,124,578,114

Description	Consolidated financial statements (Unit: Baht)		
	2017	2018	2019
<u>Cash flows from investing activities</u>			
Decrease (increase) in short-term restricted bank deposits	(141,063,022)	(157,372,583)	507,165,600
Decrease (increase) in long-term restricted bank deposits	(208,500,213)	(57,634,169)	575,194,147
Decrease in current investments	1,945,639,275	622,919,311	933,752,082
Decrease in finance lease receivable – related party	-	-	432,000,000
Increase in long-term loans to associated company	-	-	(3,000,000,000)
Increase in investments in subsidiary	-	-	(681,464,240)
Increase in investments in associated company	(1,668,049,200)	(3,274,654,000)	(481,474,125)
Increase in project costs during construction phase	(2,401,184,168)	(469,094,275)	(171,427,302)
Increase in assets of hydroelectric power project under concession agreement	-	(10,287,774)	-
Increase in plant and equipment	(88,566,845)	(103,505,350)	(74,634,544)
Proceeds from sales of equipment	36,299	1,916,982	6,140,636
Increase in intangible assets	(56,417,638)	(44,904,792)	(969,900)
Dividends income from jointly controlled entities	12,000,000	12,000,000	16,800,000
Cash paid for interest capitalized as part of project costs during construction phase	(157,978,745)	(150,877,917)	(4,122,915)
Net cash flows used in investing activities	(2,764,084,257)	(3,631,494,567)	(1,943,040,561)
<u>Cash flows from financing activities</u>			
Increase (decrease) in non-controlling interests of the subsidiary	347,137,500	(1,625)	-
Decrease in long-term loans from financial institutions	(5,052,387,783)	(4,164,644,863)	(7,812,120,374)
Cash receipt from issuance of debentures	6,000,000,000	9,500,000,000	6,000,000,000
Repayment of debentures	-	(4,000,000,000)	(600,000,000)
Cash paid for loan arrangement fee	(2,815,796)	(206,443)	-
Cash paid for issuance of debentures	(55,033,213)	(31,172,527)	(39,460,111)
Cash paid for interest expenses	(870,586,655)	(814,595,901)	(772,740,877)
Dividend payment	(442,200,000)	(165,643,460)	(206,360,000)
Dividend payment of the subsidiary	(609,532,249)	(578,637,121)	(679,770,150)
Cash received from exercise of warrants	-	-	4,556,292,234
Net cash flows from (used in) financing activities	(685,418,196)	(254,901,940)	445,840,722
Effect of exchange rate changes on cash and cash equivalents	(11,197,237)	(7,631,112)	228,192
Net increase (decrease) in cash and cash equivalents	(82,104,665)	389,097,180	1,627,606,467
Cash and cash equivalents at beginning of year	2,279,585,182	2,197,480,517	2,586,577,697
Cash and cash equivalent at end of year	2,197,480,517	2,586,577,697	4,214,184,164

- Significant financial ratios

Description	Consolidated financial statements		
	2017	2018	2019
<u>Profitability ratio</u>			
Gross profit margin (%)	30.6	32.5	25.6
EBITDA margin (%)	51.2	50.3	48.6
Net profit margin (%)	2.3	6.6	8.7
Earnings per share (Baht)	0.022	0.081	0.100
<u>Financial policy ratio</u>			
Total liabilities to total shareholders' equity ratio (times)	0.97	0.98	0.81
Net interest-bearing debt to total shareholder' equity ratio (times)	0.74	0.76	0.62
Return on equity ratio (%)	0.9	3.3	3.7
Return on assets ratio (%)	0.3	1.0	1.2



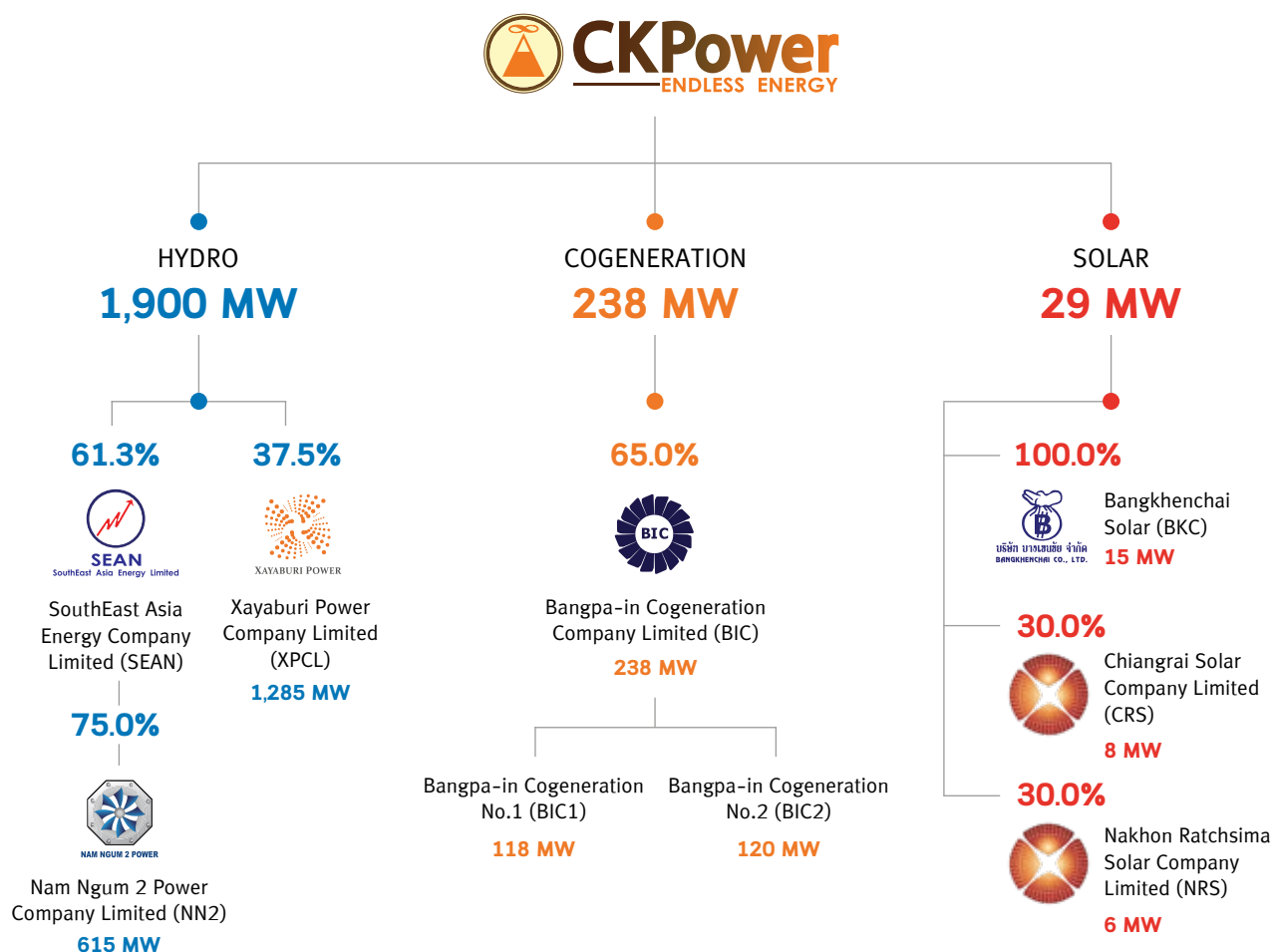
MANAGEMENT DISCUSSION AND ANALYSIS

PART
03

BUSINESS OVERVIEW

CK Power Public Company Limited (the “Company” and “CKP”) operates its core business by holding shares (Holding Company) in other companies that engage in production and sales of electricity generated from various types of energy. At present, the Company holds shares in six companies producing electricity from three energy sources, consisting of (1) two hydroelectric power projects, namely, the Nam Ngum 2 Hydroelectric Power Plant (“NN2”) operated by SouthEast Asia Energy Limited (“SEAN”) and

Xayaburi Hydroelectric Power Plant (“Xayaburi HPP”) operated by Xayaburi Power Company Limited (“XPCL”); (2) two cogeneration power projects, namely, the Bangpa-in Cogeneration Power Plant 1 and 2 (“BIC1” and “BIC2”) operated by Bangpa-in Cogeneration Limited (“BIC”); and (3) nine solar power projects operated by Bangkhenchai Company Limited (“BKC”), Chiangrai Solar Limited (“CRS”) and Nakhon Ratchasima Solar Limited (“NRS”).



Remark: Total installed capacity

SIGNIFICANT EVENTS IN 2019**1. ISSUANCE OF DEBENTURES NO. 1/2019 BY NAM NGUM 2 POWER COMPANY LIMITED**

On 7 March 2019, Nam Ngum 2 Power Company Limited ("NN2"), a subsidiary of the Company, issued Baht 6,000 million of name-registered, unsecured, unsubordinated debentures with a debentureholders' representative, consisting of:

- Baht 3,200 million amortized debentures with a tenor of 3 years at the interest rate of 3.18% per annum;
- Baht 800 million debentures with a tenor of 4 years at the interest rate of 3.44% per annum, and;
- Baht 2,000 million amortized debentures with a tenor of 8 years at the interest rate of 3.88% per annum with the issuer's right to early redemption.

TRIS Rating Co., Ltd. ("TRIS Rating") assigned credit rating of "A" to the debentures No. 1/2019 and upgraded credit rating for all previously issued debentures of NN2 to "A" (with Stable outlook). NN2 used the issuance proceeds to repay all loan from financial institutions to reduce its financing cost.

2. COMPANY RATING AND ISSUE RATING OF CK POWER PUBLIC COMPANY LIMITED

On 11 April 2019, TRIS Rating reaffirmed credit rating of the Company at "A" (with Stable outlook) and credit rating of the Company's unsecured, unsubordinated debentures at "A-" (with Stable outlook).

3. APPROVED DIVIDEND PAYMENT FOR 2018 OPERATING RESULTS

On 23 April 2019, the 2019 Annual Ordinary General Meeting of Shareholders approved dividend payment of Baht 0.0280 per share for 2018 operating results, which was equal to Baht 206.4 million or 85.7% of the Net Profit of the Company's separate financial statements. The dividend was paid on 21 May 2019.

4. ACQUISITION OF ADDITIONAL SHARES OF SOUTHEAST ASIA ENERGY LIMITED

On 23 April 2019, the Board of Directors of the Company approved an acquisition of additional 5.33% shares of SouthEast Asia Energy Limited ("SEAN") from PT Holdings Limited in the amount of Baht 681.5 million. SEAN is a major shareholder of NN2, the core holding and subsidiary of the Company. After the acquisition, the Company's shareholding in SEAN increased from 56.0% to 61.3% of SEAN's registered capital with its indirect shareholding in NN2 increased from 42.0% to 46.0%. The transaction was completed on 15 May 2019.

5. INVESTMENT IN SOLAR ROOFTOP AND SOLAR FARM POWER PLANTS OF BANGKHENCHAI COMPANY LIMITED

During 2019, Bangkhenchai Company Limited ("BKC") invested in five solar rooftop and one solar farm power plants, consist of:

- Phachi Solar Rooftop Power Plant, Phra Nakhon Si Ayutthaya Province, 0.89 MW installed capacity, commenced its electricity sales to private-sector operator in February;
- Banglen Solar Rooftop Power Plant, Nakhon Pathom Province, 0.97 MW installed capacity, commenced its electricity sales to private-sector operator in May;
- Phutthamonthon Sai 5 Solar Rooftop Power Plant, Nakhon Pathom Province, 0.97 MW installed capacity, commenced its electricity sales to private-sector operator in June;
- Mahachai Solar Rooftop Power Plant, Samut Sakhon Province, 0.72 MW installed capacity, commenced its electricity sales to private-sector operator in June;
- Krathum Ban Solar Rooftop Power Plant, Samut Sakhon Province, 0.51 MW installed capacity, commenced its electricity sales to private-sector operator in July, and;
- Khlong Preng Solar Farm Power Plant, Chachoengsao Province, 2.67 MW installed capacity, under construction.

6. THE MAJOR OVERHAUL OF BANGPA-IN COGENERATION 1 (“BIC1”)

On 2 June 2019, Bangpa-in Cogeneration 1 commenced its major overhaul according to plan.

7. EXERCISE OF WARRANTS OF CK POWER PUBLIC COMPANY LIMITED (CKP-W1) ON 30 JUNE 2019 AND 30 SEPTEMBER 2019

During 2019, the Company received Baht 4,556.3 million of total proceeds from CKP-W1, consisting of:

- 30 June 2019: The exercise of CKP-W1 to purchase 594.2 million shares of the Company with total proceeds of Baht 3,565.4 million. The Company registered the capital increase on 1 July 2019 with the newly issued shares started trading on the Stock Exchange of Thailand on 4 July 2019.
- 30 September 2019: The exercise of CKP-W1 to purchase 165.1 million shares of the Company with total proceeds of Baht 990.9 million. The Company registered the capital increase on 1 October 2019 with the newly issued shares started trading on the Stock Exchange of Thailand on 4 October 2019.

The Company plans to use the proceeds for business expansion and for general working capital proposes. After the capital increase registration, the Company's paid-up capital and share premium increased to Baht 8,129.4 million and Baht 13,319.2 million, respectively.

8. SPONSOR LOAN TO XAYABURI POWER COMPANY LIMITED

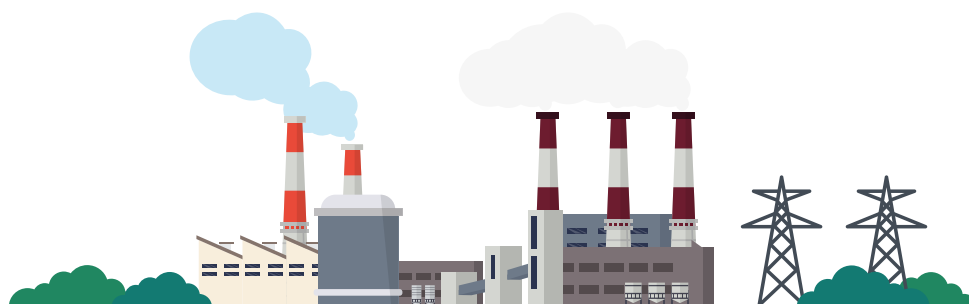
In 2019, the Company provided loans to Xayaburi Power Company Limited (“XPCL”), an associated company of the Company, according to the same conditions as specified in the Sponsors Support Agreement. As at 31 December 2019, the outstanding loan was Baht 3,000 million.

9. EXCELLENT CORPORATE GOVERNANCE (CG) SCORE

On 25 October 2019, the Company received “Excellent” Corporate Governance (CG) score on the Corporate Governance Report of Thai Listed Companies 2019 published by Thai Institute of Directors Association.

10. COMMERCIAL OPERATION OF XAYABURI HYDROELECTRIC POWER PLANT

Xayaburi HPP is a large-scale Run-of-River Hydroelectric Power Plant, located in the Lao People's Democratic Republic (Lao PDR) with total installed capacity of 1,285 MW. Xayaburi HPP has contracts to supply electricity to the Electricity Authority of Thailand (“EGAT”) at 1,220 MW and to the Electricité du Laos at 60 MW. Since 29 October 2019, Xayaburi HPP has commenced its commercial operation (“Commercial Operation Date” or “COD”) to supply electricity to EGAT in accordance with the period specified in the Power Purchase Agreement with EGAT.



ANALYSIS OF OPERATING RESULTS OF 2019

Unit: Baht Million

Description	Year		Changes	
	2018	2019	Increase/ (Decrease)	%
Revenue from Sales of Electricity and Steam	8,949.9	8,223.0	(726.9)	(8.1)
Project Management Income	119.9	153.9	34.0	28.4
Interest Income under Finance Lease Agreement	-	351.8	351.8	-
Other Income	45.0	111.5	66.5	147.8
Total Revenues	9,114.8	8,840.2	(274.6)	(3.0)
Operating Expenses	(6,613.8)	(7,019.2)	405.4	6.1
Share of Profit from Investments in Jointly Controlled Entities and Associated Companies	6.7	433.1	426.4	-
Foreign Exchange Gain	1.7	2.3	0.6	38.2
Earnings Before Interest and Tax	2,509.3	2,256.4	(252.9)	(10.1)
Finance Cost	(1,100.4)	(1,161.3)	60.9	5.5
Income Tax Expenses	(44.9)	(12.3)	(32.6)	(72.6)
Net Profit attributable to Non-controlling Interests of the Subsidiaries	(765.0)	(313.9)	(451.1)	(59.0)
Net Profit Attributable to Equity Holders of the Company	599.1	768.9	169.8	28.3

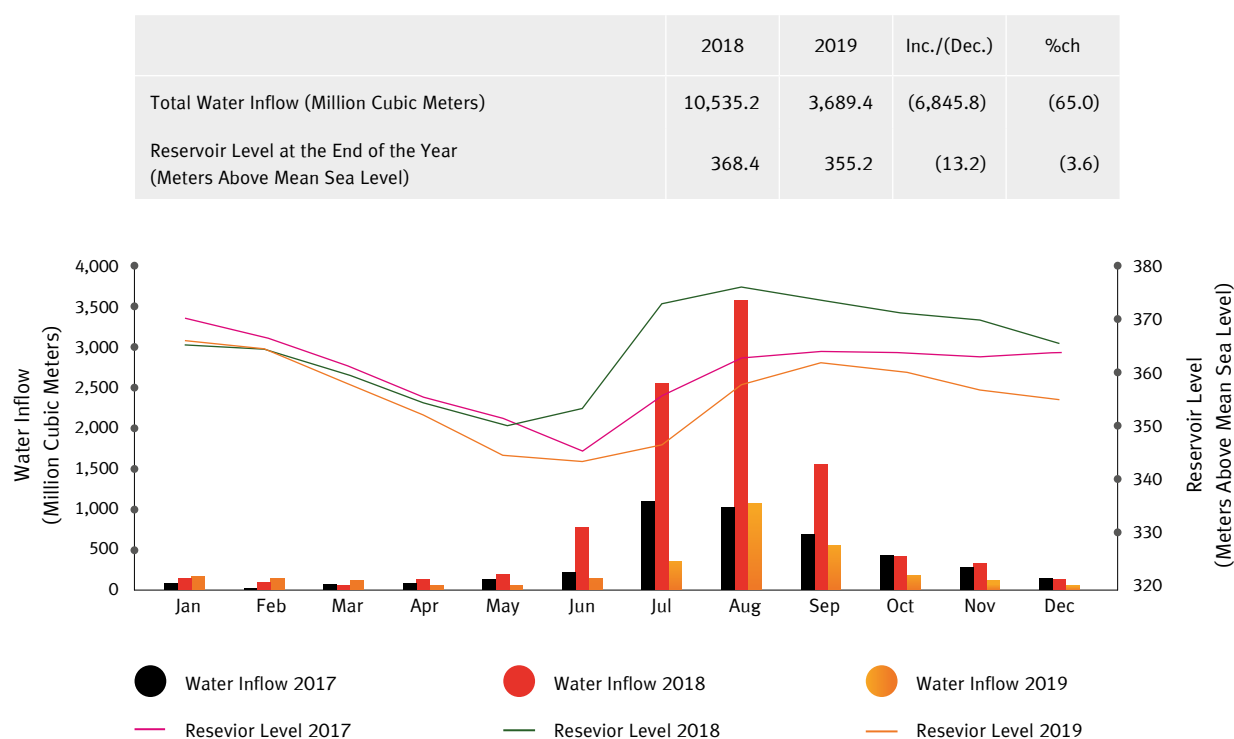
REVENUE FROM SALES OF ELECTRICITY AND STEAM

	Sales Volume of Electricity/Steam (GWh)/(Tons)		Changes		Revenue (Baht Million)		Changes	
	2018	2019	Increase/ (Decrease)	%	2018	2019	Increase/ (Decrease)	%
Revenue from Sales of Electricity								
NN2	2,454.9	1,684.9	(770.0)	(31.4)	3,949.3	3,048.0	(901.3)	(22.8)
BIC	1,552.9	1,560.8	7.9	0.5	4,801.0	4,967.7	166.8	3.5
BKC	12.3	15.5	3.3	26.7	136.1	144.8	8.7	6.4
Total	4,020.1	3,261.3	(758.8)	(18.9)	8,886.3	8,160.5	(725.8)	(8.2)
Revenue from Sales of Steam								
BIC	94,459	87,486	(6,973)	(7.4)	63.6	62.4	(1.2)	(1.8)
Total					8,949.9	8,223.0	(726.9)	(8.1)

In 2019, Revenue from Sales of Electricity and Steam decreased from the previous year, mainly due to the following reasons:

- **NN2:** Revenue from Sales of Electricity of NN2 decreased from the decline in electricity sales volume during 2019 due to lower-than-average water inflow to the reservoir, especially during 3Q19, whereas water inflow in 2018 was a record high. As a result, NN2 adopted a conservative water management approach to ensure that the remaining water in the reservoir would be sufficient to produce electricity as planned for the entire year.

Water Inflow and Reservoir Level of NN2



Electricity Sales Volume of NN2

Unit: GWh

Description	Year		Changes	
	2018	2019	Increase/ (Decrease)	%
Primary Energy	1,980.1	1,674.5	(305.5)	(15.4)
Secondary Energy	130.1	4.2	(125.9)	(96.8)
Excess Energy	343.9	-	(343.9)	-
Test Energy	0.8	6.2	5.4	635.7
Total Electricity Sales	2,454.9	1,684.9	(770.0)	(31.4)

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- **BIC:** Revenue from Sales of Electricity of BIC increased despite the Major Overhaul as planned during 2Q19, primarily due to (i) increase in electricity sales volume compared to the previous year from higher electricity sales volume to industrial customers and improved efficiency of BIC1 after the Major Overhaul and (ii) higher natural gas price in 2019 compared to the previous year, resulted in an increase in Energy Payment revenue, a core component of BIC's electricity tariff.

Electricity Sales Volume of BIC

Unit: GWh

Off Takers	Year		Changes	
	2018	2019	Increase/ (Decrease)	%
Electricity Generating Authority of Thailand (EGAT)	1,277.4	1,250.3	(27.1)	(2.1)
Industrial Customers	275.5	310.5	35.0	12.7
Total	1,552.9	1,560.8	7.9	0.5

- **BKC:** Revenue from Sales of Electricity of BKC increased driven by the start of electricity sales to private-sector operators of the new solar rooftop power plants under BKC, namely, Phachi Solar, Banglen Solar, Phutthamonthon Sai 5 Solar, Mahachai Solar and Krathum Ban Solar since 1Q19, resulted in an increase in electricity sales volume in 2019 compared to the previous year.

PROJECT MANAGEMENT INCOME

Project Management Income in 2019 increased from the previous year, consistent with the increase in management fee from higher business activities.

INTEREST INCOME UNDER FINANCE LEASE AGREEMENT

The Company recognized Interest Income under Finance Lease Agreement from Nabong Substation starting from 2Q19.

OTHER INCOME

The increase in Other Income in 2019 was mainly driven by gain on sales of short-term investment and interest income from Baht 3,000 million long-term loan to XPCL in accordance with the conditions specified in the Sponsors Support Agreement.

OPERATING EXPENSES

Unit: Baht Million

Description	Year		Changes	
	2018	2019	Increase/ (Decrease)	%
Cost of Sales of Electricity and Steam	5,538.9	5,964.8	425.9	7.7
Fuel Costs	3,163.2	3,334.2	171.0	5.4
Depreciation Expenses	1,523.9	1,484.0	(39.9)	(2.6)
Operation and Maintenance Costs	615.4	724.1	108.7	17.7
Wheeling Charge	-	216.9	216.9	-
Royalty Fee	133.1	104.9	(28.3)	(21.2)
Others	103.3	100.8	(2.5)	(2.5)
Amortization of Right to Produce and Sell Electricity	521.3	521.3	-	-
Cost of Project Management	88.4	90.8	2.3	2.6
Administrative Expenses	465.1	442.3	(22.8)	(4.9)
Total Operating Expenses	6,613.8	7,019.2	405.4	6.1

The key reasons for the increase in Operating Expenses in 2019 are:

- An increase in Cost of Sales of Electricity and Steam, mainly due to the following reasons:
 - Fuel Costs of BIC increased from higher electricity sales volume and higher natural gas price compared to the previous year;
 - Depreciation decreased from the reclassification of assets related to Nabong Substation to Finance Lease Receivable;
 - Operation and Maintenance Costs increased, primarily from expenses related to BIC's Major Overhaul according to plan in 2Q19;
 - Wheeling charges were recognized starting in 2Q19, according to the amount of electricity sold through Nabong Substation, and;
 - Royalty Fee of NN2 decreased, consistent with the decline in revenue from sales of electricity.
- An increase in Cost of Project Management, consistent with higher Project Management Income.

SHARE OF PROFIT FROM INVESTMENTS IN JOINTLY CONTROLLED ENTITIES AND ASSOCIATED COMPANIES

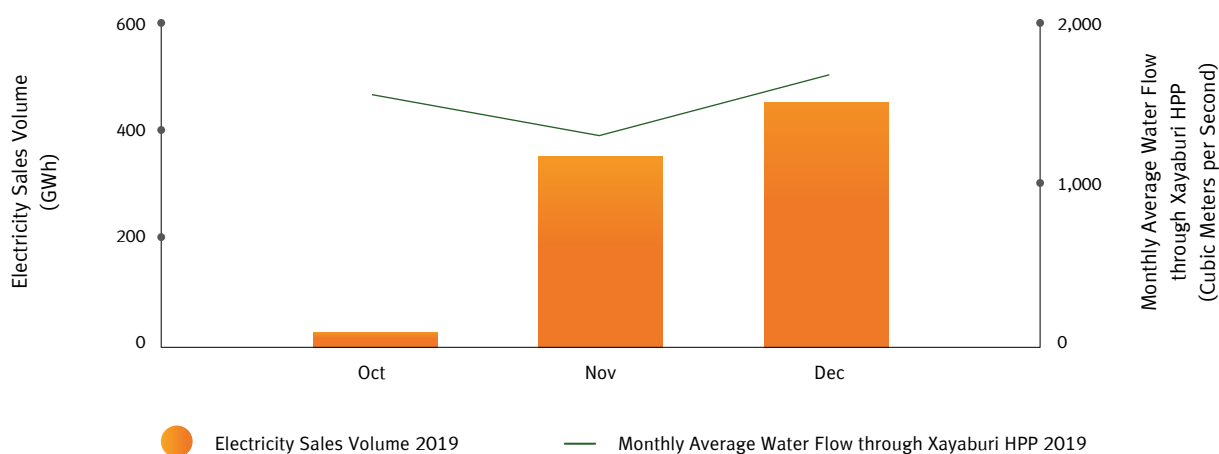
The Company reported an increase in Share of Profit from Investments in Jointly Controlled Entities and Associated Companies in 2019 from an increase in share of profit from XPCL. The Company recognized Baht 392.2 million of share of profit from XPCL in 2019, compared to Baht 33.7 million share of loss in 2018, the key reasons for the improvement are:

- The COD of Xayaburi HPP in 4Q19, which saw XPCL recognizing Revenue from Sales of Electricity of Baht 1,565.1 million, and;
- The recognition of Gain from the difference in exchange rate on the long-term US Dollar loan of XPCL during 2019.

PART

03 Monthly Average Water Flow through Xayaburi HPP and Electricity Sales Volume during October-December 2019

	2019
Monthly Average Water Flow through Xayaburi HPP (Cubic Meters per Second)	1,745
Electricity Sales Volume (GWh)	835



FINANCE COST

Finance Cost increased during 2019 primarily from (i) the one-time recognition of NN2's deferred financial fees of Baht 56.7 million, following the full repayment of its long-term loan from financial institutions in March 2019; (ii) the recognition of interest expenses related to Nabong Substation after its construction completion at the end of 2018; and (iii) an increase in the Company's interest expenses due to the issuance of additional Baht 2,500 million debentures in June 2018.

INCOME TAX

In 2019, Income Tax declined mainly due to the decline NN2's operating results compared to the previous year.

NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

Overall, the Company and its subsidiaries reported an increase in Net Profit attributable to Equity Holders of the Company in 2019, primarily driven by an increase in Share of Profit from Investment in Associated Company (XPCL) following the COD of Xayaburi HPP.

ANALYSIS OF FINANCIAL POSITION

Unit: Baht Million

Description	As at 31 Dec 2018	As at 31 Dec 2019	Changes	
			Increase/ (Decrease)	%
Total Assets	62,503.1	64,190.9	1,687.8	2.7
Total Liabilities	30,981.1	28,644.2	(2,336.9)	(7.5)
Total Shareholders' Equity	31,522.0	35,546.7	4,024.7	12.8

TOTAL ASSETS

As at 31 December 2019, Total Assets increased from the end of 2018, mainly due to the increase in Cash and Cash Equivalents, primarily driven by cash received from the exercise of CKP-W1 warrants to purchase newly issued ordinary shares of the Company in June and September 2019, which was partially used for Baht 3,000.0 million long-term loan to XPCL and acquisition of SEAN's shares.

TOTAL LIABILITIES

As at 31 December 2019, Total Liabilities decreased from the end of 2018, mainly due to the decline in long-term loan from financial institutions following the full repayment of

long-term loan by NN2 in March 2019 as well as the normal repayment/redemption of long-term loans and debentures by subsidiaries.

TOTAL SHAREHOLDERS' EQUITY

As at 31 December 2019, Total Shareholders' Equity increased from the end of 2018, driven primarily by an increase in Share Capital and Share Premium from the exercise of CKP-W1 warrants to purchase newly issued ordinary shares of the Company in June and September 2019 and an increase in Retained Earnings from 2019 operating results.

CASH FLOWS ANALYSIS

As at 31 December 2019, the Cash and Cash Equivalent was Baht 4,214.2 million, increased by Baht 1,627.6 million or 62.9% from the end of 2018.

Unit: Baht Million

DESCRIPTION	As at 31 Dec 2019
Net cash flows from operating activities	3,124.6
Net cash flows used in investing activities	(1,943.0)
Net cash flows from financing activities	445.8
Effect of exchange rate changes on cash and cash equivalents	0.2
Net increase in cash and cash equivalents	1,627.6

- Net cash inflows from operating activities came mainly from the Company and its subsidiaries' operating results.
- Net cash outflows from investing activities were primarily used for acquisition of SEAN's shares, loan to XPCL and equity injection in XPCL, offset by net cash inflows from the discharge of restricted bank deposits following the full repayment of long-term loan from financial institutions by NN2 and sales of short-term investment.
- Net cash inflows from financing activities came mainly from cash received from NN2's debentures and the exercise of CKP-W1 warrants to purchase newly issued ordinary shares in June and September, offset by repayment of long-term loan, redemption of debentures, and dividend payment.



PART
03

SIGNIFICANT FINANCIAL RATIO

Profitability Ratios	Year		Changes
	2018	2019	
Gross Profit Margin (%)	32.5	25.6	(6.9)
EBITDA Margin (%)	50.3	48.6	(1.7)
Net Profit Margin (%)	6.6	8.7	2.1
Earnings per Share (Baht)	0.081	0.100	0.019
Leverage Ratios	As at 31 Dec 2018	As at 31 Dec 2019	Changes
Total Liabilities to Total Shareholders' Equity Ratio (Times)	0.98	0.81	(0.18)
Net Interest-bearing Debt to Total Shareholders' Equity Ratio (Times)	0.76	0.62	(0.14)
Liquidity Ratio	As at 31 Dec 2018	As at 31 Dec 2019	Changes
Current Ratio (Times)	2.52	1.95	(0.57)

In 2019, Gross Profit Margin and EBITDA Margin decreased from the previous year, mainly due to the decline in Revenue from Sales of Electricity of NN2 following the decline in water inflow into the reservoir, the recognition of wheeling charge of NN2 for electricity sold through Nabong Substation, and the increase in expenses related BIC's Major Overhaul.

Net Profit Margin in 2019 increased from the previous year, mainly driven by the increase in share of profit from investment in associated company (XPCL) following the COD of Xayaburi HPP.

As at 31 December 2019, Total Liabilities to Total Shareholders' Equity Ratio and Net Interest-bearing Debt to Total Shareholders' Equity Ratio decreased from the end of 2018 primarily due to (i) NN2's full repayment of long-term loan; (ii) normal repayment/redemption of long-term loans and debentures; and (iii) increase in shareholders' equity from cash received from the exercise of CKP-W1 warrants. Meanwhile, Current Ratio declined mainly as a result of an increase in current portion of debentures.

REPORT ON THE BOARD OF DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORT

PART
03

The Board of Directors firmly believes that adherence to the good corporate governance is a key factor in striving for the efficient, transparent, auditable management system and a factor in ensuring the overall success of the Company as a socially responsible organization, which will help build up trust and confidence of the shareholders, investors, stakeholders and all concerned parties.

The Board of Directors establishes the Audit Committee, comprising qualified independent directors who are knowledgeable and competent, to perform the duty to review and ensure accuracy of the Company's financial report and sufficiency and appropriateness of its information disclosure, as well as ensure that connected transactions or transactions, which may give rise to a conflict of interests are in compliance with the requirements of the Stock Exchange and applicable rules and regulations related to the Company's business.

The Board of Directors is of the opinion that the financial statements for 2019 of the Company and its subsidiaries, which were reviewed by the Audit Committee in conjunction with the management and the Company's auditor, were prepared in accordance with the financial reporting standards by adopting appropriate accounting policies, exercising the discretion with due care and making reasonable estimates, with adequate disclosure of significant information in the notes to the financial statements. The financial statements had been audited and provided unqualified opinions by the independent certified public accountant that the statements of financial position and the operational results of the Company and its subsidiaries were presented fairly, transparently, and in the interests of the shareholders and general investors.



(DR. THANONG BIDAYA)
Chairman of the Board of Directors



(MR. THANAWAT TRIVISVAVET)
Managing Director

FINANCIAL STATEMENTS

CK Power Public Company Limited and its subsidiaries
Report and consolidated financial statements
31 December 2019



Independent Auditor's Report

To the Shareholders of CK Power Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of CK Power Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2019, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of CK Power Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CK Power Public Company Limited and its subsidiaries and of CK Power Public Company Limited as at 31 December 2019, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.



Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matter and how audit procedures respond for the matter are described below.

Investments in subsidiaries and jointly controlled entities

As disclosed in Notes 11 and 12 to the financial statements, as at 31 December 2019, the Company has investments in subsidiaries and jointly controlled entities in the separate financial statements amounting to Baht 12,433 million, which is a significant amount. In assessing the impairment of these investments the management needs to exercise substantial judgment to make forecasts of operating results and projections of future cash flows from investments, including determination of appropriate discount rates, long-term growth rates and other assumptions.

In order to assess management's identification of the impairment of investments in subsidiaries and jointly controlled entities, I gained an understanding of management's process of selecting a financial model. I also assessed the assumptions applied in preparing plans and projections of cash flows from these investments by gaining an understanding of the process by which the figures were derived, comparing the assumptions with external and internal sources of information regarding the subsidiaries and jointly controlled entities, comparing past cash flow projections with actual operating results. I also evaluated the discount rate used based on analysis of the average cost of capital and other data, tested the calculation of cash flow projections based on the financial model and considered the scope and probability of potential changes in the key assumptions and in particular the discount rates and growth rates applied in preparing the cash flow projections.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.



Chatchai Kasemsrithanawat

Certified Public Accountant (Thailand) No. 5813

EY Office Limited

Bangkok: 25 February 2020

CK Power Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2019

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
Assets					
Current assets					
Cash and cash equivalents	7	4,214,184,164	2,586,577,697	1,539,625,273	103,197,589
Short-term restricted bank deposits	7	-	507,165,600	-	-
Current investments	8	694,854,506	1,647,791,836	461,655,722	1,454,285,121
Trade and other receivables	6, 9	1,292,196,206	1,313,450,266	34,241,893	32,170,706
Current portion of finance lease receivable - related party	6	87,265,115	-	-	-
Spare parts and supplies		61,473,814	61,817,692	-	-
Current portion of long-term loans to subsidiary and interest receivable	6	-	-	8,493,830	11,628,050
Other current assets					
Refundable input tax		7,645,773	65,395,684	-	-
Other		248,616,077	90,451,581	183,055,084	11,777,100
Total current assets		6,606,235,655	6,272,650,356	2,227,071,802	1,613,058,566
Non-current assets					
Long-term restricted bank deposits	10	459,335,947	1,034,530,094	-	-
Long-term loans to subsidiary and interest receivable, net of current portion	6	-	-	270,630,000	67,400,000
Long-term loans to associated company and interest receivable	6	3,054,308,219	-	3,054,308,219	-
Finance lease receivable - related party, net of current portion	6	3,772,521,935	-	-	-
Investments in subsidiaries	11	-	-	12,240,207,782	11,679,092,100
Investments in jointly controlled entities	12	343,735,530	319,665,842	192,938,970	192,938,970
Investments in associated company	13	11,971,263,062	11,154,499,380	11,585,926,525	11,104,452,400
Right to produce and sell electricity					
- Equity attributable to owners of the Company	14	4,387,131,688	4,282,493,769	-	-
Right to produce and sell electricity					
- Non-controlling interests of the subsidiaries	14	4,858,296,229	5,484,217,972	-	-
Project costs during construction phase	15	105,057,547	3,075,480,261	-	-
Assets of hydroelectric power project					
under concession agreement	16	19,108,398,692	21,096,265,056	-	-
Property, plant and equipment	17	9,246,964,400	9,483,396,592	62,591,153	57,696,945
Intangible assets	18	83,720,684	93,684,692	42,929,536	48,147,960
Deferred tax asset		-	113,859	-	-
Other non-current assets		193,960,183	206,104,304	4,493,356	3,626,318
Total non-current assets		57,584,694,116	56,230,451,821	27,454,025,541	23,153,354,693
Total assets		64,190,929,771	62,503,102,177	29,681,097,343	24,766,413,259

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

CK Power Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2019

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	6, 19	690,088,222	875,620,455	44,278,151	30,079,933
Current portion of long-term loans from financial institutions	20	522,494,325	1,519,657,611	-	-
Current portion of debentures	21	2,100,000,000	-	-	-
Income tax payable		170,779	10,325,541	-	-
Retention payable	6	1,647,613	1,478,077	-	-
Other current liabilities		79,350,431	80,632,479	14,247,832	17,308,416
Total current liabilities		3,393,751,370	2,487,714,163	58,525,983	47,388,349
Non-current liabilities					
Long-term loans from financial institutions, net of current portion	20	6,178,407,594	12,732,914,091	-	-
Debentures, net of current portion	21	18,709,860,714	15,428,902,210	6,495,791,941	6,494,155,817
Derivative financial liabilities		-	7,937,056	-	-
Provision for long-term employee benefits	22	64,538,746	52,883,302	39,331,948	33,221,758
Provision for decommissioning		8,064,827	-	-	-
Other long-term liabilities - related party	6, 23	289,602,186	270,752,440	-	-
Total non-current liabilities		25,250,474,067	28,493,389,099	6,535,123,889	6,527,377,575
Total liabilities		28,644,225,437	30,981,103,262	6,593,649,872	6,574,765,924

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



CK Power Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2019

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
Shareholders' equity					
Share capital					
Registered					
9,240,000,000 ordinary shares of Baht 1 each		9,240,000,000	9,240,000,000	9,240,000,000	9,240,000,000
Issued and fully paid up					
8,129,382,039 ordinary shares of Baht 1 each	29	8,129,382,039	7,370,000,000	8,129,382,039	7,370,000,000
Share premium	29	13,319,242,296	9,522,332,101	13,319,242,296	9,522,332,101
Retained earnings					
Appropriated - statutory reserve	24	135,968,184	107,480,923	135,968,184	107,480,923
Unappropriated		1,635,211,021	1,101,156,516	1,483,909,892	1,149,011,934
Other components of shareholders' equity		328,879,305	232,457,595	18,945,060	42,822,377
Equity attributable to owners of the Company		23,548,682,845	18,333,427,135	23,087,447,471	18,191,647,335
Non-controlling interests of the subsidiaries		11,998,021,489	13,188,571,780	-	-
Total shareholders' equity		35,546,704,334	31,521,998,915	23,087,447,471	18,191,647,335
Total liabilities and shareholders' equity		64,190,929,771	62,503,102,177	29,681,097,343	24,766,413,259

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



CK Power Public Company Limited and its subsidiaries

Statement of comprehensive income
For the year ended 31 December 2019

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
Profit or loss:					
Revenues					
Revenue from sales					
Revenue from sales of electricity and steam	6	8,127,561,349	8,852,227,341	-	-
Revenue from sales of electricity - electricity tariff adders		95,427,840	97,696,320	-	-
Project management income	6	153,896,815	119,872,867	340,314,317	354,598,102
Dividend income	6, 11, 12	-	-	772,533,095	561,454,376
Other income					
Gain on exchange		2,296,842	1,662,393	1,114	-
Interest income	6	413,532,653	19,220,526	70,890,635	2,228,854
Others	6	49,788,981	25,783,622	53,008,572	28,893,119
Total revenues		8,842,504,480	9,116,463,069	1,236,747,733	947,174,451
Expenses					
Cost of sales					
Cost of sales of electricity and steam	6	5,964,821,158	5,538,925,319	-	-
Amortisation of right to produce and sell electricity		521,283,824	521,283,824	-	-
Cost of project management		90,772,698	88,435,523	184,173,219	179,158,045
Administrative expenses	6	442,336,300	465,145,790	273,807,200	328,495,665
Loss on exchange		-	-	-	2,351
Total expenses		7,019,213,980	6,613,790,456	457,980,419	507,656,061
Profit before share of profit from investments					
in jointly controlled entities and associated					
company, finance cost and income tax expenses		1,823,290,500	2,502,672,613	778,767,314	439,518,390
Share of profit from investments in jointly controlled entities	12	40,869,688	40,320,085	-	-
Share of profit (loss) from investments in associated company	13	392,234,624	(33,650,551)	-	-
Profit before finance cost and income tax expenses		2,256,394,812	2,509,342,147	778,767,314	439,518,390
Finance cost		(1,161,294,032)	(1,100,426,415)	(209,022,095)	(198,701,186)
Profit before income tax expenses		1,095,100,780	1,408,915,732	569,745,219	240,817,204
Income tax expenses	27	(12,277,780)	(44,859,885)	-	-
Profit for the year		1,082,823,000	1,364,055,847	569,745,219	240,817,204
Other comprehensive income:					
<i>Other comprehensive income to be reclassified</i>					
<i>to profit or loss in subsequent periods:</i>					
Gain (loss) on changes in value of available-for-sale investments		(19,185,248)	3,774,412	(23,877,317)	1,389,299
Unrealised gain from cash flow hedges		9,063,166	164,814,963	-	-
Less: Income tax effect		(113,859)	(2,517,743)	-	-
Share of other comprehensive income from associate	13	(36,579,484)	77,633,970	-	-
Other comprehensive income for the year		(46,815,425)	243,705,602	(23,877,317)	1,389,299
Total comprehensive income for the year		1,036,007,575	1,607,761,449	545,867,902	242,206,503

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

CK Power Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the year ended 31 December 2019

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
Profit attributable to:					
Equity holders of the Company		768,901,766	599,068,450	569,745,219	240,817,204
Non-controlling interests of the subsidiaries		313,921,234	764,987,397		
		1,082,823,000	1,364,055,847		
Total comprehensive income attributable to:					
Equity holders of the Company		716,830,284	750,657,819	545,867,902	242,206,503
Non-controlling interests of the subsidiaries		319,177,291	857,103,630		
		1,036,007,575	1,607,761,449		
Earnings per share					
	31				
Basic earnings per share					
Profit attributable to equity holders of the Company		0.100	0.081	0.074	0.033
Weighted average number of ordinary shares (shares)					
		7,716,521,606	7,370,000,000	7,716,521,606	7,370,000,000

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



CK Power Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity
For the year ended 31 December 2019

	Consolidated financial statements											(Unit: Baht)
	Equity attributable to owners of the Company											
	Other components of equity											
	Other comprehensive income					Other change by the owners						
	Retained earnings		Surplus (deficit) on changes in value of available-for-sale investments		Unrealised gain from cash flow hedges	Surplus on change in interest in equity of subsidiary	Share of other comprehensive income from associate	Total other components of shareholder's equity	Total equity attributable to owners of the company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity	
Issued and paid-up share capital	Share premium	Appropriated	Unappropriated									
7,370,000,000	9,522,332,101	95,440,063	679,772,396	43,138,562	132,501,566	3,366,523	(98,138,425)	80,868,226	17,748,412,776	12,910,106,896	30,658,519,672	
			(165,643,460)						(165,643,460)		(165,643,460)	
			599,068,450	2,724,962	71,230,437				599,068,450	704,987,397	1,364,055,847	
							77,633,970	151,589,369	151,589,369	92,116,233	243,705,602	
				2,724,962	71,230,437			151,589,369	750,657,819	857,103,630	1,607,761,449	
										(1,625)	(1,625)	
										(978,637,121)	(978,637,121)	

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

CK Power Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)
For the year ended 31 December 2019

	Separate financial statements						(Unit: Baht)
			Retained earnings		Other components of equity		
	Issued and paid-up share capital	Share premium	Appropriated	Unappropriated	Other comprehensive income	Surplus (deficit) on changes in value of available-for-sale investments	Total shareholders' equity
Balance as at 1 January 2018	7,370,000,000	9,522,332,101	95,440,063	1,085,879,050		41,433,078	18,115,084,292
Dividend paid (Note 25)	-	-	-	(165,643,460)		-	(165,643,460)
Profit for the year	-	-	-	240,817,204		-	240,817,204
Other comprehensive income for the year	-	-	-	-		1,389,299	1,389,299
Total comprehensive income for the year	-	-	-	240,817,204		1,389,299	242,206,503
Transfer to statutory reserve (Note 24)	-	-	12,040,860	(12,040,860)		-	-
Balance as at 31 December 2018	7,370,000,000	9,522,332,101	107,480,923	1,149,011,934		42,822,377	18,191,647,335
Balance as at 1 January 2019	7,370,000,000	9,522,332,101	107,480,923	1,149,011,934		42,822,377	18,191,647,335
Exercised warrants (Note 29 and 30)	759,382,039	3,796,910,195	-	-		-	4,556,292,234
Dividend paid (Note 25)	-	-	-	(206,360,000)		-	(206,360,000)
Profit for the year	-	-	-	569,745,219		-	569,745,219
Other comprehensive income for the year	-	-	-	-		(23,877,317)	(23,877,317)
Total comprehensive income for the year	-	-	-	569,745,219		(23,877,317)	545,867,902
Transfer to statutory reserve (Note 24)	-	-	28,487,261	(28,487,261)		-	-
Balance as at 31 December 2019	8,129,382,039	13,319,242,296	135,968,184	1,483,909,892		18,945,060	23,087,447,471

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

CK Power Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2019

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from operating activities				
Profit before tax	1,095,100,780	1,408,915,732	569,745,219	240,817,204
Adjustments to reconcile profit before tax to				
net cash provided by (paid from) operating activities:				
Depreciation and amortisation	1,517,820,856	1,553,597,442	15,995,290	16,669,187
Share of profit from investments in jointly controlled entities	(40,869,688)	(40,320,085)	-	-
Share of (profit) loss from investments in associated company	(392,234,624)	33,650,551	-	-
Allowance for impairment of investments in subsidiary	-	-	120,348,558	156,500,693
Loss on write-off of assets of hydroelectric power project				
under concession agreement	-	7,373,958	-	-
Loss on sales/write-off of equipment and intangible assets	3,846,903	2,169,955	34,712	220,137
Unrealised (gain) loss on exchange	(1,375,155)	15,494,079	-	-
Amortisation of interest rate reduction fee and				
deferred debenture issuing cost	32,277,979	11,399,205	1,636,124	5,315,153
Amortisation of right to produce and sell electricity	521,283,824	521,283,824	-	-
Interest income	(385,752,226)	-	(60,512,540)	-
Interest expenses	871,694,329	1,078,735,111	206,713,973	191,573,697
Provision for long-term employee benefits	14,330,378	11,471,934	8,785,124	7,903,914
Dividend income	-	-	(772,533,095)	(561,454,376)
Profit from operating activities before changes in				
operating assets and liabilities	3,236,123,356	4,603,771,706	90,213,365	57,545,609
Operating assets (increase) decrease				
Trade and other receivables	22,563,719	(153,098,940)	(2,071,187)	(1,957,587)
Spare parts and supplies	(358,040)	(14,481,777)	-	-
Other current assets	169,770,898	200,381,279	(149,846,538)	(5,485,892)
Other non-current assets	3,966,915	(39,658,908)	(867,037)	(597,536)
Operating liabilities increase (decrease)				
Trade and other payables	(58,967,752)	(162,711,662)	(8,928,925)	2,261,001
Retention payable	169,536	773,997	-	-
Other current liabilities	(1,282,048)	20,714,491	(3,060,584)	2,353,452
Cash paid for long-term employee benefits	(2,674,934)	(2,007,800)	(2,674,934)	(2,007,800)
Other long-term liabilities - related party	-	73,116,718	-	-
Cash flows from (used in) operating activities	3,369,311,650	4,526,799,104	(77,235,840)	52,111,247
Cash paid for interest expenses	(219,488,422)	(205,570,007)	(206,155,343)	(190,448,492)
Cash paid for corporate income tax	(25,245,114)	(38,104,298)	(1,506,823)	(1,099,859)
Net cash flows from (used in) operating activities	3,124,578,114	4,283,124,799	(284,898,006)	(139,437,104)

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

CK Power Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2019

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from investing activities				
Decrease (increase) in short-term restricted bank deposits	507,165,600	(157,372,583)	-	-
Decrease (increase) in long-term restricted bank deposits	575,194,147	(57,634,169)	-	-
Decrease in current investments	933,752,082	622,919,311	968,752,082	642,919,311
Decrease in finance lease receivable - related party	432,000,000	-	-	-
Increase in long-term loans to subsidiary	-	-	(200,000,000)	(79,000,000)
Increase in long-term loans to associated company	(3,000,000,000)	-	(3,000,000,000)	-
Interest income	-	-	6,108,541	-
Increase in investments in subsidiaries	(681,464,240)	-	(681,464,240)	(1,625)
Increase in investments in associated company	(481,474,125)	(3,274,654,000)	(481,474,125)	(3,274,654,000)
Increase in project costs during construction phase	(171,427,302)	(469,094,275)	-	-
Increase in assets of hydroelectric power project under concession agreement	-	(10,287,774)	-	-
Increase in plant and equipment	(74,634,544)	(103,505,350)	(13,552,024)	(3,336,570)
Proceeds from sales of equipment	6,140,636	1,916,982	930,327	1,593,458
Increase in intangible assets	(969,900)	(44,904,792)	(440,200)	(21,155,805)
Dividends income from subsidiaries	-	-	755,733,095	549,454,376
Dividends income from jointly controlled entities	16,800,000	12,000,000	16,800,000	12,000,000
Cash paid for interest capitalised as part of project costs during construction phase	(4,122,915)	(150,877,917)	-	-
Net cash flows used in investing activities	(1,943,040,561)	(3,631,494,567)	(2,628,606,544)	(2,172,180,855)
Cash flows from financing activities				
Decrease in non-controlling interests of the subsidiary	-	(1,625)	-	-
Decrease in long-term loans from financial institutions	(7,812,120,374)	(4,164,644,863)	-	-
Cash receipt from issuance of debentures	6,000,000,000	9,500,000,000	-	6,500,000,000
Repayment of debentures	(600,000,000)	(4,000,000,000)	-	(4,000,000,000)
Cash paid for loan arrangement fee	-	(206,443)	-	-
Cash paid for issuance of debentures	(39,460,111)	(31,172,527)	-	(6,722,760)
Cash paid for interest expenses	(772,740,877)	(814,595,901)	-	-
Dividend payment	(206,360,000)	(165,643,460)	(206,360,000)	(165,643,460)
Dividend payment of the subsidiaries	(679,770,150)	(578,637,121)	-	-
Cash received from exercise of warrants	4,556,292,234	-	4,556,292,234	-
Net cash flows from (use in) financing activities	445,840,722	(254,901,940)	4,349,932,234	2,327,633,780
Effect of exchange rate changes on cash and cash equivalents	228,192	(7,631,112)	-	-
Net increase in cash and cash equivalents	1,627,606,467	389,097,180	1,436,427,684	16,015,821
Cash and cash equivalents at beginning of year	2,586,577,697	2,197,480,517	103,197,589	87,181,768
Cash and cash equivalents at end of year	4,214,184,164	2,586,577,697	1,539,625,273	103,197,589

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

CK Power Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2019

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Supplemental disclosures of cash flows information				
Non-cash transactions				
Increase in project costs during construction phase				
from interest payables	92,824	692,876	-	-
Increase in project costs during construction phase				
from project payables and provision for decommissioning	1,748,578	-	-	-
Increase in equipment from other payables	1,298,858	-	2,643,888	-
Transfer project costs during construction phase to property, plant and equipment	175,091,677	-	-	-
Transfer project cost during construction phase to finance lease receivable - related party	2,972,649,189	-	-	-
Transfer assets of hydroelectric power project under concession agreement to finance lease receivable - related party	962,073,072	-	-	-
Transfer plant and equipment to finance lease receivable - related party	4,553,283	-	-	-
Transfer spare parts and supplies to finance lease receivable - related party	701,918	-	-	-

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



CK Power Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2019

1. General information

CK Power Public Company Limited (“the Company”) is a limited company incorporated on 8 June 2011 and domiciled in Thailand and registered the change in the Company’s status to a public company limited, in accordance with the Public Limited Companies Act B.E. 2535, on 6 February 2013. The major shareholder of the Company is CH. Karnchang Public Company Limited, which is incorporated in Thailand. The Company is principally engaged in investment in companies whose the principal business operation is the generation of electricity for sales, and provision of consulting services and other services relating to electricity generating projects both locally and overseas.

The registered office of the Company is at 587 Viriyathavorn Building 19th Floor, Sutthisarn Road, Kwaeng Ratchadapisek, Khet Dindaeng, Bangkok.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 11 October 2016, issued under the Accounting Act B.E. 2543.

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

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of CK Power Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2019</u> Percent	<u>2018</u> Percent
<u>Investments in subsidiaries</u>				
(held by Company)				
SouthEast Asia Energy Limited (including equity interest in Nam Ngum 2 Power Company Limited)	Investing in Nam Ngum 2 Power Company Limited	Thailand	61.33	56
Bangkhenchai Company Limited	Generating and sale of electricity for solar power	Thailand	100	100
Bangpa-in Cogeneration Limited	Generating and sale of electric power and power from other sources	Thailand	65	65
CKP Solar Company Limited ⁽¹⁾	Generating and sale of electricity	Thailand	100	100
Apollo Power Company Limited ⁽¹⁾	Generating and sale of electricity	Thailand	100	100
Vis Solis Company Limited ⁽¹⁾	Generating and sale of electricity	Thailand	100	100
Sole Power Company Limited ⁽¹⁾	Generating and sale of electricity	Thailand	100	100
Helios Power Company Limited ⁽¹⁾	Generating and sale of electricity	Thailand	100	100
(held by subsidiary company)				
Nam Ngum 2 Power Company Limited (75 percent held by SouthEast Asia Energy Limited)	Generating and sale of electricity for the Nam Ngum 2 Hydroelectric Power Project	Lao People's Democratic Republic	46	42

⁽¹⁾ Not commenced their business activities

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Group has been eliminated from the consolidated financial statements.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

- 2.3 The separate financial statements present investments in subsidiaries, jointly controlled entities and associate under the cost method.

3. New financial reporting standards

(a) Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements. However, the new standard involves changes to key principles, which are summarised below:

IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes the following accounting standards together with related interpretations.

TAS 11 (revised 2017)	Construction Contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

This standard does not have any significant impact on the Group's financial statements.

(b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2020

The Federation of Accounting Professions issued a number of new and revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards except the following new standards which involve changes to key principles, which are summarised below.

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Group expects the adoption of these accounting standards to result in the following adjustments.

- Classification and measurement of investments in available-for-sale equity securities -
The Company's available-for-sale investments in listed equity securities are measured at fair value through other comprehensive income. The Company has decided to classify (some of) these investments as financial assets at fair value through profit or loss. The cumulative gain (or loss) on changes in the value of reclassified available-for-sale investments that were previously presented in other comprehensive income is to be reclassified to retained earnings.

The management of the Group is currently evaluating the impact of these standards on the financial statements in the year when they are adopted.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The Group plans to adopt TFRS 16 using the modified retrospective method of adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

The management of the Group expects the effect of the adoption of this accounting standard to the statement of financial position as at 1 January 2020 to be to increase the Group's assets by approximately Baht 398.4 million (the Company only: approximately Baht 129.4 million) and liabilities by approximately Baht 398.4 million (the Company only: approximately Baht 129.4 million).

4. Significant accounting policies

4.1 Business Combinations

The Company accounts for business combinations under the acquisition method. The cost of acquisition is the sum of the transferred consideration at its acquisition-date fair value and any non-controlling interest in the acquiree. Non-controlling interests (if any) in the acquiree are measured at either fair value or the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The Company recognises cost of acquisition as an expense when it is incurred and when service has been rendered.

4.2 Revenue and expense recognition

Revenue from sales of electricity and steam

Revenue from sale of electricity and stream is recognised when control of the asset is transferred to the buyer, generally upon delivery of the electricity and stream. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns and discounts.

Revenue from sales of electricity from the hydroelectric power project is recognised based on the amount of electricity agreed to be sold to the Electricity Generating Authority of Thailand (actual amount of electricity delivered and electricity available and awaiting delivery to Electricity Generating Authority of Thailand) and the rates stipulated in the Power Purchase Agreement.

Revenue from sales of electricity from solar power includes electricity tariff adder and fuel adjustment charges (Ft) but is net of the Provincial Electricity Authority's operating charges.

Project management income

Project management income is recognised when services have been rendered taking into account the stage of completion. This is based on the amount that the Group has a right to invoice as it corresponds directly with the value to the customer of the Company's and its subsidiaries' performance completed to date.

Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

Dividends

Dividends are recognised when the right to receive the dividends is established.

Other revenues and expenses

Other revenues and expenses are recognised on an accrual basis.

4.3 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, cash at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.4 Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

4.5 Finance lease receivables

Finance lease receivables are stated at the net realisable value of which comprise of contract value of the finance lease receivables net of unearned income, and allowance for doubtful accounts (if any).

4.6 Spare parts and supplies

Spare parts and supplies are valued at the lower of cost (under the weighted average method) and net realisable value and are charged to production costs whenever consumed.

4.7 Investments

- a) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income, and will be recorded in profit or loss when the securities are sold.
- b) Investments in jointly controlled entities and associate are accounted for in the consolidated financial statements using the equity method.
- c) Investments in subsidiaries, jointly controlled entities and associate are accounted for in the separate financial statements using the cost method.

The fair value of unit trusts is determined from their net asset value.

4.8 Right to produce and sell electricity and amortisation

Intangible assets (Right to produce and sell electricity) acquired in a business combination were measured initially at their acquisition-date fair values. Subsequent to initial recognition, right to produce and sell electricity has been stated at cost less accumulated amortisation and allowance for loss on impairment (if any).

Amortisation of rights to produce and sell electricity is calculated by reference to cost on a straight-line basis over the remaining terms of the rights to produce and sell electricity, from the date on which the Company assumes control over the subsidiaries or, if the subsidiary has not yet commenced sale of electricity at the date the Company assumes control, recognition of amortisation begins from the date on which the subsidiary first sells electricity under the Power Purchase Agreement (estimated around 10 to 27 years). The Company reviews assets for impairment whenever events or changes in circumstances indicate that an asset may be impaired, and reviews the amortisation period and the amortisation method used for right to produce and sell electricity at least every year. Amortisation is recognised as an expense in profit or loss.

4.9 Project costs during construction phase

All expenditures and other related expenses which are incurred during the construction of a power plant to enable it to become operational are capitalised as assets. Such project costs during construction phase include, inter alia, project administrative and management costs, consulting fees, design fees, interests and other financing costs.

4.10 Assets of hydroelectric power project under concession agreement

Nam Ngum 2 Power Company Limited capitalised all expenditures and other expenses related to the construction of the hydroelectric power plant as assets under the caption "Assets of hydroelectric power project under concession agreement" in the statement of financial position.

Assets of the hydroelectric power project under the concession agreement are stated at costs less accumulated depreciation and allowance for loss on impairment of assets (if any). Depreciation of assets of the hydroelectric power project under the concession agreement are calculated by reference to their costs on the straight-line basis over estimated useful lives of 6 and 27 years, in accordance with the concession agreement. Depreciation is included in determining income.

4.11 Property, plant and equipment/Depreciation

Land is stated at cost. Building and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of building and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Solar Power Plant	5, 20 and 25 years
Thermal Power Plant and equipment	5 to 29 years
Plant	10 and 20 years
Equipment, furniture and office equipment	3, 5, 6, 10 and 20 years
Motor vehicles	5, 8 and 10 years
Leased asset improvements	5, 10 and 20 years
Leased asset improvements of the subsidiaries	10 to 24 years

Depreciation is included in determining the operating result.

No depreciation is provided on land and assets under construction.

4.12 Borrowing costs

Borrowing costs directly attributable to the construction of the power plant project, which necessarily takes a substantial period of time to get ready for its intended use, are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.13 Intangible assets

The intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets of the Group with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

Intangible assets with finite useful lives comprise computer software, and have useful lives of 3, 5 and 10 years.

4.14 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies, and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

4.15 Long-term leases - where the Group is the lessee

Leases of property, plant and equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in other long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases are depreciated over the useful life of the assets.

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

The Company's management considers the arrangement under the Power Purchase Agreement ("PPA") between Nam Ngum 2 Power Company Limited and the Electricity Generating Authority of Thailand ("EGAT") to be within the scope of TFRIC 4 *Determining Whether an Arrangement Contains a Leases*. The PPA contains components of a lease, and based on the principles of Accounting Standard No. 17 *Leases*, the subsidiary retains the risks and rewards of ownership of a majority of the assets of the Nam Ngum 2 Hydroelectric Power Project. The subsidiary therefore considers the agreement to be an operating lease.

Since the terms of the Power Purchase Agreement with EGAT do not stipulate a minimum amount that EGAT is to pay Nam Ngum 2 Power Company Limited, such company recognises revenue from sales of electricity under the project based on actual electricity sales to EGAT and the rates stipulated in the Power Purchase Agreement.

4.16 Long-term leases - where the subsidiary is the lessor

Under lease agreement which the subsidiary transfers the risks and rewards of ownership to the lessee, excluding legal ownership, is deemed finance lease. The subsidiary recognises income from financial lease by using effective interest rate method over the lease term.

4.17 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items included in the consolidated financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining the operating result. Gains and losses on exchange relevant to the construction of the power plant project are included as part of project costs during construction phase.

4.18 Impairment of assets

At the end of each reporting period, the Group performs impairment reviews in respect of their assets whenever events or changes in circumstances indicate that assets may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

4.19 Employee benefits

Short-term employee benefits

Salaries, wages, bonus, annual rewards and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Group and their employees have jointly established provident funds. The funds are monthly contributed by employees and by the Group. The fund's assets are held in separate trust funds and the Group's contributions are recognised as expenses when incurred.

Defined benefit plans

The Group has obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Group treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

4.20 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.21 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on calculation determined in accordance with tax legislation and concession agreement.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.22 Derivative financial instruments and hedging

Derivative financial instrument

A subsidiary and an associated company use a derivative financial instrument to manage their risks associated with interest rate, namely an interest rate swap agreement.

Such derivative is initially recognised and measured at fair value on the date on which the derivative contract is entered into and is subsequently remeasured at fair value, which has been calculated using the quoted market rates, at the end of reporting period. Gain or loss resulting from changes in the fair value of the derivative financial instrument is recognised as financial assets or financial liabilities when the gain or loss occurs. However, where the derivative qualifies for hedge accounting, recognition of any resultant gain or loss from changes in the fair value depends on the nature of the item being hedged.

Hedge accounting - Cash flow hedges

Subsidiaries and an associated company apply hedge accounting when the risk that has been hedged can be clearly identified and the effectiveness of the hedge can be measured.

Gains or losses arising from changes in the fair value of hedging instruments that effectively hedge exposure to fluctuations in cash flows that are either attributable to a particular risk associated with financial asset, financial liability, or highly probable forecast transactions, are recognised directly in other comprehensive income and transferred to be recognised in profit or loss when the hedged cash flow transactions occur. However, if the hedging instruments are not effective, any gains or losses from changes in the fair value of the hedging instruments are recognised immediately to profit or loss.

4.23 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Use of accounting estimates

The preparation of financial statements in conformity with financial reporting standards requires management to make estimates and assumptions in certain circumstances, affecting amounts reported in these financial statements and related notes. Actual results could differ from these estimates.

6. Related party transactions

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

(Unit: Million Baht)

	Consolidated		Separate		
	financial statements		financial statements		Transfer pricing policy
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Project management income	-	-	191	235	Based on contracts
Dividend income	-	-	756	549	As declared
Interest income	-	-	6	1	Average rate of the financial costs of the Company plus a stipulated margin
Other income	-	-	6	6	Based on contracts

(Unit: Million Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	2019	2018	2019	2018	
<u>Transactions with jointly controlled entities</u>					
Dividend income	-	-	17	12	As declared
<u>Transactions with associated company</u>					
Project management income	149	120	149	120	Based on contracts
Interest income	34	-	54	-	Based on contracts
Other income	3	3	3	3	Based on contracts
<u>Transactions with related parties</u>					
Revenue from sales of electricity	3,055	3,949	-	-	Based on contracts
Project management income	5	-	-	-	Based on contracts
Interest income	351	-	-	-	Effective interest rate over the lease term
Project cost during construction phase ⁽¹⁾	-	239	-	-	Construction contract price
Cost of sales of electricity and steam	3,926	3,589	-	-	Based on contracts
Administrative expenses	13	14	12	11	Based on contracts
Dividend payment of subsidiaries	680	579	-	-	As declared

⁽¹⁾ included as part of project costs during construction phase

The balances of the accounts as at 31 December 2019 and 2018 between the Group and those related parties are as follows:

		(Unit: Thousand Baht)			
Related by		Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
<u>Trade and other receivables - related parties (Note 9)</u>					
<u>Trade receivables - related parties</u>					
Subsidiaries		-	-	19,224	20,616
Associated company		14,793	11,378	14,793	11,378
Related parties					
- Electricity Generating Authority of Thailand	Major shareholder of a shareholder of a subsidiary	416,601	461,676	-	-
- TTW Public Company Limited	Common directors	1,158	-	-	-
		432,552	473,054	34,017	31,994

		(Unit: Thousand Baht)			
Related by		Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
Other receivable - related parties					
a) Other receivable - related parties					
Related parties					
- Electricity Generating Authority of Thailand	Major shareholder of a	149	159	-	-
	shareholder of a subsidiary				
- The Government of the Lao People's Democratic Republic	A group shareholder of a	81,564	-	-	-
	subsidiary				
		81,713	159	-	-
b) Accrued income - related parties					
Subsidiary					
		-	-	25	82
Associated company					
		178	69	178	69
		178	69	203	151
Total trade and other receivables - related parties		514,443	473,282	34,220	32,145
Deposit - related companies					
- CH. Karnchang Public Company Limited	Common directors	2,203	2,047	2,047	2,047
- Bangpa-in Land Company Limited	Common directors	690	-	-	-
		2,893	2,047	2,047	2,047

Finance lease receivable - related party

The outstanding balance of finance lease receivables net of unearned income between Nam Ngum 2 Power Company Limited and the related party, which has yet to be due, is as follows:

		(Unit: Thousand Baht)	
		Consolidated financial statements	
		2019	2018
Related party (A group of shareholder of the subsidiary)			
- The Government of the Lao People's Democratic Republic		3,859,787	-
Less: Current portion		(87,265)	-
Finance lease receivables - related party, net of current portion		3,772,522	-

The balance of finance lease receivable - related party was the construction cost of Nabong Substation Project, which the Government of the Lao People's Democratic Republic ("the GOL") is responsible for the construction cost as stipulated in the concession agreement. On 1 August 2019, Nam Ngum 2 Power Company Limited entered into the agreement on the Nabong substation upgrading and lease with the GOL, effective on 1 January 2019. Nam Ngum 2 Power Company Limited therefore recorded the transfer of this substation cost to "Finance lease receivable - related party".

As at 31 December 2019, Nam Ngum 2 Power Company Limited had receivables under the lease agreement on Nabong substation and 500 kV transmission lines, which the period of this agreement is valid until the end of the concession period of the Nam Ngum 2 Hydroelectric Power Project and interest is charged at effective interest rate over the lease term as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	Amounts of installments due under the contract			
	Less than 1 year	2 - 5 years	Over 5 years	Total
Finance lease receivable	416,289	1,665,156	5,689,283	7,770,728
Unearned interest income	(329,024)	(1,230,553)	(2,351,364)	(3,910,941)
Finance lease receivable - net	87,265	434,603	3,337,919	3,859,787

Long-term loans to subsidiary and interest receivable

As at 31 December 2019 and 2018, the balances of long-term loans to subsidiary and interest receivable between the Group and the movement in these balances are as follows:

(Unit: Thousand Baht)

	Separate financial statements			
	Balance as at 31 December 2018	Increase during the year	Decrease during the year	Balance as at 31 December 2019
Loans:				
- Bangkhenchai Company Limited	79,000	200,000	-	279,000
Interest receivable:				
- Bangkhenchai Company Limited	28	6,205	(6,109)	124
	79,028	206,205	(6,109)	279,124
Less: Current portion of long-term loans	(11,628)			(8,494)
long-term loans, net of current portion	67,400			270,630

On 7 June 2018, a meeting of the Company's Board of Directors passed a resolution approving the provision of a loan of approximately Baht 290 million to Bangkhengchai Company Limited for investment in solar rooftop or solar farm projects. The loan is to carry interest at the average rate of the financial costs of the Company plus a stipulated margin and interest is payable to the Company every last working day of the month, while principal is payable at the end of every year and the final payment is due in 2034.

On 21 November 2019, a meeting of the Company's Board of Directors passed a resolution approving to extend the repayment period to be completed in 2037. The first payment of principal is due on the last working day of December 2020. Bangkhengchai Company Limited is able made early repayment of the principal by providing a letter to the Company 30 days in advance of the full payment of the principal before that date.

As at 31 December 2019, Bangkhengchai Company Limited had drawn down Baht 279 million.

Long-term loans to associated company and interest receivable

As at 31 December 2019 and 2018, the balances of long-term loans to associated company and interest receivable between the Company and the associated company and the movement are as follows:

				(Unit: Thousand Baht)
Consolidated financial statements and Separate financial statements				
	Balance as at 31 December 2018	Increase during the year	Decrease during the year	Balance as at 31 December 2019
Loans:				
- Xayaburi Power Company Limited	-	3,000,000	-	3,000,000
Interest receivable:				
- Xayaburi Power Company Limited	-	54,308	-	54,308
	-	3,054,308	-	3,054,308

On 11 July 2019 and 21 November 2019, the Board of Directors' Meeting passed a resolution approving the loan to Xayaburi Power Company Limited of Baht 2,000 million and Baht 2,400 million, respectively and entered into a loan agreement with Xayaburi Power Company Limited according to the same conditions as specified in the Sponsors Support Agreement. The loans are to carry interest at the Minimum Loan Rate plus a stipulated margin (MLR + margin) per annum during the construction period and the interest rates are to be reduced from the Commercial Operation Date. The loans are to be repaid in accordance with the loan repayment schedule for the loans from the financial institutions for this project; however, the payment of principal and interest will be subject to the cash flows available to the shareholders after fulfillment of all conditions stipulated in the long-term loan agreements.

As at 31 December 2019, Xayaburi Power Company Limited had drawn down Baht 3,000 million.

(Unit: Thousand Baht)

	Related by	Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
Trade and other payables - related parties (Note 19)					
Trade payables - related parties					
Related parties					
- PT Sole Company Limited	The related company's president is the subsidiary's director	19,776	24,198	-	-
- Electricité du Laos	Major shareholder of a shareholder of a subsidiary	4,400	1,677	-	-
- Electricity Generating Authority of Thailand	Major shareholder of a shareholder of a subsidiary	16,182	15,559	-	-
- The Government of the Lao People's Democratic Republic	A group shareholder of a subsidiary	41,235	88,103	-	-
- PTT Public Company Limited	A group shareholder of a subsidiary	262,602	302,005	-	-
- Bangpa-in Land Company Limited	Common directors	83	4	-	-
- TTW Public Company Limited	Common directors	4,165	4,468	-	-
		348,443	436,014	-	-
Other payables - related parties					
a) Project payable - related party					
Related party					
- Electricity Generating Authority of Thailand	Major shareholder of a shareholder of a subsidiary	-	2,163	-	-
b) Other payables - related parties					
Related parties					
- CH. Kamchang Public Company Limited	Common directors	839	189	785	128
- Bangpa-in Land Company Limited	Common directors	63	136	-	-
- PT Sole Company Limited	The related company's president is the subsidiary's director	-	1,202	-	-
- Electricité du Laos	Major shareholder of a shareholder of a subsidiary	13	-	-	-
		915	1,527	785	128

		(Unit: Thousand Baht)			
Related by		Consolidated		Separate	
		financial statements		financial statements	
		<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
c) Accrued expenses - related party					
Related party					
- CH. Karnchang Public Company Limited	Common directors	-	237	-	237
Total trade and other payables - related parties		349,358	439,941	785	365

Retention payable - related company

- PT Sole Company Limited	The related company's president is the subsidiary's director	724	674	-	-
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Other long-term liabilities - related party (Note 23)

- Electricity Generating Authority of Thailand	Major shareholder of a shareholder of a subsidiary	289,602	270,752	-	-
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Directors and management's benefits

During the years ended 31 December 2019 and 2018, the Group had employee benefit expenses of their directors and management as below.

		(Unit: Million Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
		<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Short-term employee benefits		131.9	131.9	92.1	93.0
Post-employment benefits		5.8	5.9	5.2	5.2
Total		<u>137.7</u>	<u>137.8</u>	<u>97.3</u>	<u>98.2</u>

7. Cash and cash equivalents/Short-term restricted bank deposits**Cash and cash equivalents**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Cash	681	790	163	109
Bank deposits	4,213,503	2,585,788	1,539,462	103,089
Total	<u>4,214,184</u>	<u>2,586,578</u>	<u>1,539,625</u>	<u>103,198</u>

The subsidiaries have pledged and assigned rights of claim in bank accounts with outstanding balances as at 31 December 2019 totaling approximately Baht 1,098 million (2018: Baht 2,333 million) with lenders to secure long-term loans of the subsidiaries, in accordance with conditions stipulated in the long-term loan agreements. However, the subsidiaries are able to withdraw these deposits for payments of their regular operating expenses, in accordance with purpose of each account.

On 25 April 2019, all rights of claim in bank accounts assigned as security for the loans were released since Nam Ngum 2 Power Company Limited made repayment of all these long-term loans (31 December 2018: Nam Ngum 2 Power Company Limited has pledged and assigned rights of claim in bank accounts with outstanding balances totaling approximately Baht 1,317 million with lenders to secure long-term loans of Nam Ngum 2 Power Company Limited, in accordance with conditions stipulated in the long-term loan agreements. However, Nam Ngum 2 Power Company Limited is able to withdraw these deposits for payments of its regular operating expenses, in accordance with the purpose of each account.).

As at 31 December 2019, bank deposits in saving accounts and fixed accounts carried interests between 0.05 to 1.00 percent per annum (2018: 0.05 to 1.10 percent per annum).

Short-term restricted bank deposits

On 25 April 2019, all rights of claim in bank accounts assigned as security for the loans were released since Nam Ngum 2 Power Company Limited made repayment of all these long-term loans (31 December 2018: Nam Ngum 2 Power Company Limited has pledged and assigned rights of claim in bank accounts with outstanding balances Baht 507 million with lenders to secure long-term loans of Nam Ngum 2 Power Company Limited, in accordance with conditions stipulated in the long-term loan agreements. Those bank accounts have restrictions on withdrawal in order to repay loan principal and interest due within 6 months.).

8. Current investments

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Fixed deposit	<u>1,070</u>	<u>1,057</u>	<u>1,070</u>	<u>1,057</u>
Investments in available-for-sale securities				
Unit trust in fixed income open-ended fund	664,717	1,598,482	441,641	1,410,406
Add: Unrealised gain on changes in value of investments	<u>29,068</u>	<u>48,253</u>	<u>18,945</u>	<u>42,822</u>
Fair Value	<u>693,785</u>	<u>1,646,735</u>	<u>460,586</u>	<u>1,453,228</u>
Total current investments	<u>694,855</u>	<u>1,647,792</u>	<u>461,656</u>	<u>1,454,285</u>

9. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Trade receivables - related parties	432,552	473,054	34,017	31,994
Trade receivables - unrelated parties	775,287	837,726	-	-
Other receivable - related parties	81,713	159	-	-
Other receivables - unrelated parties	7	7	7	7
Accrued income - related parties	178	69	203	151
Interest receivables	<u>2,459</u>	<u>2,435</u>	<u>15</u>	<u>19</u>
Total trade and other receivables	<u>1,292,196</u>	<u>1,313,450</u>	<u>34,242</u>	<u>32,171</u>

As at 31 December 2019 and 2018, the balance of trade receivables are not yet due.

10. Long-term restricted bank deposits

The subsidiaries have pledged and assigned rights of claim on bank accounts with outstanding balances as at 31 December 2019 totaling approximately Baht 459 million (2018: Baht 1,035 million) with lenders to secure bank guarantees and to secure long-term loans of that company in accordance with conditions stipulated in the long-term loan agreements. Those bank accounts have restrictions on withdrawal in order to reserve cash for the loan principal repayment and interest payment under the long-term loans agreements, in the event that the subsidiary is unable to repay principal or interest when due.

11. Investments in subsidiaries

11.1 Details of investments in subsidiaries as presented in separate financial statements are as follows:

Company's name	Paid-up capital		Shareholding percentage		Cost		Allowance for impairment of investment		Carrying amounts based on cost method - net		Dividend received during the year	
	2019	2018	2019 (%)	2018 (%)	2019	2018	2019	2018	2019	2018	2019	2018
SouthEast Asia Energy Limited	6,606,750	6,606,750	61.33	56	9,930,914	9,249,450	(397,832)	(277,484)	9,533,082	8,971,966	401,162	325,580
Bangkhenchai Company Limited	234,250	234,250	100	100	527,062	527,062	-	-	527,062	527,062	11,712	12,884
Bangpa-in Cogeneration Limited	2,705,000	2,705,000	65	65	2,173,314	2,173,314	-	-	2,173,314	2,173,314	342,859	210,990
CKP Solar Company Limited ⁽¹⁾	5,750	5,750	100	100	5,750	5,750	-	-	5,750	5,750	-	-
Apollo Power Company Limited ⁽¹⁾	250	250	100	100	250	250	-	-	250	250	-	-
Vis Solis Company Limited ⁽¹⁾	250	250	100	100	250	250	-	-	250	250	-	-
Sole Power Company Limited ⁽¹⁾	250	250	100	100	250	250	-	-	250	250	-	-
Helios Power Company Limited ⁽¹⁾	250	250	100	100	250	250	-	-	250	250	-	-
Total					12,638,040	11,956,576	(397,832)	(277,484)	12,240,208	11,679,092	755,733	549,454

⁽¹⁾ Not commenced their business activities

11.2 Details of investments in subsidiaries that have material non-controlling interests

(Unit: Million Baht)

Company's name	Proportion of equity interest held by		Accumulated balance of		Profit/loss allocated to		Dividend paid to	
	non-controlling interests		non-controlling interests		non-controlling interests		non-controlling interests	
	during the year		during the year		during the year		during the year	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	(%)	(%)						
SouthEast Asia Energy Limited	38.67	44	10,619	11,780	162	571	495	465
Bangpa-in Cogeneration Limited	35	35	1,379	1,409	152	194	185	114

11.3 Summarised financial information that based on amounts before inter-company elimination about subsidiaries that have material non-controlling interests

Summarised information about financial position

(Unit: Million Baht)

	SouthEast Asia Energy Limited		Bangpa-in Cogeneration Limited	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Current assets	2,387	2,669	1,908	1,959
Non-current assets	23,564	25,336	8,472	8,870
Current liabilities	2,375	1,538	859	806
Non-current liabilities	12,513	15,250	6,071	6,513

Summarised information about comprehensive income

(Unit: Million Baht)

	For the year ended 31 December			
	SouthEast Asia Energy Limited		Bangpa-in Cogeneration Limited	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Revenue	3,415	3,962	5,038	4,871
Profit	736	1,445	460	581
Other comprehensive income	6	151	8	13
Total comprehensive income	742	1,596	468	594

Summarised information about cash flow

(Unit: Million Baht)

	For the year ended 31 December			
	SouthEast Asia Energy Limited		Bangpa-in Cogeneration Limited	
	2019	2018	2019	2018
Cash flow from operating activities	2,035	3,342	1,262	1,039
Cash flow from (used in) investing activities	1,442	(896)	(26)	(74)
Cash flow used in financing activities	(3,404)	(2,035)	(1,163)	(1,007)
Effect of exchange rate changes on cash and cash equivalents	-	(8)	-	-
Net increase (decrease) in cash and cash equivalents	73	403	73	(42)

SouthEast Asia Energy Limited

The Company has pledged share certificates for its investment in SouthEast Asia Energy Limited with banks to guarantee loan facilities granted to that company and its subsidiary by the banks. On 7 March 2019, the subsidiary of SouthEast Asia Energy Limited made repayment of all long-term loans and the assets securing the loans were released on 25 April 2019.

In May 2019, the Company purchased 35,236,000 ordinary shares of SouthEast Asia Energy Limited (a subsidiary company) equivalent to 5.33 percent of its issued and paid-up share capital from its existing shareholder for a total of Baht 681.46 million. As a result of this transaction, its shareholding in the subsidiary changed from 56 percent to 61.33 percent.

The acquisition of investment in the subsidiary is detailed below.

(Unit: Thousand Baht)

	Consolidated financial statements
Purchase price of investment in subsidiary	681,464
Less: Non-controlling interests of subsidiary adjusted	(829,957)
Surplus on change in interest in equity of subsidiary	(148,493)

12. Investments in jointly controlled entities

12.1 Detail of jointly controlled entities:

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Shareholding percentage		Consolidated		Separate	
					financial statements		financial statements	
					Carrying amounts based on equity method		Cost of investment	
			<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
			(%)	(%)				
Nakhon Ratchasima Solar Company Limited	Generating and sale of electricity from solar power	Thailand	30	30	163,026	153,313	85,388	85,388
Chiang Rai Solar Company Limited	Generating and sale of electricity from solar power	Thailand	30	30	180,710	166,353	107,551	107,551
					<u>343,736</u>	<u>319,666</u>	<u>192,939</u>	<u>192,939</u>

12.2 Share of profit and dividend received

During the years, the Company has recognised its share of profit from investments in jointly controlled entities in the consolidated financial statements and dividend income in the separate financial statements as follows:

(Unit: Thousand Baht)

Company's name	Consolidated financial statements		Separate financial statements	
	Share of profit from investments in jointly controlled entities		Dividend received during the years	
	during the years			
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Nakhon Ratchasima Solar Company Limited	16,913	23,470	7,200	12,000
Chiang Rai Solar Company Limited	23,957	16,850	9,600	-
Total	<u>40,870</u>	<u>40,320</u>	<u>16,800</u>	<u>12,000</u>

12.3 Summarised financial information of jointly controlled entities

Financial information as presented in the financial statements of jointly controlled entities is summarised below.

Company's name	Paid-up capital as at		Total assets as at		Total liabilities as at		Total revenues for		Profit for	
	31 December		31 December		31 December		the year ended		the year ended	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Nakhon Ratchasima Solar Company Limited	188	188	649	694	122	208	120	153	65	87
Chiang Rai Solar Company Limited	277	277	827	870	250	362	162	145	88	64

(Unit: Million Baht)

Nakhon Ratchasima Solar Company Limited

The Company entered into a Shareholders Agreement with Nakhon Ratchasima Solar Company Limited and another shareholder. Under the agreement, the Company agreed to provide financial support to such company in the proportion stipulated in the agreement (30 percent), or in total not more than Baht 12.6 million, if such company has continually negative working capital for a certain period stipulated in the agreement.

The Company has pledged all share certificates for its investment in Nakhon Ratchasima Solar Company Limited with a bank to guarantee a loan facility granted to that company by the bank.

Chiang Rai Solar Company Limited

The Company has pledged all share certificates for its investment in Chiang Rai Solar Company Limited with a bank to guarantee a loan facility granted to that company by the bank.

13. Investments in associated company

13.1 Detail of associated company

Company's name	Nature of business	Country of incorporation	Shareholding percentage		Consolidated financial statements		Separate financial statements	
			Carrying amounts		based on equity method		Cost of investment	
			2019	2018	2019	2018	2019	2018
Xayaburi Power Company Limited ⁽¹⁾	Generating and sale of electricity	The Lao People's Democratic Republic	37.5	37.5	11,971,263	11,154,499	11,585,927	11,104,452

⁽¹⁾ No fair value since shares of such company were not traded on the Stock Exchange of Thailand

13.2 Share of comprehensive income and dividend received

During the years, the Company has recognised its share of profit (loss) from investments in associated company in the consolidated financial statements and dividend income in the separate financial statements as follows:

(Unit: Thousand Baht)

Associate	Consolidated financial statements				Separate financial statements	
	Share of profit (loss) from investments in associate during the year		Share of other comprehensive income from investments in associate during the year		Dividend received during the year	
	2019	2018	2019	2018	2019	2018
Xayaburi Power Company Limited	392,235	(33,651)	(36,579)	77,634	-	-

13.3 Summarised financial information of associated company

Financial information as presented in the financial statements of associated company is summarised below.

(Unit: Million Baht)

Company's name	Paid-up capital as at 31 December		Total assets as at 31 December		Total liabilities as at 31 December		Total revenues for the years ended 31 December		Profit (loss) for the years ended 31 December	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Xayaburi Power Company Limited	26,861	25,577	129,857	124,958	103,085	100,422	3,154	-	1,050	(100)

The Company was transferred the obligations from CH. Karnchang Public Company Limited with the financial institution creditors of Xayaburi Power Company Limited, which agreed to provide financial support to this company in the proportion stipulated in the agreement (51.39 percent) in the event of any budget cost overruns of the Xayaburi Hydroelectric Power Project, until the construction of this company's project is completed.

On 10 April 2018, the Annual General Meeting of the Company's shareholders No. 1/2018 passed a resolution approving the purchase of 201,457,499 ordinary shares in Xayaburi Power Company Limited, or a 7.5 percent of registered capital, from Bangkok Expressway and Metro Public Company Limited at an amount of Baht 2,065 million, and the payment of a total of Baht 399.2 million for shares of Xayaburi Power Company Limited in proportion to its shareholding until the Xayaburi project is completed. As a result, the Company's total interest in the equity of Xayaburi Power Company Limited will increase from 30 percent to 37.5 percent. In June 2018, the Company completed the purchase of ordinary shares and paid such share.

Details of the fair values and their book values of identifiable assets and liabilities of Xayaburi Power Company Limited at acquisition date are as follow:

	(Unit: Thousand Baht)	
	Fair value	Book value
Assets		
Cash and cash equivalents	873,267	873,267
Other current assets	1,619	1,619
Project costs during construction phase	116,590,795	116,590,795
Right to produce and sell electricity	4,909,627	-
Deferred loan arrangement fees	224,366	224,366
Building and equipment	44,644	44,644
Intangible assets	45,722	45,722
Other assets	674	674
Total assets	122,690,714	117,781,087
Liabilities		
Trade and other payables	2,412,741	2,412,741
Accrued finance cost	25,143	25,143
Long-term loans from financial institutions	75,154,215	75,154,215
Long-term loans from related companies and accrued interest expenses	17,270,211	17,270,211
Derivative financial liabilities	33,193	33,193
Provision for long-term employee benefits	3,143	3,143
Income tax liability from entity acquisition	232,599	-
Total liabilities	95,131,245	94,898,646
Net asset value	27,559,469	22,882,441
Net asset attributable to Company's investment (37.5%)	10,334,801	

(Unit: Thousand Baht)

Investments in associated company under the equity method in the consolidated financial statements as at the date of additional investment consisting of

Investments in associated company under the equity method previously applied (30.0%)	8,269,801
Investment in associated company, additional purchases (7.5%)	2,065,000
Total	10,334,801

Currently, Xayaburi Power Company Limited registered share capital comprises 2,686.1 million shares with a par value of Baht 10 each, a total of Baht 26,861.0 million. During the year ended 31 December 2019, Xayaburi Power Company Limited received share payments from its shareholders totaling Baht 1,283.9 million as Xayaburi Power Company Limited called additional share payments of 12.1 percent of the par value of each share totaling 1,061.1 million shares, which have been fully paid.

The Company has pledged all share certificates for its investment in Xayaburi Power Company Limited with banks to secure long-term loans of such company obtained from the banks.

14. Right to produce and sell electricity

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2019</u>	<u>2018</u>
Right to produce and sell electricity	13,203,679	13,203,679
Less: Accumulated amortisation of right to produce and sell electricity	(3,958,251)	(3,436,967)
Right to produce and sell electricity - net	<u>9,245,428</u>	<u>9,766,712</u>
Right to produce and sell electricity - net consisting of		
Equity attributable to shareholders of the Company	4,387,132	4,282,494
Non-controlling interests of the subsidiaries	4,858,296	5,484,218
Total	<u>9,245,428</u>	<u>9,766,712</u>

15. Project costs during construction phase

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2019</u>	<u>2018</u>
Project construction costs	89,950	2,515,339
Project administrative and management fee and other costs	13,184	113,583
Interest expenses and other financial cost during construction phase	1,924	446,558
Total	<u>105,058</u>	<u>3,075,480</u>

As at 31 December 2019, the balance of project costs during construction phase represents the costs of solar farm project (2018: the balance of project costs during construction phase represented the costs of the expansion of Nabong Substation and solar rooftop and solar farm projects).

During the year ended 31 December 2019, the subsidiary had the borrowing costs totaling approximately Baht 2.0 million (2018: Baht 292 million) capitalised for project costs during construction phase. The interest rate used to determine the amount of borrowing cost were MLR less a stipulated margin (MLR - margin) and average rate of the financial costs of the Company (2018: MLR less a stipulated margin (MLR - margin) and average rate of the financial costs of the Company).

On 1 January 2019, the construction of the Nabong Substation Project of Nam Ngum 2 Power Company Limited was completed. The Government of the Lao People's Democratic Republic ("the GOL") is responsible for the construction cost as stipulated in the concession agreement. On 1 August 2019, Nam Ngum 2 Power Company Limited entered into the agreement on the Nabong substation upgrading and lease with the GOL, effective date on 1 January 2019. Nam Ngum 2 Power Company Limited therefore recorded the transfer of this substation cost to "Finance lease receivable - related party" in the statement of financial position as described in Note 6.

In February, May, June and July 2019, the constructions of five solar rooftop projects of Bangkhengchai Company Limited were completed. The subsidiary therefore partially recorded the transfer of costs of construction in progress for the completed projects as "Property, plant and equipment" in the statement of financial position as described in Note 17.

16. Assets of hydroelectric power project under concession agreement

Movements of assets of hydroelectric power project under concession agreement for the year ended 31 December 2019 are summarised below.

	(Unit: Thousand Baht)
	Consolidated
	<u>financial statements</u>
Cost	
31 December 2018	29,428,223
Transfer out	(1,342,236)
31 December 2019	<u>28,085,987</u>

(Unit: Thousand Baht)
Consolidated
financial statements

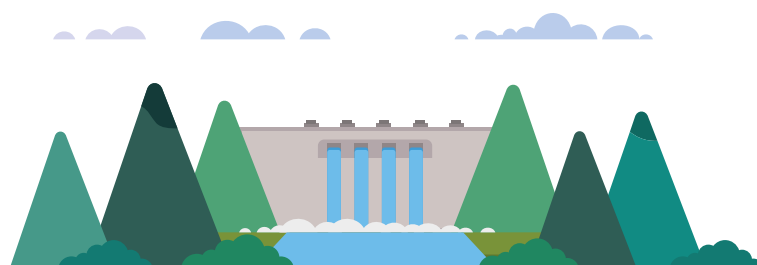
Accumulated depreciation

1 January 2018	7,260,933
Depreciation for the year	1,073,939
Depreciation on write-off	(2,914)
31 December 2018	8,331,958
Depreciation for the year	1,025,793
Depreciation on transfer out	(380,163)
31 December 2019	8,977,588
Net book value	
31 December 2018	21,096,265
31 December 2019	19,108,399

Nam Ngum 2 Power Company Limited has mortgaged immovable assets and pledged other movable assets of the Nam Ngum 2 Hydroelectric Power Project with a group of lenders to secure the long-term loans.

On 7 March 2019, Nam Ngum 2 Power Company Limited made repayment of all long-term loans and the assets securing the loans were released on 25 April 2019.

On 1 January 2019, the construction of the Nabong Substation Project was completed. The Government of the Lao People's Democratic Republic ("the GOL") is responsible for the construction cost as stipulated in the concession agreement. On 1 August 2019, Nam Ngum 2 Power Company Limited entered into the agreement on the Nabong substation upgrading and lease with the GOL, effective date on 1 January 2019. Nam Ngum 2 Power Company Limited therefore recorded the transfer of this substation cost to "Finance lease receivable - related party" in the statement of financial position as described in Note 6.



17. Property, plant and equipment

Cost	Consolidated financial statements								(Unit: Thousand Baht)
	Thermal power			Equipment, furniture and office					
	Land	Solar power plant	equipment	Building	Leased asset improvements	equipment	Motor vehicles	Assets under construction	
1 January 2018	261,084	748,952	9,891,485	1,557	75,087	125,933	81,170	10,121	11,195,389
Additions	-	5,257	34,344	-	1,216	5,932	1,586	29,346	77,681
Transfer in (out)	-	-	-	-	9,392	14,154	-	(23,546)	-
Disposals/write-off	-	(396)	(3,561)	-	-	(78)	(4,702)	-	(8,737)
31 December 2018	261,084	753,813	9,922,268	1,557	85,695	145,941	78,054	15,921	11,264,333
Additions	-	671	19,849	179	1,655	17,397	18,440	17,742	75,933
Transfer in (out)	-	175,002	15,863	-	(958)	83	(2,204)	(20,114)	167,672
Disposals/write-off	-	-	(5,454)	-	-	(4,442)	(22,385)	-	(32,281)
31 December 2019	261,084	929,486	9,952,526	1,736	86,392	158,979	71,905	13,549	11,475,657

(Unit: Thousand Baht)

Consolidated financial statements									
	Land	Solar power plant	Thermal power plant and equipment	Building	Leased asset improvements	Equipment, furniture and office equipment	Motor vehicles	Assets under construction	Total
Accumulated depreciation									
1 January 2018	-	160,625	1,035,596	105	13,706	61,902	52,801	-	1,324,735
Depreciation for the year	-	30,654	403,129	78	4,477	18,973	3,540	-	460,851
Depreciation on disposals/write-off	-	(79)	(1,487)	-	-	(64)	(3,020)	-	(4,650)
31 December 2018	-	191,200	1,437,238	183	18,183	80,811	53,321	-	1,780,936
Depreciation for the year	-	36,332	403,728	86	5,363	19,041	8,367	-	472,917
Depreciation on transfer out	-	-	-	-	(444)	(1,716)	(706)	-	(2,866)
Depreciation on disposals/write-off	-	-	(1,392)	-	-	(4,318)	(16,584)	-	(22,294)
31 December 2019	-	227,532	1,839,574	269	23,102	93,818	44,398	-	2,228,693
Net book value									
31 December 2018	261,084	562,613	8,485,030	1,374	67,512	65,130	24,733	15,921	9,483,397
31 December 2019	261,084	701,954	8,112,952	1,467	63,290	65,161	27,507	13,549	9,246,964
Depreciation for the year									
2018 (Baht 450 million included in cost of sales of electricity and steam, and the remaining balance in administrative expenses)									460,851
2019 (Baht 458 million included in cost of sales of electricity and steam, and the remaining balance in administrative expenses)									472,917

(Unit: Thousand Baht)

	Separate financial statements				
	Leased asset improvements	Office equipment	Motor vehicles	Assets under construction	Total
Cost					
1 January 2018	49,434	25,571	6,553	8,435	89,993
Additions	-	1,423	-	58	1,481
Transfer in (out)	-	8,436	-	(8,436)	-
Disposals/write-off	-	(78)	(3,395)	-	(3,473)
31 December 2018	49,434	35,352	3,158	57	88,001
Additions	-	1,789	-	14,407	16,196
Transfer in (out)	1,682	2,569	-	(4,251)	-
Disposals/write-off	-	(828)	(2,687)	-	(3,515)
31 December 2019	51,116	38,882	471	10,213	100,682
Accumulated depreciation					
1 January 2018	5,611	12,008	3,204	-	20,823
Depreciation for the year	3,267	7,257	617	-	11,141
Depreciation on disposals/write-off	-	(63)	(1,597)	-	(1,660)
31 December 2018	8,878	19,202	2,224	-	30,304
Depreciation for the year	3,364	6,945	28	-	10,337
Depreciation on disposals/write off	-	(769)	(1,781)	-	(2,550)
31 December 2019	12,242	25,378	471	-	38,091
Net book value					
31 December 2018	40,556	16,150	934	57	57,697
31 December 2019	38,874	13,504	-	10,213	62,591
Depreciation for the year included in administrative expenses					
2018					11,141
2019					10,337

As at 31 December 2019, certain motor vehicles, furniture and office equipment items of the Group have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 83 million (2018: Baht 103 million) (Separate financial statement: Baht 13 million (2018: Baht 1 million)).

Bangkhenchai Company Limited has mortgaged some plots of land and the solar power plant project with a total net book value as at 31 December 2019 of approximately Baht 592 million (2018: Baht 624 million) to the lender as collateral against credit facilities received from the bank.

Bangpa-in Cogeneration Limited has mortgaged land and construction thereon of two power plant projects with a total net book value as at 31 December 2019 of Baht 8,259 million (2018: Baht 8,630 million) to the lenders as collateral against credit facilities received from the banks.

On 1 January 2019, the construction of the Nabong Substation Project was completed. The Government of the Lao People's Democratic Republic ("the GOL") is responsible for the construction cost as stipulated in the concession agreement. On 1 August 2019, Nam Ngum 2 Power Company Limited entered into the agreement on the Nabong substation upgrading and lease with the GOL, effective date on 1 January 2019. Nam Ngum 2 Power Company Limited therefore recorded the transfer of this substation cost to "Finance lease receivable - related party" in the statement of financial position as described in Note 6.

In February, May, June and July 2019, the constructions of five solar rooftop projects of Bangkhenchai Company Limited were completed. The subsidiary therefore partially recorded the transfer of costs of construction in progress for the completed projects as "Property, plant and equipment" in the statement of financial position.

18. Intangible assets

Details of intangible assets which are computer software are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Seperate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Cost	108,160	107,342	55,776	55,488
Accumulated amortisation	(24,439)	(13,657)	(12,846)	(7,340)
Net book value	<u>83,721</u>	<u>93,685</u>	<u>42,930</u>	<u>48,148</u>
Amortisation expenses included				
in the profits or loss for the year	<u>10,934</u>	<u>10,631</u>	<u>5,658</u>	<u>5,528</u>

A reconciliation of the net book value of intangible assets for the years 2019 and 2018 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Net book value at beginning of year	93,685	93,670	48,148	51,286
Acquisition of computer software	970	10,646	440	2,390
Amortisation	(10,934)	(10,631)	(5,658)	(5,528)
Net book value at end of year	<u>83,721</u>	<u>93,685</u>	<u>42,930</u>	<u>48,148</u>

19. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Trade payables - related parties	348,443	436,014	-	-
Trade payables - unrelated parties	101,728	63,217	-	-
Project payable - related parties	-	2,163	-	-
Project payable - unrelated parties	35,133	34,978	-	-
Other payables - related parties	915	1,527	785	128
Other payables - unrelated parties	30,117	18,801	25,926	6,792
Accrued expenses - related party	-	237	-	237
Accrued expenses - unrelated parties	25,052	30,657	9,746	15,661
Accrued finance cost	148,700	288,026	7,821	7,262
Total trade and other payables	<u>690,088</u>	<u>875,620</u>	<u>44,278</u>	<u>30,080</u>

20. Long-term loans from financial institutions

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	<u>2019</u>	<u>2018</u>
Long-term loans	6,700,902	14,252,572
Less: Current portion of long-term loans	(522,494)	(1,519,658)
Long-term loans, net of current portion	<u>6,178,408</u>	<u>12,732,914</u>

Movement in the long-term loans account during the year are summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements
Balance as at 1 January 2019	14,252,572
Less: Repayment	(7,812,120)
Unrealised gain from cash flow hedges	(1,126)
	6,439,326
Add: Transaction costs	261,576
Balance as at 31 December 2019	6,700,902

Nam Ngum 2 Power Company Limited

On 14 September 2016, Nam Ngum 2 Power Company Limited entered into long-term loan agreements with a consortium of commercial banks in Thailand to refinance the existing long-term loans and finance the upgrade and construction of the Nabong Substation Project. This comprises the following credit facilities:

- 1) Tranche 1 Facility: Baht 10,897 million and USD 136 million to refinance the existing long-term loans.
- 2) Tranche 2 Facility: Baht 1,720 million and USD 39 million to fund the upgrade and construction of the Nabong Substation Project.
- 3) Guarantee Facility: A bank guarantee of USD 25 million provided to guarantee the Company's obligations under the Power Purchase Agreement with the Electricity Generating Authority of Thailand.
- 4) Working Capital Facility: Baht 50 million set aside as a reserve to fund the issue of letters of guarantee, and to make payment of various costs that arise in the normal course of business.

The rate of interest of the Baht loans is MLR less a stipulated margin (MLR - margin) per annum and the rate of interest of the USD loans is LIBOR plus a stipulated margin (LIBOR + margin) per annum. Principal repayments are to be made semi-annually in 29 installments as stipulated in the long-term loan agreements. The first payment of principal under the Tranche 1 Facility is due on 30 September 2016 and the first payment of principal under the Tranche 2 Facility is due on 28 September 2018.

Under the long-term loan agreements, Nam Ngum 2 Power Company Limited is to conform with covenants imposed by the lenders in respect of, among other things, the maintenance of total liabilities to total equity ratio and the securing of long-term loans through the mortgage of immovable properties, the pledge of movable properties located in the Lao People's Democratic Republic, the pledge of the share certificates of SouthEast Asia Energy Limited and some of the share certificates of Nam Ngum 2 Power Company Limited, the pledge and assignment of rights in bank accounts, the assignment of beneficiary rights under insurance policies, and the assignment of rights and obligations under the agreements relating to the Nam Ngum 2 Hydroelectric Power Project.

On 7 March 2019, Nam Ngum 2 Power Company Limited made early repayment of all long-term loans under the Tranche 1 and Tranche 2 Facility. As at 31 December 2019, Nam Ngum 2 Power Company Limited had not yet drawn down the Working Capital Facility of Baht 50 million.

Bangkhenchai Company Limited

As at 31 December 2019, the long-term loan that Bangkhenchai Company Limited entered into a loan agreement with a local commercial bank which granted the loan facility of Baht 703 million, which had the outstanding loan balance of loan totaling to Baht 203 million. The long-term loan carries interest at the Minimum Loan Rate less a stipulated margin (MLR - margin) per annum and the lender reduces the stipulated margin two times, in November 2014 and November 2016. Principal is to be paid in 40 quarterly installments in the amounts stipulated in the long-term loan agreement, with the first payment is in September 2012. As collateral for this loan, that company mortgaged some plots of land and constructions and assigned the rights in bank accounts.

Under the long-term loan agreement, Bangkhenchai Company Limited is to conform to covenants imposed by the lenders in respect of, among other things, the maintenance of a certain debt to equity ratio.

Bangpa-in Cogeneration Limited

As at 31 December 2019, the long-term loans from banks of Bangpa-in Cogeneration Limited comprise credit facilities from two local commercial banks. Details are as follows:

- a) The outstanding loan balance of Baht 2,860 million is under the loan agreement with comprises the following 3 credit facilities:

- 1) Tranche A Facility is a long-term loan of Baht 4,110 million for use in the payment of project costs. The rate of interest of the Tranche A Facility is the fixed deposit rate plus a stipulated margin per annum, with the lender to reduce the stipulated margin as from the Commercial Operation Date. Principal is to be paid in 26 semi-annually installments in the amounts stipulated in the long-term loan agreement, with the first payment in March 2014. Thereafter, payment is made in June and December of each year, with the final payment in June 2026.

In June 2014, the lenders approved an extension of the loan repayment period of this long-term loan, from the former terms of 26 semi-annual installments to 33 semi-annual installments, at the rates stipulated in the loan agreement, with the final installment to be paid in December 2029.

- 2) Tranche B Facility is short-term working capital loan facility of Baht 120 million in the form of promissory notes, bank overdrafts and letters of credit.
 - 3) Tranche C Facility is a bank guarantee facility of Baht 803 million provided for the subsidiary's obligations under the Power Purchase Agreement with the Electricity Generating Authority of Thailand and other guarantees.
- b) The balance of loan amounting to Baht 3,638 million is under another loan agreement for another power plant project of the subsidiary with the following 3 credit facilities:
- 1) Tranche A Facility is a long-term loan of Baht 4,005 million for use in the payment of project costs. The rate of interest of the Tranche A Facility is the fixed deposit rate plus a stipulated margin per annum, with the lender to reduce the stipulated margin as from the Commercial Operation Date. Principal is to be paid in 33 semi-annually installments in the amounts stipulated in the long-term loan agreement, with the first payment due on February 2018. Thereafter, payment is made in June and December of each year.
 - 2) Tranche B Facility is short-term working capital loan facility of Baht 250 million in the form of promissory notes, bank overdrafts and letters of credit.
 - 3) Tranche C Facility is a bank guarantee facility of Baht 686 million provided for the subsidiary's obligations under the Power Purchase Agreement with the Electricity Generating Authority of Thailand and other guarantees.

As collateral for the loans, the subsidiary mortgaged some plots of land and constructions thereon, and equipment as well as assigned the rights in bank accounts, benefits under insurance policy and commitments under agreements related to the project and others as stipulated in loan agreements.

Under the long-term loan agreements, Bangpa-in Cogeneration Limited is to conform to covenants imposed by the lenders such as registered capital increase and the maintenance of a certain long-term loans to equity ratio.

21. Debentures

					(Unit: Thousand Baht)			
					Consolidaated financial statements		Seperate financial statements	
Debentures	Life	Date of issue	Maturity date	Interest rate	2019	2018	2019	2018
(% per annum)								
1	3 Years	5 October 2017	5 October 2020	2.59	1,000,000	1,000,000	-	-
2	7 Years	5 October 2017	5 October 2024	3.48	1,400,000	1,400,000	-	-
3	10 Years	5 October 2017	5 October 2027	3.69	3,600,000	3,600,000	-	-
4	12 Years	30 March 2018	30 March 2030	3.98	3,000,000	3,000,000	-	-
5	3 Years	18 June 2018	18 June 2021	2.56	4,000,000	4,000,000	4,000,000	4,000,000
6	10 Years	18 June 2018	18 June 2028	4.06	2,500,000	2,500,000	2,500,000	2,500,000
7	3 Years	7 March 2019	7 March 2022	3.18	2,600,000	-	-	-
8	4 Years	7 March 2019	7 March 2023	3.44	800,000	-	-	-
9	8 Years	7 March 2019	7 March 2027	3.88	2,000,000	-	-	-
Total					20,900,000	15,500,000	6,500,000	6,500,000
Less: Deferred debenture issuing costs					(90,139)	(71,098)	(4,208)	(5,844)
Less: Current portion of debentures					(2,100,000)	-	-	-
Debentures - net of current portion					18,709,861	15,428,902	6,495,792	6,494,156

On 7 March 2019, Nam Ngum 2 Power Company Limited issued and offered debentures as follows:

- Debenture No. 1/2019 Tranche 1: 3,200,000 units as described in No. 7.
- Debenture No. 1/2019 Tranche 2: 800,000 units as described in No. 8.
- Debenture No. 1/2019 Tranche 3: 2,000,000 units as described in No. 9.

In September 2019, Nam Ngum 2 Power Company Limited paid Baht 600 million towards redemption of Baht 3,200 million of debentures that bear interest at a rate of 3.18 percent per annum. This was a scheduled redemption installment payment for these debentures.

All debentures of the Company is name-registered, unsecured, unsubordinated debentures without a debentureholders' representative and with a par value of Baht 1,000 each. All debentures of the subsidiary is name-registered, unsecured, and unsubordinated debentures with a debentureholders' representative. Interest is payable by the Company and its subsidiary semi-annually throughout the life of the debentures.

The conditions of the debentures include covenants that, among other things, the Company and its subsidiary shall not sell or transfer or otherwise dispose of the whole or part of its material operating assets with certain permissions; and the Company and its subsidiary is required to maintain a certain net interest-bearing debt to equity ratio.

22. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Defined benefit obligation at beginning of year	52,883	43,419	33,222	27,326
Current service cost	12,975	10,317	7,895	7,172
Interest cost	1,356	1,155	890	732
Benefits paid during the year	(2,675)	(2,008)	(2,675)	(2,008)
Provisions for long-term employee benefits at end of year	<u>64,539</u>	<u>52,883</u>	<u>39,332</u>	<u>33,222</u>

Line items in profit or loss under which long-term employee benefit expenses are recognised are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Cost of sales	4,109	2,342	-	-
Administrative expenses	10,222	9,130	8,785	7,904
Total expense recognised in profit or loss	<u>14,331</u>	<u>11,472</u>	<u>8,785</u>	<u>7,904</u>

The Group expects to pay Baht 0.28 million (2018: Baht 2.03 million) of long-term employee benefits during the next year (Separate financial statements: Baht 0.17 million (2018: Baht 2.00 million)).

As at 31 December 2019, the weighted average duration of the liabilities for long-term employee benefit is 6.2 - 16.3 years (2018: 6.2 - 16.3 years) (Separate financial statements: 14.9 years (2018: 14.9 years)).

Significant actuarial assumptions are summarised below.

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	1.81 - 2.79	1.81 - 2.79	2.70	2.70
Future salary increase rate - average (depending on age of employees)	4.0 - 7.0	4.0 - 7.0	7.0	7.0
Staff turnover rate - average	0 - 18.0	0 - 18.0	0 - 10.0	0 - 10.0

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2019 and 2018 are summarised below:

(Unit: Million Baht)

As at 31 December 2019				
	Consolidated		Separate	
	financial statements		financial statements	
	<u>Increase 1%</u>	<u>Decrease 1%</u>	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(8.20)	9.92	(5.49)	6.59
Salary increase rate	10.75	(9.00)	7.11	(5.97)
Turnover rate	(8.72)	3.46	(5.87)	2.99

(Unit: Million Baht)

As at 31 December 2018				
	Consolidated		Separate	
	financial statements		financial statements	
	<u>Increase 1%</u>	<u>Decrease 1%</u>	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(6.81)	8.26	(4.52)	5.46
Salary increase rate	8.38	(7.04)	5.52	(4.66)
Turnover rate	(7.24)	2.96	(4.84)	2.55

23. Other long-term liabilities - related party

The balance of other long-term liabilities is the cash which Nam Ngum 2 Power Company Limited received from sales of electricity as excess energy in the Nam Ngum 2 Hydroelectric Power Project to EGAT and has the obligations to repay to EGAT in 2022, in accordance with a condition in the Power Purchase Agreement. Nam Ngum 2 Power Company Limited records such long-term liabilities at the present value of the amounts to be repaid, calculated using a discount rate tied to the cost of financing rate of that company, and records them as a deduction against sales of electricity as excess energy. In addition, the carrying amount of the liabilities increases in each period to reflect the passage of time, with Nam Ngum 2 Power Company Limited recognising this increase as a finance cost.

24. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

25. Dividend

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final dividends for 2017	2018 Annual General Meeting of the shareholders on 10 April 2018	166	0.0225
		166	0.0225
Final dividends for 2018	2019 Annual General Meeting of the shareholders on 23 April 2019	206	0.0280
		206	0.0280

26. Expenses by nature

Significant expenses classified by nature are as follow:

	Consolidated		(Unit: Thousand Baht)	
			Seperate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Fuel costs	3,334,150	3,163,157	-	-
Depreciation and amortisation	1,517,821	1,553,597	15,995	16,669
Operation and maintenance of power plant and transmission systems	496,797	432,351	-	-
Salary and other employee benefits	352,346	347,672	223,110	220,189
Royalty fee	104,853	133,110	-	-
Insurance premium	72,785	69,660	-	-
Environment and public consultation	7,455	20,455	-	-
Traveling expenses	31,779	33,152	13,179	11,502
Consultant expenses	61,266	83,256	19,270	39,134
Director's remuneration	21,752	24,004	6,652	8,024
Allowance for impairment of investment in subsidiary	-	-	120,348	156,501
Wheeling charge	216,888	-	-	-

27. Income tax

Income tax expense reported in the statement of comprehensive income for the year 2019 is current income tax.

As at 31 December 2019 the Group has deductible temporary differences and unused tax losses totaling Baht 925 million (2018: Baht 652 million) (Separate financial statements: Baht 833 million) (2018: Baht 575 million)), on which deferred tax assets have not been recognised as the Group believes future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

The unused tax losses amounting to Baht 501 million (Separate financial statements: Baht 415 million) will expire by 2023.

Income tax expenses of Nam Ngum 2 Power Company Limited is calculated by multiplying taxable profits by the tax rate as specified in the Concession Agreement for each period commencing from the Initial Operation Date (26 March 2011) to the end of the concession period. However, for a period of 5 years from the Initial Operation Date, this subsidiary has been granted exemption from the corporate income tax. The corporate income tax rate for current year is 3.0 percent.

28. Promotional privileges

Bangkhenchai Company Limited received promotional privileges from the Board of Investment for generation of electricity from solar power, pursuant to the promotion certificate as follow:

Promotion certificate No.	Date of issue	Commenced generating revenues date
1089(1)/2555	23 January 2012	10 August 2012
61-1228-1-00-1-0	19 September 2018	1 February 2019
61-1292-1-00-1-0	5 October 2018	4 July 2019
61-1293-1-00-1-0	5 October 2018	12 June 2019
61-1294-1-00-1-0	5 October 2018	12 June 2019
61-1295-1-00-1-0	5 October 2018	1 May 2019
62-0417-1-00-1-0	11 March 2019	Not commenced their business activities

The promotion certificate of Bangkhenchai Company Limited was subject to certain imposed conditions, the privileges include an exemption from corporate income tax for a period of 8 years from the date the promoted activity commenced generating revenues.

Bangpa-in Cogeneration Limited received promotional privileges from the Board of Investment for generation of electricity and steam from thermal power, pursuant to the promotion certificate No. 1565(2)/2554 on 18 May 2011. Subject to certain imposed conditions, the privileges include an exemption from corporate income tax for a period of 8 years from the date the promoted activity commenced generating revenues (23 June 2013) and pursuant to the promotion certificate No. 1132(2)/2558 on 2 February 2015. Subject to certain imposed conditions, the privileges include an exemption from corporate income tax for a period of 8 years from the date the promoted activity commenced generating revenues (29 June 2017).

29. Share capital/Share premium

	Number of shares (Thousand shares)	Paid up capital (Thousand Baht)	Share premium (Thousand Baht)
<u>Issued and paid-up ordinary shares</u>			
As at 1 January 2019	7,370,000	7,370,000	9,522,332
Increase due to exercise of warrants CKP-W1 (Note 30)	759,382	759,382	3,796,910
As at 31 December 2019	8,129,382	8,129,382	13,319,242

30. Warrants

CKP-W1

On 9 April 2015, the Annual General Meeting of Shareholders No. 1/2015 passed a resolution to approve the issuance and allocation of warrants (CKP-W1) in the amount not more than 1,870 million units to the existing shareholders who have reserved their right to purchase and made payment for the subscription of the Company's newly issued shares, with no charge at the ratio of 1 ordinary share per 1 unit of warrant.

Subsequently on 29 May 2015, the Company issued 1,870 million units of warrants to purchase all ordinary shares to the shareholders of the Company. The warrants have a term of 5 years and can be exercised on the last business day of every quarter throughout the term of the warrants. The first and last exercise dates are on 30 September 2015 and 28 May 2020, respectively. The exercise ratio is 1 warrant unit per 1 ordinary share, with a par value of Baht 1 per share and the exercise price of Baht 6.

Subsequently, On 30 April 2019, the Company adjusted the exercise ratio on CKP-W1 in order to maintain benefits and returns to the Warrant Holders in a way that the benefits and returns will not be less favorable than prevailing rights. The detail of adjustment to exercise ratio are as follows;

	Exercise price per ordinary share (Baht)	Exercise ratio (Warrant per ordinary share)
Previous	6.00	1 : 1
New	6.00	1 : 1.0007

In June 2019, the CKP-W1 warrant holders exercised 593,816,848 warrants to purchase 594,232,516 newly issued ordinary shares with a par value of Baht 1 each, at an exercise price of Baht 6 per share. The Company received the cash of Baht 3,565 million from the exercise of the warrants. The Company registered the corresponding increase in its paid-up capital with the Ministry of Commerce on 1 July 2019.

In September 2019, the CKP-W1 warrant holders exercised 165,034,000 warrants to purchase 165,149,523 newly issued ordinary shares with a par value of Baht 1 each, at an exercise price of Baht 6 per share. The Company received the cash of Baht 991 million from the exercise of the warrants. The Company registered the corresponding increase in its paid-up capital with the Ministry of Commerce on 1 October 2019.

As at 31 December 2019, there were 1,111,149,152 units of unexercised warrants outstanding.

31. Earnings per share

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

Diluted earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that such conversion took place either at the beginning of the period or on the date the potential ordinary shares were issued.

Exercise prices of the warrants to purchase the ordinary shares of the Company (CKP-W1) were higher than the average market price of the Company's shares for the year ended 31 December 2019 and 2018. Therefore, the Company has not assumed conversion of the warrants in the calculation of diluted earnings per share in the consolidated and separate financial statements for the year ended 31 December 2019 and 2018.

32. Provident fund

The Group and their employees have jointly established provident funds in accordance with the Provident Fund Act B.E. 2530. The Group contributes to the fund monthly at the rate of 5 percent of basic salary and their employees all contribute to the fund monthly at the rates of 5 to 15 percent of basic salary. The funds, which are managed by Krungsri Asset Management Company Limited, TMB Asset Management and Kasikorn Asset Management Company Limited (Separate financial statements: Krungsri Asset Management Company Limited), will be paid to employees upon termination in accordance with the fund rules. During the years 2019 and 2018, the Group contributed Baht 7.4 million and Baht 6.9 million, respectively (Separate financial statements: Baht 5.6 million and Baht 5.1 million, respectively) to the funds.

33. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as Chairman of the Executive Board. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements.

The Company is principally engaged in investment in other companies, with the provision of consulting and other services related to power generation project as the secondary business while the subsidiaries' core businesses are the generation and sale of electricity and steam.

For management purposes, the Group is organised into 3 business segments based on the type of power plant namely (1) generation of electricity from hydroelectric power (2) generation of electricity from solar power and (3) generation of electricity from thermal power. The geographic areas in which these activities are carried on are Thailand (generation of electricity from solar and thermal power) and the Lao People's Democratic Republic (generation of electricity from hydroelectric power), where operations are carried out by subsidiary of SouthEast Asia Energy Limited.

The investment and project management segments were included in other operating segments.

Inter-segment revenues are eliminated on consolidation.



The following tables present revenue and profit (loss) information regarding the Group operating segments for the years ended 31 December 2019 and 2018.

	(Unit: Million Baht)					
	Generation of electricity from hydroelectric power segment	Generation of electricity from solar power segment	Generation of electricity from thermal power segment	Other operating segment	Total segments	Adjustments and eliminations
For the year ended 31 December 2019						Consolidated financial statement
Revenue						
Revenue from external customers	3,048	145	5,030	154	8,377	-
Inter-segment	-	-	-	191	191	(191)
Total revenue	3,048	145	5,030	345	8,568	8,377
Depreciation and amortisation	1,051	37	413	17	1,518	1,518
Segment operating profit (loss)	606	59	698	(3)	1,360	1,360
Unallocated income and expenses:						
Other income						463
Share of profit from investments in jointly controlled entities						41
Share of profit from investments in associated company						392
Finance cost						(1,161)
Income tax expenses						(12)
Profit for the year						1,083

In 2019, the subsidiaries had revenues from a group of government agencies amounting to Baht 7,153 million.

(Unit: Million Baht)

	Generation of electricity from hydroelectric power segment	Generation of electricity from solar power segment	Generation of electricity from thermal power segment	Other operating segment	Total segments	Adjustments and eliminations	Consolidated financial statement
For the year ended							
31 December 2018							
Revenue							
Revenue from external customers	3,949	136	4,865	120	9,070	-	9,070
Inter-segment	-	-	-	235	235	(235)	-
Total revenue	3,949	136	4,865	355	9,305	(235)	9,070
Depreciation and amortisation	1,093	31	413	17	1,554		1,554
Segment operating profit (loss)	1,585	61	820	(9)	2,457		2,457
Unallocated income and expenses:							
Other income							46
Share of profit from investments in jointly controlled entities							40
Share of loss from investments in associated company							(34)
Finance cost							(1,100)
Income tax expenses							(45)
Profit for the year							1,364

In 2018, the subsidiaries had revenues from a group of government agencies amounting to Baht 8,000 million.

34. Commitments and contingent liabilities

34.1 Capital commitments

As at 31 December 2019, the Group has capital commitments in respect of the following agreements.

- a) The Company has commitments in respect of an agreement for improvement of leased asset with the other company totaling Baht 3.1 million.
- b) A subsidiary has commitments totaling Baht 23.7 million under agreements with a company to install a solar power system and to purchase solar power equipment for solar farm project (2018: Baht 184.1 million).
- c) A subsidiary has obligations of Baht 2.0 million in respect of feasibility study for Power Generating Capacity Expansion Project and environmental impact assessment.

34.2 Operating lease and other commitments

As at 31 December 2019, the Group has commitments in respect of the following operating lease and other agreements as well as other commitments:

- a) The Company has service commitments amounting to approximately Baht 1.4 million per month (2018: Baht 1.4 million per month).
- b) The Company has commitments in respect of its undertakings to provide financial support to one jointly controlled entity and one associated company, as stipulated in the conditions in the agreements (as discussed in Notes 12 and 13).
- c) The Group has commitments in respect of agreements leasing the location of the office and other service agreements with a major shareholder and car leasing agreements. The terms of the agreements are 1 to 5 years.

As at 31 December 2019, future minimum lease payments required under these operating lease contracts were as follows.

	(Unit: Million Baht)			
	Consolidated		Seperate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Payable:				
In up to 1 year	21.8	22.1	18.5	19.5
In over 1 and up to 5 years	38.8	38.1	32.2	31.6

- d) A subsidiary has commitments in respect of an agreement leasing the location of its office in the Lao People's Democratic Republic. The term of the agreement is 25 years.

As at 31 December 2019, future minimum lease payments required under this operating lease contract were as follows.

	(Unit: Thousand USD)	
	As at 31 December	
	<u>2019</u>	<u>2018</u>
Payable:		
In up to 1 year	58	59
In over 1 and up to 5 years	230	230
In over 5 years	518	576

- e) A subsidiary has commitments in respect of an agreement leasing land for locating gas pipelines with the State Railway of Thailand, an agreement leasing land with a related company and car leasing agreements for a period of 3 years.

As at 31 December 2019, future minimum lease payments under these operating lease contracts were as follows.

	(Unit: Million Baht)	
	As at 31 December	
	<u>2019</u>	<u>2018</u>
Payable:		
In up to 1 year	8.5	9.6
2 - 3 years	2.7	13.4

- f) The Group has commitments in respect of consultancy, administration and other service agreements with a related company and other companies, totaling Baht 23.0 million and Baht 0.5 million per month (2018: Baht 26.4 million and Baht 0.5 million per month) (Separate financial statements: Baht 0.2 million (2018: Baht 0.2 million)).
- g) A subsidiary has commitment in respect of the Agreement on Operation and Maintenance of Dam and Powerhouse for Nam Ngum 2 Hydroelectric Power Project with a related party until the end of the concession period of the Nam Ngum 2 Hydroelectric Power Project, with the service fee as specified in the agreement and subject to increase on an annual basis at the rate specified in the agreement. The service fee for 2020 is approximately Baht 9.4 million per month (2019: Baht 9.1 million per month).

- h) A subsidiary has commitment in respect of the Agreement on Operation and Maintenance of Transmission Systems for Nam Ngum 2 Hydroelectric Power Project with a related party, until the end of the concession period of the Nam Ngum 2 Hydroelectric Power Project, with the service fee as specified in the agreement and subject to increase on an annual basis at the rate specified in the agreement. The service fee for 2020 is approximately USD 0.03 million per month (2019: USD 0.05 million per month).
- i) A subsidiary has a commitment amounting to approximately Baht 25 million per year in respect of the Service Agreement with a related company, for consultancy services relating to operation and maintenance of the Nam Ngum 2 Hydroelectric Power Plant.
- j) A subsidiary has a commitment to pay royalty fees to the Government of the Lao People's Democratic Republic commencing from the Initial Operation Date to the end of the concession period, which is calculated by multiplying revenue from sales of electricity by the royalty rate for each period as specified under the Concession Agreement.
- k) A subsidiary has commitment in respect of the Agreement on Major Maintenance of Dam and Powerhouse for the Nam Ngum 2 Hydroelectric Power Project with a related party, until December 2026, with the service fee as specified in the agreement and subject to increase on an annual basis at the rate specified in the agreement, the service fee for 2020 is approximately Baht 3.7 million per month (2019: Baht 3.8 million per month).
- l) A subsidiary has a commitment in respect of the Agreement on Operation and Maintenance of the Solar Power Plant Project, amounting to approximately Baht 6.9 million (2018: Baht 4.9 million).
- m) A subsidiary has a commitment in respect of the Agreement concerning maintenance of two thermal power plants with a company amounting to USD 0.6 million per quarter for the period from the first quarter of 2014 to the second quarter of 2026 and USD 0.6 million per quarter for the period from the first quarter of 2018 to the second quarter of 2029, with the service fees to increase on an annual basis at the rate specified in the agreements.
- n) A subsidiary has a commitment in respect of two agreements for two power plant projects to purchase natural gas from PTT Public Company Limited in a specified quantity and at a stipulated price as defined in the agreements for a period of 25 years. The agreements will expire in May 2038 and May 2042, respectively.

- o) A subsidiary has a commitment in respect of agreements with a related company to purchase treated water in two agreements for two power plant projects of such company in a specified quantity and at a stipulated price as defined in the agreement for a period of one year, renewable for an additional period of one year.
- p) A subsidiary has a commitment of Baht 7.0 million to pay for the construction of a flood wall in Bangpa-in Industrial Estate under a memorandum agreement made with a related company (2018: Baht 7.9 million).
- q) A subsidiary has commitments to pay wheeling charges to the Government of the Lao People's Democratic Republic from 1 January 2019 to the end of the concession date of the Nam Ngum 2 Hydroelectric Power Project, calculated by multiplying sales of electricity energy from Nabong substation by the wheeling charge rates for each period as specified under the Nabong interconnection and transmission agreement.

34.3 Bank guarantees

As at 31 December 2019, there were outstanding bank guarantees of USD 25 million (2018: USD 25 million) issued by banks on behalf of the subsidiary in respect of the guarantee required under the Power Purchase Agreement with the Electricity Generating Authority of Thailand and Baht 460 million (2018: Baht 460 million) in respect of the guarantee required under the Power Purchase Agreements, the land lease for the gas pipeline and permission for electricity use from the Provincial Electricity Authority.

35. Financial instruments

35.1 Financial risk management

The Group's financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, current investments, trade and other receivable, finance lease receivable - related party, restricted bank deposits, long-term loans to subsidiary and associated company, trade and other payables, long-term loans, debentures, derivative financial liabilities and other long-term liabilities - related party. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

Credit risk is the potential for a financial loss as a result of the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

The Company had no significant concentrations of credit risk because its trade debtors are capable of settling their debts.

The subsidiaries had no significant concentrations of credit risk with any single counterparty or group of counterparties, as the subsidiaries have only two major trade account receivables which are the Electricity Generating Authority of Thailand (EGAT) and Provincial Electricity Authority (PEA) under the long-term Power Purchase Agreements between the EGAT and Nam Ngum 2 Power Company Limited and Bangpa-in Cogeneration Limited and that between the PEA and Bangkhengchai Company Limited. In addition, other trade receivables are creditworthy customers. The maximum exposure to credit risk is limited to the carrying amounts of receivables as stated in the statement of financial position.

Interest rate risk

Interest rate risk is the risk that future fluctuations in market interest rates will affect the operating results and cash flows of the Group.

The Group's exposure to interest rate risk relates primarily to their cash at banks, finance lease receivable - related party, long-term loans to subsidiary and associated company, long-term borrowings and debentures. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate. Trade and other receivables and trade and other payables, which are financial assets and financial liabilities, are non-interest bearing since they are short-term in nature and arose in the ordinary course of business.

Significant financial assets and liabilities classified by type of interest rates are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the earlier of (a) maturity date and (b) the repricing date.



(Unit: Million Baht)

PART
03

	Consolidated financial statements						
	31 December 2019						
	Fixed interest rates						
	Within		Over	Floating	Non-interest		Effective
	1 year	1-5 years	5 years	interest rate	bearing	Total	interest rate
							(% per annum)
Financial assets							
Cash and cash equivalents	114	-	-	4,099	1	4,214	0.05 to 1.00
Current investments	1	-	-	-	694	695	1.25
Trade and other receivables	-	-	-	-	1,292	1,292	
Finance lease receivable - related party	87	435	3,338	-	-	3,860	Effective interest rate over the lease term
Long-term restricted bank deposits	459	-	-	-	-	459	0.05 to 1.05
Long-term loans to associated company and interest receivable	-	-	-	3,054	-	3,054	MLR + margin
	661	435	3,338	7,153	1,987	13,574	
Financial liabilities							
Trade and other payables	-	-	-	-	690	690	
Long-term loans from financial institutions	-	-	-	6,701	-	6,701	MLR - margin, LIBOR + margin, THBFIX 6M + margin and THBFIX 1M + margin
Debentures	2,100	7,698	11,012	-	-	20,810	2.56 to 4.06
Other long-term liabilities - related party (Note 23)	-	-	-	-	290	290	
	2,100	7,698	11,012	6,701	980	28,491	

(Unit: Million Baht)

Consolidated financial statements

31 December 2018

Fixed interest rates

	Within		Over	Floating	Non-interest		Effective
	1 year	1-5 years	5 years	interest rate	bearing	Total	interest rate
							(% per annum)
Financial assets							
Cash and cash equivalents	-	-	-	2,586	1	2,587	0.05 to 1.10
Short-term restricted bank deposits	-	-	-	507	-	507	0.05 to 0.38
Current investments	1	-	-	-	1,647	1,648	1.25
Trade and other receivables	-	-	-	-	1,313	1,313	
Long-term restricted bank deposits	568	-	-	467	-	1,035	0.05 to 1.05
	569	-	-	3,560	2,961	7,090	
Financial liabilities							
Trade and other payables	-	-	-	-	876	876	
Long-term loans from financial institutions	-	-	-	14,253	-	14,253	MLR - margin, LIBOR + margin, THBFIX 6M + margin and THBFIX 1M + margin
Debentures	-	4,991	10,438	-	-	15,429	2.56 to 4.06
Derivative financial liabilities	-	-	-	-	8	8	
Other long-term liabilities - related party (Note 23)	-	-	-	-	271	271	
	-	4,991	10,438	14,253	1,155	30,837	

(Unit: Million Baht)

Separate financial statements							
31 December 2019							
	Fixed interest rates			Floating	Non-interest		Effective interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years	interest rate	bearing	Total	
Financial assets							
Cash and cash equivalents	-	-	-	1,539	1	1,540	0.38 to 1.00
Current investments	1	-	-	-	461	462	1.25
Trade and other receivables	-	-	-	-	34	34	
Long-term loans to subsidiary and interest receivable	8	271	-	-	-	279	Average rate of the financial costs of the Company plus a stipulated margin
Long-term loans to associated company and interest receivable	-	-	-	3,054	-	3,054	MLR + margin
	9	271	-	4,593	496	5,396	
Financial liabilities							
Trade and other payables	-	-	-	-	44	44	
Debentures	-	3,998	2,498	-	-	6,496	2.56 and 4.06
	-	3,998	2,498	-	44	6,540	

(Unit: Million Baht)

Separate financial statements							
31 December 2018							
Fixed interest rates						Effective interest rate (% per annum)	
Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total		
Financial assets							
Cash and cash equivalents	-	-	-	103	-	103	0.375 to 1.10
Current investments	1	-	-	-	1,453	1,454	1.25
Trade and other receivables	-	-	-	-	32	32	
Long-term loans to subsidiary and interest receivable	12	67	-	-	-	79	Average rate of the financial costs of the Company plus a stipulated margin
	13	67	-	103	1,485	1,668	
Financial liabilities							
Trade and other payables	-	-	-	-	30	30	
Debentures	-	3,997	2,497	-	-	6,494	2.56 and 4.06
	-	3,997	2,497	-	30	6,524	

Detail of the long-term loans described in Note 20 to the financial statements.

A subsidiary has entered into an interest rate swap agreement with a local bank to manage the risk associated with a part of the long-term loans that have floating interest rates, effective from 30 September 2014 to 31 December 2019. Under the agreement the subsidiary swaps a floating interest rate of the fixed deposit rate plus a margin for a fixed interest rate at 4.9 percent per annum. As at 31 December 2019, that agreement has expired.

Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group's exposure to foreign currency risk arose mainly from some of its sales of electricity, costs of sales of electricity, other payables and borrowings, which are denominated in foreign currencies.

As at 31 December 2019 and 2018, the balances of financial assets and liabilities denominated in foreign currencies of the Group are summarised below.

Consolidated financial statements

Foreign currency	Financial assets		Financial liabilities		Average exchange rate as at 31 December	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	8.3	34.9	2.6	65.9	30.3313	32.6148
CHF	-	-	0.6	-	30.6267	33.2639

Separate financial statements

Foreign currency	Financial assets		Financial liabilities		Average exchange rate as at 31 December	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	-	-	-	-	30.3313	32.6148
CHF	-	-	0.6	-	30.6267	33.2639

As at 31 December 2019 and 2018, the Group did not utilise any contracts to hedge foreign exchange rate risk.

Since July 2013, Nam Ngum 2 Power Company Limited has applied cash flow hedge accounting in order to hedge the foreign exchange exposure on a certain portion of its forecasted revenue from sales of electricity in USD currency, which are designated as the hedged item and long-term loans in USD are the hedging instrument. On 7 March 2019, the subsidiary repaid all long-term loans denominated in USD and has therefore ceased application of cash flow hedge accounting.

During the year ended 31 December 2019, Nam Ngum 2 Power Company Limited recognised an unrealised gain of Baht 1 million from changes in the fair value of the long-term loans in USD used for cash flow hedging, in other comprehensive income.

35.2 Fair values of financial instruments

Since the majority of the Group's financial assets and liabilities, consisting of trade and other payables are short-term in nature while restricted bank deposits, long-term loans to subsidiary and associated company, long-term loans from financial institutions and debentures bear interests at rates close to market rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position. In addition, the subsidiary recorded other long-term liabilities - related party at fair value (as discussed in note 23).

As at 31 December 2019, the Group had the investments in available-for-sale securities - debt instrument that were measured at fair value using level 2 amounting to Baht 693.8 million (2018: Baht 1,646.7 million) (Separate financial statement: Baht 460.6 million (2018: Baht 1,453.2 million)).

The fair value of the derivative has been determined by using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market such as interest rate yield curves.

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

36. Capital management

The primary objectives of the Group's capital management are to ensure that they have an appropriate capital structure, as stipulated in the long-term loans agreements made between the financial institutions and the subsidiaries and condition of debentures, and to preserve their ability to continue their businesses as a going concern.

37. Events after the reporting period

The Company

On 25 February 2020, the Company's Board of Directors' Meeting No. 2/2020 passed a resolution to pay a dividend of Baht 0.03 per share, to the shareholders in respect of the profit for the year 2019. The resolution will be proposed to the Annual General Meeting of Shareholders for the year 2020 for approval.

Furthermore, the meeting of the Company's Board of Directors passed a resolution approving an increase in the maximum outstanding balance of the debentures from a limit of Baht 10,000 million to a limit of Baht 20,000 million. This resolution will be proposed for approval by the Annual General Meeting of the Company's shareholders for the year 2020.

Nam Ngum 2 Power Company Limited

On 20 February 2020, the Board of Directors' Meeting of Nam Ngum 2 Power Company Limited No. 1/2020 passed a resolution to pay a dividend of Baht 0.55 per share, or a total of Baht 484.50 million, to the shareholders of the subsidiary in respect of the profit from July to December 2019. The resolution will be proposed to the Annual General Meeting of Shareholders of Nam Ngum 2 Power Company Limited for the year 2020 for approval.

Bangpa-in Cogeneration Limited

On 19 February 2020, the Board of Directors' Meeting of Bangpa-in Cogeneration Limited No. 1/2020 passed a resolution to pay a dividend of Baht 1.05 per share, or a total of Baht 284.0 million, to the shareholders of the subsidiary in respect of the profit from July to December 2019. The resolution will be proposed to the Annual General Meeting of Shareholders of Bangpa-in Cogeneration Limited for the year 2020 for approval.

Bangkhenchai Company Limited

On 19 February 2020, the Board of Directors' Meeting of Bangkhenchai Company Limited No. 1/2020 passed a resolution to pay a dividend of Baht 4.00 per share, or a total of Baht 9.37 million, to the shareholders of the subsidiary in respect of the profit from July to December 2019. The resolution will be proposed to the Annual General Meeting of Shareholders of Bangkhenchai Company Limited for the year 2020 for approval.

38. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 25 February 2020.

ABBREVIATION LIST

PART
03

The Company or CKP	: CK Power Public Company Limited
CK	: CH. Karnchang Public Company Limited
CK Group	: CH. Karnchang Public Company Limited Group
BEM	: Bangkok Expressway and Metro Public Company Limited
TTW	: TTW Public Company Limited
SEAN	: SouthEast Asia Enery Limited
NN2	: Nam Ngum 2 Power Limited
BKC	: Bangkhenchai Company Limited
BIC	: Bangpa-in Cogeneration Limited
NRS	: Nakhon Ratchasima Solar Company Limited
CRS	: Chiangrai Solar Company Limited
XPCL	: Xayaburi Power Company Limited
BLDC	: Bangpa-in Land Development Company Limited
CHK	: CH.Karnchang (Lao) Company Limited
PTT	: PTT Public Company Limited
GPSC	: Global Power Synergy Public Company Limited
PT	: PT Sole Company Limited
RATCH	: RATCH Group Public Company Limited
NESDB	: Office of The Energy Regulatory Commission
ERC	: Energy Regulatory Commission
NEPC	: The National Energy Policy Council
DEDE	: Department of Alternative Energy Development and Efficiency
EGAT	: Electricity Generating Authority of Thailand
PEA	: Provincial Electricity Authority
MEA	: Metropolitan Electricity Authority
Ratch-Lao	: Ratch-Lao Service Company Limited
Laos PDR	: Lao People's Democratic Republic
GOL	: Governance of Lao People's Democratic Republic
EdL	: Electricite du Loas
EDL-Gen	: EDL Generation Public Company Limited
SEC	: The Securities and Exchange Commission
SET	: The Stock Exchange of Thailand
Holding Company	: The Company operates its core business as a holding company by holding shares in other companies
AEDP 2015	: Alternative Energy Development Plan for 2015 - 2036
PDP 2018	: Thailand Power Development Plan for 2018 - 2037
IOD	: Initial Operation Date
SCOD	: Scheduled Commercial Operation Date
COD	: Commercial Operation Date
PE	: Primary Energy
SE	: Secondary Energy
EE	: Excess Energy

PART 03	Reserve Account	:	Reserve Account
	GDP	:	Gross Domestic Product
	Dollars (\$)	:	US.Dollars
	Unit	:	KWh
	Nam Ngum 2 HPP	:	Nam Ngum 2 Hydroelectric Power Plant
	Xayaburi HPP	:	Xayaburi Hydroelectric Power Plant
	BIC1	:	Bangpa-in Cogeneration Plant Phase 1
	BIC2	:	Bangpa-in Cogeneration Plant Phase 2
	BKC	:	Bangkhenchai Solar Power Plant
	CRS	:	Chiangrai Solar Power Plant
	NRS	:	Nakhon Ratchasima Solar Plant
	Phachi Solar	:	Phachi Solar Power Plant
	Banglen Solar	:	Banglen Solar Power Plant
	Phutthamonthon Sai 5 Solar	:	Phutthamonthon Sai 5 Solar Power Plant
	Mahachai Solar	:	Mahachai Solar Power Plant
	Krathum Ban Solar	:	Krathum Ban Solar Power Plant
	Khlong Preng Solar	:	Khlong Preng Solar Power Plant
	IPP	:	Independent Power Producer
	SPP	:	Small Power Producer
	VSPP	:	Very Small Power Plant
	Adder	:	Tariff Adder for Renewable Power
	CG Policy	:	Corporate Governance Policy
	CG Principle	:	The Principles of Good Corporate Governance for Listed Companies 2012
	CG Code	:	Corporate Governance Code for Listed Companies 2017
	Control Policy	:	Control Policy for the Company's Subsidiaries and Affiliates
	MOU	:	Memorandum of Understanding
	PPA	:	Power Purchase Agreement
	DSCR	:	Debt Service Coverage Ratio
	KPIs	:	Key Performance Indicators
	Connected Transaction Notifications	:	Notification of the Capital Market Supervisory Board No. TorJor. 21/2551 Re: Rules on Connected Transactions and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure and Other Acts of Listed Companies on Connected Transactions, B.E. 2546 (as amended)
	Acquisition or Disposition Notifications	:	Notification of the Capital Market Supervisory Board No. TorJor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets and Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition or Disposition of Assets B.E. 2547
	Notification of the Capital Market Supervisory Board No. TorChor. 39/2559	:	Notification of the Capital Market Supervisory Board No. TorChor. 39/2559 Re: Application for and Approval of Offer for Sale of Newly Issued Shares, including its amendments.
	The Securities and Exchange Act	:	The Securities and Exchange Act B.E. 2535
	Form 56-1	:	Annual Registration Statement
	Form 56-2	:	Annual Report



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