

#### **4) CK Power Public Company Limited (“CKP”)**

The Company jointly invested in the establishment of CKP, which operates core business by investing in other companies (Holding Company) operating the business of production and distribution of electricity from various types of energy. As at December 31, 2017, CKP invested by holding shares representing 56 percent in SouthEast Asia Energy Limited; 30 percent in Nakhon Ratchasima Solar Limited; 30 percent in Chiangrai Solar Limited; 100 percent in Bangkhenchai Company Limited; 65 percent in Bangpa-in Cogeneration Limited; and 30 percent in Xayaburi Power Company Limited. The benefits to be derived by the Company shall be in the form of dividend from investment.

The Company, as a shareholder, assigned its representative to be a member of the board of directors of CKP. As at December 31, 2017, the Company held shares in CKP representing 19.40 percent of its registered capital.

#### **5) Xayaburi Power Company Limited (“XPCL”)**

The Company invested in XPCL, a company which was awarded the concession from the Government of the Lao People’s Democratic Republic for design, development, construction and operation of the Xayaburi Hydroelectric Power Project, with a 29-year concession period from the Commercial Operation Date. The expected benefits to be derived by the Company shall be in the form of dividend from investment.

The Company, as a shareholder, assigned its representative to be a member of the board of directors of XPCL. As at December 31, 2017, the Company held shares in XPCL representing 7.50 percent of its registered capital. All ordinary shares in XPCL held by the Company have been pledged as security of long-term loan of XPCL.

## **5. Legal Disputes**

### **5.1 Disputes with Expressway Authority of Thailand (“EXAT”)**

The Company and the subsidiary had a total of 11 disputes with EXAT, which were referred to the Arbitral Tribunal in accordance with the dispute settlement procedures under the Agreements and in the Administrative Court. The essence of each dispute was as follows:

#### **5.1.1 Disputes submitted by the Company and the subsidiary claiming for damages in 8 disputes, with the total amount until the date of submission of the disputes of approximately Baht 28,179.8 Million**

##### **1. Priority Component Opening Date under the Second Stage Expressway Agreement**

The Company submitted a statement of claim requiring EXAT to compensate for the deficient revenue with interest in the amount of Baht 3,831.4 Million, due to different opinions as to which date was the Priority Component Opening Date, which affected the commencement of the toll revenue sharing with the Company under the Agreement.

The Arbitral Tribunal rendered its arbitral award on the dispute requiring EXAT to pay the toll revenue sharing including interest under the Agreement as required by the Company. EXAT subsequently issued a letter refusing to comply with the arbitral award.

And, on April 20, 2009, EXAT submitted a petition to the Central Administrative Court requesting the Court to revoke the arbitral award or order refusing to enforce compliance with the arbitral award, and on October 19, 2011, the Company submitted a petition to the Central Administrative Court requesting a judgment to enforce compliance with the arbitral award. The interest was calculated up to the date on which the Company submitted the petition to the Court, amounting to Baht 1,189.7 Million, with the total disputed amount of Baht 5,021.1 Million.

On September 13, 2013, the Central Administrative Court adjudged to dismiss EXAT’s petition requesting the Court to revoke the arbitral award and adjudged to enforce the Company’s petition.

On October 11, 2013, EXAT lodged an appeal against the Central Administrative Court’s judgment with the Supreme Administrative Court.

At present, it is pending the Supreme Administrative Court’s scheduling of the hearing date for the reading of the judgment.

## **2. Competing road with the Udon Rattaya Expressway**

The subsidiary submitted a statement of claim requiring EXAT to compensate for the deficient revenue, based on the ground that the Government granted permission for construction of the Extension of the Don Muang Tollway Project, from the National Memorial to Rangsit Section, which constituted a competing road under the Agreement, and affected the financial position of the subsidiary, thereby rendering such damages until the date of submission of the dispute (excluding interest) to Baht 1,790 Million.

The Arbitral Tribunal rendered its arbitral award on the dispute requiring EXAT to compensate for the deficient revenue with interest under the Agreement as required by the subsidiary. EXAT then issued a letter to the subsidiary refusing to comply with such arbitral award. And, on March 3, 2009, EXAT submitted a petition to the Central Administrative Court requesting the Court to revoke the arbitral award.

On September 1, 2011, the subsidiary submitted a petition to the Central Administrative Court requesting a judgment to enforce compliance with the arbitral award, with the disputed amount of Baht 3,296.7 Million.

On May 3, 2013, the Central Administrative Court adjudged to dismiss EXAT's petition requesting the Court to revoke the arbitral award and the Central Administrative Court also issued a judgment to enforce compliance with the arbitral award.

On May 31, 2013, EXAT lodged an appeal against the Central Administrative Court's judgment with the Supreme Administrative Court.

At present, it is pending the Supreme Administrative Court's scheduling of the hearing date for the reading of the judgment.

## **3. Issuance of variation orders by EXAT**

The Company submitted a statement of claim requiring EXAT to compensate the Company for damages caused by EXAT's issuance of additional variation orders for certain construction work of the Si Rat Expressway in the total amount of Baht 209.1 Million (excluding interest).

The Arbitral Tribunal unanimously rendered its arbitral award requiring EXAT to pay the construction costs and expenses as per the Notice of Variation in the total amount of Baht 382.5 Million, including interest under the Agreement.

On February 4, 2014, EXAT issued a letter refusing to comply with the arbitral award. And, on March 26, 2014, EXAT submitted a petition to the Central Administrative Court requesting the Court to revoke the arbitral award.

On October 21, 2016, the Company submitted a petition for enforcement of the arbitral award to the Central Administrative Court.

At present, it is pending the Central Administrative Court's consideration.

## **4. Revision of toll rates of the Chalerm Mahanakorn Expressway and the Si Rat Expressway for the year 2003**

The Company submitted a statement of claim requiring EXAT to compensate the Company for damages caused by the revision of toll rates of the Chalerm Mahanakorn Expressway and the Si Rat Expressway for 2003, which was not in accordance with the Agreement, thereby causing the damages, including interest, in the total amount of Baht 4,368 Million.

The Arbitral Tribunal, by the majority of votes, rendered its arbitral award requiring EXAT to compensate the Company for damages in the amount of Baht 4,368 Million, including interest under the Agreement.

EXAT then issued a letter refusing to comply with such arbitral award. And, on May 30, 2016, EXAT submitted a petition to the Central Administrative Court requesting the Court to revoke the arbitral award.

On November 4, 2016, the Company submitted its answer to the petition to the Central Administrative Court. At present, it is pending the Central Administrative Court's consideration.

## **5. Revision of toll rates of Sector D of the Si Rat Expressway for the year 2003**

The Company submitted a statement of claim requiring EXAT to compensate the Company for damages caused by the revision of toll rates of Sector D of the Si Rat Expressway for the year 2003, which was not in accordance with the Agreement, in the total amount of Baht 1,048.2 Million.

At present, it is in the process of the Arbitral Tribunal's preparation of the arbitral award.

**6. Revision of toll rates of the Chalerm Mahanakorn Expressway and the Si Rat Expressway for the year 2008**

The Company submitted a statement of claim requiring EXAT to compensate the Company for damages caused by the revision of toll rates (of the Chalerm Mahanakorn Expressway and the Si Rat Expressway) for the year 2008, which was not in accordance with the Agreement, in the total amount of Baht 9,091.8 Million, together with interest under the Agreement.

At present, it is pending the arbitration proceedings.

**7. Revision of toll rates of Sector D of the Si Rat Expressway for the year 2008**

The Company submitted a statement of claim requiring EXAT to compensate the Company for damages caused by the revision of toll rates of Sector D of the Si Rat Expressway for the year 2008, which was not in accordance with the Agreement, together with interest calculated up to May 31, 2013, in the total amount of Baht 4,062.8 Million, including interest under the Agreement.

At present, it is pending the arbitration proceedings.

**8. Revision of toll rates of the Udon Rattaya Expressway for the year 2003**

The subsidiary submitted a statement of claim requiring EXAT to compensate the subsidiary for damages, together with interest, caused by the revision of toll rates of the Udon Rattaya Expressway for the year 2003, which was not in accordance with the Agreement, in the amount of Baht 908.7 Million, together with interest under the Agreement.

At present, it is pending the arbitration proceedings.

**5.1.2 Disputes submitted by EXAT claiming for damages in 3 disputes, with the total amount until the date of submission of the disputes of approximately Baht 1,589.2 Million**

**1. Cost of arrangements of the entrance - exit and resolution of complaints**

EXAT submitted a statement of claim requiring the Company to be responsible for the cost of arrangements of the entrance - exit claimed by complainants, and the cost of free flow drains, in the total amount of Baht 0.4 Million, which the Arbitral Tribunal rendered its arbitral award ruling that EXAT had no right to claim for such costs.

On May 7, 2014, EXAT submitted a petition for revocation of the arbitral award.

On August 30, 2017, the Central Administrative Court rendered the judgment revoking the arbitral award, only in respect of the Arbitral Tribunal's acceptance for consideration of the second dispute in case of free flow drains, as EXAT submitted the statement of claim after the statute of limitations of such dispute had expired.

On September 29, 2017, the Company lodged an appeal against the Central Administrative Court's judgment with the Supreme Administrative Court.

At present, it is pending the Supreme Administrative Court's consideration.

**2. Construction of the Udon Rattaya Expressway, Phase 2**

EXAT submitted a statement of claim requiring the subsidiary to complete the construction of the Udon Rattaya Expressway, Phase 2, in accordance with Clause 8.5 a. of the conditions of the Bang Pa-in - Pak Kret Expressway Agreement, and compensate in the amount of Baht 1,587.7 Million, together with interest under the Agreement. The Agreement specifies that although the conditions under the Agreement have been completed for construction commencement, but should EXAT breach the Agreement that gives rise to the subsidiary's serious financial impact, and as a result, the subsidiary is not yet required to commence the construction. In this regard, EXAT breached the Agreement on the competing road and the revision of toll rates, the subsidiary then shall have the right not to commence the construction yet, and EXAT shall not have the right to claim for any fines.

At present, it is pending the arbitration proceedings.

**3. Cost of utilization of the Control Center Building (Bang Phun)**

EXAT submitted a statement of claim requiring the subsidiary to be responsible for the cost of utilization of the Control Center Building (Bang Phun) in the amount of Baht 1.1 Million, which the subsidiary was of the view that such cost claimed by EXAT was not within its scope of responsibility under the Agreement.

At present, it is pending the arbitration proceedings.

Given that the disputes are pending the consideration, the Company and the subsidiary therefore have not yet recorded such entries in the financial statements.