

Supporting Document for Item 2: Details on engagement of CH. Karnchang Public Company Limited for Project Management, Supply and Installation of the M&E Systems of the MRT Blue Line Project

1. Under the MRT Blue Line Concession Agreement which the Company has entered with the Mass Rapid Transit Authority of Thailand (the “MRTA”) on March 31, 2017, the Company, in accordance with the Concession Agreement, Phase 1, has the responsibility to supply, install, test run the M&E systems as well as commence operation of the MRT Blue Line Extension Project and operate Through Operation system between the MRT ChaloeM Ratchamongkhon Project and MRT Blue Line Extension Project. the operating schedule shall be commenced from the date the MRTA gives the Company the Notice to Proceed, which are as follows:

Hua Lamphong Station – Lak Song Station : within 30 months from the date the MRTA gives Notice to Proceed (“NTP”).

Tao Poon Station – Tha Pra Station : within 36 months from the date the MRTA gives Notice to Proceed (“NTP”).

Additionally, for the effectiveness of the Through Operation system, it is necessary to improve the MRT system of MRT ChaloeM Ratchamongkhon project to support the linkage with the MRT Blue Line Extension Project. This including the requirement to supply the additional rolling stocks to accommodate the increasing number of the passengers after the project completion.

2. **Selection of Project Manager**

To minimize the risk and potential impact, the Company will execute an engineering, procurement, and construction contract with a contractor who has expertise and experience in supplying, installing, and testing M&E system within the specified timeframe and investment cost in a Lump Sum Turnkey basis. The Contractor shall be responsible to carry out construction on a turnkey basis, which includes but it not limited to take responsibility for project management, including the design, coordination, supervision, follow-up, quality inspection, delivery of work and warranty, in respect of which the Company did proceed in such manner since the MRT ChaloeM Ratchamongkhon Project and The MRT Purple Line Project, Bang Yai-Rat Burana, Bang Yai-Bang Sue section, Contract 4 concession for Supply of M&E Systems and O&M Services.

Therefore, the Company considers selecting the previously successful method of construction to secure the quality of work under the accurate budget.

In the selection of the Contractor, the Company has considered inviting CH. Karnchang Public Company Limited (CH. Karnchang) to submit its price proposal, under the following reasons:

- (1) CH. Karnchang is a large construction company with expertise and experience in management of many large projects, including the project management for the design, supply and installation of the M&E Equipment for the MRT Chaloem Ratchamongkhon Project and the MRT Purple Line Project, and also responsible for the System Integration and trial running for public service commencement within the MRTA's timeframe. Therefore, CH. Karnchang has sufficient experience and expertise in the M&E systems of the MRT Projects.
- (2) CH. Karnchang has experience in engaging in Lump Sum Turnkey agreements for similar scopes of work for the MRT Projects with the Company, in which the works were done with quality, within the timeframe, and with accurate budget.

Currently, the engagement for supply and installation of the M&E Systems of the MRT Project is fairly limited to certain local contractors due to complexity of scope of work and technology, and it is required high experience in the design, installation, and trial running for public service commencement within the determined timeframe.

- (3) Since CH. Karnchang is the construction contractor under Contract 2 and Contract 5 of the MRT Blue Line Extension Project, the System Integration would be smoothly in accordance with the civil infrastructure.
- (4) Since CH. Karnchang was the project manager for the design, supply, and installation of the M&E Systems of the MRT Chaloem Ratchamongkhon Project, the System Integration for the MRT Chaloem Ratchamongkhon Project and the MRT Blue Line Extension Project would be run effectively.

- (5) CH. Karnchang is a company with financial strength, strong financial position, and abilities to manage risks from operating large projects, including the risks from foreign exchange rate fluctuation, risks from delayed construction, and risks from cost overrun.
- (6) Since CH. Karnchang is an investment partner with the Company, CH. Karnchang is thus responsible and committed in succeeding the construction of the project.

CH. Karnchang Public Company Limited submitted its price proposal for project management, supply, installation, and test run of the M&E systems of the MRT Blue Line Project including to supply additional rolling stocks and to improve the MRT Chaloem Ratchamongkhon Project systems already in progress for a total value of not exceeding Baht 19,643 million (excluding value-added tax) and the operating schedule to be in accordance with the provisions in the concession.

3. Consideration of Project Value

In considering the justification of the project value, the Company has engaged Infra Asia (Thailand) Company Limited, an independent engineer of repute and experience as one of the companies conducting the feasibility study of Railway Core Systems Project since its inception including the Thai and Foreign government sector and private sector, as State Railway of Thailand (SRT) , The BTS SkyTrain, and Gold Coast Rapid Transit (TRT), Australia, etc. Infra Asia (Thailand) Company Limited considered the justification of the project value under the scope of work in the Company's investment proposal to the Company at the total price of Baht 21,105 million (excluding value-added tax)

Upon comparison between the price proposed by CH. Karnchang Public Company Limited with the price estimated by the independent consulting engineer, the price proposed by CH. Karnchang Public Company Limited was lower than the price estimated by the independent consulting engineer by Baht 1,463.16 Million or representing 6.93 percent. The Company having considered The amount that CH. Karnchang has quoted is reasonable.

4. Nature and Extent of Interest of Connected Persons

The Engagement of CH. Karnchang Public Company Limited for Project Management, Supply and Installation of the M&E Systems of the MRT Blue Line Project is considered a connected transaction, are as follows:

- (1) CH. Karnchang Public Company Limited, is the major shareholder of the Bangkok Expressway and Metro Public Company Limited ; As at the latest book closing date of the Company on 27 April 2017, CH. Karnchang Public Company Limited holds 4,582,121,829 shares, representing 29.98 percent of the Company's paid-up capital.
- (2) Mr. Plew Trivisvavet is the Vice Chairman of the Board of Directors and Chairman of the Executive Board of the Bangkok Expressway and Metro Public Company Limited and Chairman of the Executive Board of CH. Karnchang Public Company Limited.
- (3) Mr. Phongsarit Tantisuvanitchkul is the Executive Director of the Bangkok Expressway and Metro Public Company Limited and Senior Executive Vice President of CH. Karnchang Public Company Limited.
- (4) Mrs. Payao Marittanaporn is the Managing Director of the Bangkok Expressway and Metro Public Company Limited and the spouse of Mr. Prasert Marittanaporn who is the Executive Director and Senior Executive of CH. Karnchang Public Company Limited.

This transaction is a connected transaction which is considered as normal business transaction without general trading conditions with the total value of Baht 19,643 million (excluding value-added tax), representing 66.31 percent of the Company's net tangible assets according to the consolidated financial statements as of 31 December 2016. However, when include other connected transaction of the Company during the past 6 months at the transaction size of 0.53 percent, (in accordance with the Board of Directors' Meeting No. 6/2016 held on 30 November 2016), the total transaction size is 66.84 percent of the Company's net tangible assets. According to the Notifications on Connected Transactions, transactions with value exceeding 3 percent of the net tangible assets (Baht 29,621.023 million x 3 percent = Baht 889.63 million) must be approved by the Company's shareholders' meeting with at least three-fourth of

the total votes of shareholders who attend the meeting and are eligible to vote. The votes by the shareholders with conflicts of interest will not be counted.

The Board of Directors' Meeting of the Company has resolved to appoint Capital Advantage Company Limited as the Independent Financial Advisor for the Company to give their opinions on the justifying and benefit to the Company, the reasonable of prices and conditions for entering into the connected transaction and submitted their opinions to The Stock Exchange of Thailand and Shareholders.

5. Opinion of the Audit Committee

The Audit Committee's Meeting No. 2/2017 held on April 11, 2017 was of the opinion that the engagement of CH. Karnchang for project management, supply, installation, and test run of the M&E systems of the MRT Blue Line Project for a total value of not exceeding Baht 19,643 million (excluding value-added tax) is reasonable and beneficial to the Company for the reasons as the following:

(1) CH. Karnchang has potential, experience, and expertise for project management in design, supply, and installation of the M&E equipment with Lump Sum Turnkey for the Company in the past, in which the work were done with quality, within the specified timeframe and accurate budget.

Moreover, CH. Karnchang is the construction contractor under the Contract 2 and Contract 5 of the MRT Blue Line Extension Project and was the project manager of the MRT Chaloem Ratchamongkhon Project. As such, it is beneficial for the Company since the Company is able to connect the M&E Equipment with the civil work smoothly and connect the M&E equipment of the whole MRT Blue Line Project efficiently.

(2) The amount that CH. Karnchang has quoted of not exceeding Baht 19,643 million (excluding value-added tax) is reasonable because the amount is lower than the fair value assessed by Infra Asia, an independent engineer who is a reputable third-party, of Baht 21,105 million (excluding value-added tax).

- (3) The Company has fully complied with the regulations in relation to the connected transaction and other related laws and regulations. This transaction has the transaction size of more than 3 percent of the net tangible assets according to the consolidated financial statements as of 31 December 2016 and requires shareholders' meeting approval.

6. **Opinion of the Board of Directors**

It was deemed appropriate to engage CH. Karnchang Public Company Limited as Project Manager including to supply, installation, and test run of the M&E systems of the MRT Blue Line Project for a total value of not exceeding Baht 19,643 million (excluding value-added tax), by reason of:

- (1) CH. Karnchang has potential, experience, and expertise for project management in design, supply, and installation of the M&E equipment with Lump Sum Turnkey characteristics for the Company in the past in which the work were done with quality, within the specified timeframe and accurate budget. Moreover, CH. Karnchang is the construction contractor under the Contract 2 and Contract 5 of the MRT Blue Line Extension Project and was the project manager of the MRT Chaloen Ratchamongkhon Project. As such, it is beneficial for the Company since the Company is able to connect the M&E Equipment with the civil work smoothly and connect the M&E equipment of the whole MRT Blue Line Project efficiently.
- (2) The amount that CH. Karnchang has quoted of not exceeding Baht 19,643 million (excluding value-added tax) is reasonable.

7. To enter into the transaction with CH. Karnchang, who is a major shareholder of the Company, is considered a connected transaction pursuant to the Notification of the Capital Market Supervisory Board No. Tor Chor. 21/2551, Re: Rules on Connected Transactions, and the Notification of the Board of Governors of the Stock Exchange of Thailand, Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions, B.E. 2546 (2003) as amended (hereinafter collectively referred to as the "Notifications on Connected Transactions"). The total size of the transactions is 66.31 percent of the

Company's net tangible assets according to the consolidated financial statements as of 31 December 2016. (Attachment 3 / Information Memorandum)

The Board of Directors' Meeting No. 3/2017 held on 11 April 2017, the directors who have conflicts of interest and/or directors who are connected persons, namely, (1) Mr. Plew Trivisvavet; (2) Mr. Phongsarit Tantisuvanitchkul; and (3) Mrs. Payao Marittanaporn, did not attend the Meeting and are not eligible to vote on this agenda. and deemed it appropriate to propose the matter to the Meeting of Shareholders for consideration and approval, as follows:

- 1) To grant approval for the Company to enter into a connected transaction by engaging CH. Karnchang Public Company Limited as Project Manager including to supply, installation, and test run of the M&E systems of the MRT Blue Line Project for a total value of not exceeding Baht 19,643 million (excluding value-added tax)
- 2) To authorize the Board of Directors to consider approving the details of the Agreement and take any necessary actions for executing the Agreement until completion.