



“ BANGKOK EXPRESSWAY ”
Elevates the Quality of Life and the Environment



CONTENTS

Financial Summary	2
Message from the Chairman of the Board of Directors	4
Report of the Audit Committee	5
The Board of Directors	6
Management Team	10
Social Activities	12
Electronic Toll Collection System (Easy Pass)	19
First Class Services	20
Expressway System Map	22
Executive Summary	25
Risk Factors	26
Nature of Business Operations	33
Business Operations of the Company	39
Property Used in Business Operations	46
Legal Disputes	49
Capital Structure	53
Management	58
Internal Control	89
Connected Transactions	90
Financial Status and Operational Results	97
Report on Responsibilities of the Board of Directors towards the Financial Report	111
Information of Company Executives	112
Financial Statements	118
General Information	163



“ FINANCIAL SUMMARY ”

Financial Summary Consolidated Financial Statement of BECL & its Subsidiary Company

Unit : Million Baht

Financial Highlights

For the years ended December 31

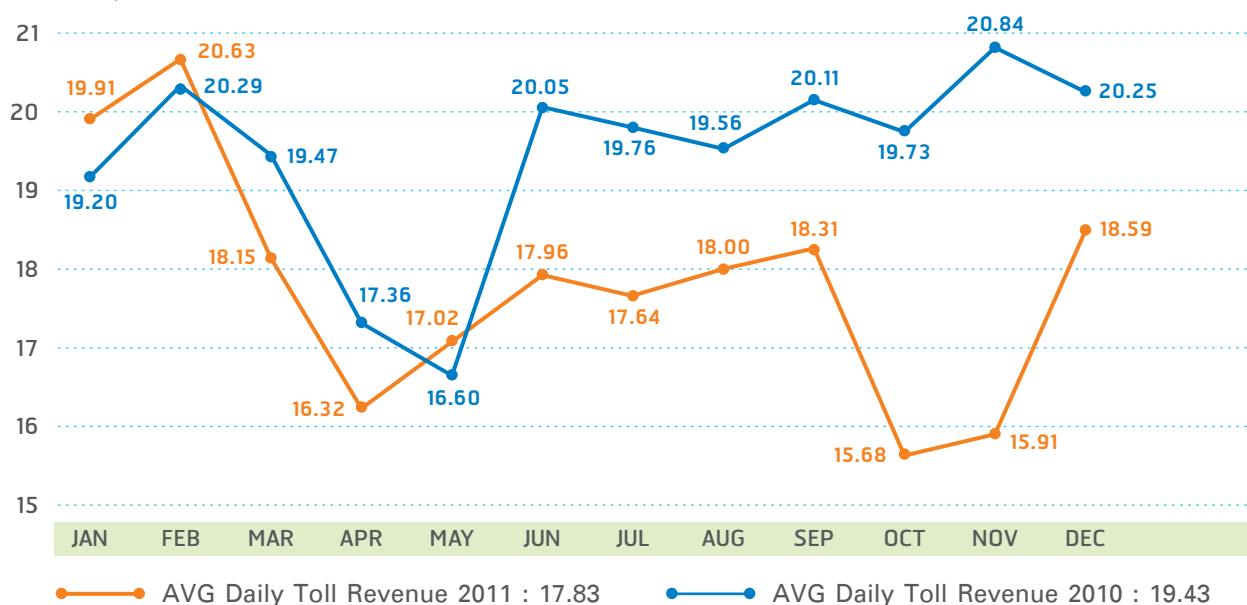
Consolidated financial statements	2011	2010
Total assets	38,607	40,429
Total liabilities	19,915	21,408
Shareholders' equity	18,692	19,021
Toll revenue	7,308	7,811
Total revenues	7,652	8,004
Gross profit	4,793	5,433
Net profit	1,408	1,803

Financial Ratios

Items	2011	2010
Net profit margin (%)	18.40	23.08
Return on shareholders' equity (%)	7.46	9.85
Return on total assets (%)	3.56	4.33
Book value per share (Baht)	24.30	24.70
Share issued and paid - up (Million shares)	770	770

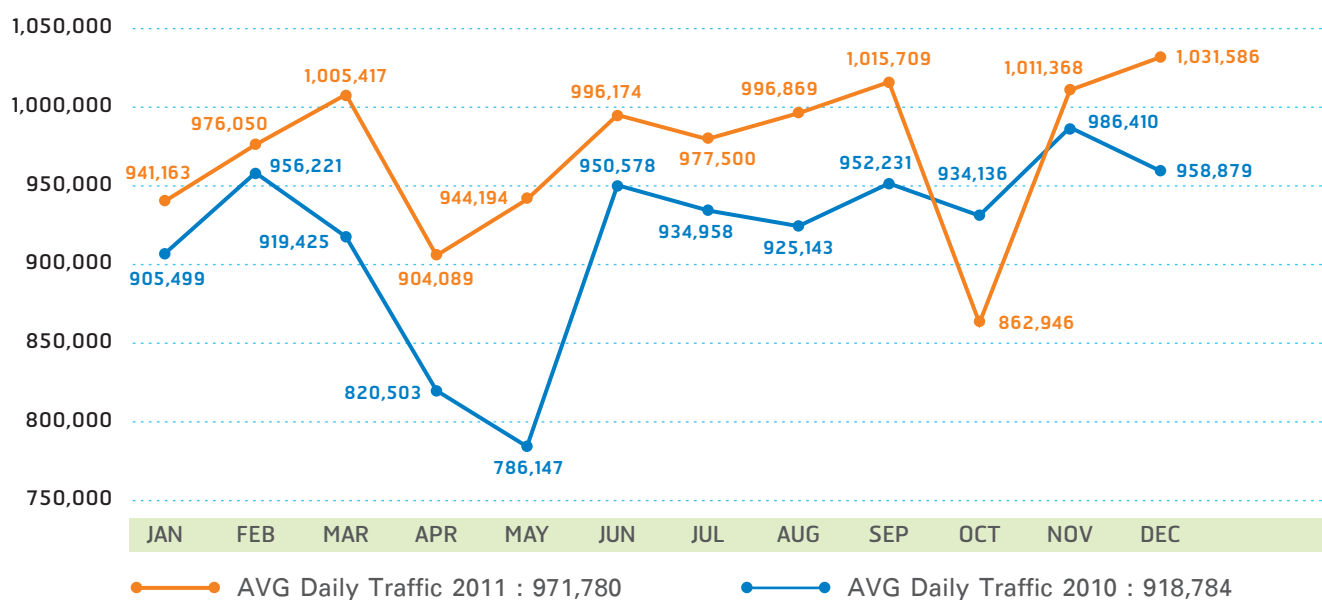
Average Daily Toll Revenue : Chalerm Mahanakorn & Si Rat Expressway

(Million Baht / Day)



Average Daily Traffic : Chalerm Mahanakorn & Si Rat Expressway

(Thousand trips / Day)



“MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS”



Dr. Virabongsa Ramangkura
Chairman of the Board
of Directors

In 2011, Thailand encountered the severe flood crisis giving rise to widespread impact on people both in Bangkok and other provinces. Bangkok Expressway Public Company Limited and its Subsidiary, as the operators of the Si Rat and the Udon Rattaya Expressways, have always been with people side by side during the crisis, although the Udon Rattaya Expressway, Bang Phun - Bang Pa-in Section, had to be closed, our contributions to flood victims continued under the “Expressway Helps Flood Victims” project which BECL organized with the objective to help flood victims. BECL, in association with the Expressway Authority of Thailand, accepted rice and dried food donation from the Expressway users, provided financial aids to flood victims through various public and private organizations, visited the affected communities in various areas to distribute necessary supplies. This marks the critical time for Thai people of all sectors to provide contributions and help each other to overcome this flood crisis.

With respect of the overall operations in the previous year, BECL ensures the continued satisfaction of the Expressway users by improving the efficiency of its service in various aspects, i.e., opening of the flyover at Ngam Wong Wan Road to enter the Si Rat Expressway; addition of

Easy Pass lanes at Prachachuen Toll Plaza (outbound); improvement of toll collection system in cash for the Si Rat Expressway; addition of toll booths at Hua Lamphong Toll Plaza and Rama 9 Toll Plaza, as well as road surface improvement for the safety of the Expressway users.

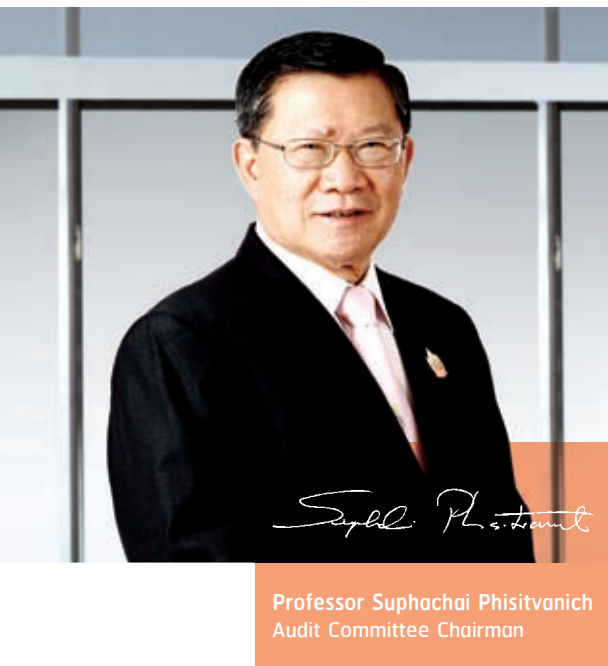
BECL remains committed to operate its business with social and environmental responsibilities, in order to improve the living standard for the communities and the society near the Expressway routes. Our operations follow the good governance principle, with disclosure of adequate, accurate and complete information equally accessible to the public, as well as creating value added to our shareholders. As a result, BECL has been selected as one of those thirty securities in the calculation of SET High Dividend 30 Index to reflect price movements of stocks with high dividend yields, large market capitalization, and high liquidity. Moreover, BECL received a “Very Good” rating in the assessment of the corporate governance for 2011 from the Thai Institute of Directors Association, and also continued to receive an “Excellent” rating in the assessment of quality of the Annual Ordinary General Meeting of Shareholders from the Office of the Securities and Exchange Commission and the Thai Investors Association.

In terms of financial management for 2011, in the middle of money market fluctuations and the likely rising inflation, BECL has managed the financial risks through the issuance and offering of debentures in April 2011, in the total amount of Baht 2,000 Million, with a term of three years and ten years, at the fixed interest rate of 3.70 percent per annum and 4.72 percent per annum, respectively, in order to arrange for cash flow for redemption of the existing debentures, at the interest rate of 5.20 percent per annum, due in November 2011. In addition, in December 2011, BECL issued debentures, with a term of seven years, in the total amount of Baht 900 Million, at the fixed interest rate of 4.60 percent per annum, in order to arrange for cash flow for redemption of the existing debentures, at the interest rate of 4.88 percent per annum, due in August 2012. Such arrangements not only would serve as a risk prevention measure from interest rate fluctuations in the money market, but also minimize the financial cost and the risk from reliance on the only source of fund in the form of long-term loans from banks.

As for the operational results of BECL and its Subsidiary in 2011, the total net profit attributable to equity holders of the Company amounted to Baht 1,408 Million. The Board of Directors has resolved to propose that the Ordinary General Meeting of Shareholders approve the dividend payment for the operational results from July to December 2011 at the rate of Baht 0.70 per share. During the year, the Board of Directors already resolved to approve the interim dividend payment for the operational results for the first six-month period from January to June 2011 to shareholders at the rate of Baht 0.60 per share, thereby bringing the total dividend for 2011 to Baht 1.30 per share.

On behalf of BECL, we would like to express our sincere appreciation to shareholders, Expressway users, both private and public agencies concerned, counterparts, communities and society, financial institutions who provide support and funding, as well as each and every staff member, for their cooperation and contribution for development of our organization to ensure the increased efficiency, and we look forward to such continued support.

“ REPORT OF THE AUDIT COMMITTEE ”



Professor Suphachai Phisitvanich
Audit Committee Chairman

The Audit Committee of Bangkok Expressway Public Company Limited, as appointed by the Company's Board of Directors, comprises three independent directors, namely, Professor Suphachai Phisitvanich, as the Audit Committee Chairman, General Sampao Choosri and Professor Dr. Kanok Wongtrangan, as Audit Committee Members, and the Board of Directors' Meeting No. 3/2011 held on 14 September 2011 resolved to appoint Dr. Annop Tanlamai as Audit Committee Member to replace Professor Dr. Kanok Wongtrangan who resigned, with the General Manager of Internal Audit Office as secretary to the Audit Committee.

The Audit Committee performed the duties under the scope of responsibilities assigned by the Company's Board of Directors to independently provide opinions and suggestions for the benefit of all interested parties equally in accordance with the requirements and the Stock Exchange of Thailand's best practice guidelines for the Audit Committee.

In 2011, there were five Audit Committee's Meetings, with all of its members attending each and every meeting, for discussion with the Management, internal auditors and the auditor, and a joint meeting with the auditor without the Management attending such meeting, for discussion and request for the auditor's opinions regarding work operations and coordination with the relevant management. The essence of the performance of duties may be summarized as follows:

1. The Audit Committee has reviewed the 2011 annual and quarterly financial statements, the significant accounting policy, the adjustments which materially

affected the financial statements and the sufficiency of disclosure of information, and preparation of the financial statements in accordance with the accounting standards based on the international accounting standards.

The Audit Committee is of the view that the Company's financial report was prepared in accordance with the revised accounting standards and the new accounting standards issued by the Federation of Accounting Professions Under The Royal Patronage of His Majesty The King, accurate and reliable, with sufficient disclosure of information in a timely manner for the benefit of shareholders and investors.

2. The Audit Committee has reviewed and provided opinions on connected transactions or transactions which might give rise to conflict of interest to ensure that the transactions were justifiably executed for the optimum benefit of the Company as well as compliance with the laws and requirements of the Stock Exchange of Thailand.

The Audit Committee is of the view that the Company's execution of such transactions was transparent and did not give rise to any conflict of interest and for the optimum benefit of the Company's business operations and shareholders, with reasonable price in the same manner as the execution of transactions with general third party, as well as complete disclosure of information and compliance with the laws and requirements of the relevant agencies.

3. The Audit Committee has reviewed the effectiveness of the internal control system to ensure the efficiency and effectiveness, by taking into consideration the internal audit report and the auditor's report relating to the internal control system assessment, the good governance, and the improvement of work performance of the executives per the suggestions in the said reports.

The Audit Committee is of the view that the Company's internal control system is sufficient, proper, and effective. In this regard, no material weak point or fault is found.

4. The Audit Committee has supervised the internal audit to ensure that the internal audit activity is conducted effectively for the optimum benefit of the Company and shareholders, by reviewing the mission, scope of work, duties and responsibilities, annual budget, and independence of the Internal Audit Office, so as to ensure the quality audit in accordance with the international standards and in compliance with the internal auditing guidelines of the Stock Exchange of Thailand, including the consideration and approval of the 2012 internal audit plan.

The Audit Committee is of the view that the Company's internal audit system is sufficient and proper in accordance with the international standards, and the Internal Audit Office is independent in the performance of duties and reports the audit results to the Audit Committee.

5. The Audit Committee has considered, selected and appointed the auditor and proposed the remuneration of the auditor for 2012, by taking into account the auditor's performance in the previous year, independence, knowledge, ability, experience in conducting the audit, and the appropriateness of the remuneration.

The Audit Committee is of the view that the auditor of Ernst & Young Office Limited has independence, knowledge and experience in conducting the audit, providing advice on accounting standards, certification of financial statements in a timely manner, and the remuneration is proper, and then resolves to propose the Board of Directors to seek approval of the meeting of shareholders to appoint an auditor of Ernst & Young Office Limited as auditor for 2012, with the remuneration in the amount of not exceeding Baht 1,035,000.

Overall, the Audit Committee is of the view that the Board of Directors and executives of the Company have the commitment to perform the duties to fulfill the specified objectives with quality, realize the significance of the work performance under the good corporate governance, with sufficient and proper internal control system, correct financial report and work performance in compliance with the accounting standards issued by the Federation of Accounting Professions Under The Royal Patronage of His Majesty The King, as well as correct and complete compliance with the requirements and applicable laws.

“ THE BOARD OF DIRECTORS ”



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1. Dr. Virabongsa Ramangkura

- Chairman of the Board of Directors

Academic Achievement

- Doctor of Law (Honorary), Webster University, St. Louis, USA
- Ph. D. (Economics), University of Pennsylvania, USA
- M.A. (Economics), University of Pennsylvania, USA
- B.A. Political Science (First Class Honors), Chulalongkorn University
- Director Certification Program (DCP), Thai Institute of Directors Association

2. Prof. Suphachai Phisitvanich

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

Academic Achievement

- Honorary Ph.D. (Accounting), Thammasat University
- Certificate, National Defence College (Class 32)
- M.B.A. (Finance), Ohio State University, USA
- B.A. (Accounting), Thammasat University
- B.A. (Commerce), Thammasat University
- The Role of Chairman Program (RCM), Thai Institute of Directors Association
- The Board Performance Evaluation Program, Thai Institute of Directors Association
- Director Certification Program (DCP), Thai Institute of Directors Association

3. Mr. Plew Trivisvavet

- Director
- Chairman of the Executive Board
- Nomination and Remuneration Committee Member
- Authorized Signatory Director

Academic Achievement

- M.Sc. (Electrical Engineering), Osaka University, Japan
- B.Sc. (Electrical Engineering), Osaka University, Japan
- Director Certification Program (DCP), Thai Institute of Directors Association
- Capital Market Academy Leader Program, (Class 4/2007), Capital Market Academy



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4. General Sampao Choosri

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

Academic Achievement

- Chulachomklao Royal Military Academy
- Royal Military Academy (Saint Cyr), France
- The Army Command and General Staff College
- The Joint State - Private Sectors Regular Course, National Defence College of Thailand
- Director Accreditation Program (DAP), Thai Institute of Directors Association

5. Dr. Annop Tanlamai

- Director
- Audit Committee Member
- Nomination and Remuneration Committee Member
- Corporate Governance and Risk Management Committee Member

Academic Achievement

- Ph.D. Engineering Management, University of Missouri, USA
- M.B.A (Quantitative Business Analysis), Indiana University, Bloomington, USA
- M.S. in Engineering Management, University of Missouri, USA
- Bachelor of Engineering (Mechanical Engineering), Chulalongkorn University
- Director Certification Program (DCP), Thai Institute of Directors Association

6. Mr. Supong Chayutsahakij

- Director
- Vice Chairman of the Executive Board
- Nomination and Remuneration Committee Member
- Corporate Governance and Risk Management Committee Member
- Authorized Signatory Director

Academic Achievement

- Honorary Ph.D. (Management Science), Phranakorn Rajabhat University
- Executive Master of Business Administration, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Master of Engineering (Electrical), University of Tokyo, Japan
- Bachelor of Engineering (Electrical), University of Tokyo, Japan
- Director Certification Program (DCP), Thai Institute of Directors Association
- Audit Committee Program (ACP), Thai Institute of Directors Association

“ THE BOARD OF DIRECTORS ”



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7. M.L. Prasobchai Kasemsant

- Director
- Executive Director
- Authorized Signatory Director

Academic Achievement

- M.S. (Civil Engineering), Stanford University, USA
- M.S. (Operations Research), Stanford University, USA
- B.S. (Civil Engineering , Mathematics), Virginia Military Institute, Virginia, USA
- Director Certification Program (DCP), Thai Institute of Directors Association
- Graduate Diploma Program in Public Law, Thammasat University
- Graduate Diploma Program in International Trade Law, Thammasat University

8. Mr. Panit Dunnvatanachit

- Director
- Executive Director

Academic Achievement

- M.B.A. (Finance), Washington University, St. Louis, USA
- Bachelor of Arts & Science, Washington University, St. Louis, USA
- Board and CEO Assessment Program, Thai Institute of Directors Association
- Director Certification Program (DCP), Thai Institute of Directors Association

9. Miss Arisara Dharamadhaj

- Director

Academic Achievement

- M.B.A., Roosevelt University, USA
- Bachelor of Economics, University of the Thai Chamber of Commerce
- Director Certification Program (DCP), Thai Institute of Directors Association



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10. Mrs. Vallapa Assakul

- Director
- Executive Director

Academic Achievement

- Master of Economics, University of Detroit, USA
- Bachelor of Economics, Chulalongkorn University
- Audit Committee Program (ACP), Thai Institute of Directors Association
- Director Certification Program (DCP), Thai Institute of Directors Association
- Director Accreditation Program (DAP), Thai Institute of Directors Association
- Role of the Compensation Committee (RCC), Thai Institute of Directors Association

11. Mr. Lertsak Chingharanon

- Director

Academic Achievement

- Master of Public Administration (M.P.A.), University of Hartford, USA
- Bachelor of Law, Chulalongkorn University

12. Mrs. Payao Marittanaporn

- Director
- Executive Director
- Managing Director
- Authorized Signatory Director

Academic Achievement

- M.B.A., Chulalongkorn University
- Higher Diploma in Auditing, Thammasat University
- Bachelor of Accountancy, Chulalongkorn University
- Director Certification Program (DCP), Thai Institute of Directors Association
- Role of the Compensation Committee (RCC), Thai Institute of Directors Association
- Capital Market Academy Leader Program, Capital Market Academy

“MANAGEMENT TEAM”



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1. Mrs. Payao Marittanaporn
Managing Director

2. Mr. Sanguan Kunatinun
Assistant Managing Director
Engineering

3. Mrs. Sudruthai Prommart
Assistant Managing Director
Operation

4. Mrs. Ngamnit Kanokgarnjanar
Assistant Managing Director
Compliance Unit

5. Mr. Phakpoom Thaweewittayarut
Assistant Managing Director
Administration
and Company Secretary

6. Miss Panan Tosuwanthaworn
Assistant Managing Director
Finance

7. Mrs. Wattana Sittiwattayaporn
Senior General Manager
Construction Division

8. Mr. Phaisan Lertsalaluck
General Manager
Traffic Division



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9. Miss Vasana Wattananukulchai

General Manager
Internal Audit Office

10. Mr. Omsyn Pibulwarangkur

General Manager
Maintenance Division

11. Mrs. Supattra Bumnetphan

General Manager
Toll Revenue Division

12. Mr. Chalermkiat Sakonwisansak

Deputy General Manager
Maintenance Division

13. Miss. Phenporn Kittiyopars

Deputy General Manager
Information Technology Office

14. Mr. Rungsak Luengrattanamas

Deputy General Manager
Maintenance Division

15. Mrs. Manatsavee Subchavaroj

Deputy General Manager
Managing Director Office

16. Mrs. Suttida Sukhanindr

Deputy General Manager
Business Development Division

17. Mr. Kitti Aphonrat

Deputy General Manager
Finance Division

“SOCIAL ACTIVITIES”

“Expressway Helps Flood Victims” Project

Given the severe flood crisis in 2011 which gave rise to widespread impact, although the Udon Rattaya Expressway of Northern Bangkok Expressway Company Limited (Subsidiary) had to close the service of Bang Phun - Bang Pa-in Section for a certain period of time due to high flooding, the contributions to flood victims continued under the “Expressway Helps Flood Victims” project since 2010, with the objective to help those suffering from flooding in various provinces. Last year, the Company provided social contributions to the best of its ability, namely, during the flood preparedness, the crisis point and the post-flood relief. The Company closely and continuously visited the affected communities near the Expressway routes as it realized that overcoming this flood crisis would require contributions of all sectors in the society. The Company and its volunteer staff thus provided social contributions as follows:



- The Company, in association with EXAT, accepted and packed rice and dried food from the Expressway users as survival kits for flood victims in Phra Nakhon Si Ayutthaya Province.

- The Company provided financial aids to flood victims through various public and private organizations, as well as the Chaipattana Foundation.





- Volunteer staff jointly arranged survival kits for flood victims in nearby communities in Pathum Thani Province, namely, Chiang Rak Noi, Bang Phut, Ban Mai, Suan Prik Thai communities, including Pho Taeng community in Phra Nakhon Si Ayutthaya. Moreover, in certain communities with travelling and cooking difficulties, the Company provided boats and boxed food as part of the relief efforts.

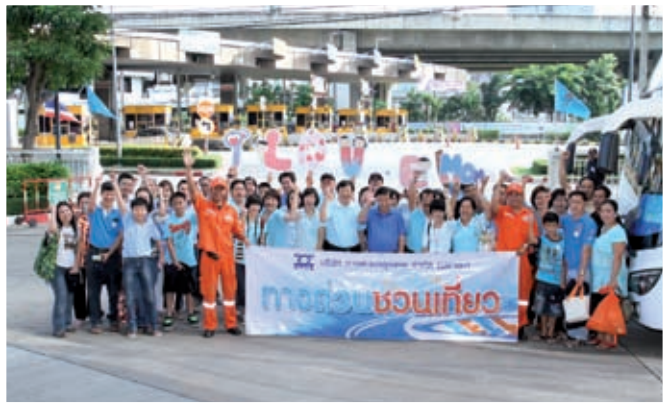
- The Company, in association with PTT Public Company Limited, organized the administration point around the Udon Rattaya Expressway Control Center for food cooking and delivery to flood victims in Rangsit-PathumThani.



- Staff are mainly instrumental in propelling the Expressway service. Given the adverse impact of the recent flood crisis, a number of the Company's staff, in order to provide relief and encouragement to staff, the Company thus provided assistance in various aspects, namely, providing financial aids, arranging temporary shelters for staff with damaged residence or travelling difficulty, together with certain equipment, namely, boats, trucks, waterproof pants. The Company gives priority to taking care of its staff, so that staff would be physically and mentally ready to perform work to the best of their ability, which would bring about the good service and satisfaction to the Expressway users under all circumstances.

“SOCIAL ACTIVITIES”

According to the Company’s policy and commitment to continuously taking care of the community in all aspects under the **“BECL Elevates the Quality of Life and the Environment”** concept in respect of good management of operational results, value added to shareholders and priority given to the surrounding communities, as well as taking care of the nearby and remote communities, the Company organized various activities in 2011 as follows:



1. Good Relationship with Expressway Users

“Expressway Invites Moms & Kids to Pay Homage to the Buddha Images in Chonburi”

The family institution is an essential key foundation for development of decent personnel for the society, and on the occasion of the National Mother Day, the Company organized activities to strengthen family relationship, by bringing the group of 41 Expressway users from 15 families to travel together to pay homage to the Buddha images at Wat Yan Sangwararam Woramahavihan, a temple built by the people to honor His Majesty the King and accepted as a temple under the royal patronage. The group also paid a visit to Vihara Sien and tourist attractions, and tasted delicious cuisine in Chonburi Province. Moreover, the Company organized the “I Love Mom” activity which represented an opportunity for hugging and saying love to moms, with souvenirs in a loving and warm atmosphere for all families.

2. Good Relationship with Shareholders



“Shareholder Relations”

On the auspicious occasion of His Majesty the King’s 84th Birthday Anniversary on 5 December 2011, as a gesture of the Company’s loyalty and gratitude to the King’s contributions towards Thai people, the Company then invited 33 shareholders to visit the Company and the Royal Nature Conservation Center, the Chaipattana Foundation, Nakhon Nayok Province. Teacher Panya Puliwekin, Manager of the Royal Nature Conservation Center, delivered a lecture on the royal initiative of His Majesty the King for learning the self-sufficient and self-reliant living, environment preservation, along with Thai lifestyle. Such activities represented a good opportunity for the shareholders and the executives to meet, share opinions and provide suggestions useful for the Company’s management.

3. Good Relationship with Related Authorities

Throughout the past operations, the Company has committed to the utmost satisfaction of the Expressway users. Good services need collaboration from the relevant authorities, namely, staff of EXAT and police officers of the Expressway Police Station 2. The Company then organized activities to strengthen relationship among the three authorities in order to build good relationship and take care of the relevant authorities to ensure unity and development of works for the maximum efficiency, as follows:



● “Watch Movie with the Expressway”

The Company invited the families of staff of EXAT and the families of police officers of the Expressway Police Station 2 as well as the families of staff of the Company to meet and jointly watch a movie “Rango” at Major Cineplex, Ratchayothin. All family members enjoyed playing games, rewards and the movie.



● “BECL Offers Buddhist Lent Candles”

The Company helps uphold and promote the Buddhist tradition on the occasion of the Buddhist Lent season by bringing the group of 53 executives and staff of the Toll Collection Department of EXAT and the Toll Revenue Department of the Company to jointly offer the Buddhist Lent candles, bathing robes, and necessary supplies to the Buddhist monks at Bang Phasi Temple, Nakhon Pathom Province.



● “BECL Grants Cars and Motorcycles to EXAT and Expressway Police Station 2”

The Company realizes the significance of promotion of performance of works of the relevant authorities to ensure smooth operations, and to monitor and provide the rapid and efficient services for the Expressway users, the Company then granted cars to EXAT, and cars, together with motorcycles, to the Expressway Police Station 2 for use on the Si Rat Expressway to facilitate the convenient travelling and maximum safety of the Expressway users.

“SOCIAL ACTIVITIES”

4. Promotion of Learning to Youths

Education builds a man to become knowledgeable and capable, which is regarded as the key foundation in development of Thai society. The Company always realizes the significance of education by organizing various activities with the objective to ensure that youths in nearby and remote communities would learn from inside and outside classroom, via, among others, scholarships, study visit for outside classroom learning for both knowledge and entertainment. Throughout 2011, the Company supported education through various activities as follows:



● “BECL Grants Scholarships to Staff’s Children”

The Company granted scholarships to staff’s children with good academic records at the levels of elementary and high school, and higher education, continuously as the fifth year.



● “Expressways Scholarships to Adjacent Schools”

The Company organized the “Expressways Scholarships to Adjacent Schools” activity, continuously as the fourth year, by granting scholarships to underprivileged students with good academic records, including funds for school development for educational purposes to 10 schools adjacent to the Si Rat Expressway and the Udon Rattaya Expressway.

● “BECL Grants Scholarships to Children of the EXAT Club’s Members”

The Company, in association with the EXAT Club, granted scholarships to children of the EXAT’s staff, who are members of the club and working on the Si Rat Expressway and the Udon Rattaya Expressway. The executives from both authorities jointly granted such scholarships.



● “BECL Grants Scholarships to Children of the Expressway Police Station 2’s Police Officers”

The Company granted scholarships to children of police officers of the Expressway Police Station 2, which were accepted by Police Colonel Khajornkiat Sariphan, the Superintendent of Sub-division 2, Traffic Police Division.





● “BECL Invites Students to Learn from Exhibition”

Learning outside classroom is a valuable activity which encourages children to learn, gain direct experience, with insightful understanding of various matters. The Company supported youths’ learning outside classroom in the areas of arts and Thai cultures by bringing the group of 110 teachers and junior high school students, Wat Bang Phoon School, adjacent to the Udon Rattthaya Expressway, to attend the Arts of the Kingdom Exhibition which represents the masterpieces of Thai craftsman by the SUPPORT Training Center, Chitralada Villa, Ananta Samakhom Throne Hall.



● “Gift Wonderland”

The Company continuously organized the National Children Day every year to entertain a number of staff’s children, students from adjacent schools and children from nearby communities with on-stage activities, games, and rewards.



5. Raising Awareness of Environmental Preservation

● “Expressway Organized Eco-tourism - KaengKrachan Dam - Cruising along the Petchaburi River”

Everyone must realize the significance of the energy and environmental problems and seriously cooperate in preserving natural resources, the Company then takes part in organizing the energy and environmental preservation promotion activities by bringing 36 Easy Pass users to jointly visit the Chang Hua Man Project, located at Ban NongKho Kai, Tambon Khao Krapuk, Amphoe Tha Yang, Petchaburi Province, which is a project under the initiative of His Majesty the King, in order to learn the agricultural development and energy saving for use in daily life, as well as cruising to see local lifestyle along the Petchaburi River, for the purpose of eco-tourism promotion and as a gesture of appreciation to ensure good relationship between the Company and the Easy Pass users.



“SOCIAL ACTIVITIES”

6. Other Social Activities

● “Donations to Victims in Japan”

The Company’s management team jointly donated Baht 1,000,000 to victims in Japan via the Japanese Chamber of Commerce, Bangkok, which was accepted by Mr. Mizonoue Junichi, President of the Japanese Chamber of Commerce, Bangkok.



● “Expressway Invites Children to Sing”

The Company organized the volunteer activities by the BECL music club and staff through music jam, supporting luncheon as well as recreational activities to children at the Foundation for the Better Life of Children, on 20 March 2011, and Rajvithi Home for Girls on 10 September 2011. Children had a good time and pleasure with the activities and this opened an opportunity for staff to express love, care and share happiness with those underprivileged children.



● “Donation of Computers to the Mirror Foundation”

The Company jointly opened the window of educational opportunities for children and youths by providing 128 items of computer equipment to the Mirror Foundation for disassembly and reassembly as new computers for remote schools in need in the North and the Northeast.

“ELECTRONIC TOLL COLLECTION SYSTEM (EASY PASS)”

The Company, in association with Expressway Authority of Thailand (EXAT), has launched the Electronic Toll Collection system or Easy Pass for service in respect of the Si Rat Expressway since 2010. The Easy Pass service users can use the service on all Expressway routes, including the Chalm Mahanakorn Expressway, the Chalong Rat Expressway and the Kanjanapisek Expressway (Bang Pli - Suksawad). Last year, the Company improved the efficiency of the Easy Pass service as follows:



1. Easy Pass Sale Channel:

Expressway users can buy the Easy Pass at

- Every Toll Plaza building of the Si Rat Expressway, the Chalm Mahanakorn Expressway, the Chalong Rat Expressway and the Kanjanapisek Expressway (Bang Pli - Suksawad), from 5:00 to 22:00 hours.
- The Customer Service Counter, Bangkok Expressway Public Company Limited, Asoke-Dindaeng Road, on Monday-Friday, during 9:00-16:30 hours.
- The One Stop Service Center, Expressway Authority of Thailand, Head Office, Bang Khen, Call Center 1543.

2. Easy Pass Top-up via ATM and Online Banking

Expressway users can top up the Easy Pass via ATM and the Online Banking systems of Krung Thai Bank, The Siam Commercial Bank, and KASIKORNBANK now. And top up via Bangkok Bank and Counter Service within 2012. Details of top-up method are available at www.becl.co.th or www.thaieasypass.com.

3. “Easy Pass ... Fast Service” Points

The Company has arranged for the “Easy Pass...Fast Service” points for inspection of the Easy Pass installation, with technical team for troubleshooting for the Expressway users facing problems relating to the Easy Pass, for instance, Easy Pass installation and checking services, window film cutting service for Easy Pass installation. Expressway users may bring their vehicles to receive such services free of charge at:

1. Bangkok Expressway Public Company Limited (Asoke-Dindaeng Road), during 9:00 - 16:30 hours on every business day, or
2. Prachachuen Toll Plaza outbound, during 17:00 - 22:00 hours on every business day; during 8:30 - 22:00 hours on holidays (for installation and window film cutting only). For more information, call 02-641-4611 Ext. 872/873.



“ FIRST CLASS SERVICES ”

Services on the Expressway are the core of BECL's management, therefore, over the past period, BECL has been determined to develop and enhance the efficiency of its services so as to ensure that motorists will be impressed by the convenience, rapidity and cost-efficiency of the services.

In regards to the first class services, BECL provides various services as follows:

1. Communications and Facilities

BECL established the expressway system control centers by having communications staff to coordinate with the rescue operation units as well as police officers on the expressway and at the ground level roads so as to service the motorists 24 hours a day. The communications facilities comprise:

- **Closed-circuit Television (CCTV)**

Closed-circuit televisions are installed at intervals throughout the Expressway to monitor traffic flow and various events on the Expressway, hence, motorists can be assured of prompt assistance should there be any emergency.

- **Emergency Telephones (ETS)**

Emergency telephones are installed at intervals of every 1 kilometer on the Expressway so as to enable motorists to contact communications staff at the control centers by pressing the metal shaft or green button to call the center, then the communications staff pans the closed-circuit television which is nearest to such SOS telephone to the location of such telephone. This enables the communications staff to monitor the calling site and simultaneously, sound and video recorders record the conversation between the motorist and the communications staff.

- **Variable Message Sign (VMS)**

BECL publicizes various information on traffic flow and significant events to motorists by VMS which are installed prior to various intersections on the Expressway.

2. Traffic Management

Traffic management is a routine operation BECL coordinates with the Traffic Division, EXAT and the police officers at the Si Rat Expressway Police Station so as to ensure rapid and safe passage for motorists, especially at on-off ramps or at any areas with heavily congested traffic. The traffic management facilities comprise:

- **Traffic Signs**

BECL has installed traffic signs to ensure the motorists' safe and careful use of the Expressway, namely, speed limits on the Expressway when it is raining or traffic direction indicators.

- **Weighing Stations**

BECL takes into account the safety of motorists by providing weighing station so as to control the weight limits in accordance with the legal standards. Any truck loaded in excess of the weight limit will not be allowed to enter the Expressway.

3. Rescue and Trailer Services

Should any motorist encounter any accident or engine trouble on the Expressway, the rescue staff will help repair the engine to working condition or if it is unable to be repaired, the staff will help tow such vehicle on the Expressway to exit at the nearest off ramp without any expense, except for:

Fuel Cost

Should the vehicle be out of gas, the staff will refuel the vehicle to enable such vehicle to exit the Expressway and reach a gas station whereby the rate of gas to be charged at the market rate which is merely approximately Baht 100.- on average.

Chemical Powder Cost

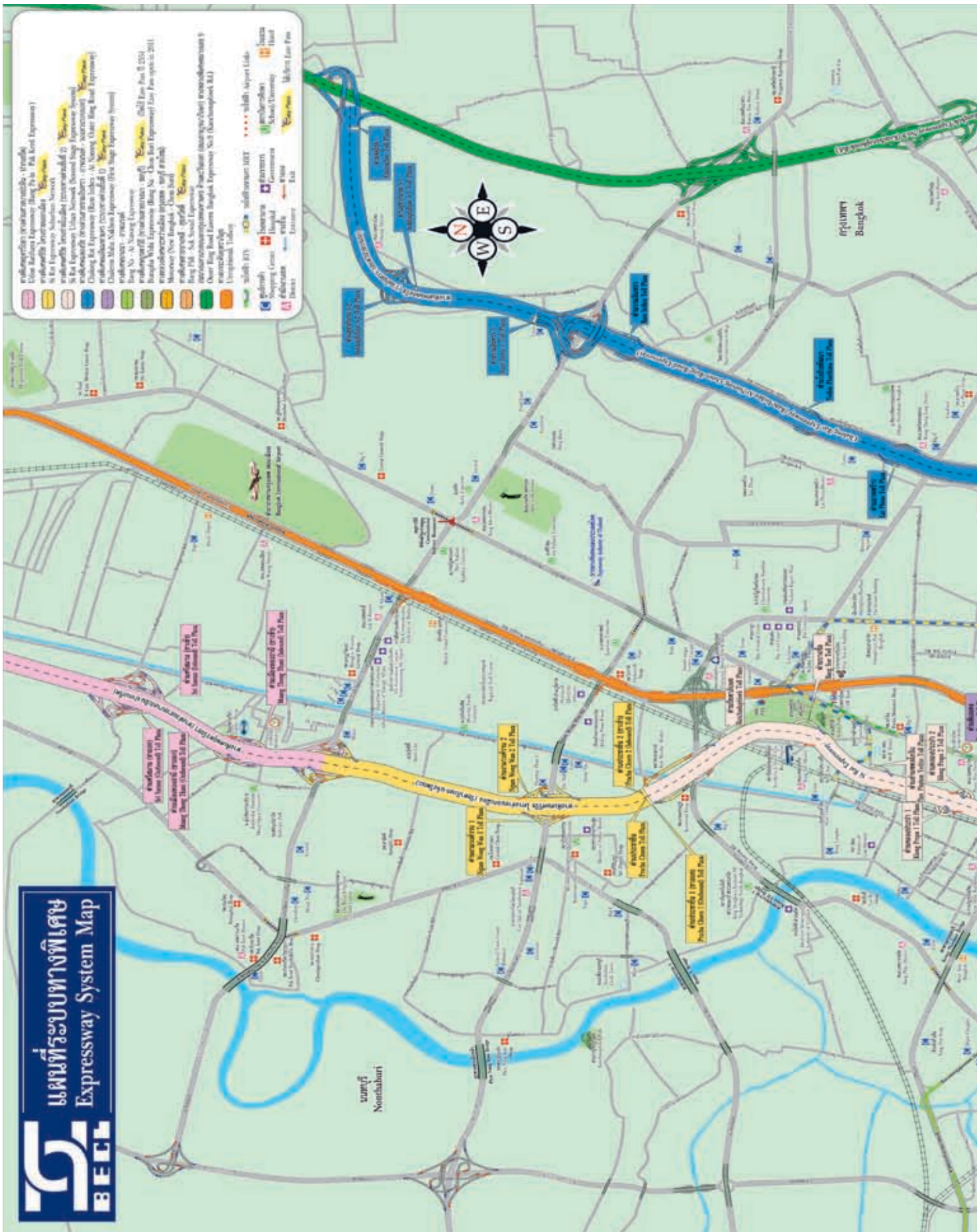
Should any vehicle encounter any problem causing oil to leak onto the road, it is necessary for the staff to apply chemical powder to clean up such oil spill for the safety of other motorists.

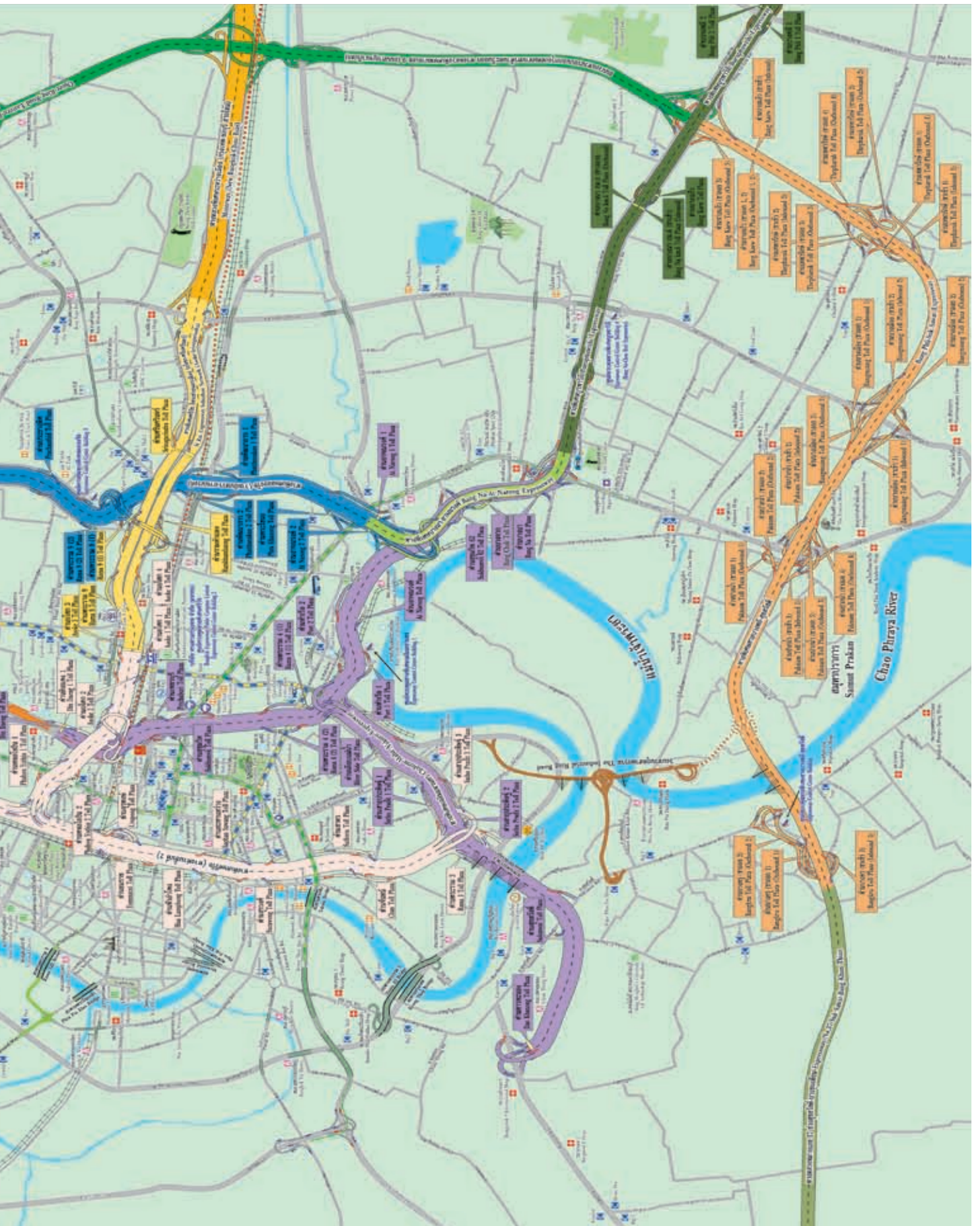


Useful Telephone Numbers

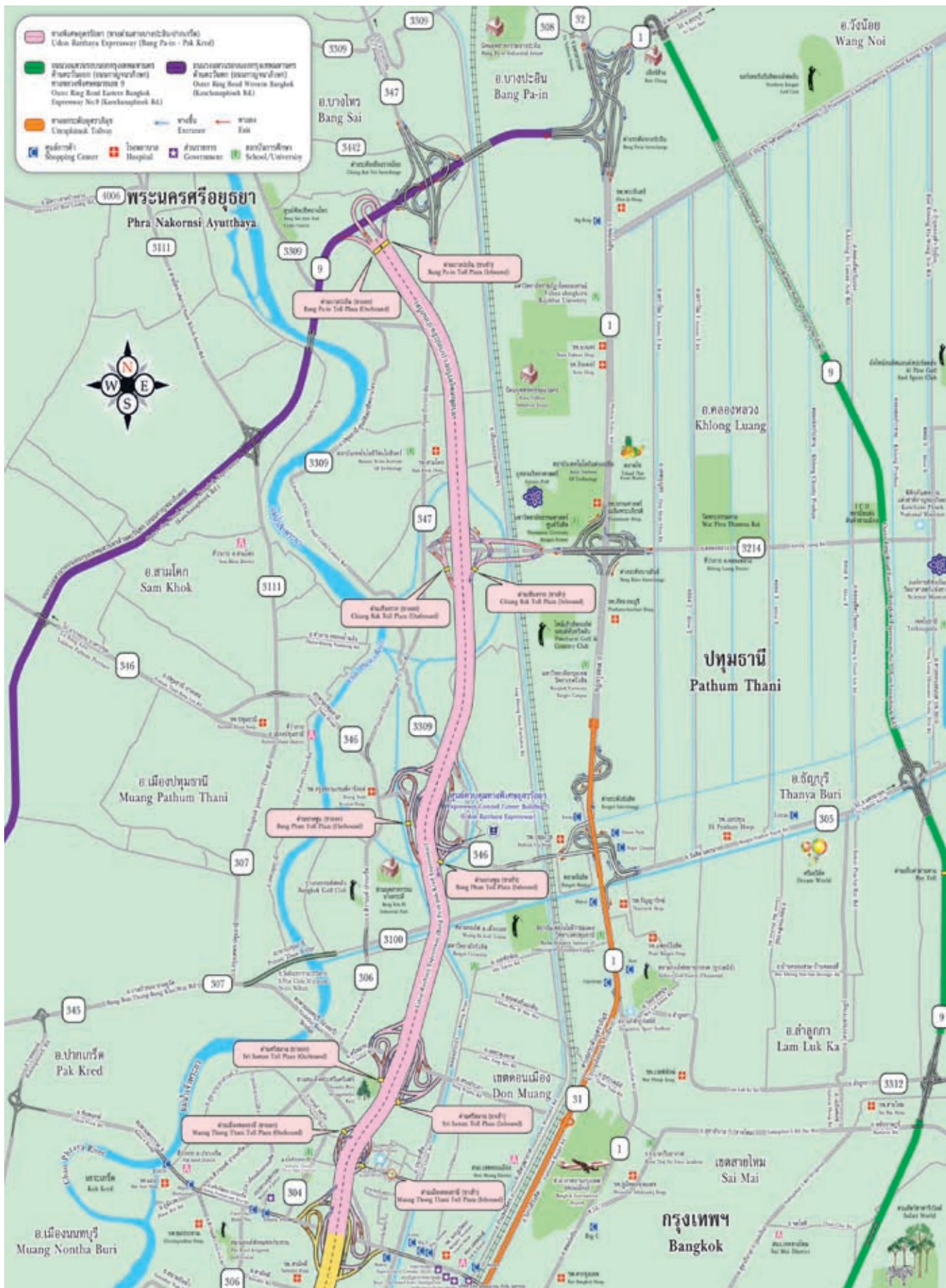
Accident / Breakdown Car / Traffic Information	Tel.	1543 / 0-2664-6400
Chalerm Mahanakorn Expressway Control Center	Tel.	0-2240-0709
Si Rat Expressway Control Center	Tel.	0-2248-7539 / 0-2641-4649 0-2664-6400 / 0-2641-4611 ext. 328
	Fax.	0-2247-1994
Chalong Rat Expressway Control Center	Tel.	0-2319-7166-7 / 0-2319-9730-9 ext. 4610-11
	Fax.	0-2319-9730-9 ext. 4623
Udon Rathaya Expressway Control Center	Tel.	0-2567-5700 ext. 723 / 0-2567-5680
	Fax.	0-2567-5700 ext. 328
Buraphawithi Expressway Control Center	Tel.	0-2746-9800-4 ext. 5501 0-2746-9799
	Fax.	0-2746-9799
Kanchanaphisek Expressway Control Center	Tel.	0-2442-0876-8
(Bang Phli-Suk Sawat)	Fax.	0-2442-0899
Chalerm Mahanakorn Expressway Police Station	Tel.	0-2249-8007
	Fax.	0-2240-0147
Si Rat Expressway Police Station	Tel. / Fax.	0-2248-6891-5
Udon Rathaya Expressway Police Station	Tel.	0-2567-5682-3
Bangkok Expressway Public Company Limited	Tel.	0-2641-4611
	Fax.	0-2641-4610
Expressway Authority of Thailand	Tel.	0-2579-5380-9
	Fax.	0-2561-2984

“EXPRESSWAY SYSTEM MAP”





“EXPRESSWAY SYSTEM MAP”



“EXECUTIVE SUMMARY”

Bangkok Expressway Public Company Limited (the “Company”) operates the business of construction and management of the Si Rat Expressway (Second Stage Expressway) and its extensions, including related businesses under the Second Stage Expressway Agreement (“SES Agreement”) entered into between the Expressway Authority of Thailand (“EXAT”) and the Company for a contract period of 30 years from 1 March 1990 and the Agreement for the Extension of the Second Stage Expressway System, Sector D, for a contract period of 30 years from 17 April 1997. This Expressway Project Agreement was executed on a BTO (Build, Transfer and Operate) basis, in other words, the Company is responsible for the design, construction and management of the Expressway System while the title to various permanent constructions shall be vested in EXAT. The Si Rat Expressway comprises four Sectors, namely, Sector A (Rama IX - Ratchadapisek), Sector B (Phayathai - Bangkhlo), Sector C (Ratchadapisek - Chaeng Watthana) and Sector D (Rama IX - Srinagarindra). The Company receives toll revenue sharing from the Si Rat Expressway and the Chalem Mahanakorn Expressway (First Stage Expressway) based on the proportions under the respective Agreements, except at 100 percent of toll revenue of Sectors C and D received by the Company throughout the contract period.

Furthermore, Northern Bangkok Expressway Company Limited, the Subsidiary, entered into an agreement with EXAT for construction and management of the Udon Ratthaya Expressway (Bang Pa-in - Pak Kret Expressway) for a contract period of 30 years from 27 September 1996. The Udon Ratthaya Expressway is northbound with a connection to the Si Rat Expressway around Chaeng Watthana Road, passing Bang Phun, Chiang Rak to end at Bang Sai. All toll revenue of the Udon Ratthaya Expressway is retained in full by the Subsidiary throughout the contract period.

The Company’s main policy is to mitigate traffic problems in Bangkok by way of efficient management of the Si Rat Expressway. The Company, in association with EXAT, has implemented the installation of the Electronic Toll Collection system to enhance the effective collection of tolls at the front of the Toll Plazas and to alleviate the traffic congestion, particularly during the rush hours, which may increase in the future, called “Easy Pass”. As of December 2011, the average use of Easy Pass on working days accounted for 26 percent of the four-wheeled vehicles traffic volume, whereby the use of Easy Pass continued to increase.

The traffic volume of the Expressway in 2011 from January to September increased from last year by 7.48 percent as a result of the economic recovery of Thailand, along with the materially increased number of new cars registered despite the negative factor due to high oil price in the world market; while from October to December 2011, the traffic volume declined due to the flood crisis in Bangkok and boundaries, and as a result, the overall average daily traffic volume in 2011 was 1,024,593 trips per day or representing an increase by 5.18 percent from the previous year. With respect to the toll revenue, as a result of the reduction of toll revenue sharing under the Second Stage Expressway Agreement for the urban network, effective from 1 March 2011 onwards, the average toll revenue in 2011 amounted to Baht 20.03 Million per day, or representing a decrease by 6.41 percent as compared to that of the previous year.

In 2011, in the middle of the fluctuations of the money market and the likely rising inflation, the Company managed the financial risks through the issuance and offering of two tranches of debentures in April 2011, with a term of three years and ten years, in the total amount of Baht 2,000 Million, at the fixed interest rate of 3.70 percent per annum and 4.72 percent per annum, respectively, in order to arrange for cash flow for redemption of a tranche of the existing debentures, at the interest rate of 5.20 percent per annum, due in November 2011; and subsequently, one tranche of debentures in December 2011, with a term of seven years, in the total amount of Baht 900 Million, at the interest rate of 4.60 percent per annum, in order to arrange for cash flow for redemption of the existing debentures, at the interest rate of 4.88 percent per annum, due in August 2012. Such arrangements not only served as a risk prevention measure from the interest rate fluctuations in the money market, but also minimized the financial costs and the risk from reliance on the only source of fund in the form of long-term loans from banks.

In respect of the operational results of the Company and the Subsidiary for the period ending 31 December 2011, the total net profit attributable to equity holders of the Company amounted to Baht 1,408 Million, representing a decrease by Baht 395 Million from the previous year, due to the adjustment of the revenue sharing under the Second Stage Expressway Agreement; while the amortization of the rights to operate completed expressway sectors increased in accordance with the volume of vehicles.

1. Risk Factors

Bangkok Expressway Public Company Limited realizes the significance of the management of risks from business operations under the changes of internal and external factors affecting the Company's operational results. The risk management is considered a key instrument in the business administration to ensure efficient achievement to promote its competitiveness, as well as a key factor of the Good Governance, the Company thus arranges for the systematic risk management, monitoring and measures to minimize risks continuously, whereby the Corporate Governance and Risk Management Committee is appointed for policy-level consideration, with the management having duty to supervise the overall risk management process of the organization and responsible for routine work instead of the Corporate Governance and Risk Management Committee, in order to perform duties to monitor, evaluate and prepare risk management report at a work unit level to the Board of Directors for information.

In addition, a risk management handbook and a risk management plan have been made as guidelines in the operations, and the monitoring, evaluation and review of risks have been regularly conducted to be in line with the ever changing internal and external circumstances, including the backup plan for every unit to proceed in case of emergency, in order to ensure prompt action in solving problems and coordination with relevant units at all times. Factors which may give rise to risks towards investment by investors are as follows:

1.1 Concession Risk

1.1.1 Risk Relating to Business Operations under Agreements with Government Sector

The Company operates the construction and management of the Si Rat Expressway (Second Stage Expressway) and extensions, including related businesses under the Expressway Agreements executed with the Expressway Authority of Thailand ("EXAT"). Due to the fact that the Company has been doing business with EXAT under the Second Stage Expressway Agreement, different interpretation of the contents and conditions of the Agreement between contractual parties may occur during the business operations. In order to resolve any possible dispute or disagreement, the Agreement provides a dispute settlement procedure. Should the Company and EXAT be unable to settle any dispute, either party may refer such dispute to the Panel for settlement pursuant to the Agreement. If such dispute cannot be settled through the mediation by the Panel, the dispute shall be further referred to arbitration pursuant to the Agreement.

Currently, the Company and the Subsidiary have disputes on different interpretation of several matters with EXAT, such as, adjustment of toll rates, interpretation on determination of the Priority Component Opening Date, which give rise to an impact on the toll revenue sharing.

Other than the disputes on the different interpretation of the Agreement, the Company also has a risk from noncompliance with the Agreement by the contractual party, namely, the Company is obliged to construct the Collection and Distribution Roads (CD Roads), provided that EXAT is obliged to deliver the sites to the Company by 18 October 2000. Given the failure on the part of EXAT to deliver the sites to the Company by the specified time, the Company's obligation in respect of such construction has therefore ceased, but the Company is entitled to claim damages from EXAT due to EXAT's inability to deliver the construction sites to the Company within the specified time, as well as the loss of toll revenue if the construction would have been completed as scheduled.

The cessation of such obligation to construct the Collection and Distribution Roads resulted in failure of the Company's revenue to meet the projected revenue and had an impact on overall traffic system, as such roads might be able to alleviate traffic problems in downtown. Failure in construction of said roads therefore impaired efficiency in provision of overall traffic services. However, as at 31 December 2011, such dispute has not yet been referred to arbitration proceedings.

The details on other disputes are described in Disputes with EXAT on pages 49 to 53, most of which major claim on high value damages by the Company from EXAT. Therefore, the decision should not materially have any negative risk towards the Company's operational results.

1.1.2 Risk from Government and Politics

The Company's business operation is under the supervision of EXAT, a government agency depending upon the political uncertainty and changes in government administration from the political party in charge, which may result in changes in policies, relevant laws or regulations, thereby rendering EXAT to be unable to perform its obligations under the Agreement or may require the Company to proceed beyond those specified in the Agreement or undertaking. In order to minimize such effect, the Company has established a joint operation system with the government agencies both at the administrative and operation levels, by means of sharing of sufficient information to ensure good understanding towards each other, as well as closely and regularly monitoring the political situations and changes in policies, especially those relating to the Company's business, and reviewing the strategy and operation plan reasonably suitable for the situations and for their mutual interest in the long run.

1.2 Financial Risk

1.2.1 Risk from Insufficient Revenue to Cover Expenditure

Toll revenue is the Company's core revenue, which may be affected by external factors having material impact on toll rates and traffic volume. Provided that the toll revenue differ from the study or the projections, it may affect the liquidity management in covering the existing financial obligations, such as interest expense, scheduled repayment of loans, operating expenses under the Expressway Agreement, as well as compensation for site acquisition cost to be paid to EXAT under the Second Stage Expressway Agreement.

The toll rates as specified in the Second Stage Expressway Agreement are to be reviewed every five years in accordance with the increased rate of the Consumer Price Index of Bangkok. As for the past toll revisions on three occasions in 1998, 2003 and 2008, the Company was granted approval to increase toll rates but not at the proposed rates (as per the details in Legal Disputes on pages 6-3 to 6-4), which in the Company's opinion, did not comply with the Agreement, thereby causing the Company's revenue to be lower than that should have been received. In 2003, the Company remedied such effect by entering into negotiation with the group of lending banks for extension of time for repayment of due loans and request for reduction of interest rate. However, the Second Stage Expressway Agreement provides a dispute settlement procedure in case of any dispute, disagreement, or claim from noncompliance with the Agreement, in respect of which the Company has already proceeded with the specified procedures.

In respect of traffic volume, the Company estimated that there would remain a risk from uncertainty of the traffic volume on the Expressways, which directly affects the Company's revenue. The Company has closely monitored the impact and continuously followed up on policies, laws, regulations and traffic management plans by the government. Changes in policies of the government may include the opening of new Expressways for service, as well as the repair and maintenance of flyovers across several intersections in Bangkok and boundaries, the construction of additional roads on the outskirts of Bangkok so as to form a range of networks, some projects will support and facilitate more motorists to use the Expressways or help increase the traffic volume on the Expressway Systems or may give rise to impact in the form of competing roads from motorists' change in their commuting behavior in case where projects are competing roads which would affect the number of motorists on the Expressways as well.

The traffic volume on the Expressways during the period from January to September 2011 increased by 7.48 percent as compared to that of the previous year, as a result of the country's economic recovery, as well as the substantial increase in the volume of new vehicles registered. In 2010, the traffic volume unusually decreased due to the political unrest; while during the period from October to December 2011, the traffic volume decreased due to the widespread flood crisis in the country, particularly in Bangkok and boundaries, thereby causing temporary evacuation from such affected areas, as well as giving rise to the economic slowdown. As a result, the overall traffic volume increased by merely 5.18 percent as compared to that of the previous year. As for the toll revenue, on 1 March 2011, the toll revenue sharing for the urban network between the Company and EXAT was adjusted from 50:50 to 40:60, or representing a decrease by 20 percent. However, because of the continued increase in traffic volume, the average toll revenue in 2011 thus equaled Baht 20.03 Million per day or representing a decrease by merely 6.41 percent as compared to that of the previous year.

As for the other public mass transit services, such as, the BTS, which was opened for public service since December 1999, the Extension of Silom Line, which was opened for service since May 2009, the Extension of Sukhumvit Line (On Nut - Bearing), which was opened for service since August 2011, and the metro, which was opened for service since July 2004, the Company has been continuously collecting information and conducting a survey in this regard, which can be concluded that such services have no impact upon the traffic volume of the Company in respect of indirect competition since customers of the BTS and the metro are not the target group of customers and they would mostly use public transportation, let alone the fact that at present, the networks of the BTS and the metro are limited to their respective service areas only. Although the behavior of personal car owners may have some changes to a certain extent, the information obtained from the survey revealed that the Company's revenue is not affected.

The Suvarnabhumi Airport Rail Link, which was opened for service since August 2010, comprising a route running parallel to Sector D of the Si Rat Expressway (Second Stage Expressway), may slightly affect the traffic volume on the said Expressway route during the initial opening only. Despite the baggage check-in and air check-in services which have been launched since January 2011, there was minimal impact to the said expressway route. However, the Company keeps monitoring the impact on the expressway traffic and believes that in the future when more passengers get off at Makkasan Terminal Station or City Airport Terminal (CAT) near the on-ramps of Sector A of the Si Rat Expressway (Second Stage Expressway) around Asoke 2 Toll Plaza, such Toll Plaza would serve to accommodate the traffic volume from CAT for more convenient commute.

1.2.2 Risk from Interest Rate Fluctuation

The Company had a large amount of debts in the form of long-term loans for investment in construction of the Si Rat Expressway and the extensions under the Second Stage Expressway Agreement. Thus, interest expenses are considered the significant expenditures for the Company. The increased interest rate on loan may affect the Company's operational results due to the fact that the interest cost in respect of the certain credit facility was at the floating interest rate, thereby exposing the Company to a risk from interest rate fluctuation or increase in the money market.

However, the Company is aware of such risk, and as such, in April 2011, the Company issued and offered additional debentures with maturity of 3 years and 10 years in the total amount of Baht 2,000 Million, at the fixed interest rates of 3.70 percent per annum and 4.72 percent per annum, respectively, in order to reserve the cash flow for redemption of the existing debentures with the interest rate at 5.20 percent per annum, due in November 2011. In December 2011, the Company issued the debentures with maturity of 7 years in the amount of Baht 900 Million, at the fixed interest rate of 4.60 percent per annum, in order to reserve the cash flow for redemption of the existing debentures with the interest rate at 4.88 percent per annum, due in August 2012. As at 31 December 2011, the Company had long-term liabilities of Baht 19,044 Million comprising long-term loans and debt instruments at the floating interest rate, in the amount of Baht 5,500 Million or representing 29 percent, and debt instruments at the fixed interest rate, in the amount of Baht 13,544 Million or representing 71 percent.

1.3 Investment Risk

1.3.1 Risk from Investment in Northern Bangkok Expressway Company Limited ("Subsidiary")

The Subsidiary which invested, constructed and operated the Udon Ratthaya Expressway (Bang Pa-in - Pak Kret) continuously sustained the operating loss due to an impact from the government policy on the construction of the competing road, namely, the Don Muang Tollway (National Memorial - Rangsit Section), resulted in the substantially lower volume of vehicles using the Udon Ratthaya Expressway than projected. The Subsidiary's operational results are below projections and remained at a loss. As at 31 December 2011, the Subsidiary had accumulated loss amounting to Baht 5,146 Million and the outstanding liabilities and loans from its parent company amounting to Baht 9,260 Million, affecting the quality of the Company's investment funds and assets.

In order to minimize the risk from investment in the Subsidiary, the Company reduced the portion of investment by selling a certain portion of shares held in the Subsidiary to other legal entity, namely Cargo Village Co., Ltd., at the book value as at the selling date, in accordance with the resolution of the 2003 Annual Ordinary General Meeting of Shareholders assigning the Company's Board of Directors to consider and proceed with such matter. As a result, the Company's shareholding percentage in the Subsidiary then decreased to 53.33 percent of the registered capital.

On 1 November 2003 and 1 November 2008, the Ministry of Transport issued its Notifications on toll revision for the Udon Ratthaya Expressway, but such toll revision did not increase at the rate proposed by the Subsidiary, which in the Subsidiary's opinion, did not comply with the Agreement, thereby causing the Subsidiary's revenue to be lower than that should have been received. The aforesaid competing road also caused the actual traffic volume to be materially lower than the traffic volume study for making the decision to invest, and the Subsidiary thus continued to face operating losses. Based on such effect, the Subsidiary needs to give discount on tolls for this Expressway to attract more motorists.

The flood crisis in 2011 around the central region along the boundaries of the Northern Bangkok resulted in high flooding on ground level Expressways, at-grade roads and highways, to the extent that vehicles could not pass through. Northern Bangkok Expressway Company Limited was affected from loss of toll revenue, thereby causing the cash flow and the operational results to be lower than projection. However, Northern Bangkok Expressway Company Limited did make arrangements to prevent such risks in advance by taking out insurance covering Property Damage as well as deficient revenue caused by Business Interruption.

1.3.2 Risk from Investment in Various Companies

Due to the fact that the Company has invested in the construction and management of the Second Stage Expressway System which the contract period nearly ends, in order to establish long-term return and increase business value to its shareholders so as to enable the Company to continue as a going concern despite the expiration of the Project Agreement, the Company therefore considered investing in the public utility infrastructure business or in supporting business, as follows:

1) Bangkok Metro Public Company Limited ("BMCL")

In 2001, the Company invested in Bangkok Metro Public Company Limited (BMCL), a company awarded concession from the Mass Rapid Transit Authority of Thailand (MRTA), in respect of investment in the M&E Equipment, together with provision of train operation service and maintenance of the MRTA Initial System for a period of 25 years. As at 31 December 2011, the Company holds shares in BMCL representing 11.68 percent.

BMCL was listed on the Stock Exchange of Thailand on 21 September 2006, rendering its financial costs to decrease, whereby BMCL utilized some portions of funds from the public offering to partially repay the loan and accommodate its liquidity. The delay of the plan for extension projects did affect its operational results. Therefore, in 2008, BMCL has undergone debt restructuring by extending the grace period for repayment of the principal and reduction of interest rates to a fixed interest rate of 3.75 percent per annum until the end of 2012, as well as changing the conditions in the loan agreements in line with cash flow while awaiting the growth of revenue from the extensions. However, the government also established the policy to encourage people to increasingly use the public transport whereby bidding for extension projects for several routes would be held so as to expand the metro network, which would increase the volume of passengers in the future for BMCL.

2) Thai Tap Water Supply Public Company Limited ("TTW")

In 2005, the Company invested in Thai Tap Water Supply Public Company Limited (TTW) which operates the business of tap water production and distribution to the Provincial Waterworks Authority for a period of 30 years. As at 31 December 2011, the Company holds shares in TTW representing 9.24 percent.

TTW is a contractual party to the Water Purchase and Sale Agreement with the Provincial Waterworks Authority ("PWA"), on a BOO (Build-Own-Operate) basis, for a period of 30 years, in other words, investing in construction of tap water production system and distribution system for consumers without transfer of ownership in the tap water production system and distribution system to the PWA at the end of the Concession Contract. The risk from investment in TTW may arise from a termination of the Water Purchase and Sale Agreement by the PWA which is TTW's sole customer, which may have an impact on TTW's business operation, financial position and revenue in the future. TTW commenced the tap water production and distribution since 2004, and its current production capacity for tap water and the water standard complied with the specified plan. It is deemed that TTW is the largest privately owned tap water producer in Thailand and Southeast Asia. Furthermore, TTW also registered its conversion into a public limited company and was listed on the Stock Exchange of Thailand on 22 May 2008. TTW has been deriving profit from the operation since the commencement of business operation and regularly making dividend payment to shareholders. In 2011, the Company received dividend from TTW which was recorded

as dividend income in this year for the operational results of the second half of 2010 at the rate of Baht 0.20 per share and for the operational results of the first half of 2011 at the rate of Baht 0.15 per share, bringing the dividend income to Baht 129 Million.

3) SouthEast Asia Energy Limited (“SEAN”)

In 2005, the Company invested in SouthEast Asia Energy Limited (SEAN), a company investing in a concession business awarded by the government of the Lao People’s Democratic Republic to carry out design, construction and operation of the Nam Ngum 2 Hydroelectric Power Project for a period of 25 years, with a shareholding proportion as at 31 December 2011 of 16.67 percent.

SouthEast Asia Energy Limited (“SEAN”) invests in Nam Ngum 2 Power Company Limited which is a contractual party to the Nam Ngum 2 Hydroelectric Power Project Concession Agreement with the government of the Lao People’s Democratic Republic, on a BOOT (Build-Own-Operate and Transfer) basis, that is, for design, construction, development and operation of the Nam Ngum 2 Hydroelectric Power Project for a period of 25 years from the commercial operation date; and is a contractual party to the Power Purchase Agreement with the Electricity Generating Authority of Thailand (“EGAT”) for sale of all electricity derived from the Nam Ngum 2 Hydroelectric Power Project to EGAT throughout the concession period of 25 years, whereby the sale price has been agreed upon in advance in order to minimize marketing risks. However, it would be uncertain that the power production may be lower than the required volume, which would be subject to penalty due to its inability to produce electricity for sale to EGAT as agreed under the Agreement, and which may affect its revenue accordingly. The electricity production in the Nam Ngum 2 Project would mainly rely on hydroelectric power and in case of less quantity of inflowing water into the system, it may affect the production process. Nevertheless, according to a study of data on the quantity of water in such area during 1949-2003, the quantity of water should be sufficient to accommodate the requirement. The Nam Ngum 2 Project took five years for construction, with the Initial Operation Date (IOD) on 26 March 2011.

4) Xayaburi Power Company Limited (“XPCL”)

In 2011, the Company invested in Xayaburi Power Company Limited, a company investing in a concession business awarded by the government of the Lao People’s Democratic Republic to carry out design, construction and operation of the Xayaburi Hydroelectric Power Project for a period of 29 years, with a shareholding proportion as at 31 December 2011 of 7.50 percent.

As the Xayaburi Hydroelectric Power Project is a large-scale construction project on the Mekong River, with a large amount of investments, which takes eight years to complete the construction, delay in construction and cost overrun may take place. In this regard, the execution of the construction contract with a construction company with expertise and experience, at a lump sum fixed price, may help minimize the risk for the Company. As for the marketing risk, the execution of the Power Purchase Agreement with the Electricity Generating Authority of Thailand (“EGAT”) on a take or pay basis, whereby the sale price has been agreed upon in advance, would serve to minimize the risk. However, uncertainty to some extent in the power production may occur should the quantity of inflowing water into the system for power production fails to meet the projection, which may affect the revenue and return on investment of shareholders, including the risk of penalty under the Power Purchase Agreement. Nevertheless, according to a study conducted by an expert based on the statistics over the past 46 years, together with the simulation conducted by Asian Institute of Technology (AIT), it was found that the quantity of water should be sufficient for power production, with the current production capacity at 1,285 Megawatt.

1.4 Operational Risk

1.4.1 Risk from Work Operations

The Company takes into account the risk from operations which may be resulted from primary factors, i.e., personnel, work system, operation system and external factors, which cause error or insufficiency of work procedures, employees, work system or information technology system, including employees’ fraud and events or external factors, which may give rise to monetary and non-monetary damage, namely, damage to reputation or security of the Company. Therefore, it is greatly necessary to have a thorough supervision system with due care. The Company has then arranged for a specific unit having duties to monitor and maintain the routes and toll collection system in accordance with the operation standards, which can be assured by the experience and expertise of staff in charge from all divisions, thereby leading to the quality and availability of efficient, complete and continued service.

In addition, the Company also established the preventive measure for the significant structures of the Expressway Systems so as to be used at all times by way of drawing up a plan for inspection of the structures of both the Si Rat Expressway and the Udon Rattaya Expressway to be in line with the inspection by JMI Pacific Co., Ltd., a designing company with expertise in structural inspection. The monitoring, surveillance and maintenance were conducted to ensure that there would be no impact on the use of the Expressways. With respect to the toll collection system, and the communication and traffic control systems which are important to the Company's operations, the Company has provided the preventive maintenance as well as the data backup system, the standby power system and the management of purchase of spare materials. Regarding the toll collection equipment, which has a risk in obsolete technology, making it difficult to procure spare equipment, the Company has thus installed the replacement equipment which would be completed in 2012 and installed the new technology of Electronic Toll Collection system, which is available from several manufacturers. Furthermore, the Company also employed specialists to give advice on technology to ensure modern and quality equipment and system, which would build up all relevant parties' confidence, and cooperated with EXAT on the Electronic Toll Collection system to facilitate the Chalem Mahanakorn Expressway, the Si Rat Expressway, the Chalong Rat Expressway and the Bang Pli - Suksawad Expressway, for the convenience of the services, which would alleviate traffic congestion at the front of the toll plazas, and encourage more motorists to use the Expressways.

In 2010, the Company has launched the Electronic Toll Collection system or Easy Pass system for service, which is an innovation for solving traffic congestion problem at the front of the toll plazas due to the fact that each plaza which has been physically expanded to its full extent. The Easy Pass system can accommodate the maximum traffic volume of 1,200 vehicles per hour, which is faster than the toll collection by manual operation which accommodates only 450 vehicles per hour, it is therefore considered an enhancement of efficiency in provision of Expressway service to motorists for more convenience and rapidity.

1.4.2 Risk from Non-Functional Toll Collection System Equipment

In 2010, the Company has launched the Electronic Toll Collection system or Easy Pass system for service, which is a new method of toll payment to solve traffic congestion problem at the front of the toll plazas, together with the toll collection system by cash. The risk from non-functional toll collection system equipment may arise by various causes, such as, non-functional electrical system due to power outage from the Metropolitan Electricity Authority, error processing by the operating system or computer virus infection in the system which destroys data in the operating system, including hacking to destroy data and information, thereby causing damage to the system, etc. In this regard, the Company gives high priority to such risk management by arranging for power backup system, security system for access to significant systems by third parties through username and password, and determination of authorization levels of access to information and equipment only for the authorized persons, as well as log file for inspection of information access and installation of programs for virus scan and data backup system in the operating system which is able to operate promptly.

In 2011, due to the flood crisis, several toll plazas of the Udon Rattaya Expressway of the Subsidiary were affected by such disaster. The Company had plans to prevent possible damage in advance in order to ensure that the Expressways would be ready for normal service to the public as soon as possible; for example, removal of various significant and essential M&E equipment in the management of the Expressways for storage at the safe place from floodwater, construction of strong cement walls to prevent water force from destroying, as well as leaking which might cause damage to immovable significant equipment, stocking of spare parts to prevent subsequent shortage, including taking out insurance against Property Damage arising from such flood situation, etc., and as a result, it was able to prevent and mitigate damage arising from such situation.

1.4.3 Risk from Serious Accidents and Natural Perils

In case there is an event or external factor which results in an emergency, namely, peril, serious accident, earthquake and such events which may be caused by terrorism or sabotage as bombing and riot, including gathering of activities for inciting public unrest, the Company requires all units to have emergency plans in response to any events which may suddenly occur and arrange for staff training to ensure that the staff in charge would be able to immediately take actions to resolve such emergency, as well as establishing a unit for monitoring, warning and coordinating with relevant agencies to prevent the occurrence of any serious accident. The Company has controlled and monitored for strict compliance with the relevant laws; for example, transportation of chemical substances and passenger trucks without roof are prohibited from accessing the Expressways, and

transport trucks need to have complete truck coverings. Moreover, the Company further established the measure for inspection of the routes and their surrounding areas, including cooperation with police officers responsible for the areas around the routes. The Company also adjusted positions and added equipment and tools installed on the Expressways to enhance the capacity of control and surveillance, such as, CCTV cameras, lighting, traffic signboards and information signboards.

However, in order to prevent the impact from possible damage, the Company and the Subsidiary took out insurance against Property Damage of the structures of the Si Rat Expressway and the Udon Ratthaya Expressway, and Business Interruption, including the Public Liability, on a yearly basis.

The overall damage from the flood crisis in 2011 constituted a national severe problem with widespread damage, particularly in Bangkok and boundaries, as well as other provinces in the central region of the country. The Company was affected in respect of both property damage and business interruption, but the Company had managed risks by using an emergency plan to prevent such damage and handle the flood crisis through preparedness at its best effort, together with insurance against such damage, and as a result, the Company was able to minimize the damage which occurred to the Subsidiary.

1.4.4 Risk from Political Unrest

There was no political unrest in 2011 like the political rallies during 2010 which gave rise to political unrest throughout Bangkok and boundaries, resulting in traffic congestion on various at-grade roads. Motorists tried to avoid the routes passed by the rallies or refrain from leaving their residence during the period of such unrest. In order to minimize such impact, the Company arranges for an emergency backup plan in response to any events which may occur and arranges for staff rehearsals for all relevant units to resolve problems, as well as establishing a unit to follow up alerts and coordinate with relevant public agencies to monitor and immediately take actions to resolve such event.

1.4.5 Risk in respect of Personnel

The Company has realized the significance and value of personnel towards the Company, as they are key factor to drive our organization to success. The Company gives priority to the personnel risk management, starting from the nomination and selection of good and qualified personnel suitable for the Company. The Company has continuously held staff training courses to provide and improve knowledge, skills and abilities in various fields necessary for performance of work based on each staff's position and designated duties, in order to enhance the potential and opportunity, and to encourage the staff. The consideration of remuneration payment and welfare is appropriate and fair. The operation process and work system are reviewed and revised to ensure preparedness at all times, as well as arranging for a succession plan and established a working group comprising high-level executives to set up guidelines in the selection to ensure the availability of personnel, both in the executive and supervisor levels, in order to prevent the risk from shortage of personnel having knowledge, expertise and technical skills for specific work. The Company has arranged for collection of the body of knowledge for specific work and extended the results to the knowledge management program. In order to continuously improve work process, the Company has adopted several quality event systems in its work operations, namely, 5S Activity, QCC Activity, Suggestion Event, including ISO 9001:2000 Quality Management System, in respect of which the Company has been passing the quality surveillance since 2000, and in 2011, the Company has passed the quality surveillance under ISO 9001:2008 Quality Management System, so as to ensure that the Company's work operation control system meets the standards, and all events which are significant to the provision of service to Expressway users are controlled by using the Key Performance Indicators (KPI) in monitoring and evaluation, and ISO 14001:2004 Environmental Management System, which the Company has been receiving the certification since 2008, with renewal for another three years from UKAS of England and NAC of Thailand on 14 November 2011, in order to ensure our corporate social and environmental responsibility by minimizing and limiting pollutions caused by the operations, as well as efficient utilization of resources.

With respect to the flood crisis in 2011, the Company arranged for the personnel ready and available at full capacity to accommodate the performance of duties 24 hours. In the meantime, the Company provided support and took care of the well-being of staff and their families affected by the flood crisis in respect of residence or commute between residence and work, whereby the Company set up a temporary flood relief center, in order to lessen burden of the public sector, as well as providing vehicles in transporting property in the flood evacuation.

2. Nature of Business Operations

2.1 Background and Significant Events in 2011

2.1.1 Background

Bangkok Expressway Public Company Limited was founded on 23 December 1987 with registered capital of Baht 100,000. Since the Thai government wished to have the private sector to jointly invest in the development of the national transportation system, including the expansion of expressway network, EXAT therefore invited interested parties to submit proposals for construction and operation of the Si Rat Expressway (Second Stage Expressway Project) to connect to the Chalerm Mahanakorn Expressway (First Stage Expressway Project), with the result that the Company's proposal was accepted by EXAT and also adopted by the Council of Ministers on 20 September 1988. On 22 December 1988, the Company entered into the Second Stage Expressway Agreement with EXAT for the construction and operation of the Si Rat Expressway and its extensions, including related businesses under said Agreement for a period of 30 years from 1 March 1990, and the Agreement for the Extension of the Second Stage Expressway System, Sector D, for a contract period of 30 years from 17 April 1997.

In 1994, the current major shareholder, namely, Kumagai Gumi Company Limited, withdrew itself from the management, and thereafter, the group of local banks and CH. Karnchang Group entered into the management and accepted to purchase all shares held by Kumagai Gumi Company Limited. The Company went public on 23 June 1994 and its ordinary shares were registered as listed securities for trading on the Stock Exchange since 31 August 1995. The Company's present registered capital amounts to Baht 8,000 Million, Baht 7,700 Million of which has been paid up.

On 25 September 1996, the Company established Northern Bangkok Expressway Company Limited (the "Subsidiary"), with 99.99 percent of its registered capital of Baht 3,000 Million held by the Company. On 27 September 1996, the Subsidiary entered into the Bang Pa-in - Pak Kret Expressway Agreement with EXAT for the construction and operation of the Udon Rattaya Expressway for a period of 30 years from 27 September 1996 until 26 September 2026. Thereafter, the Subsidiary's registered capital was increased by Baht 3,000 Million on 19 March 2003. Therefore, the Subsidiary's present registered capital amounts to Baht 6,000 Million, Baht 5,220 Million of which has been paid up. The Company's shareholding percentage therein remains 53.33 percent of the registered capital.

On 17 April 1997, the Company entered into the Agreement for the Extension of the Second Stage Expressway, Sector D, with EXAT for the construction and operation of Sector D of the Si Rat Expressway (Rama IX - Srinagarindra), for a period of 30 years, from 17 April 1997.

The Second Stage Expressway Project and the Bang Pa-in - Pak Kret Expressway Project are implemented on a BTO (Build, Transfer and Operate) basis, i.e., upon completion of the Company's design and construction of the Expressway, the title to various permanent constructions shall be vested in EXAT. The provision of such services constitutes a form of public utility services, in which the government sector is usually required to provide to the public. Due to the limited budget of the government sector, the private sector is given the opportunity to jointly invest in such services subject to the conditions set forth by the government. The Company and the Subsidiary entered into the relevant Agreements with EXAT and the Company is granted the right to operate and receive toll revenue based on the ratio as specified in the Agreements. The Agreements have a term of 30 years which may be renewed two times for 10 years each, subject to further negotiation with EXAT.

The Company is granted an investment promotion certificate from the Board of Investment in the operation and construction of the Second Stage Expressway Project, Category 6.28: Concession Road, and the rights and privileges granted to the Company have expired on 1 September 2001. The Subsidiary is granted an investment promotion certificate from the Board of Investment in the operation and construction of the Bang Pa-in - Pak Kret Expressway Project, Category 7.3: Concession Road, and the rights and privileges granted to the Subsidiary have expired on 1 December 2006.

2.1.2 Significant Events in 2011

1. Toll revenue sharing between the Company and EXAT in respect of the urban network has been adjusted from 50:50 percent to 40:60 percent, effective since 1 March 2011 onwards.
2. The Company submitted the proposal to EXAT for selection of a private individual for the implementation of the Si Rat - Outer Ring Road Expressway Project. On 26 July 2011, the Company received notice from EXAT, by the Committee for Selection of a Private Individual for Participation in or Implementation of the Si Rat - Outer Ring Road Expressway Project, stating that the Company received the highest total scores for the

first and second envelopes and was selected by the Committee as the successful bidder and the Committee would further consider determining an appointment for negotiation under the procedures.

3. The Company issued and offered debentures in April, totaling Baht 2,000 Million, comprising debentures with maturity of 3 years and 10 years, at the fixed interest rates of 3.70 percent per annum and 4.72 percent per annum, respectively; and in December, totaling Baht 900 Million, with maturity of 7 years, at the fixed interest rate of 4.60 percent per annum, to cover the repayment of the existing debentures which become due.
4. The Company made repayment of debentures, upon due in November 2011, in the amount of Baht 2,900 Million.
5. TRIS Rating Co., Ltd., a credit rating agency in Thailand, continued to affirm the ratings of the Company at “A” and maintained the ratings of the Company’s debt instruments at “A”.
6. The Company opened for service the flyover crossing the Si Rat Expressway and Ngam Wong Wan Road on 11 April 2011, which is an elevated bridge connecting with Ngam Wong Wan Road, heading Khae Rai Junction, whereby the route curves crossing Ngam Wong Wan Road to the road in front of Ngam Wong Wan 1 Toll Plaza, in order to facilitate and allow motorist from Phongpetch Junction, Ministry of Public Health, The Mall Ngam Wong Wan, to make a u-turn to enter the Si Rat Expressway heading the Government Complex Commemorating His Majesty the King’s 80th Birthday Anniversary on Chaeng Watthana Road, with more convenience and rapidity.
7. The Company carried out the construction for expansion of service routes to increase the number of toll booths at Hua Lamphong Toll Plaza from four lanes to five lanes and at Rama IX Toll Plaza from three lanes to four lanes in order to accommodate the increasing traffic volume, which were opened for service on 17 March 2011 and 11 April 2011, respectively.
8. The Company invested in CK Power Limited (CKP) with main business of holding shares in other companies (Holding Company) which operate the energy business, whereby the Company’s shareholding in CKP represented 30 percent.
9. The Company invested in Xayaburi Power Company Limited (“XPCL”) which was granted the concession by the Government of the Lao People’s Democratic Republic for design, construction, development and operation of the Xayaburi Hydroelectric Power Project, whereby the Company’s shareholding in XPCL represented 7.50 percent.
10. In the fourth quarter of 2011, Thailand, particularly Bangkok and its surrounding provinces, including most areas of the Central region, encountered the severe flood crisis. Consequently, the Subsidiary was unable to open the Expressway for service at Bang Pa-in, Chiang Rak and Bang Phun Toll Plazas from mid-October to mid-December 2011 which directly affected the toll revenue. However, the Subsidiary has already taken out insurance to cover such damage.
11. The Company’s securities were selected as 1 of 30 securities used for calculation of the SET High Dividend 30 Index which is a reference index that reflects price movements of securities with constant and high dividend yields; large market capitalization and consistent and high liquidity, with the official launch on 4 July 2011.

2.2 Overview of Business Operations of the Company and the Subsidiary

2.2.1 Overview of Business Operations

The Company and EXAT jointly invested in the Expressway System in Bangkok and its surrounding provinces. The Company was responsible for investment in the construction and operation of the Si Rat Expressway (Second Stage Expressway Project), comprising 4 Sectors, namely, Sector A (Rama IX - Ratchadapisek), Sector B (Phayathai - Bangkok), Sector C (Ratchadapisek - Chaeng Watthana) and Sector D (Rama IX - Srinagarindra), covering a total distance of 38.5 kilometers. EXAT invested in the construction and operation of the Chalerm Mahanakorn Expressway (First Stage Expressway), comprising 3 expressway routes, namely, Din Daeng - Port, Bang Na - Port, and Port - Dao Khanong, covering a total distance of 27.1 kilometers.

As for toll collection, Expressway users shall pay tolls at the booths around the on-ramps of the Expressway. EXAT is responsible for the collection of all tolls and share such toll revenue with the Company as specified in the Second Stage Expressway Agreement with effect from the Priority Component Opening Date. The toll revenue from the Chalerm Mahanakorn

Expressway and the Si Rat Expressway shall be encompassed and shared as per rules of area zoning. This is to say that in the urban network, for the first nine years, the Company and EXAT shall receive the revenue sharing at 60 percent and 40 percent, respectively. For the last nine years, the Company and EXAT shall receive the revenue sharing at 40 percent and 60 percent, respectively. As for the period between the first nine years and the last nine years, the Company and EXAT shall receive the revenue sharing at 50 percent each. For the suburban network, all toll revenue shall be paid to the Company and for the Udon Rattaya Expressway, all toll revenue shall be paid to the Subsidiary.

Furthermore, the Expressway Systems which are interconnected include:

1. The Chalerm Mahanakorn Expressway (First Stage Expressway) and the Si Rat Expressway (Second Stage Expressway) are connected at two locations, namely, Makkasan Interchange and Bangkhlo Interchange.
2. The Si Rat Expressway (Second Stage Expressway) and the Chalong Rat Expressway (Ramindra - At Narong Expressway) are connected at Rama IX Interchange.
3. The Chalerm Mahanakorn Expressway (First Stage Expressway) and the Chalong Rat Expressway (Ramindra - At Narong Expressway) are connected around At Narong Road.
4. The Si Rat Expressway (Second Stage Expressway) and the Bangkok - Chonburi Motorway are connected around Srinagarindra Road.
5. The Si Rat Expressway (Second Stage Expressway) and the Udon Rattaya Expressway (Bang Pa-in - Pak Kret Expressway) are connected around Chaeng Watthana Road.

The Subsidiary constructs and operates the Udon Rattaya Expressway (Bang Pa-in - Pak Kret Expressway) comprising 2 Stages, namely, Stage 1, Chaeng Watthana - Chiang Rak, and Stage 2, Chiang Rak - Bang Sai, connecting to the Si Rat Expressway around Chaeng Watthana Road, covering a total distance of 32 kilometers. As for the inbound route, Expressway users shall pay tolls at the booths around the on-ramps of the Expressway while in respect of the outbound route, Expressway users shall pay tolls at the off-ramps. EXAT is responsible to collect and deliver all tolls to the Subsidiary.

The ratio of toll revenue sharing in respect of the urban network between the Company and EXAT changed from the Company and EXAT receiving the revenue sharing at 60 percent and 40 percent, respectively, to receiving the revenue sharing at 50 percent each, commencing 2 September 2002. The Company has received the revenue sharing at 40 percent and EXAT has received the revenue sharing at 60 percent, starting from 1 March 2011, which is in accordance with the terms of the Second Stage Expressway Agreement.

Expressway	Area	Length (km.)	Opening Date	Revenue	Revenue Sharing Company : EXAT
Chalerm Mahanakorn					
Din Daeng - Port	Urban	8.9	4 Jan 1981	Company and EXAT	- First nine years 60:40
Bang Na - Port	Urban	7.9	17 Jan 1983	Company and EXAT	- Period between the first nine years and the last nine years 50:50
Port - Dao Khanong	Urban	10.3	8 Aug 1987	Company and EXAT	- Last nine years 40:60
Si Rat					
Sector A: Rama 9 - Ratchadapisek	Urban	12.4	2 Sept 1993	Company and EXAT	- First nine years 60:40
Sector B: Phayathai - Bangkhlo	Urban	9.4	6 Oct 1996	Company and EXAT	- Period between the first nine years and the last nine years 50:50
					- Last nine years 40:60

Expressway	Area	Length (km.)	Opening Date	Revenue	Revenue Sharing Company : EXAT
Sector C: Ratchadapisek - Chaeng Watthana	Suburban	8.0	2 Sept 1993	Company	- 100:0
Sector D: Rama 9 - Srinagarindra	Suburban	8.7	First Section 2 Dec 1998 Second Section 1 Mar 2000	Company	- 100:0
Udon Raththaya					
Chaeng Watthana - Chiang Rak	Suburban	22	2 Dec 1998	Subsidiary	- 100:0
Chiang Rak - Bang Sai	Suburban	10	1 Nov 1999	Subsidiary	- 100:0

With respect to the Chalerm Mahanakorn Expressway and the Si Rat Expressway, the toll rates and the revision of the toll rates every five years shall be in accordance with the Second Stage Expressway Agreement, and the calculation and revision shall be based on the most recent increase of the Consumer Price Index of Bangkok as issued by the Ministry of Commerce. Each increase shall be rounded up to the nearest whole multiple of Baht 5, provided that such revision shall not increase by more than Baht 10 during the first 15 years of the Contract Period. If there is an unusually high rate of inflation or an occurrence of Force Majeure or Exceptional Event, the Company and EXAT shall consider the toll revision as appropriate. The most recent toll revision was made on 1 September 2008 and the next toll revision is scheduled to be made on 1 September 2013.

With respect to the Udon Raththaya Expressway, the revision of toll rates every five years shall be based on the most recent increase of the Consumer Price Index of Bangkok as issued by the Ministry of Commerce. Each increase shall be rounded up to the nearest whole multiple of Baht 5, provided that such revision shall not increase by more than Baht 15 during the first 15 years of the Contract Period. The first toll revision was made on 1 November 2003 and the latest recent toll revision was made on 1 November 2008. The next toll revision is scheduled to be made on 1 November 2013. Furthermore, for the purpose of promotion of use of this Expressway by regular customers, the Subsidiary arranged the sale promotion by way of immediate discount at the toll booths from July 2000, whereby in 2011, discount was given at the maximum rate of 22 percent.

Expressways/Toll Plazas	Toll Rates (Baht/Trip)		
	4 wheels	6-10 wheels	More than 10 wheels
Chalerm Mahanakorn Expressway	45	70	100
(First Stage Expressway) except:			
At Narong 1 Toll Plaza (to Bang Na)	35 *	60 *	90 *
Bang Chak Toll Plaza	5	10	20
Si Rat Expressway (Second Stage Expressway) except:	45	70	100
Srinagarindra and Ramkhamhaeng Toll Plazas	25	50	70
Rama 9 and Asoke 3 Toll Plazas	25	50	70
Rama 9 - 1 Toll Plaza (Si Rat)	20 **	45 **	65 **
Prachachuen Toll Plaza (inbound)	55	85	130
Prachachuen Toll Plaza (outbound)	10	15	30
Prachachuen 1 Toll Plaza (from Prachachuen Road)	15	20	35
Prachachuen 2 Toll Plaza (to Prachachuen Road)	15	20	35

Expressways/Toll Plazas	Toll Rates (Baht/Trip)		
	4 wheels	6-10 wheels	More than 10 wheels
Ngam Wong Wan 1 Toll Plaza (outbound)	15	20	35
Ngam Wong Wan 2 Toll Plaza (inbound)	15	20	35
Udon Ratthaya Expressway			
Muang Thong Thani Toll Plaza	35 ***	70 ***	105 ***
Si Saman Toll Plaza	40 ***	80 ***	120 ***
Bang Phun Toll Plaza	40 ***	80 ***	120 ***
Chiang Rak Toll Plaza	45	95	140
Bang Pa-in Toll Plaza	55	115	170

Remarks: * This is the rate after discount of Baht 10 for all types of vehicles until 31 December 2012.

** This is the rate after discount of Baht 5 for all types of vehicles until 31 December 2012.

*** This is the rate after discount for all types of vehicles from 1 January 2012 until 31 December 2012.

Although EXAT's issuance of the Notifications of the Ministry of Transport for toll revisions with approval of the Minister of Transport in charge, namely, the toll rates for the Chalem Mahanakorn Expressway and the Si Rat Expressway were revised on 1 September 2008 and the toll rates for the Udon Ratthaya Expressway were revised on 1 November 2008, the Company and the Subsidiary were of the view that the revised toll rates under the said Notifications did not comply with the provisions of the relevant Agreements.

2.2.2 Separation of Operations between the Company and the Subsidiary

The business operations of the Company and the Subsidiary are of the same nature, namely, execution of the Expressway Agreements with EXAT for the construction and operation of the Expressways. In 1996, the Company established the Subsidiary, namely, Northern Bangkok Expressway Company Limited, to operate the Udon Ratthaya Expressway Project. Given the severe financial hardship due to the fact that the actual revenue failed to meet the projections as affected by the competing road since 1998, the Company therefore reengineered the management to minimize expenditures by way of staff downsizing and the Company's operation of the Udon Ratthaya Expressway.

2.2.3 Shareholding Structure in the Subsidiary (As at 31 December 2011)

Registered capital of the Subsidiary	Baht	6,000,000,000	
Par value	Baht	10	per share
Paid up	Baht	5,220,000,000	
Ordinary shares		294,000,000	shares
Preferred shares		306,000,000	shares
	Total	600,000,000	shares
BECL holds shares in the Subsidiary		319,999,980	shares
Ordinary shares		154,000,000	shares
Preferred shares		165,999,980	shares

2.3 Revenue Structure

Comparison of Revenue of the Company and the Subsidiary in 2009 - 2011

Description	Operated by	2011		2010		2009	
		Million Baht	%	Million Baht	%	Million Baht	%
Urban Expressway							
Chalerm Mahanakorn Expressway (First Stage Expressway)	EXAT	2,411.46	31.52	2,811.78	35.13	2,806.65	36.17
Si Rat Expressway (Second Stage Expressway, Sector A)	Company	1,409.67	18.42	1,621.58	20.26	1,578.22	20.34
Si Rat Expressway (Second Stage Expressway, Sector B)	Company	654.14	8.55	772.60	9.65	748.49	9.64
Total		4,475.27	58.49	5,205.96	65.04	5,133.36	66.15
Suburban Expressway							
Si Rat Expressway (Second Stage Expressway, Sector C)	Company	797.86	10.43	757.30	9.46	713.36	9.19
Si Rat Expressway (Second Stage Expressway, Sector D)	Company	1,233.52	16.13	1,129.13	14.11	1,121.31	14.45
Udon Raththaya Expressway (Bang Pa-in - Pak Kret Expressway)	Subsidiary	801.54	10.46	718.65	8.98	655.38	8.45
Total		2,832.92	37.02	2,605.08	32.55	2,490.05	32.09
Total Toll Revenue		7,308.19	95.51	7,811.04	97.59	7,623.41	98.24
Other Income ⁽¹⁾		343.60	4.49	192.74	2.41	136.89	1.76
Grand Total		7,651.79	100.00	8,003.78	100.00	7,760.30	100.00

Remark: ⁽¹⁾ Other income include gain on sales of investment, interest income, gain on adjustment of investment value, dividend income and others.

2.4 Goals of Operations

The Company set its goals of becoming a leading private company in provision of the Expressway services in Thailand, subject to good management systems to facilitate the public transport in accordance with the good corporate governance principles and the corporate social responsibility. The Company has four main policies as follows:

1. Promoting social recognition of our good corporate image;
2. Alleviating traffic problems in Bangkok;
3. Securing our good financial standing;
4. Improving the efficiency and work quality subject to good corporate governance principles and proper risk management.

Action Plans

1. To organize public relations in respect of the Company's commitments to providing quality services and accountability towards all parties concerned to ensure our good corporate image towards consumers and society as a whole;
2. To use the Electronic Toll Collection system for service and upgrade various systems and equipment ready for use, including improvements on- and off-ramps and main routes to enhance the efficiency of the Si Rat Expressway;
3. To cooperate with EXAT in the management and maintenance of the Si Rat Expressway, with good relationship, to optimize its efficiency to the satisfaction of motorists;

4. To maintain the liquidity, and efficiently manage short-term and long-term investments to generate more revenues, and apply various financial instruments for risk management and reduction of financial costs;
5. To follow up and accelerate the settlement of disputes with EXAT to minimize impacts on the operations;
6. To maintain an efficient, transparent, and auditable management system subject to the good corporate governance principles;
7. To develop personnel and management system by introducing the Performance Management System (PMS), as well as applying the Quality Management System (ISO 9001 : 2008), Environmental Management System (ISO 14001 : 2004) and information system, to enhance the capacity of performance.

3. Business Operations of the Company

3.1 Nature of Services

Bangkok Expressway Public Company Limited (BECL) and Northern Bangkok Expressway Company Limited (NECL) provide Expressway services, namely, the Si Rat Expressway (Second Stage Expressway) and the Udon Ratthaya Expressway (Bang Pa-in - Pak Kret Expressway) which connect to the Expressway network covering major areas in Bangkok and the Vicinity, rendering it convenient for motorists to travel from the North of Bangkok and the surrounding provinces to the South and the East without being required to pass through the congested traffic in the downtown and also ensuring that motorists can reach their destinations faster than using normal routes. The details of the Expressway network connections are as follows:

Description	Length (km.)	Constructed and Operated by
1. Chalem Mahanakorn Expressway (First Stage Expressway) (Bang Na - Din Daeng - Dao Khanong)	27.1	EXAT
2. Si Rat Expressway (Second Stage Expressway)	38.5	BECL
2.1 Urban Network (Prachachuen-Phayathai-Bangkhlo-Asoke)		
2.2 Suburban Network (Prachacheun-Chaeng Watthana and Asoke-Srinagarindra)		
3. Udon Ratthaya Expressway (Bang Pa-in - Pak Kret)	32.0	NECL
4. Uttaraphimuk Elevated Way (Don Muang Tollway)	28.1	Don Muang Tollway Public Company Limited
5. Chalong Rat Expressway (Ramindra - At Narong and Ramindra - Outer Bangkok Ring Road)	28.2	EXAT
6. Burapha Withi Expressway (Bang Na - Chonburi)	55.0	EXAT
7. Kanjanapisek Expressway (Bang Pli - Suksawad) and Highway No. 37 (Suksawad - Bang Khun Thien Section)	35.1	EXAT
Total length	244.0	

3.2 Marketing and Competition

Target Customers and Characteristics

Target customers of the Chalem Mahanakorn Expressway and the Si Rat Expressway refer to those motorists who desire a convenient and rapid transportation or who desire to shorten the traveling distance to their destinations as well as to avoid the traffic congestion along the normal roads, which is a major problem in Bangkok. Target customers by the types of vehicles using the Expressways in 2011 may be divided into three categories, namely, four-wheeled vehicles; six-wheeled to ten-wheeled vehicles; and more than ten-wheeled vehicles. The four-wheeled vehicle customers accounted for the highest

ratio of 97.61 percent, while the six-wheeled to ten-wheeled vehicle customers and more than ten-wheeled vehicle customers represented 2.10 percent and 0.30 percent, respectively. It was found that revenue was mainly derived from cash representing 76.98 percent, from coupons representing 0.96 percent and from Easy Pass representing 22.06 percent. In this regard, EXAT has launched the Electronic Toll Collection system (Easy Pass) for the Chalerms Mahanakorn Expressway, the Chalong Rat Expressway and the Bang Pli - Suksawad Expressway since 31 January 2010, and for the Si Rat Expressway since 25 July 2010. The traffic volume using the Expressways may be described by areas as follows:

Description	Average Traffic Volume (trips/day)	%
1. Chalerms Mahanakorn Expressway (First Stage Expressway) ⁽¹⁾ (Bang Na - Din Daeng - Dao Khanong)	349,710	23.30
2. Si Rat Expressway (Second Stage Expressway)		
2.1 Urban Network (Prachachuen-Phayathai-Bangkhlo-Asoke)	308,566	20.56
2.2 Suburban Network (Prachacheun-Chaeng Watthana and Asoke-Srinagarindra)	313,504	20.89
3. Udon Rathaya Expressway (Bang Pa-in - Pak Kret)	52,813	3.52
4. Uttaraphimuk Elevated Way (Don Muang Tollway) ⁽²⁾	80,000	5.33
5. Chalong Rat Expressway (Ramindra - At Narong and Ramindra - Outer Bangkok Ring Road) ⁽¹⁾	154,199	10.27
6. Burapha Withi Expressway (Bang Na - Chonburi) ⁽¹⁾	95,257	6.35
7. Kanjanapisek Expressway (Bang Pli - Suksawad) ⁽¹⁾ and Highway No. 37 (Suksawad-Bang Khun Thien Section)	146,740	9.78
Total Traffic Volume	1,500,789	100.00%

Remarks : ⁽¹⁾ Source: Expressway Authority of Thailand during 1 January - 31 December 2011.

⁽²⁾ Source: Thanestakij Newspaper, Issue for 26 October 2011.

Given the fact that the provision of Expressway services is considered a form of public service, target customers of the Expressway Systems are broad depending on their transportation purposes. In this respect, the revenue of the Expressway Systems will not rely on any particular group of customers.

3.2.1 Marketing Policy and Circumstances

Marketing Strategies

The marketing highlight is that the Si Rat Expressway is designed to respond to the transportation needs through the Expressway network which connects to and covers major areas in Bangkok, whether from the Chalerms Mahanakorn Expressway and the Si Rat Expressway, as well as the Chalong Rat Expressway (Ramindra - At Narong) which cover the areas from the North to the South and from the West to the East of Bangkok. In addition, the Third Stage Expressway, Southern Route S1 (Bang Na - At Narong), connecting to the Burapha Withi Expressway (Bang Na - Chonburi), and the Chalerms Mahanakorn Expressway and the Chalong Rat Expressway, renders the service of the Expressway Systems to become more complete for users to reach their destinations more conveniently and rapidly than using at-grade roads.

The marketing disadvantage is the physical limitation which prevents the release of traffic around the Expressway exits during rush hours, which depends on the traffic on at-grade roads, representing an uncertain factor beyond the Company's control. However, the Company continuously cooperates with traffic police in police stations of such areas to provide assistance in releasing traffic flow, and secures the flow of the traffic volume in the Expressway Systems by improving various on- and

off-ramps to facilitate customers with more convenience, time-saving and better quality of living in their commute in the downtown. Customers should then appreciate these benefits over price factor.

In view of various marketing strategies, the Company has proceeded as follows:

1) Expressway Route and Network for Service (Products)

1. The prime location and connections to major roads in the city allow the Expressway network to respond to the transportation needs of motorists to reach their desired destinations. In this regard, the Company has improved the quality of the routes and its services and given priority to the customers' needs, which will be integrated as key strategies to efficiently accommodate the traffic volume flowing in the system.
2. The feasibility study on improvement of the on- and off-ramps of the Expressways serves as another measure to facilitate the traveling and to continually maintain the quality of the Expressways in terms of engineering safety to meet international standards.
3. In order to improve the services to accommodate more motorists, in 2011, the Company increased the number of toll booths at Hua Lamphong Toll Plaza and Rama 9 Toll Plaza, which were opened for service on 17 March 2011 and 11 April 2011, respectively, to accommodate the increasing traffic volume, as well as construction of flyover crossing the Si Rat Expressway and Ngam Wong Wan Road, which was opened for service on 11 April 2011, so as to facilitate motorists heading the Government Complex Commemorating His Majesty the King's 80th Birthday Anniversary on Chaeng Watthana Road, and motorists heading to the North.
4. The study on new routes in response to the urbanization in the future, particularly in Bangkok, as well as the study on traveling behavior of motorists are conducted to prepare for the expansion of the scope of the Expressway services, and serve well as additional channels of services in response to needs of the motorists in the future.

The Company also plans to improve signboards regarding the Expressway usage on the at-grade main road and various alleys in Bangkok and its surrounding provinces so as to facilitate motorists to have confidence to access the Expressways. To this effect, the Company focuses on introducing such landmarks adjacent to the on- and off-ramps of the Expressways on the website and various public relations media to ensure that customers, as the Expressway users, would travel more conveniently and rapidly.

2) Toll Rates (Price)

1. Price or toll rates are agreed upon and specified in the Agreements, including the calculation for revisions of toll rates ahead of time between the contractual parties since the execution of the Agreements for the respective Projects. The rates are considered reasonable and based on the feasibility study for investment of each Project. Under the Second Stage Expressway Agreement and the Bang Pa-in - Pak Kret Agreement, toll rates shall be revised at every five years interval in accordance with changes in Consumer Price Index of Bangkok as announced by the Ministry of Commerce, which serves as the basis of calculation for the intrinsic value of the toll rates during the given periods under the Agreements.
2. The Company continues to provide discount on tolls in 2011 on certain routes for a limited period of time to attract motorists to increasingly use the Expressway services, especially such routes with connections between the Expressway Systems, e.g., Rama 9-1 Toll Plaza (from the Chalong Rat Expressway to enter Sector D of the Second Stage Expressway) and At Narong 1 Toll Plaza (to Bang Na), as well as the route of the Udon Ratthaya Expressway. This should facilitate motorists who travel a long distance to enjoy more discount than general motorists.

3) Distribution Channels (Place)

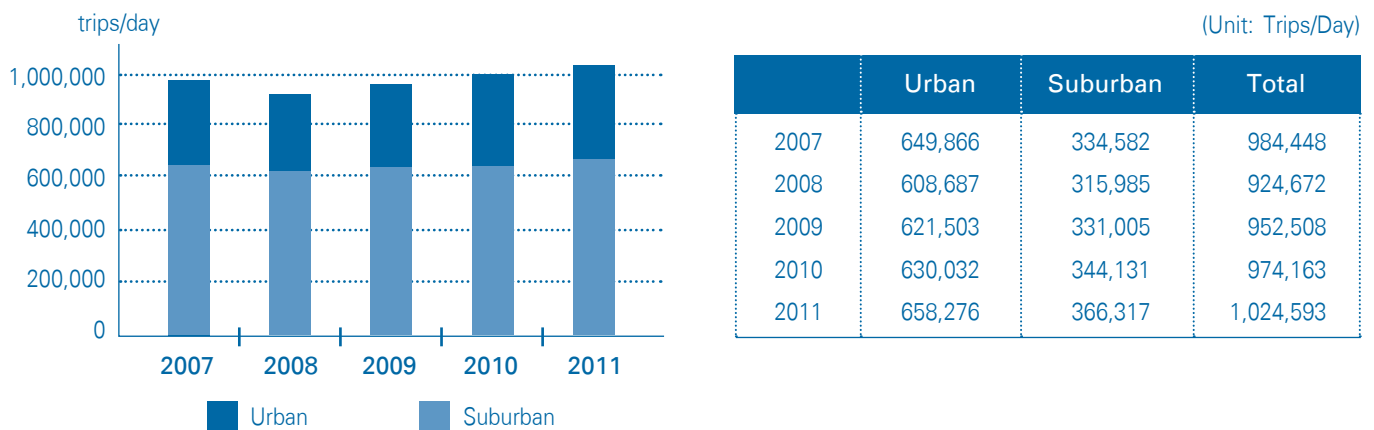
1. Users of the Chalerm Mahanakorn Expressway and the Si Rat Expressway may choose to use the Expressway services from various on- and off-ramps covering major areas in Bangkok throughout the total distance of 65.6 kilometers, both urban and suburban. Expressway users shall pay tolls at the on-ramps of toll plazas, totaling

48 locations, 18 toll plazas of the Chalerms Mahanakorn Expressway (e.g., Din Daeng, Bang Na, Dao Khanong, Sukhumvit, Rama 4 Toll Plazas, etc.) and 30 toll plazas of the Si Rat Expressway (e.g., Asoke, Rama 9, Srinagarindra, Yommaraj, Surawong, Hua Lamphong, Khlong Prapa, Yan Phahon Yothin, Prachachuen, Rama 3, etc.).

2. Traffic volume in the Chalerms Mahanakorn Expressway (First Stage Expressway), the Si Rat Expressway (Second Stage Expressway) and the Udon Ratthaya Expressway (Bang Pa-in – Pak Kret Expressway) in 2011 may be categorized by urban and suburban, which equals 64:36.

Average Daily Traffic Volume for Urban and Suburban

(The First, the Second Stage Expressway Systems and the Bang Pa-in – Pak Kret Expressway)



3. Payment of Tolls for 2011

- Users of the Chalerms Mahanakorn Expressway and the Si Rat Expressway may pay tolls in cash, or use the Electronic Toll Collection system (Easy Pass).
- Users of the Udon Ratthaya Expressway shall pay tolls at the on-ramps for the inbound direction and at the off-ramps for the outbound direction. There are five on-ramps and five off-ramps, and tolls must be paid in cash only.

4. Electronic Toll Collection System

The Company, in association with EXAT, introduces the Electronic Toll Collection system in the toll collection, in order to serve as a new channel for motorists and facilitate and speed up the toll payment at the front of the Toll Plazas during rush hours, as well as accommodating the increasing traffic volume in the future. In this regard, EXAT has launched the Electronic Toll Collection system (Easy Pass) for service on 31 January 2010 for the Chalerms Mahanakorn Expressway (First Stage Expressway), the Chalong Rat Expressway (Ramindra - At Narong - Outer Bangkok Ring Road) and Kanjanapisek Expressway (Bang Pli – Suksawad), and on 25 July 2010 for the Si Rat Expressway (Second Stage Expressway). After the opening for service of Easy Pass for the Si Rat Expressway (Second Stage Expressway), the service then covers all networks, as a result, in December 2011, the average volume of vehicles using Easy Pass on working days for the Chalerms Mahanakorn Expressway and the Si Rat Expressway is approximately 281,126 trips per day, representing 26 percent of the four-wheeled vehicles. In addition, the introduction of Easy Pass also enhances the efficiency of the toll collection during rush hours, that is, the existing toll collection in cash accounts for 450 trips per hour, when using Easy Pass, it is presently found that Easy Pass is able to collect tolls at a maximum rate of 921 trips per hour, compared with the maximum toll collection capacity based on Easy Pass at 1,200 trips per hour. Furthermore, the Company continuously and regularly cooperates with EXAT to enhance the efficiency of the toll collection during rush hours.

Any Expressway users who wish to use Easy Pass service may purchase Easy Pass Cards at Toll Plaza buildings during 05:00 – 22:00 hours, or Customer Service Center at Bangkok Expressway Public Company Limited, Asoke – Dindaeng Road, during normal office hours from 09:00 – 17:00 hours.

Moreover, the Company arranged for the Easy Pass Fast Service, including film cutting service for Easy Pass installation and testing after trouble-shooting, whereby the Expressway users are able to bring their cars to use the services at the Easy Pass Fast Service, free of charge, at Bangkok Expressway Public Company Limited, Asoke – Dindaeng Road, during the office hours from 09:00 – 17:00 hours.

4) Sales Promotion and Public Relations (Promotion)

In the sales promotion activities, the Company provides discount on tolls on certain routes within a limited period of time, aimed at attracting target customers to continue to use the Expressway services and eventually become regular customers. In 2011, the Company provided discount at the connection from the Chalong Rat Expressway to Sector D of the Si Rat Expressway at Rama 9-1 Toll Plaza (Si Rat) and at the connection from the Chalong Rat Expressway to the Chalem Mahanakorn Expressway at At Narong 1 Toll Plaza only on the route to Bang Na, including the Udon Rattaya Expressway of the Subsidiary, which continued to provide discount to motorists.

Furthermore, during the remarkable festivals, such as, Songkran Festival and New Year's Festival, the Company also holds activities promoting the use of the Expressways for motorists by cooperating with EXAT to distribute souvenirs to motorists, including arranging for motorist service points at the destination toll plazas, which demonstrated our positive image and relationship with motorists under the theme that we provide the best services to customers throughout the routes.

The Company, as a private company that provides the Expressway services, responds to the government policy to promote the “No Phone While Driving” and “No Drunk Driving” campaigns through the “Drive Safety” activities, as well as raising an awareness of energy concerns in traveling under the high-priced oil circumstances. The Company also implemented public relations to convince target customers of the convenient, rapid, economical and safe usage of the Expressways; various quality services on the Expressways; and various sales promotion of the Company, such as, discount on tolls, connections between the Expressways and various routes to facilitate motorists.

The channels of public relations used by the Company to introduce new on- and off-ramps, and to disseminate information, news, discount on tolls, and activities comprise documentary programs on radio and television, radio spot, leaflets, signboards on the Expressway, and our website to introduce Expressway routes to various destinations, including Si Rat bimonthly newsletters as a medium for sharing information and news between the Company and motorists. In 2011, the Company improves the frequency of our customer relations activities with the existing customers to educate, satisfy and attract new customers to use the services more, as well as organizing various social activities throughout the year to ensure the positive attitude of our services towards customers and society.

3.2.2 Industry and Competition

In 2011, despite the economic recession in European countries and USA, problems from the natural disaster in Japan, the impacts from the flood crisis nationwide, along with the consequences of the political demonstrations in the previous year, these occurrences in no way affected the economic growth of the country. In 2011, the number of new cars registered was high, the traffic volume using the Expressways then continuously increased, namely, on the whole, it increased by 10.65 percent as compared to 2010.

According to the information of the Department of Land Transport, in 2011, the number of new cars registered (inclusive of all types of cars) in Bangkok area is as high as 413,508 vehicles, which is more than that of 2010, namely 373,717 vehicles, due to the positive economic growth rate from January to September 2011; and the positive factor from the Council of Ministers' resolution under the Government's tax refund campaign for first-time car buyers amounting to Baht 100,000, effective 1 October 2011, thereby bringing the total accumulated number of cars in Bangkok to 4.08 million vehicles, despite the impacts from the flood crisis giving rise to damage to a certain number of vehicles. In 2011, the average speed of cars during morning

and evening rush hours in the inner Bangkok area is presently at 18 kilometers per hour, and in the middle Bangkok area is at 29 kilometers per hour; while in the outer Bangkok area is at 36.79 kilometers per hour, and given the increased volume of vehicles, the average speed was lower accordingly (source: Daily News Newspaper, Issue for 15 September 2011).

In view of the indirect competition through other public transport systems, despite the services of the Bangkok Mass Transit System of the Bangkok Metropolitan Administration (BTS), including its Extension, and the metro of the Mass Rapid Transit Authority of Thailand (MRTA), the volume of vehicles using the Expressways did not reduce because the majority of customers of these transportation systems previously used the public transport systems and they are in a different group to those using the Expressway Systems. Moreover, the total distance for service of the mass transit railway system covers only 79 kilometers, divided into 31 kilometers for BTS (including the extension of Silom Line and Sukhumvit Line), 20 kilometers for Metro and 28 kilometers for Airport Link, covering merely certain part of Bangkok. According to the following up on the impacts upon the volume of vehicles using the Expressways due to the opening for service of the Airport Link since August 2010, it did not materially affect the volume of vehicles using the Expressways since the number of service users was relatively low. As for the Bangkok Mass Transit System for the Extension of Sukhumvit Line (On Nut – Bearing), at a distance of 5.25 kilometers, which had been opened for service free of charge from 12 August 2011 to 1 January 2012, it was found that it slightly affected the volume of vehicles using the Expressways, namely, at Bang Na Toll Plaza and Sukhumvit 62 Toll Plaza.

However, three MRT projects are pending construction, namely, the Red Line Project: Bang Sue-Taling Chan, for a distance of 15 kilometers, which would be opened for service in 2015; the Purple Line Project: Bang Yai-Bang Sue, for a distance of 23 kilometers, which would be opened for service in 2015; and the Blue Line Project: Bang Sue-Tha Phra and Hua Lamphong-Bang Khae, at a total distance of 55 kilometers, which would be opened for service in 2015, including the Bangkok Mass Transit System for the Extension of Silom Line: Tak Sin-Phetkasem, for a distance of 5.3 kilometers, which is in progress and carried out by the Bangkok Metropolitan Administration, and it was expected to be opened for service by the end of 2012. According to the analysis, these projects under construction would allow the motorists to avoid at-grade roads to increasingly use the Expressways, and when such projects are opened for service, the Company would closely monitor the impacts.

3.3 Procurement of Products and Services

3.3.1 Nature of Procurement of Products

EXAT is an authority responsible for the construction of expressways to provide facilities and rapid traffic and transport in respect of projects in Bangkok and its Vicinity. EXAT invites interested parties to participate in the preparation of proposals or accepts bids, the Company then conducted a project feasibility study and submitted proposals or bids to be awarded the project, subject to appropriate return and conditions.

The Expressway Projects under the Second Stage Expressway Agreement, the Bang Pa-in - Pak Kret Expressway Agreement and the Agreement for Extension of the Second Stage Expressway (Sector D) are implemented on a BTO basis. According to the essence of the Agreements, EXAT shall have the duty to determine the characteristics of the Expressways, Expressway routes and areas to be used for construction and arrange for land expropriation for delivery to the Company for construction within the time specified in the Agreements. Thereafter, the Company would carry out construction in accordance with the designs approved by EXAT, subject to the supervision of the quality of construction work by EXAT's Consulting Engineer, Independent Certification Engineer and Independent Design Checker. Upon completion of the construction, the Independent Certification Engineer shall inspect the work and issue Certificate of Completion to evidence that the construction work is complete in accordance with the specified standards and is ready for service, at which time, the Company shall be entitled to obtain toll revenue under the conditions of the Agreements.

In the previous constructions, the Company engaged project managers to carry out construction and operate the Expressway Projects on a lump sum turnkey basis and on a subcontract basis. This was due to the fact that the Expressway Projects are large scale projects which may sustain cost overrun issues and delayed completion of the construction. The lump sum turnkey engagement is intended to prevent such risk. In the engagement of project managers, the Company will select specialists with experience to act as project managers and construction contractor to ensure the accomplishment of quality work on time.

3.3.2 Environmental Impact

The Company is always environmentally aware. In the construction of the Expressways under the Second Stage Expressway Agreement and the Bang Pa-in - Pak Kret Expressway Agreement, the Company and the Subsidiary shall comply with the measures to prevent pollutions in accordance with the regulations of the National Environment Committee and other relevant laws, which form an integral part of the Agreements. The Company and the Subsidiary implemented the measures and procedures as appropriate for the construction carried out in the urban areas with high populations. In so doing, the Company employs the Segmental Box Girder construction technique which allows it to complete the construction faster than other techniques in those days, so as to prevent any impact to nearby communities and affect the at-grade traffic at the least possible extent during the construction. Furthermore, the Company has no records of committing any environment related offenses.

Even during the course of the current operation of the Expressway Systems, the Company remains concerned about the quality of life of staff, motorists and communities surrounding the Expressways. Since 2008, the Company has improved its internal procedures to conform to the environmental requirements to apply for the certification of ISO 14001 : 2004 Environmental Management System, and eventually obtained such certification from SGS (Thailand) Limited on 14 November 2008, and continued to review for renewal of the certificate of such Environmental Management System. The Company's environmental policy is to become a leading company in Thailand which provides the Expressway services and has the management system to facilitate the public transport, subject to good corporate governance principles and corporate social responsibility. The Company is committed to ensuring the environmental management in line with the following guidelines:

1. To give priority to pollution prevention and control by managing and maintaining the Expressways to meet international standards and keeping in mind the environmental impact on motorists, staff and communities;
2. To instill and encourage our staff with an awareness of efficient use of energy and natural resources;
3. To comply with the environment-related laws and regulations;
4. To review the purposes and goals for continued improvement of the environmental management system;
5. To communicate our environmental policy to the public and all parties concerned.

In 2011, the Company has continued to maintain the ISO 14001 : 2004 Environmental Management System, by following up of possible environmental issues, as well as optimizing the use of natural resources through energy management measures. In 2011, the Company has continued to install the overhead sign lighting at the Si Rat Expressway by using the Light-emitting Diode or LED 30-watt technology instead of the existing using 250-watt Metal Halide technology in order to save energy, in replacement of the existing nonrenewable energy, not to mention the LED technology's qualification of longer life time, thereby causing decrease in repair and maintenance of the signboard lighting; alleviating the congested traffic problem on the Expressways as well as minimizing air pollution and global warming.

In terms of environmental management regarding impact of noise from traffic on the Expressways upon nearby residents, the Company has prevented and minimized noise pollution from traffic on the Expressways by changing type of noise barrier from GRC (Glassfiber Reinforced Concrete) of dispersive type to AMB (Aluminum Noise Barrier) of absorptive type to improve and enhance the efficiency for minimizing noise pollution from traffic on the Expressways.

For the purpose of safety, the Company has been introducing the remote lighting control system for installation on the Expressways since the previous year to ensure more safety for motorists in case of bad weather, such as, heavy fog and while the automatic lighting system has not yet activated, the lighting system can be controlled remotely from the Second Stage Expressway Control Center as necessary.

In 2011, the Company has continued to provide training for staff, as well as executives, on knowledge and techniques for environmental management in accordance with the ISO 14001 : 2004 Environmental Management System, as well as arranging for various activities to raise an awareness of environmental protection in our organization and participating in social contributions with the communities nearby.

With respect to the environmental protection from the flood crisis, the Company laid down the strict measure for safe storage of materials and chemicals at specific storage places; they are lifted to higher ground to prevent them from possible flood.

4. Property Used in Business Operations

4.1 Rights to Operate Completed Expressway Sectors

Class of Assets	Net Book Value (Million Baht) as at 31 December 2011
Si Rat Expressway, Sectors A, B and C	16,063
Si Rat Expressway, Sector D	5,717
Udon Ratthaya Expressway	9,147
Total	30,927

Given that the Expressway Agreements of the two Projects are on a BTO (Build, Transfer and Operate) basis, the title to all Expressways, including various permanent constructions in relation to or used in connection with the Expressway Systems, shall be vested in EXAT immediately upon completion of construction and opening for service. The Company is entitled to utilize such property with the duty to keep such property maintained throughout the term of the Agreements. The Second Stage Expressway Agreement (Si Rat Expressway) has a term of 30 years from 1 March 1990 and may be renewed for two times of 10 years each, subject to the conditions to be agreed upon between the Company and EXAT. The Agreement for the Extension of the Second Stage Expressway, Sector D, has a term of 30 years from 17 April 1997. The Bang Pa-in - Pak Kret Expressway Project Agreement (Udon Ratthaya Expressway) has a term of 30 years from 27 September 1996 and may be renewed for two times of 10 years each. These Agreements require the Company and the Subsidiary to be responsible for expenses relating to toll collections and traffic management and rescue operation on the Si Rat Expressway and the Udon Ratthaya Expressway which shall be paid to EXAT, including the costs of maintenance of the Expressways throughout the term of the Agreements.

4.2 Investment in Other Companies

The Company has policies to invest in the public utilities or related business in support of the Company's operations and providing opportunities and long-term yields to the Company. As at 31 December 2011, the Company has invested in the following companies:

Company	Type of business	Registered capital	Paid-up capital	Shareholding percentage	Cost of investment
Northern Bangkok Expressway Company Limited	Construction and management of the Udon Ratthaya Expressway	6,000	5,220	53.33%	2,360
Bangkok Metro Public Company Limited	Concession from the Mass Rapid Transit Authority of Thailand	11,950	11,950	11.68%	1,735
Thai Tap Water Supply Public Company Limited	Production and distribution of tap water	3,990	3,990	9.24%	1,137
SouthEast Asia Energy Limited	Construction and operation of a hydroelectric power plant	6,607	6,607	16.67%	1,101
CK Power Limited	Holding shares in other companies (Holding Company)	100	100	30.00%	30
Xayaburi Power Company Limited	Construction and operation of the hydroelectric power project	6,750	1,000	7.50%	75

1. Northern Bangkok Expressway Company Limited (“Subsidiary”)

The Company invested in the establishment of Northern Bangkok Expressway Company Limited (Subsidiary) in 1996, by holding 99.99 percent of shares in the Subsidiary. The benefits to be derived by the Company shall be in the form of dividend from investment in shares of the Subsidiary and the Udon Ratthaya Expressway would help increase the traffic volume on the Chalem Mahanakorn and the Si Rat Expressway Projects, resulting in revenue and profits to both companies in the long run. Due to the impact on the Subsidiary from the government policy for construction of the competing road, the Subsidiary’s revenue did not meet its projection. In this regard, the Subsidiary’s operational results continued to sustain loss to the extent that the accumulated loss exceeded its capital, resulting in shareholders’ deficit. In 2003, the Subsidiary therefore increased its registered capital by Baht 3,000 Million to become the registered capital of Baht 6,000 Million, of which 25 percent was paid up by the existing shareholders. Until 2011, the Subsidiary called for share payment of 74 percent of the increased registered capital of Baht 3,000 Million. As at 31 December 2011, the Subsidiary has the paid-up registered capital in the amount of Baht 5,220 Million. At present, the Company holds shares in the Subsidiary, representing 53.33 percent of its registered capital. Since the Company provided the large amount of loans to the Subsidiary and also is the only creditor of the Subsidiary, the Company has therefore assigned its six executives to be members of the Subsidiary’s board of directors, from a total of seven directors of the Subsidiary. In case the Subsidiary would take any actions which may significantly affect the Company, the Subsidiary would be required to seek prior approval from the Company’s Board of Directors. Furthermore, the Company is also the contractor for all works of the Subsidiary.

2. Bangkok Metro Public Company Limited (“BMCL”)

The Company invested in Bangkok Metro Public Company Limited (BMCL), a company awarded concession from the Mass Rapid Transit Authority of Thailand (MRTA), to invest in the M&E Equipment, together with providing a train operation service, repair and maintenance of the MRTA Initial System, throughout the 25-year concession period, with the right to receive fare revenue and take various activities to derive revenue from the commercial development at the stations. The benefits to be derived by the Company shall be in the form of dividend from such investment. BMCL’s securities were listed on the Stock Exchange of Thailand on 21 September 2006. As at the end of 2011, the Company holds shares in BMCL, representing 11.68 percent of its registered capital. The Company, in the capacity as a shareholder, sent one representative to be a member of the board of directors of BMCL. The 220 million ordinary shares of BMCL which the Company purchased from a shareholder have been pledged as security of long-term loan of BMCL. Currently, BMCL has a plan to expand its service to the purple line project which would connect with the blue line at Bang Sue station, currently operated by BMCL, including other extension lines in the future.

3. Thai Tap Water Supply Public Company Limited (“TTW”)

The Company invested in Thai Tap Water Supply Public Company Limited (TTW), which operates the business of production and distribution of tap water to the Provincial Waterworks Authority in the vicinity of Nakhon Pathom Province and Samut Sakhon Province, under the Water Purchase and Sale Agreement with the Provincial Waterworks Authority with a 30-year contract term from 21 July 2004. In 2007, TTW invested in Pathum Thani Water Co., Ltd., representing 98 percent of its registered capital, whereby such company operates the business of production and distribution of tap water in the vicinity of Pathum Thani and Rangsit, under the Water Purchase and Sale Agreement with the Provincial Waterworks Authority with a 25-year contract term from 15 October 1998. The benefits to be derived by the Company from investment in TTW shall be dividend income. TTW’s securities were listed as listed securities on the Stock Exchange of Thailand on 22 May 2008. As at the end of 2011, the Company holds shares in TTW, representing 9.24 percent of its registered capital. In 2011, the Company received dividend from TTW at the rate of Baht 0.20 per share for the operational results for the second half of 2010; and at the rate of Baht 0.15 per share for the operational results for the first half of 2011, totaling Baht 129 Million. The Company, in the capacity as a shareholder, sent one representative to be a member of the board of directors of TTW. Currently, TTW expanded its business by producing and selling tap water and providing water treatment service for industrial areas. In 2009, TTW started its operation to produce and sell tap water and provide water treatment service to customers in Bang Pa-in industrial area.

4. SouthEast Asia Energy Limited (“SEAN”)

The Company invested in SouthEast Asia Energy Limited (SEAN), a company which invested in Nam Ngum 2 Power Company Limited and was awarded the concession from the Government of the Lao People’s Democratic Republic for design, development, construction and operation of the Nam Ngum 2 Hydroelectric Power Project, with a 25-year concession period from the date of commencement of the operation. The benefits to be derived by the Company shall be in the form of dividend from such investment. With respect to the shareholding percentage in Nam Ngum 2 Power Company Limited, 75 percent of shares are held by SEAN, and the remaining 25 percent are held by Electricit du Laos. In 2011, SEAN called for additional share payment of 4.9 percent of shares held by the Company which have not been fully paid-up, whereby the Company made such share payment in the amount of Baht 29.5 Million. As at the end of 2011, the Company holds shares in SEAN, representing 16.67 percent of its registered capital. The construction of the Nam Ngum Hydroelectric Power Project is completed according to plan and has started the commercial operation on 26 March 2011. The Company, in the capacity as a shareholder, sent one representative to be a member of the board of directors of SEAN. All ordinary shares of SEAN held by the Company have been pledged as security of long-term loan of SEAN. Currently, SEAN is conducting a feasibility study to develop Nam Bak 1 and Nam Bak 2 Hydroelectric Power Projects.

5. CK Power Limited (“CKP”)

The Company jointly invested in establishment of CK Power Limited (CKP), which operates main business by investing in other companies. The benefits to be derived by the Company shall be in the form of dividend from investment. In this regard, in 2011, CKP purchases shares in SouthEast Asia Energy Limited representing 38 percent of its registered capital. As at the end of 2011, the Company holds shares in CKP, representing 30 percent of its registered capital. The Company, in the capacity as a shareholder, sent two representatives to be members of the board of directors of CKP.

6. Xayaburi Power Company Limited (“XPCL”)

The Company invested in Xayaburi Power Company Limited (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 benefits to be derived by the Company shall be in the form of dividend from such investment. As at the end of 2011, the Company holds shares in XPCL, representing 7.50 percent of its registered capital. The Company, in the capacity as a shareholder, sent one representative to be a member of the board of directors of XPCL. All ordinary shares of XPCL held by the Company have been pledged as security of long-term loan of XPCL.

4.3 Plant and Equipment

4.3.1 Bangkok Expressway Public Company Limited

Class of Assets	Net Book Value (Million Baht) as at 31 December 2011
Building and construction improvement	13
Furniture and fixture	2
Tools, instrument and equipment	156
Motor vehicles	92
Total	263

The Company’s head office is located at the Second Stage Expressway Control Center Building, which is part of the Second Stage Expressway Project. Despite the fact that the title to such Building is owned by the Expressway Authority of Thailand, the Company is granted the right to use such Building to operate the Second Stage Expressway Project under the conditions as specified in the Agreement.

4.3.2 Northern Bangkok Expressway Company Limited

Class of Assets	Net Book Value (Million Baht) as at 31 December 2011
Motor vehicles	1
Total	1

The Subsidiary does not own any property, plant and equipment, but leases a building as its head office located at No. 587, Sutthisarnvinichai Road, Dindaeng district, Dindaeng Subdistrict, Bangkok 10400. The lease is on a year by year basis at the rental rate of Baht 10,000 per month. The Subsidiary uses the Bang Pa-in - Pak Kret Expressway Central Control Building, which is part of the Bang Pa-in - Pak Kret Expressway Project, to supervise the operations. Despite the fact that the title to such Building is owned by EXAT, the Subsidiary is granted the right to use such Building to operate the Bang Pa-in - Pak Kret Expressway Project under the conditions as specified in the Agreement.

4.4 Investment Property

4.4.1 Bangkok Expressway Public Company Limited

The Company has land with an area of 90 rai 38 square wah, located at Bang Pa-in Industrial Estate, Amphoe Bang Pa-in, Phra Nakhon Si Ayutthaya Province, which is used as the site of the precasting yard for concrete segments during the construction of the Expressways, having a book value of Baht 120 Million, recorded at cost, as at 31 December 2011, and a fair value of Baht 270 Million, as assessed by an independent appraiser. Such land has been used to secure credit facilities extended by the group of lenders.

5. Legal Disputes

5.1 The Disputes with Expressway Authority of Thailand (EXAT)

Currently, the Company and the Subsidiary had a total of 15 disputes with EXAT, which were referred to the consideration of the Panel and to arbitration in accordance with the dispute settlement procedures under the Agreements, divided into the disputes that the Company and the Subsidiary referred to the dispute settlement proceedings under the Agreements and demanded for damages with the total amount until the date of submission of the disputes of approximately Baht 14,201.8 Million; and the disputes that EXAT submitted claims for damages with the total amount until the date of submission of the disputes of approximately Baht 15.8 Million, against which the Company counterclaimed in the amount of Baht 5,114 Million, the essence of each dispute was as follows:

5.1.1 Disputes submitted by the Company and the Subsidiary claiming for damages

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

The Company completed the construction of the “Priority Component” of the Si Rat Expressway on 13 November 1992, in respect of which the Agreement specified that the date on which the Construction Completion takes place in respect of the Priority Component shall be deemed as the Priority Component Opening Date, and the Company would then be entitled to receive the toll revenue sharing, but EXAT commenced sharing the toll revenue on 2 September 1993, thereby rendering the Company to lose such revenue which should have been received under the Agreement.

EXAT and the Company had different opinions as to which date should be the commencement date for toll revenue sharing.

On 9 July 2001, the Company then referred such dispute to arbitration requesting an award requiring EXAT to compensate for the deficient revenue plus interest until the date of submission of the dispute in the amount of Baht 3,831.4 Million. In this respect, EXAT raised an objection and counterclaimed in the total amount of Baht 15,575.4 Million.

On 15 December 2008, the Arbitral Tribunal rendered its arbitral award on the dispute requiring EXAT to pay the toll revenue sharing for urban network which should have been received by the Company for the period from 13 November 1992 to 2 September 1993, amounting to Baht 1,974.6 Million, calculated for interest up to 30 June 2001, amounting to Baht 1,856.8 Million, totaling Baht 3,831.4 Million, including the interest from 1 July 2001 onwards until the payment would be made in full to the Company, and EXAT's counterclaim was dismissed. EXAT thus had no right to demand the Company to compensate for such toll revenue as per the counterclaim in the amount of Baht 15,575.4 Million.

In this regard, EXAT issued a letter refusing to comply with the arbitral award. On 20 April 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. The Company submitted its answer to such petition to the Central Administrative Court. On 19 October 2011, the Company submitted a petition to the Central Administrative Court requesting a judgment to enforce compliance with the arbitral award as another case, with the disputed amount of Baht 5,021.1 Million.

In this regard, EXAT submitted a petition requesting an extension of time for submission of its objection until 2 March 2012.

2. Competing road with the Udon Raththaya Expressway

The Agreement specified that during the term of the Agreement, should EXAT or the Government put into effect any arrangements for the construction or substantial improvement of any road or highway of an expressway standard within the primary catchment area of the Expressway, which has the effect of reducing the actual volume of traffic using the Expressway or the revenue arising therefrom from the projections, EXAT shall compensate the Subsidiary for such effect.

Given 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, the Subsidiary therefore demanded EXAT to compensate for such effect as per the Independent Certification Engineer's letter certifying the effect upon the Subsidiary.

On 20 December 2004, the Subsidiary then referred such dispute to arbitration requesting an award requiring EXAT to compensate for the deficient revenue, thereby rendering such damages until the date of submission of the dispute (excluding interest) to Baht 1,790 Million.

On 27 November 2008, the Arbitral Tribunal rendered its arbitral award on the dispute requiring EXAT to compensate for the deficient revenue from the projection to the Subsidiary for 1999 in the amount of Baht 730.8 Million, with interest from 14 June 2000 onwards, until the payment would be made in full, and for 2000 in the amount of Baht 1,059.2 Million, with interest from 22 March 2001 onwards, until the payment would be made in full.

In this regard, EXAT issued a letter to the Subsidiary, confirming that the arbitral award was illegitimate; and the enforcement of such arbitral award was considered a violation to the public order and good moral of the people, EXAT was thus unable to comply with such arbitral award.

On 3 March 2009, EXAT submitted a petition to the Central Administrative Court requesting the Court to revoke the arbitral award, and the Subsidiary submitted its answer to such petition to the Central Administrative Court. On 1 September 2011, the Subsidiary submitted a petition to the Central Administrative Court requesting a judgment to enforce compliance with the arbitral award as another case, with the disputed amount of Baht 3,296.7 Million. In this regard, EXAT objected to the Subsidiary's petition requesting compliance with the arbitral award.

The Court issued an order requiring the subsidiary to submit its answer to EXAT's objection to the petition within 5 February 2012, whereby the subsidiary has filed a petition requesting an extension of time until to 21 February 2012.

3. Issuance of variation orders by EXAT

EXAT issued variation orders for additional construction work and confirmed that EXAT would be responsible for such costs as actually incurred by such orders. The Independent Certification Engineer then issued a letter certifying the additional costs, thereby rendering such damages until the date of submission of the dispute (excluding interest) to Baht 238 Million. Thereafter, EXAT refused to make such payment as certified by the Independent Certification Engineer, thereby resulting in such dispute.

On 3 May 2006, the Panel terminated its consideration since both parties could not reach an agreement. On 9 December 2009, the Company submitted a statement of claim to the Thai Arbitration Institute, demanding EXAT to compensate the Company for damages caused by EXAT's issuance of three variation orders for total construction costs and expenses of Baht 209.1 Million, together with interest until 30 November 2009 in the amount of Baht 173.1 Million, thereby bringing the principal with interest to a total of Baht 382.3 Million.

On 12 May 2010, EXAT submitted its statement of defense and counterclaim to the Thai Arbitration Institute.

The Company and EXAT appointed their arbitrators, and the Chairman of the Arbitral Tribunal was appointed. In this regard, the Arbitral Tribunal scheduled the hearing for witness examination to be held in March 2012.

4. Delayed opening of Sector D of the Si Rat Expressway and the Udon Raththaya Expressway

According to the Agreements, the Company and the Subsidiary were required to complete the construction of the Expressways for opening for service within the specified time. However, when the Company and the Subsidiary had completed the construction and the Independent Certification Engineer had issued a letter certifying that the Expressways could be opened for service as a public road, EXAT did not effect the opening of Sector D of the Si Rat Expressway and the Udon Raththaya Expressway for service. Such deferred opening of the Expressways then affected the financial position of the Company and the Subsidiary.

On 8 February 1999, the Panel terminated its consideration of the dispute proposed by the Subsidiary, and on 10 August 1999, the Panel terminated its consideration of the dispute proposed by the Company since both parties could not reach an agreement. Currently, the Company and the Subsidiary are preparing to refer such dispute to arbitration pursuant to the procedures under the Agreements, claiming damages (excluding interest) in the total amount of Baht 85.5 Million.

5. Revision of toll rates of the Chalerm Mahanakorn Expressway and the Si Rat Expressway for 2003

The Company requested to revise the toll rates under the Second Stage Expressway Agreement which stipulates that the toll rates shall be revised every five year interval. In this regard, EXAT and the Company had different opinions in respect of the rounding up in the calculation of the tolls to be revised, i.e., the Company was of the view that it should be increased to the whole multiple of Baht 5, while EXAT was of the view that if the resultant tolls to be revised were lower than Baht 5, such fraction should be rounded off. As a result, EXAT therefore did not increase the toll rates as proposed by the Company, thereby resulting in such dispute.

On 14 May 2008, the Company submitted the statement of claim to the Thai Arbitration Institute, demanding EXAT to compensate the Company for damages caused by the revision of toll rates for 2003, which was not in accordance with the Agreement. On 27 March 2009, the Company submitted a petition for amendment to the statement of claim in respect of the figures of the toll rates for 2003 based on the Ministry of Interior Notification dated 23 October 1998 in accordance with the Supreme Court Judgment, thereby bringing the total damages claimed by the Company against EXAT, together with interest up to 31 March 2008, to Baht 4,368 Million.

On 19 June 2009, EXAT submitted its statement of defense/counterclaim to the Thai Arbitration Institute.

The Company and EXAT already appointed their arbitrators. On 15 September 2009, the Company submitted a petition to the Thai Arbitration Institute challenging the appointment of EXAT's arbitrator. Thereafter, on 27 October 2010, the Company further submitted a petition challenging the legitimacy of the appointment of the Defendant's arbitrator, and requested to submit copies of documents in support of such challenge to the Thai Arbitration Institute.

On 4 February 2011, the Company filed a petition notifying its intention to have five arbitrators given the high disputed amount in this case as well as the complications of the legal and contractual issues. On 4 March 2011, EXAT filed a petition notifying that EXAT had no intention to change the number of arbitrator and the Thai Arbitration Institute was then requested to issue an order disposing of this dispute. Having considered the matter, the Institute issued an order that there was no ground for disposing of the case, the proceedings shall then resume.

On 8 April 2011, EXAT sent a letter notifying the Company of the resolution of the Board of Directors of the Expressway Authority of Thailand in its Meeting No. 3/2011 held on 28 March 2011 that in order to speed up the arbitration proceedings, it was thus deemed appropriate for each disputing party to appoint an additional arbitrator, provided that the Company shall withdraw or discontinue its challenge to EXAT's arbitrator; and should the Company agree to such

condition, the Company was then requested to file a petition withdrawing its challenge to EXAT's arbitrator previously filed by the Company with the Thai Arbitration Institute, and then notify EXAT of the results thereof.

On 11 April 2011, the Company filed a petition with the Thai Arbitration Institute requesting to withdraw the petition dated 15 September 2009 in respect of the Company's challenge to the arbitrator appointed by EXAT.

The Company and EXAT already submitted their respective letters of appointment of additional arbitrator each to the Thai Arbitration Institute, and the Arbitral Tribunal jointly selected the Chairman of the Arbitral Tribunal. In this regard, the Thai Arbitration Institute scheduled the hearing date for appointment of the Chairman of the Arbitral Tribunal, settlement of disputed issues and the arbitration proceedings to be held in April 2012.

6. Revision of toll rates of Sector D of the Si Rat Expressway for 2003

The Company requested to revise the toll rates under the Agreement for the Extension of the Second Stage Expressway System (Sector D) which stipulates that the toll rates shall be revised every five year interval. In this regard, EXAT and the Company had different opinions in respect of the rounding up in the calculation of the tolls to be revised, i.e., the Company was of the view that it should be increased to the whole multiple of Baht 5, while EXAT was of the view that if the resultant tolls to be revised were lower than Baht 5, such fraction should be rounded off. As a result, EXAT therefore did not increase the toll rates as proposed by the Company, thereby resulting in such dispute.

On 24 July 2008, the Company submitted the statement of claim to the Thai Arbitration Institute, demanding EXAT to compensate the Company for damages caused by the revision of toll rates for 2003, which was not in accordance with the Agreement, in the amount of Baht 1,048.2 Million.

On 12 March 2009, EXAT submitted its statement of defense/counterclaim to the Thai Arbitration Institute.

At present, it is pending the appointment of the Chairman of the Arbitral Tribunal.

7. Revision of toll rates of the Udon Rathaya Expressway for 2003

The Subsidiary requested to revise the toll rates under the Bang Pa-in - Pak Kret Expressway Agreement which stipulates that the toll rates shall be revised every five year interval.

In this regard, EXAT and the Subsidiary had different opinions in respect of the rounding up in the calculation of the tolls to be revised, i.e., the Subsidiary was of the view that it should be increased to the whole multiple of Baht 5, while EXAT was of the view that if the resultant tolls to be revised were lower than Baht 5, such fraction should be rounded off. As a result, EXAT therefore did not increase the toll rates as proposed by the Subsidiary, thereby resulting in such dispute.

On 20 May 2005, the Panel terminated its consideration since both parties could not reach an agreement. At present, the Subsidiary is in the process of concluding damages for preparing to refer such dispute to arbitration pursuant to the procedures under the Agreement.

5.1.2 Disputes submitted by EXAT claiming for damages

1. Construction of the Collection and Distribution Road (CD Road) under the Second Stage Expressway Agreement

EXAT was unable to deliver the Site(s) for construction of the CD Road, Rama VI - Ratchadamri Section, to the Company, but still required the Company to have such an obligation to carry out the construction. EXAT then submitted the matter to the Panel to force the Company to admit that the Company still had such obligation to construct the CD Road without any claim for monetary damages.

On 25 June 2001, the Company raised an objection that its obligation to carry out such construction had already ceased, as well as filed a counterclaim for a loss of benefit from the revenue to be derived from such areas, thereby rendering such damages plus interest until the date of submission of the statement of defense to Baht 5,114 Million.

On 17 October 2001, EXAT submitted its answer to the counterclaim that since EXAT had not delivered the Site(s) to the Company and the Company had not commenced such delayed work, the Company in no way sustains any damage and as such, the Company's right of claim for compensation for damages has not yet arisen. In this regard, EXAT was unable to pay for the loss of benefit, together with interest, from the revenue in such areas to the Company.

On 7 June 2002, the Panel terminated its consideration since both parties could not reach an agreement. At present, EXAT has not yet referred this issue to arbitration.

2. Other disputes

EXAT referred six disputes to the Arbitral Tribunal requiring the Company and its Subsidiary to be held liable for costs, in respect of which the Company and its Subsidiary were of the view that such costs were not within their scope of responsibility under the Agreements, in the total amount of Baht 15.8 Million.

On 25 September 2009, the Arbitral Tribunal issued its arbitral award on one dispute, requiring the Company to reimburse EXAT for the amount advanced by EXAT for mitigation of damage for complainants, in the amount of Baht 1.4 Million together with interest of Baht 0.3 Million, totaling Baht 1.7 Million. On 14 January 2010, the Company submitted a petition to the Central Administrative Court requesting the Court to revoke the arbitral award. EXAT submitted an objection to the petition requesting compliance with the arbitral award to the Court on 28 September 2010. At present, the case is pending the consideration of the Central Administrative Court.

Given that the various cases are not yet final, the Company therefore did not record such entries in the financial statements.

5.2 Lawsuit

EXAT and the Company were sued by Expressway user on grounds of wrongful act in relation to traffic management and safety on the Si Rat Expressway System, whereby EXAT was the first defendant and the Company was the second defendant.

On 26 September 2007, the Court of First Instance adjudged to dismiss the plaintiff's plaint. On 8 November 2007, the plaintiff filed an appeal with the Appeal Court and the Court issued an order accepting such appeal on 9 November 2007, in respect of which the Company submitted an answer to the appeal on 25 December 2007. Currently, the case is pending the consideration of the Appeal Court.

However, the Company's management believed that there would be no material impact upon the Company, and as a result, the Company did not make any provision for contingent liabilities in its book.

6. Capital Structure

6.1 Company Securities

- 6.1.1 The Company has the registered capital of Baht 8,000 Million, comprising 800 million ordinary shares at the par value of Baht 10 per share, Baht 7,700 Million of which has already been paid up, divided into 770 million ordinary shares at the par value of Baht 10 per share.
- 6.1.2 As at 30 December 2011, the Company issued 72,526,226 ordinary shares in the form of Non-Voting Depositary Receipt or NVDR, representing 9.42 percent of all shares of the Company. Such shares entitle their holders to receive dividends from investment in NVDR in the same amount as such dividend received by Thai NVDR Company Limited from the Company, provided that NVDR holders shall not be entitled to vote at any shareholders' meeting of the Company. Investors may check the number of NVDR from the Stock Exchange of Thailand's website at www.set.or.th/nvdr.

6.2 Long-Term Loans and Debentures

6.2.1 Long-Term Loans

As at 31 December 2011, the Company has long-term loans in the amount of Baht 3,949 Million, at the fixed interest rate of 3.75 percent per annum for a period from September 2010 to June 2012, and at the fixed interest rate of 4.00 percent per annum for the remaining period. The repayment of the principal is scheduled to be made every month and such repayment shall be made in full by September 2014.

6.2.2 Debentures

The Company issued two tranches of debentures in April 2011 in the amount of Baht 2,000 Million, namely, the debentures with a term of 3 years at the fixed interest rate of 3.70 percent; and the debentures with a term of 10 years at the fixed interest rate of 4.72 percent, for repayment of the existing debentures due for payment in 2011; and the Company issued a tranche of debentures in December 2011 in the amount of Baht 900 Million at the fixed interest rate of 4.60 percent, with a term of 7 years, for repayment of the existing debentures to be due for payment in 2012. As at 31 December 2011, the Company has debentures in the amount of Baht 15,095 Million, as per the following details:

Details of Debentures	Debentures No. 1/2007 Tranche 2	Debentures No. 1/2007 Tranche 3	Debentures No. 1/2008 Tranche 2	Debentures No. 1/2009
Debenture Symbol	BECL128A	BECL148A	BECL13NA	BECL139A
Total Value of Debentures	Baht 1,895 Million	Baht 1,700 Million	Baht 1,100 Million	Baht 1,000 Million
Type of Debentures	Unsubordinated and unsecured debentures bearing names of the holders with a debenture holder representative	Unsubordinated and unsecured debentures bearing names of the holders with a debenture holder representative	Unsubordinated and unsecured debentures bearing names of the holders with a debenture holder representative	Unsubordinated and unsecured debentures bearing names of the holders with a debenture holder representative
Number of Debentures	1,895,000 units	1,700,000 units	1,100,000 units	1,000,000 units
Par Value per Unit	Baht 1,000	Baht 1,000	Baht 1,000	Baht 1,000
Interest Rate per annum	4.88%	5.20%	1 st -2 nd years: 5.20% 3 rd -4 th years: 5.65% 5 th year: 6.00%	4.25%
Maturity	5 years	7 years	5 years	4 years
Issue Date of Debentures	2 August 2007	2 August 2007	7 November 2008	11 September 2009
Maturity Date	2 August 2012	2 August 2014	7 November 2013	11 September 2013
Registrar	KBANK	KBANK	KBANK	KBANK
Early Redemption Right	-None-			
Repayment of Principal	The issuer of debentures shall make a repayment of the principal in full on the Maturity Date.			
Rating	A	A	A	A

Debtentures (continued)

Details of Debtentures	Debtentures No. 2/2009	Debtentures No. 3/2009	Debtentures No. 1/2010	Debtentures No. 2/2010
Debtenture Symbol	BECL133A	BECL155A	BECL136A	BECL135A
Total Value of Debtentures	Baht 1,000 Million	Baht 2,000 Million	Baht 1,000 Million	Baht 1,000 Million
Type of Debtentures	Unsubordinated and unsecured debtentures bearing names of the holders without a debtenture holder representative	Unsubordinated and unsecured debtentures bearing names of the holders without a debtenture holder representative	Unsubordinated and unsecured debtentures bearing names of the holders without a debtenture holder representative	Unsubordinated and unsecured debtentures bearing names of the holders without a debtenture holder representative
Number of Debtentures	1,000,000 units	2,000,000 units	1,000,000 units	1,000,000 units
Par Value per Unit	Baht 1,000	Baht 1,000	Baht 1,000	Baht 1,000
Interest Rate per annum	4.10%	MLR - 3.00%	6m FDR + 1.33%	6m FDR + 1.33%
Maturity	3 years 6 months	5 years 5 months 2 days	3 years 3 months	3 years 2 months
Issue Date of Debtentures	15 September 2009	28 December 2009	3 March 2010	17 March 2010
Maturity Date	15 March 2013	30 May 2015	3 June 2013	17 May 2013
Registrar	KBANK	SCB	KBANK	KBANK
Early Redemption Right	-None-			
Repayment of Principal	The issuer of debtentures shall make a repayment of the principal in full on the Maturity Date.			
Rating	A	A	A	A

Debtentures (continued)

Details of Debtentures	Debtentures No. 3/2010	Debtentures No. 1/2011 Tranche 1	Debtentures No. 1/2011 Tranche 2	Debtentures No. 2/2011
Debtenture Symbol	BECL173A	BECL144A	BECL214A	BECL18DA
Total Value of Debtentures	Baht 1,500 Million	Baht 1,000 Million	Baht 1,000 Million	Baht 900 Million
Type of Debtentures	Unsubordinated and unsecured debtentures bearing names of the holders without a debtenture holder representative	Unsubordinated and unsecured debtentures bearing names of the holders without a debtenture holder representative	Unsubordinated and unsecured debtentures bearing names of the holders without a debtenture holder representative	Unsubordinated and unsecured debtentures bearing names of the holders without a debtenture holder representative
Number of Debtentures	1,500,000 units	1,000,000 units	1,000,000 units	900,000 units
Par Value per Unit	Baht 1,000	Baht 1,000	Baht 1,000	Baht 1,000

Details of Debentures	Debentures No. 3/2010	Debentures No. 1/2011 Tranche 1	Debentures No. 1/2011 Tranche 2	Debentures No. 2/2011
Interest Rate per annum	6m FDR + 1.65%	3.70%	4.72%	4.60%
Maturity	7 years	3 years	10 years	7 years
Issue Date of Debentures	31 March 2010	29 April 2011	29 April 2011	29 December 2011
Maturity Date	31 March 2017	29 April 2014	29 April 2021	29 December 2018
Registrar	SCB	TMB	TMB	TMB
Early Redemption Right	-None-			
Repayment of Principal	The issuer of debentures shall make a repayment of the principal in full on the Maturity Date.			
Rating	A	A	A	A

6.3 Shareholders

As at 29 September 2011, which is the most recent date the share register book was closed, the major shareholders were as follows:

Shareholders	Ratio of Shareholding	
	Number of Shares	% of total number of shares
(1) CH. Karnchang Public Company Limited	116,669,550	15.15
(2) Bangkok Bank Public Company Limited	55,295,390	7.18
(3) Krung Thai Bank Public Company Limited	38,500,550	5.00
(4) Skandinaviska Enskilda Banken AB	33,465,400	4.35
(5) Bangkok Life Assurance Public Company Limited	32,950,000	4.28
(6) BNY Mellon Nominees Limited	25,352,900	3.29
(7) State Street Bank and Trust Company	18,256,453	2.37
(8) The Bank of New York (Nominees) Limited	16,746,675	2.17
(9) United Overseas Bank (Thai) Public Company Limited	13,421,470	1.74
(10) CH. Karnchang-Tokyu Construction Co., Ltd.	9,551,140	1.24
(11) Social Security Ofce (2 cases)	9,449,700	1.23
(12) American International Assurance Company, Limited-Apex	8,713,200	1.13
(13) Mr.Paisan Chartpitak	8,300,000	1.08
(14) Mr. Sombath Phanichewa	8,259,000	1.07
(15) Mr. Paiwan Chartpitak	6,961,700	0.90
(16) American International Assurance Company, Limited-Tiger	6,945,800	0.90
(17) Mrs.Yuwares Chusakul	6,550,000	0.85
(18) The Bank of New York Nominees Ltd-CGT Exempt	6,229,900	0.81

Shareholders	Ratio of Shareholding	
	Number of Shares	% of total number of shares
(19) State Street Bank Europe Limited	6,192,000	0.80
(20) Chase Nominees Limited ¹	5,735,800	0.74
(21) Raffles Nominees (Pte) Limited	5,173,600	0.67
(22) State Street Bank and Trust Company	5,144,700	0.67
(23) Mr.Chanintr Chalisarapong	5,130,000	0.67
(24) Mr. Chuwit Chitsakul	5,000,000	0.65
(25) Tokyu Construction Company Limited	4,551,150	0.59
(26) East Fourteen Limited-Dimensional Emer Mkts Value FD	4,439,200	0.58
(27) Thanachart Life Assurance Company Limited	4,251,600	0.55
Total	467,236,878	60.66
Others	302,763,122	39.34
Grand Total	770,000,000	100.00

Remark: The Stock Exchange of Thailand's disclosure in www.set.or.th for shareholders who held shares by more than 0.5 percent.

6.4 Policy on Dividend Payment

The Company has a policy to pay dividend of not less than 40 percent of the total net profit of each year, taking into account the operational results, financial structure and obligations, investment, as well as regular payment of dividend to shareholders.

In this regard, the Company's Board of Directors may pay interim dividend to shareholders when it is of the view that the Company has sufficient profit and cash flow to pay dividend. Once the dividend payment has been made, such dividend payment shall be reported to the following Shareholders' Meeting.

Pursuant to the conditions of the Credit Facility Agreement, the Company was able to pay dividend to shareholders in the case that the Company's debt service coverage ratio or DSCR on the date of dividend payment is not less than 1.20 and shall not be less than 1.0 after the dividend payment.

The Company's dividend payments during the past five years are as follows:

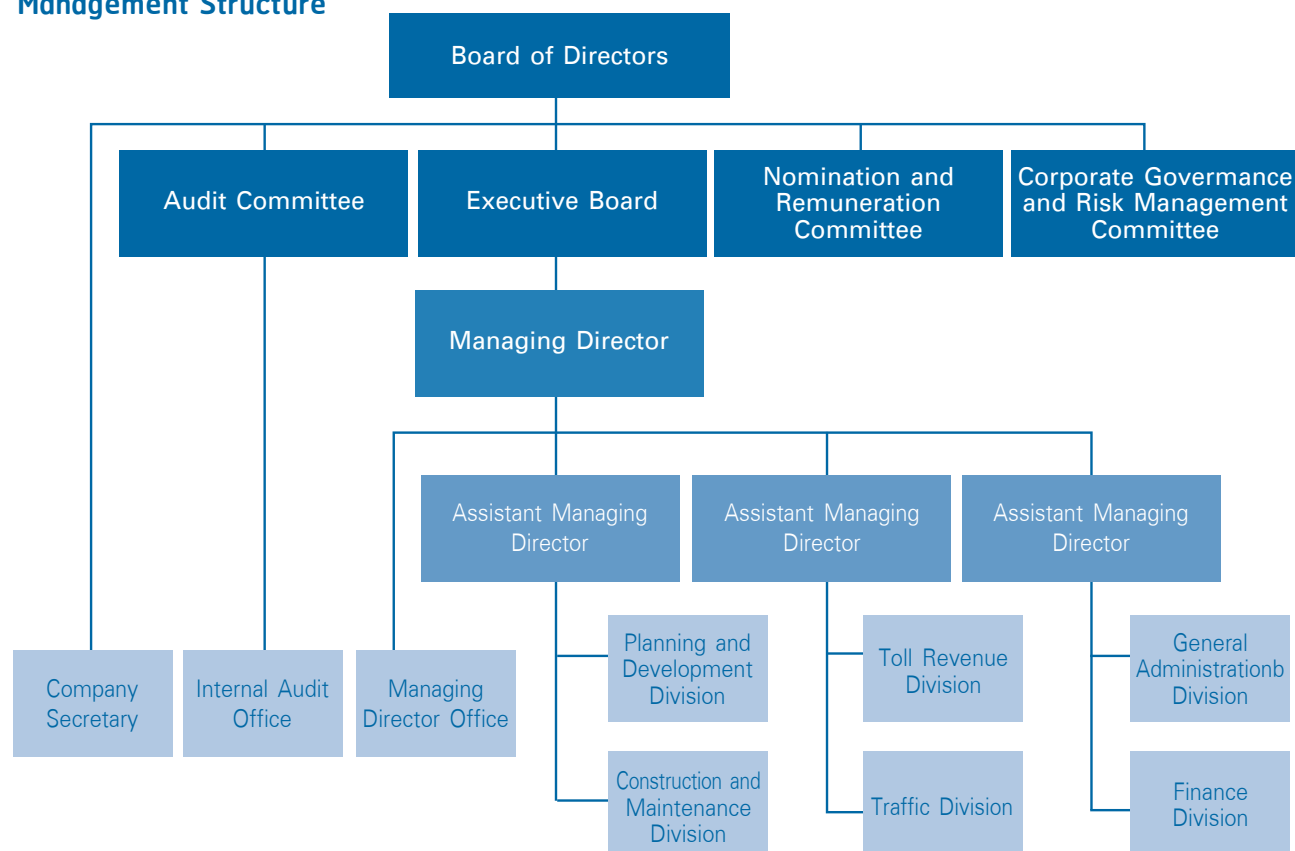
Dividend from Operations	Dividend Declared (Million Baht)	Dividend per share (Baht)	Net Profit (Million Baht)		Percentage of Dividend to Net Profit	
			Consolidated Financial Statements	Separate Financial Statements	Consolidated Financial Statements	Separate Financial Statements
2007						
- First half	385	0.50	735	881	52	44
- Second half	462	0.60	672	467	69	99
Total in 2007	847	1.10	1,407	1,348	60	63
2008						
- First half	385	0.50	634	762	61	51
- Second half	462	0.60	810	718	57	64
Total in 2008	847	1.10	1,444	1,480	59	57

Dividend from Operations	Dividend Declared (Million Baht)	Dividend per share (Baht)	Net Profit (Million Baht)		Percentage of Dividend to Net Profit	
			Consolidated Financial Statements	Separate Financial Statements	Consolidated Financial Statements	Separate Financial Statements
2009						
- First half	424	0.55	881	965	48	44
- Second half	539	0.70	821	610	66	88
Total in 2009	963	1.25	1,702	1,575	57	61
2010						
- First half	424	0.55	823	881	521	48
- Second half	577	0.75	980	1,020	59	57
Total in 2010	1,001	1.30	1,803	1,901	56	53
2011						
- First half	462	0.60	794	812	58	57
- Second half	539 ⁽¹⁾	0.70 ⁽¹⁾	614	568	88	95
Total in 2011	1,001	1.30	1,408	1,380	71	73

Remarks: ⁽¹⁾ This is included in the Agenda for the 2012 Annual Ordinary General Meeting of Shareholders on April 25, 2012

7. Management

7.1 Management Structure



Remark: Management Structure as at 31 December 2011

The Company's management structure comprises the Board of Directors and another four subcommittees, namely, the Audit Committee, the Executive Board, the Nomination and Remuneration Committee, the Corporate Governance and Risk Management Committee, with the Managing Director as the highest executive of the management team, totaling 14 persons.

The structure of the Board of Directors consists of 12 qualified members, comprising: six executive directors, four independent directors and two non-executive directors, constituting a counterbalance from non-executive directors. In this regard, the Company has four independent directors, which represent one-third of all directors.

The list of names of four committees and executives, including authority and duties of the respective committees and the nomination procedures are described as follows:

7.1.1 Board of Directors

At present, the Company's Board of Directors has 12 directors, whose names, as at 17 February 2012, are listed below:

Name-Surname	Position	Category	Term of Office
1. Dr. Virabongsa Ramangkura	Chairman of the Board of Directors	Independent Director	From 7 April 2011 until the 2014 Annual Ordinary General Meeting of Shareholders
2. Prof. Suphachai Phisitvanich	Director Audit Committee Chairman Corporate Governance and Risk Management Committee Chairman	Independent Director	From 22 April 2010 until the 2013 Annual Ordinary General Meeting of Shareholders
3. Gen. Sampao Choosri	Director Audit Committee Member Nomination and Remuneration Committee Chairman Corporate Governance and Risk Management Committee Member	Independent Director	From 1 April 2009 until the 2012 Annual Ordinary General Meeting of Shareholders
4. Dr. Annop Tanlamai ⁽¹⁾	Director Audit Committee Member Nomination and Remuneration Committee Member Corporate Governance and Risk Management Committee Member ⁽¹⁾	Independent Director	From 14 September 2011 until the 2014 Annual Ordinary General Meeting of Shareholders
5. Mr. Plew Trivisvavet	Director Chairman of the Executive Board Nomination and Remuneration Committee Member	Executive Director	From 7 April 2011 until the 2014 Annual Ordinary General Meeting of Shareholders
6. Mr. Supong Chayutsahakij	Director Vice Chairman of the Executive Board Nomination and Remuneration Committee Member Corporate Governance and Risk Management Committee Member	Executive Director	From 1 April 2009 until the 2012 Annual Ordinary General Meeting of Shareholders
7. M.L. Prasobchai Kasemsant	Director Executive Director	Executive Director	From 22 April 2010 until the 2013 Annual Ordinary General Meeting of Shareholders
8. Mr. Panit Dunnvatanachit	Director Executive Director	Executive Director	From 1 April 2009 until the 2012 Annual Ordinary General Meeting of Shareholders

Name-Surname	Position	Category	Term of Office
9. Miss Arisara Dharamadhaj	Director	Non-Executive Director	From 1 April 2009 until the 2012 Annual Ordinary General Meeting of Shareholders
10. Mrs. Vallapa Assakul	Director Executive Director	Executive Director	From 22 April 2010 until the 2013 Annual Ordinary General Meeting of Shareholders
11. Mr.Lertsak Chingharanon ⁽²⁾	Director	Non-Executive Director	From 17 February 2012 until the 2014 Annual Ordinary General Meeting of Shareholders
12. Mrs. Payao Marittanaporn	Director Executive Director Managing Director	Executive Director	From 22 April 2010 until the 2013 Annual Ordinary General Meeting of Shareholders

Remark: The executives' profiles appear in Attachment A-1 to A-8.

⁽¹⁾ Dr. Annop Tanlamai was appointed on 14 September 2011 to replace Prof. Dr. Kanok Wongtrangan who resigned on 1 July 2011.

⁽²⁾ Mr. Lertsak Chingharanon was appointed on 17 February 2012 to replace Mr. Aiyarat Tinapai who resigned on 9 November 2011.

The Company defined the term of independent director to become stricter than that defined by the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand, as per the details of independent directors' qualifications as follows:

Qualifications of Independent Directors

- Holding no more than 0.5 percent of the paid-up capital of the Company, its parent company, subsidiary, associated company, or legal entity which may have conflict of interest, including such shares held by related persons and other qualifications as stipulated by the Office of SEC.
- Having no involvement in the management/not being employee/staff/advisor receiving a regular salary or controller of the Company, its parent company, subsidiary, associated company, subsidiary at the same level or legal entity which may have conflict of interest at present and during the past two years prior to appointment.
- Having neither relationship by blood or by legal registration in the capacity as parent, spouse, sibling and offspring, including spouse of the offspring, with any executive, major shareholder, controller or person to be nominated as executive or controller of the Company or its subsidiary.
- Having neither business relationship with the Company, its parent company, subsidiary, associated company, or legal entity which may have conflict of interest at present and during the past two years prior to appointment in the following manners:
 - Provision of professional services, i.e., auditor, other professional service provider receiving fee more than Baht 2 Million per year, such as, legal advisor, financial advisor, property appraiser, etc.
 - Trading/business with a transaction value of Baht 20 Million or more or at least 3 percent of the Company's net tangible asset value, whichever is lower, and, in considering the transaction value, any transactions executed during the past six months prior to the date of this transaction execution shall be included.
- Not being a director who is appointed as representative of any director, major shareholder or any shareholder who is a related person of any major shareholder of the Company.
- Not having any other characteristics preventing him/her from giving an independent opinion.

Directors authorized to sign and bind the Company shall be as follows:

The Company determines four directors authorized to sign and bind the Company, comprising Mr. Plew Trivisvavet, Mr. Supong Chayutsahakij, M.L. Prasobchai Kasemsant and Mrs. Payao Marittanaporn, whereby two of these four directors shall jointly sign and affix the Company's seal.

The Board of Directors' Authority and Duties

1. Supervising the Company's operations to ensure compliance with laws, detailed objectives and the Articles of Association, as well as resolutions of shareholders' meetings, and protecting the Company's interest based on the good corporate governance principles.
2. Determining policies and directions of the Company's operations and supervising the management to take actions to ensure compliance with the policy with efficiency and effectiveness so as to result in the optimum economic value to the business and great wealth to shareholders.
3. Convening the annual ordinary general meeting of shareholders by no later than four months from the Company's year end account closing date and convening extraordinary general meeting of shareholders as required.
4. Convening the Board of Directors' meetings on a quarterly basis, and each meeting requires at least 60 percent of all directors. Decisions of the meeting shall be made by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have an additional casting vote.
5. Considering approval for budget for investment and the Company's annual business operations, including monitoring use of the Company's resources.
6. Providing complete, correct and sufficient reports on financial information, the Company's information and general information which are important for shareholders, and affirming the certification of the reported information.
7. Introducing to the Company an internal control system, internal audit and efficient measures to manage risks, as well as following up on such matters on a regular basis.
8. Considering clearly determining and separating roles, duties and responsibilities among the Board of Directors, subcommittees and the management, with regular communication regarding such roles, duties and responsibilities to the Board of Directors, subcommittee members, the management and staff of the Company.
9. Supervising the Executive Board to comply with the specified policies and the Executive Board is authorized to approve any transaction binding upon the Company in an amount of not exceeding Baht 50 Million per transaction, excluding those transactions giving rise to conflict or interest, including such transactions requiring approval from shareholders as per the regulations of the SEC and the Stock Exchange.

The Board of Directors' Meeting

The Board of Directors schedules to regularly meet at least every three months, whereby in 2011, the Board of Directors convened five meetings, with one meeting among directors without the management.

Nomination, Appointment and Term of Office of Directors

The Nomination and Remuneration Committee shall select and propose qualified persons to hold the position of the Company's directors or nominated persons to be appointed as directors in advance as it deems appropriate to the Board of Directors for submission to the shareholders' meeting, or the Board of Directors' meeting for appointment in accordance with Article 13 of the Articles of Association stipulating that at every annual ordinary general meeting of shareholders, one-third of the number of directors shall vacate their office and if the number of directors is not a multiple of three, then the number nearest to one-third must retire from office. Therefore, the Company's directors shall have a term of office of three years, whereby the retiring directors may be re-elected. The Company shall not determine the number of terms of office of any directors or the number of other listed companies in which the directors would hold the position of director, but take into account appropriateness for the appointment of the retiring directors to resume the office. In case of nomination and appointment of directors by shareholders, the following criteria and procedures shall apply:

1. Each shareholder has one vote for one share held.
2. Election of directors shall be made on an individual basis, provided that the vote by each individual shareholder shall reflect the number of all shares held by such shareholder at the time of the vote in accordance with Item 1 and no shareholder shall apportion partial vote to any specific candidate.
3. Upon completion of election on an individual basis, the candidates with the highest number of votes in a descending order shall be elected as directors up to the number of directors to be elected or vacancies at that time. More than one candidate having equal votes for the final vacancies shall be appointed by drawing of lots.

7.1.2 Executive Board

The Board of Directors appointed the Executive Board to assist in providing advice and suggestions to the management and make other arrangements as assigned by the Board of Directors. As at 31 December 2011, the Executive Board comprises six executive directors as listed below:

1. Mr. Plew Trivisvavet Chairman of the Executive Board
2. Mr. Supong Chayutsahakij Vice Chairman of the Executive Board
3. M.L. Prasobchai Kasemsant Executive Director
4. Mr. Panit Dunnvatanachit Executive Director
5. Mrs. Vallapa Assakul Executive Director
6. Mrs. Payao Marittanaporn Executive Director

The Executive Board schedules to meet monthly to consider various matters within the scope of its authority and duties as assigned by the Board of Directors and to consider screening such matters to be proposed to the Board of Directors for consideration and approval.

The Executive Board's Authority and Duties

1. Delivering guidelines for policy, supervising, providing suggestions and advice for the Managing Director and the management, as well as determining the Corporate KPIs for use in the annual performance evaluation.
2. Setting up business plan, budget and managerial authority of the Company as assigned by the Board of Directors.
3. Inspecting, following up to ensure compliance with the Company's policies and plans with efficiency.
4. Conducting feasibility studies on new projects, such as, project granted by EXAT or under the Second Stage Expressway Agreement.
5. Having power to approve any juristic act binding upon the Company in an amount of not exceeding Baht 50 Million (Fifty Million Baht Only) per act.
6. Having power to approve, appoint, remove, and determine salary and other remunerations, including expenses and facilities of the Company's officers or staff in the position of General Manager or higher, but not including the Managing Director.
7. The Executive Board or the Chairman of the Executive Board shall have power to convene the Executive Board's meetings and/or determine rules and regulations of the meetings as it deems appropriate.
8. Reporting on the Company's operational results to the Board of Directors.
9. Proceeding with other matters as assigned by the Board of Directors from time to time.

Nomination and Appointment of Executive Directors

The Executive Board shall be appointed by the Board of Directors pursuant to the Articles of Association which specify that one or several directors may be authorized by the Board of Directors to take any action on behalf of the Board of Directors.

7.1.3 Audit Committee

The Board of Directors appointed the Audit Committee to assist in supervising the Company's business, whereby Prof. Suphachai Phisitvanich, an independent director who has the knowledge in the field of accounting and finance, was appointed to hold office as Audit Committee Chairman. As at 31 December 2011, the Audit Committee comprises three independent directors as listed below:

1. Prof. Suphachai Phisitvanich ⁽¹⁾ Audit Committee Chairman (Independent Director)
2. Gen. Sampao Choosri Audit Committee Member (Independent Director)
3. Dr. Annop Tanlamai ⁽²⁾ Audit Committee Member (Independent Director)

Remarks: ⁽¹⁾ Prof. Suphachai Phisitvanich served as Audit Committee member with the knowledge in the field of accounting and finance.

⁽²⁾ Dr. Annop Tanlamai was appointed to replace Prof. Dr. Kanok Wongtrangan on 14 September 2011.

The General Manager of the Internal Audit Office shall serve as secretary to the Audit Committee.

The Audit Committee shall regularly meet at least every quarter with the external auditor, the internal auditor and the management and executives responsible for account and finance, for review of financial statements on a quarterly basis and report to the Board of Directors, or in case the management team would execute any connected transactions

or transactions relating to asset acquisition or disposal which shall take into account appropriateness, justification and the utmost benefit of the Company, the Audit Committee Chairman may convene additional meeting, whereby in 2011, the Audit Committee convened five meetings and there was one meeting with the auditors without the management.

The Audit Committee's Authority and Duties

1. Reviewing to ensure that the Company's financial reports are accurate and adequate.
2. Reviewing to ensure the Company's internal control system and internal audit system are suitable and effective, considering the independence of the internal audit unit as well as granting approval on consideration for appointment, transfer, termination of employment of head of the internal audit unit or any other unit responsible for the internal audit.
3. Reviewing to ensure the Company's performance in compliance with the securities and exchange law, requirements of the Stock Exchange and the laws relating to the Company's business.
4. Considering, selecting, submitting for appointment of person who is independent to serve as the Company's auditor, proposing remuneration of such person as well as meeting with the auditor without the management team at least once a year.
5. Considering connected transactions or transactions which may have conflict of interest in compliance with the laws and requirements of the Stock Exchange in order to ensure that such transactions are justified and of the utmost benefit to the Company.
6. Preparing report of the Audit Committee to be disclosed in the Company's Annual Report, whereby such report must be signed by the Audit Committee Chairman and be comprised of at least the following information:
 - (a) Opinions on correctness, completeness, and reliability of the Company's financial reports;
 - (b) Opinions on adequacy of the Company's internal control system;
 - (c) Opinions on compliance with the securities and exchange law, requirements of the Stock Exchange or laws relating to the Company's business;
 - (d) Opinions on appropriateness of the auditor;
 - (e) Opinions on transactions which may have conflict of interest;
 - (f) Number of meetings of the Audit Committee and attendance of each Audit Committee member;
 - (g) Overall opinions or observations by the Audit Committee from the performance of duties in accordance with the charter;
 - (h) Other matters that should be informed to shareholders and general investors within the scope of the duties and responsibilities assigned by the Board of Directors.
7. Performing any other activities as assigned by the Board of Directors and approved by the Audit Committee.

Nomination, Appointment and Term of Office of the Audit Committee

The Audit Committee shall be appointed by the Board of Directors, as nominated by the Nomination and Remuneration Committee from the Company's independent directors and at least one person thereof shall have accounting and finance knowledge, with a three-year term of office. Any member of the Audit Committee who retires by rotation may be reappointed.

7.1.4 Nomination and Remuneration Committee

The Board of Directors appointed the Nomination Committee and the Remuneration Committee to perform the duty to nominate and consider remuneration for directors and the Managing Director to ensure transparency and fairness, by appointing General Sampao Choosri, an independent director, to hold the position of Chairman of the Nomination and Remuneration Committee in accordance with the good corporate governance principles which state that the chairman of each subcommittee should be an independent director. As at 31 December 2011, the Nomination and Remuneration Committee comprises four members as follows:

- | | |
|--------------------------------------|---|
| 1. Gen. Sampao Choosri | Nomination and Remuneration Committee Chairman (Independent Director) |
| 2. Mr. Plew Trivisvavet | Nomination and Remuneration Committee Member |
| 3. Dr. Annop Tanlamai ⁽¹⁾ | Nomination and Remuneration Committee Member (Independent Director) |
| 4. Mr. Supong Chayutsahakij | Nomination and Remuneration Committee Member |

Remark: ⁽¹⁾ Dr. Annop Tanlamai was appointed to hold the office in replacement of Prof. Dr. Kanok Wongtrangan, effective since 14 September 2011.

In 2011, the Nomination and Remuneration Committee convened two meetings for nomination of qualified persons to be proposed and appointed as directors of the Company to replace the directors who retired by rotation and directors who resigned prior to the end of term, and for review of remuneration of directors for 2011 and bonus for 2010 for submission to the 2011 Annual Ordinary General Meeting of Shareholders for approval and consideration of remuneration for the Managing Director in accordance with the result of performance evaluation for submission to the Board of Directors for approval.

The Nomination and Remuneration Committee's Authority and Duties

1. Considering criteria and procedures of nomination as well as selecting and proposing qualified persons to hold the position of the Company's directors to the Board of Directors so as to nominate them to the shareholders' meeting, or proposing the nomination to the Board of Directors for consideration and appointment.
2. Considering selecting and proposing a qualified person to hold the position of the Managing Director to the Board of Directors for consideration and appointment.
3. Considering determining criteria for consideration of remuneration of directors and the Managing Director.
4. Considering determining remuneration of directors and proposing the same to the shareholders' meeting for consideration and approval.
5. Considering reviewing salary rates and other remunerations for the Managing Director and proposing the same to the Board of Directors for consideration and approval.
6. Proceeding with other matters as assigned by the Board of Directors.

Nomination, Appointment and Term of Office of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee shall be appointed by the Board of Directors, with a three-year term of office. In this regard, any member of the Nomination and Remuneration Committee who retired by rotation may be re-elected.

7.1.5 Corporate Governance and Risk Management Committee

The Board of Directors appointed the Corporate Governance and Risk Management Committee to perform the duty to formulate policies and directions of operations in respect of the good corporate governance of the Company, including business ethics and to ensure performance of duties with transparency and independence in compliance with the guidelines of the good corporate governance which state that the majority of members of the subcommittees should be independent directors. Therefore, the Board of Directors appointed three independent directors to hold the position of the Corporate Governance and Risk Management Committee Members. As at 31 December 2011, the Corporate Governance and Risk Management Committee comprises four members as follows:

1. Prof. Suphachai Phisitvanich Corporate Governance and Risk Management Committee Chairman (Independent Director)
2. Gen. Sampao Choosri Corporate Governance and Risk Management Committee Member (Independent Director)
3. Dr. Annop Tanlamai ⁽¹⁾ Corporate Governance and Risk Management Committee Member (Independent Director)
4. Mr. Spong Chayutahakij Corporate Governance and Risk Management Committee Member

Remark: ⁽¹⁾ Dr. Annop Tanlamai was appointed to hold the office in replacement of Prof. Dr. Kanok Wongtrangan, effective since 14 September 2011.

In 2011, the Corporate Governance and Risk Management Committee convened one meeting for following up and evaluating the results of performance in compliance with the good corporate governance principles and risk management plan of the Company.

The Corporate Governance and Risk Management Committee's Authority and Duties

1. Studying and following up movement, tendency and performance in respect of the good corporate governance for submission to the Board of Directors for consideration as to appropriateness for adoption as guidelines for the Company's operations.
2. Improving and proposing the good corporate governance policy of the Company, including business ethics, to the Board of Directors.
3. Following up and evaluating the results under the good corporate governance principles of the Company as well as reporting the same to the Board of Directors.

4. Considering policies and work plans relating to risk management for submission to the Board of Directors for consideration.
5. Monitoring and reviewing overall risk management of the Company, strategies for risk management and alert system of all kinds of risk management in order to deal with risks to stay at acceptable level to ensure compliance with the risk management policy of the Company.
6. Reporting risks and operations for minimizing risks to the Board of Directors.
7. Proceeding with other matters as assigned by the Board of Directors.

Nomination, Appointment and Term of Office of the Corporate Governance and Risk Management Committee

The Corporate Governance and Risk Management Committee shall be appointed by the Board of Directors, with a three-year term of office. In this regard, any member of the Corporate Governance and Risk Management Committee who retired by rotation may be re-elected.

7.1.6 Management Team

The management team (1) under the structure as at 31 December 2011 comprises 14 persons (information of executives appears in Attachment A-5 to A-8) as listed below:

- | | |
|-----------------------------------|---|
| 1. Mrs. Payao Marittanaporn | Managing Director |
| 2. Mr. Sanguan Kunatinun | Assistant Managing Director: Engineering |
| 3. Mrs. Sudruthai Prommart | Assistant Managing Director: Operation |
| 4. Mrs. Ngamnit Kanokgarnjanar | Assistant Managing Director: Compliance Unit |
| 5. Mr. Phakpoom Thaweewittayarut | Senior General Manager of Administration ⁽²⁾ |
| 6. Miss Panan Tosuwanthaworn | Senior General Manager of Finance Division ⁽²⁾ |
| 7. Mr. Phaisan Lertsalaluck | General Manager of Traffic Division |
| 8. Miss Vasana Wattananukulchai | General Manager of Internal Audit Office |
| 9. Mrs. Wattana Sittiwattayaporn | General Manager of Planning and Development Division |
| 10. Mr. Omsyn Pibulwarangkur | General Manager of Construction and Maintenance Division |
| 11. Mrs. Supattra Bumnetphan | General Manager of Toll Revenue Division |
| 12. Mr. Chalermkiat Sakonwisansak | Deputy General Manager of Construction and Maintenance Division |
| 13. Miss Phenporn Kittiyopars | Deputy General Manager of Planning and Development Division |
| 14. Mr. Rungsak Luengrattanas | Deputy General Manager of Construction and Maintenance Division |

Remarks: ⁽¹⁾ The management team refers to the definition of the “executive” of the Office of the Securities and Exchange Commission.

⁽²⁾ Appointed to hold office as Assistant Managing Director, effective since 1 January 2012.

The Managing Director’s Authority and Duties

The Managing Director shall have the duty to control and manage main business of the Company as operator of the Si Rat Expressway (Second Stage Expressway) and the extension under the Second Stage Expressway Agreement with EXAT and monitor all activities of the Company to ensure compliance with resolutions and policies as assigned and suggested by the Board of Directors. In this regard, the Board of Directors shall regularly evaluate performance of duties of the Managing Director for comparison with the target as determined on a yearly basis, whereby the Nomination and Remuneration Committee shall consider remuneration of the Managing Director by assessing from his/her performance in the previous year and proposing the same to the Board of Directors for approval under the criteria.

Nomination of Managing Director and Executives

As for the position of Managing Director, the Nomination and Remuneration Committee shall consider nominating qualified persons, namely, those who have knowledge and capacities and experience which are useful for management and operations to achieve objectives or targets as determined by the Board of Directors and have well understanding of the Company’s business, whereby the Nomination and Remuneration Committee shall propose the nominations to the Board of Directors for consideration and appointment.

As for any executives at the level of General Manager or higher, the management would propose the nominations to the Executive Board for consideration and appointment.

7.1.7 Company Secretary

The Board of Directors appointed Mr. Phakpoom Thaweewittayarut to serve as Company Secretary, effective since 28 November 2007, prior to enforcement of the Securities and Exchange Act (No. 4) B.E. 2551 (2008) (effective on 31 August 2008), with the duties and responsibilities as follows:

1. Providing suggestions to directors relating to provisions of laws, relevant rules and regulations.
2. Monitoring the Company to ensure performance in compliance with laws, Articles of Association, relevant regulations and the good corporate governance principles.
3. Convening meetings as stipulated by laws and Articles of Association, preparing and keeping minutes of meetings, as well as coordinating to ensure efficient performance in compliance with resolutions passed by the Board of Directors or the shareholders' meetings.
4. Monitoring to ensure disclosure of information and information memorandum to regulatory units.
5. Contacting and communicating with shareholders and relevant regulatory units, whereby shareholders may inquire or request any information as needed by contacting at Tel. 0 2641 4611 or sending questions via email to companysecretary@becl.co.th.
6. Promoting provision of training in various courses and providing information useful for performance of duties of new directors.
7. Proceeding with other matters as assigned by the Board of Directors.

7.1.8 Structure of the Board of Directors of Northern Bangkok Expressway Company Limited (Subsidiary)

At present, the Board of Directors of Northern Bangkok Expressway Company Limited (Subsidiary) has seven qualified members, whose names, as at 31 January 2012, are listed below:

- | | |
|---|------------------------------------|
| 1. Mr. Plew Trivisvavet | Chairman of the Board of Directors |
| 2. Mr. Supong Chayutsahakij | Director |
| 3. M.L. Prasobchai Kasemsant | Director |
| 4. Mr. Panit Dunnvatanachit | Director |
| 5. Mrs. Vallapa Assakul | Director |
| 6. Mr. Sintop Sirisingha ⁽¹⁾ | Director |
| 7. Mrs. Payao Marittanaporn | Director |

Remark: ⁽¹⁾ Mr. Sintop Sirisingha was appointed to hold the office on 31 January 2012 to replace Mr. Narong Gieddech who resigned on 30 January 2012.

Directors authorized to sign and bind the Subsidiary

The Subsidiary determined four directors authorized to sign and bind the Subsidiary, comprising Mr. Plew Trivisvavet, Mr. Supong Chayutsahakij, M.L. Prasobchai Kasemsant and Mrs. Payao Marittanaporn, whereby two of these four directors shall jointly sign and affix the Subsidiary's seal.

7.2 Remuneration of Directors and Executives

The Company has considered providing appropriate remuneration for directors and executives as per the criteria of determination of remuneration for directors as follows:

1. Remuneration shall be appropriate for and in line with the scope of duties and responsibilities of each director, e.g., as Chairman of the Board of Directors, chairman of each subcommittee and member of the Executive Board, the Audit Committee, the Nomination and Remuneration Committee and the Corporate Governance and Risk Management Committee, who shall receive additional remuneration for such position.
2. The level of remuneration shall be sufficient to attract and retain knowledgeable and qualified directors to perform duties for the Company.
3. The elements of remuneration are clear, transparent and easy to understand.

In regard to policy on payment of remuneration to directors and executives, the Company set out the clear and transparent policy on remuneration for directors and the Managing Director, which shall be considered by the Nomination and Remuneration Committee to ensure that the remuneration stays at the same level as that in the same sector and is adequate to retain the directors and the Managing Director who possess the required qualifications. As for remuneration for executives, excluding the Managing Director, it shall be in accordance with the criteria and policy specified by the Executive Board, corresponding to the Company's operational results and each executive's performance evaluation results based on the Performance Management System : PMS.

In 2011, the remuneration for directors and executives is as follows:

1. Remuneration for directors of the Company comprises annual remuneration, meeting allowance, and bonus. The total remuneration for directors of the Company in 2011 amounted to Baht 22,047,981, which was in line with the resolution of the 2011 Annual Ordinary General Meeting of Shareholders which approved the remuneration for directors as bonus for directors for 2010 in the amount of not exceeding Baht 10,062,000 and remuneration for directors for 2011 in the amount of not exceeding Baht 12,600,000.

Unit : Baht

Name of Director	Position	Office Remuneration for Directors and Meeting Allowance for 2011						Bonus for 2010
		Board of Directors	Executive Board	Audit Committee	Nomination & Remuneration Committee	Corporate Governance and Risk Management Committee	Total	
1. Dr. Virabongsa Ramangkura	Chairman of the Board of Directors	1,950,000	-	-	-	-	1,950,000	1,170,000
2. Prof. Suphachai Phisitvanich	Director Audit Committee Chairman Corporate Governance and Risk Management Committee Chairman	450,000	-	525,000	-	225,000	1,200,000	994,500
3. Gen. Sampao Choosri	Director Audit Committee Member Nomination and Remuneration Committee Chairman Corporate Governance and Risk Management Committee Member	450,000	-	325,000	250,000	125,000	1,150,000	819,000
4. Dr. Annop Tanlamai ⁽¹⁾	Director Audit Committee Member Nomination and Remuneration Committee Member Corporate Governance and Risk Management Committee Member	159,726	-	84,726	29,863	54,863	329,178	-
5. Mr. Plew Trivisvavet	Director Chairman of the Executive Board Nomination and Remuneration Committee Member	450,000	1,000,000	-	150,000	-	1,600,000	1,170,000
6. Mr. Supong Chayutsahakij	Director Vice Chairman of the Executive Board Corporate Governance and Risk Management Committee Member Nomination and Remuneration Committee Member	450,000	500,000	-	150,000	125,000	1,225,000	994,500
7. M.L. Prasobchai Kasemsant	Director Executive Director	450,000	475,000	-	-	-	925,000	760,500

Unit : Baht

Name of Director	Position	Office Remuneration for Directors and Meeting Allowance for 2011						Bonus for 2010
		Board of Directors	Executive Board	Audit Committee	Nomination & Remuneration Committee	Corporate Governance and Risk Management Committee	Total	
8. Mr. Panit Dunnvatanachit	Director Executive Director	450,000	500,000	-	-	-	950,000	760,500
9. Miss Arisara Dharamadhaj ⁽²⁾	Director Executive Director	450,000	-	-	-	-	450,000	385,780
10. Mrs. Vallapa Assakul ⁽³⁾	Director Executive Director	450,000	500,000	-	-	-	950,000	647,988
11. Mrs. Payao Marittanaporn	Director Executive Director Managing Director	450,000	500,000	-	-	-	950,000	760,500
12. Mr. Sintop Sirisingha ⁽⁴⁾	Director	-	-	-	-	-	-	50,005
13. Mr. Aiyanat Tinapai ⁽⁵⁾	Director	320,959	-	-	-	-	320,959	299,071
14. Prof. Dr. Kanok Wongtrangan ⁽⁶⁾	Director Audit Committee Member Nomination and Remuneration Committee Member Corporate Governance and Risk Management Committee Member	200,000	-	150,000	75,000	50,000	475,000	760,500
Total		6,680,685	3,475,000	1,084,726	654,863	579,863	12,475,137	9,572,844
Amount approved by shareholders							12,600,000	10,062,000

Remarks: ⁽¹⁾ Dr. Annop Tanlamai served as director, Audit Committee member, Nomination and Remuneration Committee member, and Corporate Governance and Risk Management Committee member on 14 September 2011.

⁽²⁾ Miss Arisara Dharamadhaj resigned from her office as executive director on 1 February 2010.

⁽³⁾ Mrs. Vallapa Assakul served as executive director and director on 24 February 2010.

⁽⁴⁾ Mr. Sintop Sirisingha resigned from his office as director on 22 February 2010.

⁽⁵⁾ Mr. Aiyanat Tinapai served as director on 24 February 2010 and resigned on 9 November 2011.

⁽⁶⁾ Prof. Dr. Kanok Wongtrangan resigned from his office as director on 1 July 2011.

2. Remuneration for directors of the Subsidiary comprises office remuneration for directors and meeting allowance. The total remuneration for seven directors, which was received from the Subsidiary in 2011, amounted to Baht 940,000.

3. Remuneration for executives from the level of the Managing Director downwards to four executive levels ranked below the Managing Director, a total of 14 persons, in 2011, amounted to Baht 50,396,500.

7.3 Corporate Governance

The Company has adhered to the good corporate governance principles for management by always realizing the significance and responsibilities towards the shareholders and the stakeholders of the Company, and as such, the Company continued to receive an excellent rating in the assessment of the corporate governance from the Thai Institute of Directors Association, and in 2011, the Company also received standard certifications from various organizations and agencies, including assessments by the regulatory units, as follows:

- The Company received an “Excellent” rating in the assessment of the quality of the 2011 Annual Ordinary General Meeting of Shareholders by the Thai Investors Association.
- The Company received a “Very Good” rating in the assessment of the corporate governance of Thai listed companies for 2011 from the Thai Institute of Directors Association.
- The Company was selected as one of the “SET High Dividend 30 Index” to reflect price movements of stocks which have large market capitalization; which are consistently traded with high liquidity, and have constantly paid high dividend yields.
- The Company was awarded renewal of the certification of the ISO 14001 : 2004 Environmental Management System for another three years from UKAS of England and NAC of Thailand on 14 November 2011.

The Board of Directors has emphasized the significance of compliance with the good corporate governance principles to build up confidence for shareholders, investors and all related parties, and therefore, continued to regularly review the corporate governance policy every year to ensure compliance with the good corporate governance principles for listed companies. In this regard, the Company has disclosed and disseminated the Company’s corporate governance policy on its website for external communication and on the Intranet for communication with internal staff to acknowledge the Company’s corporate governance policy and encourage them to participate in complying with such policy.

Corporate Governance Policy

The Board of Directors realizes the significance of ensuring that shareholders exercise their rights, and has the duty to equally safeguard the benefits of all shareholders, including institutional investors or major or retail shareholders in their capacity as investors in the Stock Exchange and as shareholders who own the Company, in accordance with the accepted good corporate governance principles of the Stock Exchange of Thailand, namely:

1. Shareholders’ Rights
Encouraging shareholders to exercise their fundamental rights and taking care of shareholders beyond their rights as specified by law without any actions in violation of or depriving shareholders of their rights.
2. Equitable Treatment towards Shareholders
Supervising and monitoring all shareholders to be equally treated under their fundamental rights, laying down measures to prevent inside information usage for seeking personal interests or others which causes damage to shareholders as a whole.
3. Stakeholders’ Role
Taking care of every group of all stakeholders based on their rights as specified by applicable laws without any actions in violation of or depriving stakeholders of their rights as well as establishing compensation measure in case any stakeholders suffer any damage arising from violation of the rights, promoting cooperation between the Company and stakeholders in order to build up wealth, financial stability and sustainability towards the Company.
4. Information Disclosure and Transparency
All activities are undertaken with transparency and open for inspection with sufficient information disclosure to all relevant parties as well as monitoring to ensure disclosure of important information relating to the Company, both financial information and non-financial information, shall be made correctly, completely, timely and transparently through an easy access with equality and reliability.
5. The Board of Directors’ Responsibilities
The Board of Directors shall perform their duties with honesty and due care for the optimum benefit of the Company and fairness to all shareholders under the good internal control system and suitable risk management, including compliance with the Company’s code of ethics.

At present, the Company has adhered to the good corporate governance principles for listed companies, divided into five sections as follows:

7.3.1 Shareholders' Rights

The Company realizes the shareholders' ownership right to control the Company based on the accepted and reliable good corporate governance, whereby the shareholders control the Company via appointment of the Board of Directors to represent them. In this connection, the Board of Directors clearly sets out the corporate governance policy that the Company shall promote shareholders to exercise their rights with protection of their lawful fundamental rights, whereby the Company shall not take any actions in violation of or depriving the shareholders of their rights and the shareholders shall have the right to decide on significant changes. In this regard, the Company encourages such exercise of their rights by way of sufficient access to the Company's information, participation in the shareholders' meeting to vote for appointment of directors, determination of remuneration for directors, appointment of auditor and determination of audit fee, including voting on any important matters of the Company, etc. The Board of Directors allows shareholders to exercise their right to propose agenda items of the shareholders' meeting in advance and nominate qualified persons for consideration and appointment as directors in the Ordinary General Meeting of Shareholders every year.

In convening the shareholders' meeting, the Company shall arrange for the meeting date which shall not fall on any long holidays or public holidays; and the appropriate meeting time which shall not be too early in the morning or too late in the evening; including the meeting venue which shall be convenient for commuting, such as, close to a metro station or Expressway on-off ramp, and with sufficient parking area, together with route map of the meeting venue. In 2011, the Company held one shareholders' meeting, namely, the 2011 Annual Ordinary General Meeting of Shareholders on 7 April 2011 at 2:00 p.m. at the Professor Sangvian Indaravijaya Hall, 3rd Floor, The Stock Exchange of Thailand Building. In this regard, the Company disseminated notice of the meeting, together with details of each item of the agenda, on the Company's website in advance one month prior to the meeting date, as well as submitting notice of the meeting to Thailand Securities Depository Company Limited, as share registrar of the Company, for delivery to shareholders in advance 14 days prior to the meeting date so as to allow shareholders to have time to consider details of each agenda item. In addition, the delivery of the notice of the meeting also includes details relating to documents or evidence in support of the attendance of the meeting, and the Company also arranged duty stamps, free of charge, for shareholders wishing to appoint proxy to attend the meeting. Furthermore, all three proxy forms as specified by law are made available on the Company's website for shareholders to use as appropriate.

In this regard, the Company arranged for staff to facilitate the shareholders attending the meeting and provide information to shareholders both before and after the meeting as well as during the meeting, serving refreshments to shareholders. Furthermore, the Company used the barcode system in the registration and voting for the purpose of accuracy, convenience and rapidity, whereby the voting results can be displayed online immediately, as well as facilitating shareholders in case they have any questions to directly ask directors during the meeting.

The Board of Directors realizes the significance of attendance of the shareholders' meeting for answering questions and taking suggestions of shareholders into consideration. In 2011, all 12 directors attended the said meeting, including the Chairman of the Board of Directors, the Audit Committee Chairman, and the chairpersons of subcommittees, and subcommittees, the Managing Director and the management team of the Company for answering shareholders' questions on various issues.

The Company proceeds with the meeting in accordance with the order of the agenda as specified in the notice of the meeting available on the Company's website for shareholders one month in advance, and allows shareholders to directly express their opinions and make inquiries in each agenda. Before starting the meeting, the Company Secretary clearly informs the shareholders of the voting method and the shareholders' right as follows:

1. One share is one vote. For the agenda items requiring resolutions, resolutions shall be passed by majority of the votes. The agenda item for acknowledgment shall not require any resolution. As for the agenda item for determination of remuneration for directors, resolution shall be passed by votes of not less than two-thirds of the total number of votes of the shareholders who attend the meeting.
2. In case that shareholders have appointed their proxies and voted on various matters, and the officer would collect such votes in computer, whereby the legal advisor would inspect the casting of votes to ensure the transparency and correctness in accordance with the laws and regulations. Proxies would not be required to vote again in the meeting unless the information on such agenda item would change. Any shareholders intending to change their votes shall inform the officer to request for the voting cards.
3. The shareholders attending the meeting in person and intending to vote against or abstain from voting shall use the voting cards as provided by the officer.

4. The shareholders who attend the meeting after the meeting has already commenced shall be granted the right to be able to use their rights to vote on the agenda item which is pending consideration and which resolution has not yet been passed.

In regards to the minutes of the shareholders' meeting, the Company has clearly recorded information relating to the list of directors attending the meeting, material clarifications, questions-answers or opinions in brief, the meeting resolutions, whereby votes were divided into agree, disagree or abstain, which shall be available on the Company's website at www.beccl.co.th > Investor Relations > Minutes of Shareholders' Meeting within 14 days from the shareholders' meeting date rather than having the shareholders wait until the next meeting.

In this regard, the Company received the Best Shareholder Treatment Awards as the best listed company in shareholder treatment from Thailand Securities Depository Company Limited in association with relevant authorities in the announcement of the results of the Shareholder Awards and the Company also received an "Excellent" rating serve as a model limited Company in the assessment of quality of the Annual Ordinary General Meeting of Shareholders every year.

7.3.2 Equitable Treatment towards Shareholders

The Company realizes the significance of and monitors to ensure treatment towards all shareholders on an equal and fair basis as follows:

1. The shareholders' meeting proceeds in accordance with the order of the agenda as specified in the notice of the meeting without adding any agenda to the meeting without prior notice to the shareholders so that the shareholders have opportunity to study information in support of consideration of each agenda.
2. In case it is inconvenient for any shareholders to attend the meeting in person, one independent director is nominated by the Company as an option for appointment as proxy of the shareholders for exercising the right to attend and vote on each agenda at the meeting by proxy.
3. Voting cards are provided for every agenda, whereby the Company uses the barcode system in the record and display of the results of casting of votes, as well as arranging the officer to collect the voting cards in the meeting room, and to ensure transparency, the Company has the legal advisor and the shareholders' representative serve as witness in counting the votes.
4. The Company correctly and completely prepares and records the minutes of the meeting and disseminates the same to all shareholders via the Company's website after the minutes have been delivered to the Stock Exchange of Thailand within 14 days after the end of the meeting. In addition, the Company made a video of the atmosphere of the shareholders' meeting available on the Company's website for the shareholders absent from the meeting or for any persons interested in the Company's information to acknowledge details and information of the meeting other than taking the minutes of the meeting, whereby such video has been made available until the next shareholders' meeting.
5. The Company allows shareholders to propose agenda of the shareholders' meeting and nominate qualified persons to be considered and appointed as directors for the annual shareholders' meeting of the Company in advance prior to the meeting during 1-31 December every year, commencing from the 2009 Annual Ordinary General Meeting of Shareholders, whereby the shareholders have been informed via the Stock Exchange of Thailand's website, including criteria for consideration on the Company's website. In this regard, the Board of Directors shall consider the appropriateness of the agenda proposed by the shareholders. As for the persons nominated to be considered and appointed as directors, the management shall propose such nominations to the Nomination and Remuneration Committee for further submission to the Board of Directors and the shareholders' meeting.

The Company has established measures to prevent inside information usage for seeking interest of directors and executives by informing all persons of their roles and duties to report their own securities holding, and on securities holding by their respective spouses or minor children who hold securities of the Company; and to report every change in such securities holding from purchase, sale, transfer or acceptance of transfer of securities, to the Securities and Exchange Commission in accordance with Section 59 of the Securities and Exchange Act B.E. 2535 (1992) within three days from the date of purchase, sale, transfer or acceptance of transfer of securities, whereby the Company shall regularly give warning notice to the Board of Directors thereof. Moreover, directors and executives have also been informed of their duties and responsibilities as specified, including punishments under the Securities and Exchange Act B.E. 2535 (1992). In addition, the Company prohibits executives who have access to inside information from taking any actions contrary to Section 241 of such Act, including relevant rules and regulations.

7.3.3 Stakeholders' Role

The Company has a clear policy which realizes the significance of rights of every group of all stakeholders, whether inside, such as, staff and executives of the Company and the Subsidiary, or outside, such as, customers, business related persons, lenders, traders, competitors, society and communities, educational institutions adjacent to the Expressways, government sector and other relevant authorities. Any stakeholders wishing to contact or have any comments may directly contact director or Company Secretary at Tel. 02 641 4611 or via email to companysecretary@becl.co.th. In addition, the Company recognizes support from these stakeholders which could help building up the Company's competitiveness and profitability to result in long-term success for the Company. The Board of Directors has laid down the corporate governance policy that the Company shall treat stakeholders based on their rights as specified by applicable laws without any actions in violation of stakeholders' rights; and has established compensation measures in case any stakeholders sustain any damage arising from violation of the rights whereby the Company has continued to take care of stakeholders in accordance with the policies, as follows:

1. **Customers policy:** The Company has a commitment to provision of quality and trusted service, by focusing on making response to customers' need to save their travelling time in Bangkok and its surrounding provinces as well as realizing the significance of the fair treatment towards all customers and has continual work plans for improvement of the Expressway services for motorists to ensure a more rapid and convenient service with standard safety. Rules and regulations of service provision to which the Company has adhered are as follows:
 - 1) Providing quality service to satisfy motorists' expectations.
 - 2) Ensuring prompt response to motorists' needs, and allowing and facilitating motorists to make any comments or suggestions for service improvement.
 - 3) Providing accurate and timely information on service.
 - 4) Allowing the Expressway users to visit the Si Rat Expressway Central Control Building and the Toll Plaza, as well as bringing them to visit the Si Rat Expressway and the Udon Raththaya Expressway.
2. **Policy on person who is related to the business:** The Company strictly discharges its duties in accordance with the Agreement with the Expressway Authority of Thailand (EXAT) as contractual party and has fairly treated such business related person, taking into account the principles of equitable treatment, without barrier, special right, discrimination, compliance with conditions, rules, regulations, practices towards each other, and promoting good relationships, which are clearly specified in writing in the Company's code of business ethics, along with work rules and regulations in accordance with the ISO 9001 Quality Management System in association with EXAT in providing the efficient and regular Expressway service. In this regard, the Company arranges for the performance satisfaction assessment by EXAT on a monthly basis in respect of toll collection and rescue operation in order to develop and improve the efficiency of the operations. According to the assessment results, EXAT is completely satisfied with the operations in association with the Company.

The Company shall meet every quarter between the operating staff of the Company and of EXAT, which not only enhances the efficiency and gains satisfaction of the Expressway users, but also minimizes conflicts or impacts giving rise to disputes over joint operations between both parties, and as such, no dispute occurred in 2011.

3. **Traders policy:** The Company has a commitment to procurement of standard goods and service, for the purpose of development and maintenance of sustainable relationship with traders, with the clear objectives of the quality of goods and service worth its value, technical standard and creditability, the Company therefore provides the fair and equal procurement procedures to all traders in compliance with work rules regarding procurement in accordance with the requirements of the ISO 9001 Quality Management System, by strictly adhering to the practices as follows:
 - 1) Determining the criteria for selection of trade counterparts through a strict screening process to ensure fair business operations without violation of human rights.
 - 2) Ensuring competition on the basis of equal information access, without preventing any trader from participating in business competition.
 - 3) Preparing contracts in appropriate and standard forms.
 - 4) Arranging management and following up system to ensure complete compliance with the contracts, and internal control system to prevent fraud and misconduct in all steps of the procurement procedures.
 - 5) Making payments to traders on time in accordance with terms of payment as mutually agreed.
 - 6) Not allowing director and/or staff to accept any benefits from traders.
 - 7) Evaluating traders on a yearly basis and informing results of evaluation with suggestions for traders to continuously improve the quality of goods and services, and also allowing traders to contact the management to make any complaints if they are unfairly treated.

- 8) Refraining from seeking any trader's secret dishonestly or improperly, such as, bribing director and staff of competitors.
- 9) Refraining from making a serious accusation against traders without reasonable grounds.

- 4. Lenders policy:** The Company has complied with the conditions of the Credit Facilities Agreement at all times to build up confidence of the financial institution lenders who provide financial support to the Company's projects, and has never breached any conditions thereof. Conditions which the Company has complied with and adhered to are as follows:
- 1) Strictly complying with conditions of the Credit Facilities Agreement as mutually agreed. In case it is unable to comply with any condition, the lenders shall be informed thereof in advance to jointly seek a solution.
 - 2) Equitably and fairly treating towards all lenders on the basis of a win-win solution for both sides.
 - 3) Regularly reporting on financial information which is accurate, complete and timely to lenders.
 - 4) Refraining from demanding, receiving or accepting engagement for any fraudulent benefits in commercial terms.
 - 5) Disclosing information on demand, receipt or acceptance of engagement of any fraudulent benefits, if any, to lenders to resolve the problems fairly and promptly.

In respect of the debenture holders, the Company issues debentures in accordance with applicable requirements, laws and notifications of the Securities and Exchange Commission and strictly complies with policies, objectives and resolutions of the shareholders' meeting. Also, the Company realizes the significance of its responsibility to fulfill commitments in accordance with the requirements regarding rights and duties of debenture issuer, including relevant contractual conditions.

- 5. Staff policy:** The Company considers staff as key resource behind its business movements and as crucial factor to the Company's success, whereby proper treatment towards staff is clearly specified in the Company's code of business ethics, subject to the Board of Directors' review of the performance in compliance with such policy every year. The policy comprises:
- 1) Providing the fair and appropriate benefits to staff according to their respective work competency, by mainly employing staff performance evaluation system for development of competency as well as clearly measuring their performance based on the KPIs in every important activity in support of consideration of merits of staff and for motivation of work development, including remuneration in line with the value added to the business in the long-term.
 - 2) Creating a participatory and teamwork environment by allowing staff to express their opinions on work performance.
 - 3) Ensuring that staff take pride in and engage with the organization by encouraging staff's career development.
 - 4) Ensuring equitable, honest, fair appointment, transfer, as well as providing reward and punishment according to knowledge, capacities and appropriateness of such staff.
 - 5) Creating surroundings in work areas with good hygiene, safety for life and property of staff and the Company, as well as taking into account the safety to the work performance of staff and the Expressway users through regular training to technical and engineering teams, including rescue and traffic management staff on the Expressways, so as to ensure their efficient and safe performance.
 - 6) Giving priority to and promoting staff's development of their knowledge and capacities, whereby the Company allows staff to develop their knowledge by encouraging them to attend training courses or further study in order to enhance their skills and competency as well as supporting the balance between efficiency and happiness in the organization; widely and constantly fostering the attitudes and values on quality work system, including awareness of energy saving and environment preservation.
 - 7) Setting out a policy on human rights with clear operational guidelines and practices in writing towards non-discrimination, equal employment opportunity for women, persons with disabilities, underprivileged groups, youth, elderly, and recognition of staff's right to collective bargaining.
 - 8) Ensuring that staff strictly comply with laws and regulations relating to staff, including provision of suggestions and close monitoring in order to prevent any illegal action due to mistaken belief, whereby the Company supervises to ensure that staff use lawful products and refrain from infringement of copyrights or intellectual property, along with support of compliance with the operational guidelines and performance of duties with integrity, without any involvement with corruption for the benefits and success of the Company.

6. Corporate social and environmental responsibility policy: The Company intends to jointly develop the capital city, including society and environment of Bangkok to ensure sustainable growth, the Company then has a commitment to operating its business in accordance with the sustainable development policy in order to upgrade the quality of life and the convenient commute along with the social and environmental responsibility by continuously organizing the social activities, as per the following practices:

- 1) The Board of Directors gives priority to such activities genuinely and continuously contributing to the social responsibility, whereby the Managing Director shall consider details of plans and budget for the social and environmental activities, taking into account potential, possibility, and result of such activities towards society and organization in preparation of the social and environmental action plans with prudence, for submission to the Board of Directors for approval of the plans and budget as proposed by the management.
- 2) The Company sets out clear policy on the social and environmental responsibility in writing for the executives and staff for information and compliance, by setting out continued action plans in line with the policy for a period of not less than three years and establishing specific working unit or appointing personnel for taking responsibility for social activities as well as complying with law and regulations on environment, by following up changes in laws and requirements every three months to ensure that the performance of all activities complies with laws.
- 3) Rapidly and efficiently responding any events having impact on environment and communities caused by the Company's operations by fully cooperating with related government agencies.
- 4) Raising the consciousness and responsibility of staff in relation to environment under the ISO 14001 : 2004 Environment Management System as well as campaigning conservation and consumption of energy and resources with efficiency through training and public relations media, such as, public address system, internal newsletters, notice board, internal circular letters, in order to regularly keep them well informed on knowledge and skills on environment.

Due to the clear policy and staff cooperation, the Company received the ASEAN Energy Awards 2007 in the category of energy conservation building, whereby the Company was selected by the Ministry of Energy to represent Thailand in the ASEAN competition in Singapore, and the Company also received the Thailand Energy Awards 2007, whereby the Company received the outstanding award for energy conservation in the category of non-designated building from the Department of Alternative Energy Development and Efficiency (DEDE), the Ministry of Energy. Moreover, the Company received the certification of ISO 14001 : 2004 Environmental Management System from UKAS of England and NAC of Thailand on 14 November 2008, with renewal for another three years since 14 November 2011.

- 5) Presenting the results of performance in compliance with the policy and action plans in respect of the social responsibility by reporting directly to the Board of Directors and disseminating the social and environmental activities to the Company's staff, shareholders, and persons related to the Company, as well as publicizing such information via website and Annual Report of the Company.
- 6) Supporting communication among shareholders, the management and staff or other sections of the Company for sharing of opinions on the basis of two-way communication; via the Public Relations for communication with the motorists, communities adjacent to the Expressway; via the Investor Relations for communication with shareholders, investors, analysts; and via the Personnel Resources for communication with internal staff, in order to efficiently reach the target group.

According to the Company's policy and commitment to continuously taking care of the community in all aspects under the "BECL Elevates the Quality of Life and the Environment" concept in respect of good management of operational results, value added to shareholders and priority given to the surrounding communities, as well as taking care of the nearby and remote communities, the Company organized various activities in 2011 as follows:

1. Good Relationship with Expressway Users

“Expressway Invites Moms & Kids to Pay Homage to the Buddha Images in Chonburi”

The family institution is an essential key foundation for development of decent personnel for the society, and on the occasion of the National Mother Day, the Company organized activities to strengthen family relationship, by bringing the group of 41 Expressway users from 15 families to travel together to pay homage to the Buddha images at Wat Yan Sangwararam Woramahavihan, a temple built by the people to honor His Majesty the King and accepted as a temple under the royal patronage. The group also paid a visit to Vihara Sien and tourist attractions, and tasted delicious cuisine in Chonburi Province. Moreover, the Company organized the “I Love Mom” activity which represented an opportunity for hugging and saying love to moms, with souvenirs in a loving and warm atmosphere for all families.

2. Good Relationship with Shareholders

“Shareholder Relations”

On the auspicious occasion of His Majesty the King’s 84th Birthday Anniversary on 5 December 2011, as a gesture of the Company’s loyalty and gratitude to the King’s contributions towards Thai people, the Company then invited 33 shareholders to visit the Company and the Royal Nature Conservation Center, the Chaipattana Foundation, Nakhon Nayok Province. Teacher Panya Puliwekin, Manager of the Royal Nature Conservation Center, delivered a lecture on the royal initiative of His Majesty the King for learning the self-sufficient and self-reliant living, environment preservation, along with Thai lifestyle. Such activities represented a good opportunity for the shareholders and the executives to meet, share opinions and provide suggestions useful for the Company’s management.

3. Good Relationship with Related Authorities

Throughout the past operations, the Company has committed to the utmost satisfaction of the Expressway users. Good services need collaboration from the relevant authorities, namely, staff of EXAT and police officers of the Expressway Police Station 2. The Company then organized activities to strengthen relationship among the three authorities in order to build good relationship and take care of the relevant authorities to ensure unity and development of works for the maximum efficiency, as follows:

“Watch Movie with the Expressway”

The Company invited the families of staff of EXAT and the families of police officers of the Expressway Police Station 2 as well as the families of staff of the Company to meet and jointly watch a movie “Rango” at Major Cineplex, Ratchayothin. All family members enjoyed playing games, rewards and the movie.

“BECL Offers Buddhist Lent Candles”

The Company helps uphold and promote the Buddhist tradition on the occasion of the Buddhist Lent season by bringing the group of 53 executives and staff of the Toll Collection Department of EXAT and the Toll Revenue Department of the Company to jointly offer the Buddhist Lent candles, bathing robes, and necessary supplies to the Buddhist monks at Bang Phasi Temple, Nakhon Pathom Province.

“BECL Grants Cars and Motorcycles to EXAT and Expressway Police Station 2”

The Company realizes the significance of promotion of performance of works of the relevant authorities to ensure smooth operations, and to monitor and provide the rapid and efficient services for the Expressway users, the Company then granted cars to EXAT, and cars, together with motorcycles, to the Expressway Police Station 2 for use on the Si Rat Expressway to facilitate the convenient travelling and maximum safety of the Expressway users.

4. Promotion of Learning to Youths

Education builds a man to become knowledgeable and capable, which is regarded as the key foundation in development of Thai society. The Company always realizes the significance of education by organizing various activities with the objective to ensure that youths in nearby and remote communities would learn from inside and outside classroom, via, among others, scholarships, study visit for outside classroom learning for both knowledge and entertainment. Throughout 2011, the Company supported education through various activities as follows:

“BECL Grants Scholarships to Staff’s Children”

The Company granted scholarships to staff’s children with good academic records at the levels of elementary and high school, and higher education, continuously as the fifth year.

“Expressways Scholarships to Adjacent Schools”

The Company organized the “Expressways Scholarships to Adjacent Schools” activity, continuously as the fourth year, by granting scholarships to underprivileged students with good academic records, including funds for school development for educational purposes to 10 schools adjacent to the Si Rat Expressway and the Udon Rattaya Expressway.

“BECL Grants Scholarships to Children of the EXAT Club’ Members”

The Company, in association with the EXAT Club, granted scholarships to children of the EXAT’s staff, who are members of the club and working on the Si Rat Expressway and the Udon Rattaya Expressway. The executives from both authorities jointly granted such scholarships.

“BECL Grants Scholarships to Children of the Expressway Police Station 2’s Police Officers”

The Company granted scholarships to children of police officers of the Expressway Police Station 2, which were accepted by Police Colonel Khajornkiat Sariphan, the Superintendent of Sub-division 2, Traffic Police Division.

“BECL Invites Students to Learn from Exhibition”

Learning outside classroom is a valuable activity which encourages children to learn, gain direct experience, with insightful understanding of various matters. The Company supported youths’ learning outside classroom in the areas of arts and Thai cultures by bringing the group of 110 teachers and junior high school students, Wat Bang Phoon School, adjacent to the Udon Rattaya Expressway, to attend the Arts of the Kingdom Exhibition which represents the masterpieces of Thai craftsman by the SUPPORT Training Center, Chitralada Villa, Ananta Samakhom Throne Hall.

“Gift Wonderland”

The Company continuously organized the National Children Day every year to entertain a number of staff’s children, students from adjacent schools and children from nearby communities with on-stage activities, games, and rewards.

5. Raising Awareness of Environmental Preservation

“Expressway Organized Eco-tourism - Kaeng Krachan Dam - Cruising along the Petchaburi River”

Everyone must realize the significance of the energy and environmental problems and seriously cooperate in preserving natural resources, the Company then takes part in organizing the energy and environmental preservation promotion activities by bringing 36 Easy Pass users to jointly visit the Chang Hua Man Project, located at Ban Nong Kho Kai, Tambon Khao Krapuk, Amphoe Tha Yang, Petchaburi Province, which is a project under the initiative of His Majesty the King, in order to learn the agricultural development and energy saving for use in daily life, as well as cruising to see local lifestyle along the Petchaburi River, for the purpose of eco-tourism promotion and as a gesture of appreciation to ensure good relationship between the Company and the Easy Pass users.

6. Other Social Activities

“Expressway Helps Flood Victims” Project

Given the severe flood crisis in 2011 which gave rise to widespread impact, although the Udon Rattaya Expressway of Northern Bangkok Expressway Company Limited (Subsidiary) had to close the service of Bang Phun - Bang Pa-in Section for a certain period of time due to high flooding, the contributions to flood victims continued under the “Expressway Helps Flood Victims” project since 2010, with the objective to help those suffering from flooding in various provinces. Last year, the Company provided social contributions to the best of its ability, namely, during the flood preparedness, the crisis point and the post-flood relief. The Company closely and continuously visited the affected communities near the Expressway routes as it realized that overcoming this flood crisis would require contributions of all sectors in the society. The Company and its volunteer staff thus provided social contributions as follows:

- The Company, in association with EXAT, accepted and packed rice and dried food from the Expressway users as survival kits for flood victims in Phra Nakhon Si Ayutthaya Province.
- The Company provided financial aids to flood victims through various public and private organizations, as well as the Chaipattana Foundation.
- Volunteer staff jointly arranged survival kits for flood victims in nearby communities in Pathum Thani Province, namely, Chiang Rak Noi, Bang Phut, Ban Mai, Suan Prik Thai communities, including Pho Taeng community in Phra Nakhon Si Ayutthaya. Moreover, in certain communities with travelling and cooking difficulties, the Company provided boats and boxed food as part of the relief efforts.
- The Company, in association with PTT Public Company Limited, organized the administration point around the Udon Rathaya Expressway Control Center for food cooking and delivery to flood victims in Rangsit-Pathum Thani.
- Staff are mainly instrumental in propelling the Expressway service. Given the adverse impact of the recent flood crisis, a number of the Company's staff, in order to provide relief and encouragement to staff, the Company thus provided assistance in various aspects, namely, providing financial aids, arranging temporary shelters for staff with damaged residence or travelling difficulty, together with certain equipment, namely, boats, trucks, waterproof pants. The Company gives priority to taking care of its staff, so that staff would be physically and mentally ready to perform work to the best of their ability, which would bring about the good service and satisfaction to the Expressway users under all circumstances.

“Donations to Victims in Japan”

The Company's management team jointly donated Baht 1,000,000 to victims in Japan via the Japanese Chamber of Commerce, Bangkok, which was accepted by Mr. Mizonoue Junichi, President of the Japanese Chamber of Commerce, Bangkok.

“Expressway Invites Children to Sing”

The Company organized the volunteer activities by the BECL music club and staff through music jam, supporting luncheon as well as recreational activities to children at the Foundation for the Better Life of Children, on 20 March 2011, and Rajvithi Home for Girls on 10 September 2011. Children had a good time and pleasure with the activities and this opened an opportunity for staff to express love, care and share happiness with those underprivileged children.

“Donation of Computers to the Mirror Foundation”

The Company jointly opened the window of educational opportunities for children and youths by providing 128 items of computer equipment to the Mirror Foundation for disassembly and reassembly as new computers for remote schools in need in the North and the Northeast.

7.3.4 Information Disclosure and Transparency

1. The Board of Directors establishes the policy that the Company shall undertake activities with transparency and open for inspection with sufficient financial and non-financial information disclosure to all relevant parties as well as monitoring to ensure disclosure of correct, complete, timely, reliable and thorough information, and all parties shall be able to easily access such information on an equal basis to ensure compliance with the good corporate governance principles.

In disclosure of significant information of the Company, other than dissemination under the specified criteria via channels of the Stock Exchange of Thailand, the Company shall also disseminate information on the Company's website at www.becl.co.th, both Thai and English, such as, annual report, annual registration statement (Form 56-1), good corporate governance guidelines, the Company's information, movements of traffic volume, toll revenue, loan status, operational results, financial ratio, securities price, dividend history, together with other information, such as, corporate social responsibility activities and public relations news, by disseminating such information and news for investors and relevant parties to use the same in support of decision on investment, together with monthly corporate presentation of information to investors, updated on the 10th day of the following month to be regularly and timely available to all investors and for users to be able to conveniently access such

information in a timely manner and to gain the optimum benefit. Moreover, there is a link to opinions and investment analysis of the Company by securities analysts from securities companies from www.settrade.com, compiled as the Company's Analyst Consensus in order to assist investors in making their decisions to invest.

In disclosure of financial report, the Board of Directors shall prepare Report on Responsibilities of the Board of Directors towards the Financial Report to be shown simultaneously with Report of the Auditor, as per the details on page 111.

2. The Board of Directors has a policy regarding report on interest of directors and executives by requiring directors and executives to have the duty to report their personal interest within 90 days after holding the position or change of information during the year. Such information on directorship or executive position in other legal entities and information on shareholding in other legal entities in excess of 25 percent of the total voting shares by both reporters and their related persons (spouse, child/non-sui juris adopted child and relevant legal entity) for submission to the Company Secretary for reference, and copies of such reports shall be submitted to the Chairman of the Board of Directors and the Audit Committee Chairman within seven business days from the date of receipt thereof.

This is to ensure that the Board of Directors shall have information for consideration and approval of execution of transactions of the Company and its Subsidiary with accuracy and transparency in compliance with relevant rules and regulations.

3. The Company sets up the Investor Relations to represent the Company in communicating information useful to shareholders, debenture holders, investors, securities analysts, mass media, including relevant parties. The Company has also been a member of Thai IR Club since 2005, and has Investor Relations which has the duty to communicate, with the specific team ready to provide information and news to investors and securities analysts, and mass media, make appointment, as well as coordinating with shareholders, debenture holders, and investors to ensure access to information on an equal basis. In this regard, those interested in investment may contact Mrs. Suttida Sukhanindr, Investor Relations, at 0 2641 4611 Ext. 601 or 622 or 625. Investors, who may find it inconvenient to visit the Company's Office No. 238/7, Asoke-Dindaeng Road, Bangkapi Subdistrict, Huaykwang District, Bangkok 10310, may also arrange a conference call or subscribe for information and news mailing list via the website or submit questions or email to ir@becl.co.th.

Other than disclosure of information under the duty pursuant to the practice and legal requirements, the Company also has the policy to rotate high level executives to participate in providing information and answers to questions to investors so that they would be personally aware of opinions and requirements of Thai and foreign investors. The Managing Director, the Assistant Managing Directors, the Finance Division General Manager and the Company Secretary have always participated in investor relations activities. As for communication within the organization, the Investor Relations Department prepares IR Report, by collecting and summarizing questions and opinions of investors towards business operations of the Company for submission to the executives on a monthly basis in order to present useful suggestions or feedback of investors to the executives for further improvement of the operations.

In 2011, the Company provided reception for company visits and conference calls, arranged for press interview, and convened meetings with analysts at the Opportunity Day event organized by the Stock Exchange of Thailand for clarification on the quarterly operational results, and for the management to answer questions to investors and the press.

The Company organized the Company Visit project for allowing shareholders to visit and meet its management. The Company also publishes Si Rat newsletter for disseminating business information, which has been delivered to all shareholders and debenture holders of the Company bimonthly. In addition, the Company surveyed opinions and requirements of analysts and investors in relation to quality of communication and investor relations activities in 2011 for further improvement. The survey revealed that the provision of service in such investor relations activities was satisfactory representing 94.40 percent.

Therefore, as a result of the aforesaid arrangements, the Company was awarded the Most-admired Listed Company and the Most-admired Listed Company's IR based on the Medium & Small Capitalization by the Securities Analysts Association, including the Excellent IR in the service category from the "SAA Awards for Listed Companies 2010" event held by the Securities Analysts Association.

7.3.5 The Board of Directors' Responsibilities

1. The Board of Directors' Structure

The structure of the Board of Directors consists of 12 qualified members, comprising: six executive directors, four independent directors and two non-executive directors, constituting a counterbalance from non-executive directors. In this regard, the Company has four independent directors, which represent one-third of all directors. The Chairman of the Board of Directors is an independent director by the definition of the Stock Exchange of Thailand and has no relationship with the management and is not the Managing Director, so as to separate between the policy making and supervisory duty and the regular managerial duty.

The Company determines qualifications of "independent directors" stricter than the minimum requirements of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.

The Board of Directors has no policy to limit the number of companies in which each director may hold directorship since, after considering the matter, it deems that all directors devote their time to regularly attend meetings and the Board of Directors has no policy to limit the term of directorship since the directors have insight into the Company's business and provide useful suggestions to the Company and shareholders.

2. Subcommittees

The Company has established four subcommittees to closely monitor and supervise the operation and regularly report to the Board of Directors, namely, the Executive Board, the Audit Committee, the Nomination and Remuneration Committee, and the Corporate Governance and Risk Management Committee. In this regard, the Board of Directors has determined duties and responsibilities of each subcommittee as detailed on pages 62 to 65.

3. Role, Duties and Responsibilities of the Board of Directors

- 1) The Board of Directors comprises personnel from the business sector and from various professional fields, with leadership, vision, knowledge, ability and experiences in various fields, and has independency on decision making for the optimum benefits to the Company and shareholders as a whole. The Board of Directors participates in determination (or approval) of vision, missions, strategies, targets, business plan and budget of the Company, and supervise the management to take actions to ensure compliance with the business plans and forecast budget with efficiency and effectiveness so as to result in the optimum economic value to the business and build up confidence to shareholders.
- 2) The Board of Directors has established the corporate governance policy which shall be reviewed at least once a year.
- 3) The Company has prepared its code of business ethics since 2002, with the approval by the Board of Directors, whereby the code of business ethics contains proper conduct and practices for directors, executives and staff, specifying guidelines for conduct and treatment towards the Company, colleagues, third parties and society, in accordance with the ethics. In this regard, during the past, all directors, executives and staff have been informed and well understood of the proper and ethical conduct and complied with such practices in the performance of their duties in line with the Company's mission, with honesty, integrity and equality, to build up confidence of shareholders and all interested groups, including the public and society.
- 4) In consideration of any transactions which may have conflict of interest, interested directors shall not attend nor vote on such matter at the meeting.
- 5) In respect of risk management, the Board of Directors followed up and acknowledged risk management plan of the Company from the management's report on operational results in every the Board of Directors' meeting and from Report of the Corporate Governance and Risk Management Committee.

In addition, the Company requires that the Company's code of business ethics shall be regularly reviewed. Should the proper conduct and practices in the Company's code of business ethics not cover its business operation, the Company will immediately amend the same to ensure appropriateness. Other than the survey on the compliance with the Company's code of business ethics for directors, executives and staff on a yearly basis, with their signatures to express their responsibility for the compliance with the Company's code of business ethics, the Company has continuously supported training on corporate governance on a yearly basis to high and middle level executives, so as to enhance their knowledge, understanding, visions, and good attitudes towards the Company's management in compliance with the good corporate governance principles to build leadership and succession to the management, as well as the performance of their duties and corporate motivation, with the morality and ethics.

The Board of Directors and executives adhere to the guidelines for the good corporate governance principles by improving their conduct and practices towards interested persons to ensure compliance with such guidelines on a regular basis, e.g., independence of the Chairman of the Board of Directors, giving priority to shareholders to the extent that the Company received an "Excellent" rating of the ordinary general meeting of shareholders from the Office of the Securities and Exchange Commission in association with the Listed Companies Association and the Thai Investors Association in 2007 to 2011 consecutively. In addition, the Board of Directors received the honorable awards for the "Board of the Year For Distinctive Practices" in the announcement of the results of the Board of the Year Awards for the years 2006/07 by the Thai Institute of Directors Association in cooperation with the Stock Exchange of Thailand and other relevant authorities for commending the boards of directors having efficient and effective performance.

4. The Board of Directors' Meetings

The Company shall give prior notice of annual schedule of the Board of Directors' meetings, together with the main agenda, to directors so as to allow directors to be able to manage time to attend the meetings. The Board of Directors shall regularly meet every 3 months and may convene additional meetings as necessary. The Managing Director Office shall deliver the notice of meeting and agenda as clearly pre-determined, for 10 days prior to the meeting date and deliver the supporting documents in advance, so as to allow the Board to review the same prior to the meeting.

The agenda shall be determined by mutual discussion between the Chairman of the Board of Directors and the Managing Director. In 2011, the Board convened five meetings, whereby there was one meeting between non-executive directors and without the management in order for the directors to independently discuss and exchange their opinions and to efficiently follow up the performance of the management, and there were also meetings of the Executive Board on every third Wednesday of each month, totaling 12 meetings. Most of the directors were able to attend the meetings, except where they were engaged by urgent business. In every meeting, the Chairman of the Board of Directors shall serve as the chairman of the meeting to ensure each item shall be carefully considered and all directors shall be allowed to express their opinions and take part in discussions. In addition, the high level executives will attend the meeting to clarify the information in the capacity as persons directly relevant to the problems to the satisfaction prior to passing resolution on each item.

The meeting attendance of the Board of Directors (attendances/ total number of meetings) is summarized as follows:

Names of Directors	Board of Directors	Executive Board	Audit Committee	Nomination and Remuneration Committee	Corporate Governance and Risk Management Committee
1. Dr. Virabongsa Ramangkura	5/5	-	-	-	-
2. Prof. Suphachai Phisitvanich	5/5	-	5/5	-	1/1
3. Gen. Sampao Choosri	5/5	-	5/5	2/2	1/1
4. Dr. Annop Tanlamai ⁽¹⁾	2/2 ⁽¹⁾	-	1/1 ⁽¹⁾	-	1/1 ⁽¹⁾
5. Mr. Plew Trivisvavet	5/5	12/12	-	2/2	-
6. Mr. Supong Chayutsahakij	5/5	12/12	-	2/2	1/1
7. M.L. Prasobchai Kasemsant	5/5	11/12	-	-	-
8. Mr. Panit Dunnvatanachit	5/5	12/12	-	-	-
9. Miss Arisara Dharamadhaj	5/5	-	-	-	-
10. Mrs. Vallapa Assakul	5/5	12/12	-	-	-
11. Mr. Aiyarat Tinapai ⁽²⁾	3/4 ⁽²⁾	-	-	-	-
12. Mrs. Payao Marittanaporn	5/5	12/12	-	-	-

Remarks: ⁽¹⁾ Dr. Annop Tanlamai held the offices as director, Audit Committee member, Nomination and Remuneration Committee member, and Corporate Governance and Risk Management Committee member on 14 September 2011.

⁽²⁾ Mr. Aiyarat Tinapai resigned on 9 November 2011.

5. Board Self-Assessment

The Board of Directors has a policy to assess the overall performance of the Board of Directors at least once a year. In 2011, the Company Secretary delivered self-assessment form to each director for considering the overall performance of the Board of Directors so as to use the assessment results for improvement and correction of the Board of Directors' performance. In this regard, the assessment results, divided into six subjects, summarized as follows:

1) Structure and Qualifications of the Board of Directors

Most directors are of the view that the structure and qualifications of the Board of Directors are proper, namely, there are 12 directors, comprising 6 non-executive directors (4 independent directors or one-third of all directors by the definition of the Company's independent directors stricter than that of the Office of the Securities and Exchange Commission) and 6 executive directors which are suitable to the nature of business operations of the Company. The Board of Directors comprises personnel with sufficient knowledge and experiences in a variety of fields and performed their overall duties efficiently. In this regard, the Board of Directors appointed another 4 subcommittees, namely:

- (1) the Audit Committee with duty to help supervise and monitor the business as well as considering the appropriateness and justifications of various transactions for the optimum benefit of the Company;
- (2) the Nomination and Remuneration Committee with duty to consider criteria and procedures of nomination of qualified persons to be appointed as the Company's directors based on transparency, fairness, without influence of any persons;
- (3) the Corporate Governance and Risk Management Committee with duty to establish policies and directions of operations in respect of the good corporate governance of the Company, including code of business ethics; and
- (4) the Executive Board with duty to supervise and provide suggestions to the management team and proceed with other matters as assigned by the Board of Directors

2) Role, Duties and Responsibilities of the Board of Directors

Most directors are of the view that the role, duties and responsibilities of the Board of Directors are proper, namely, the Board of Directors gives priority and contributes sufficient time to consider significant matters relating to directions of the Company's business operations, review the good corporate governance policy of the Company, as well as ensuring compliance with various policies, review of the code of business ethics, together with monitoring to ensure that no conflict of interest arises from any connected transactions and transactions which may have conflict of interest. The Board of Directors also follows the procedures as specified by taking into account the optimum benefit of the Company. Furthermore, the Board of Directors regularly reviews the internal control system to ensure good and sufficient internal control system and appropriate risk management, as well as following up and monitoring to ensure performance of duties of the management in accordance with the policies as assigned by the Board of Directors.

3) The Board of Directors' Meeting

Most directors are of the view that the Board of Directors' meetings are proper, namely, the Company gives prior notice of annual schedule of the meetings, together with the main agenda, to directors so that they would be able to manage their time to attend every meeting. The number of meetings and agenda are suitable, thereby supporting the Board of Directors to perform duties efficiently and be able to supervise and monitor the Company's business operations with success. Moreover, directors also receive supporting documents prior to each meeting and have sufficient time to study additional information in preparation for each meeting. The supporting documents contain sufficient information for decision making to the benefit of the Company. Furthermore, the atmosphere at each Board of Directors meeting allows all directors to express constructive opinions without any influence of any persons. In addition, directors could fully discuss significant issues at each meeting.

4) Directors' Duties

Most directors are of the view that directors' performance of duties is satisfactory, namely, they are well prepared and sufficiently study information prior to each meeting and regularly attend the meetings. In addition, directors independently provide their opinions and impartially consider various matters and are independent on passing resolutions, including useful suggestions for the Company's operations; and understand the significance of each matter and properly contribute their time to consider such matter and accept different opinions among directors without conflict.

5) Relations with the Management

Most directors are of the view that the relations with the management are proper. Directors could straightforwardly discuss with the Managing Director and maintain good relations with the management, whereby the Managing Director could request directors' advice as necessary and the Board of Directors does not intervene in performance of duties of the management. Moreover, the Board of Directors also participates in solving problems as appropriate in case of the management's performance of duties does not meet the operational plans and forecast budget.

6) Self-Development of Directors and Development of Executives

Most directors are of the view that the self-development of directors and development of executives are satisfactory, namely, directors understand their role, duties and responsibilities, have sufficient knowledge and understanding of the Company's business, pay attention to significant information or news relating to economic and industrial conditions, changes in rules and regulations and the state of competition, which would allow directors to efficiently perform their duties. In this regard, all directors are trained to ensure their understanding of performance of duties in the capacity of directors. Furthermore, in case of new directors, the Board of Directors would have the management provide documents or briefing for the new directors to understand the business and performance of duties as directors. In addition, the Board of Directors also sets out the succession plan to ensure continuity of performance of duties of the Company's high level executives.

The Corporate Governance and Risk Management Committee shall adopt the self-assessment results of the Board of Directors as information for proposing the practice and guidelines of the Board of Directors in compliance with the good corporate governance principles to the Board of Directors for consideration as appropriate.

6. Assessment of Performance in Compliance with the Company's Code of Business Ethics

The Board of Directors set out the Company's code of business ethics since 2002 as principles and goals of the Company's business operations, and guidelines for performance of all directors, executives and staff. Directors and staff shall regularly assess their performance in compliance with the Company's code of business ethics every year. In this regard, the overall results of assessment of directors and executives are summarized as follows:

1) Proper Conduct and Practices towards the Company

Directors and executives have performed their assigned duties in accordance with the Company's legitimate policies and objectives with integrity, taking into account public interest, realizing the significance of equal treatment to all shareholders, including all stakeholders, upgrading the quality of life of staff under the sustainable development policy, taking care of the society through social activities. In this regard, all directors of the Company have performed their duties by using managerial knowledge and skills to their best efforts; attended training from various institutions to boost their knowledge and abilities as well as attempting to regularly study various management methods; laid down legitimate and proper measures to monitor, protect and secure any property of the Company; and protected the Company's interest; refrained from taking any acts which might give rise to conflict of interest to the Company; kept the Company's confidential information accessible to them by their position and duty, and refrained from using such information for personal gain or in any manner which may cause damage to the Company's reputation.

2) Conduct and Practices towards Staff

The Company sets out fair and appropriate remuneration for staff based on their work performance, and the Company is well aware that staff are key resources to its business movements and a crucial factor to the Company's success. In this regard, the Company also promotes staff to attend training or further study for enhancing their operational skills and competency; accepts and appreciates them as appropriate; treats them with generosity and fairness in strict compliance with the work rules and regulations and relevant laws. The Company creates a working environment that is open to initiatives, accept useful opinions and suggestions of staff through the quality activities; always keeps the working environment safe for life and property of staff; and ensures that all staff must be aware of their own rights, power, duties and responsibilities, as well as the disciplines.

3) Conduct and Practices towards Outsiders

The Company treats those in business contact with the Company fairly without barrier, special treat, discrimination, by complying with the common conditions, rules, regulations, traditions as specified in the corporate governance policy as well as directing the Company to operate business with committed development and sustainable relationship.

4) Conduct and Practices towards Society

The Company has been operating its business in accordance with the sustainable development policy by taking into account proper duties and responsibilities towards the country, society and environment; and providing cooperation for contributions to the society through various social activities. Furthermore, the Company promotes and raises social and environmental awareness to the Company's staff at every level to refrain from causing any damage to the natural resources and the environment and act as role model in strict compliance with the relevant laws and regulations.

7. Assessment of Performance of the Managing Director

All directors of the Company, except the Managing Director, shall constantly implement the assessment of performance of the Managing Director on a yearly basis since 2007 in accordance with the criteria specified by the Nomination and Remuneration Committee and the Nomination and Remuneration Committee shall be assigned by the Board of Directors to propose remuneration and other benefits as appropriate for the Managing Director in order for the Board of Directors' approval.

Moreover, the Corporate KPIs are determined for the purpose of the annual performance assessment, comprising:

- 1) Net profit
- 2) Expense Management
- 3) Creation of Business Opportunity
- 4) Management of the Concession Agreement
- 5) Return on BECL's Investment
- 6) Service Efficiency / Maintenance Efficiency / Innovation
- 7) Creativity / Technology for Organization Development
- 8) Image and Customer Satisfaction

8. Remuneration of Directors and Executives

- Remuneration for directors : The Company establishes clear and transparent policy on remuneration for directors and the Managing Director in line with the scope of duties and responsibilities of each director serving as chairman or subcommittee member, subject to review by the Nomination and Remuneration Committee. The remuneration shall be at the same level as that in the same industry and sufficiently high to retain the qualified directors.
- Remuneration for Managing Director : The Nomination and Remuneration Committee shall consider the remuneration for the Managing Director in accordance with the Company's operational results and the Managing Director's performance for proposing to the Board of Directors for consideration each year.
- Remuneration for executives : Remuneration for executives, excluding the Managing Director, shall be in accordance with the principles and policies determined by the Executive Board corresponding to the Company's operational results and performance of each executive based on the Performance Management System : PMS.

The amount of remuneration in 2011 appears in Remuneration of Directors and Executives on pages 67 to 68.

9. Development of Directors and Executives

1) Directors and Executives Training

The Board of Directors and the high level executives realize the significance of participation in training or seminars in various courses or development of their knowledge and skills. The Board of Directors attends training courses organized by the Thai Institute of Directors Association (IOD), namely, Director Certification Program (DCP), Directors Accreditation Program (DAP), Board Performance Evaluation, The Role of Chairman (RCM), Audit Committee Program, Role of Compensation Committee (RCC) (as per Information of Company Executives on pages 112 to 117). In this regard, the Company also continues to coordinate with IOD to send its directors to participate in various training courses as provided by IOD for the executives at the General Manager level downwards to managers in accordance with the executive training project, so as to set a road map for development of executives, including training as necessary and appropriate according to the current situations.

2) Orientation for New Directors

The Company also arranges for orientation for newly-appointed directors, whereby the Board of Directors assigns the Managing Director, the Company Secretary and the Managing Director Office to meet with newly-appointed directors by convening a meeting with the relevant directors and/or executives and/or officers for clarification and answer to questions, as well as preparing documents and summary information for new directors, such as, information relating to the Company, listed company director's handbook, the good corporate governance principles, code of ethics, power and duties of the Board of Directors, the annual schedule of the Board of Directors' meetings. Furthermore, the Company also has its directors attend training course, as suggested by the Office of the Securities and Exchange Commission, as conducted by the Thai Institute of Directors Association (IOD).

10. Succession Plan

The Board of Directors sets out succession plan in the executive level and in the primary line, by significantly taking into account the performance, potentials and readiness of each person. In this regard, the Company makes preparations for those potential successors in the development of their knowledge, competency and skills as required for their work positions.

The Company sets out succession plan for the high level executives of the Company, particularly executives and work positions in the primary line, by emphasizing on the nomination of internal personnel, whereby promotion shall be considered every year under the specified criteria for development of personnel with good performance and competency for advancement to a higher position in accordance with the staff's line of command, both the middle level executives and staff. The Consideration Committee, comprising the Managing Director and executives at the General Manager level or higher or the middle level executives, shall consider this matter in accordance with the specified criteria. With regard to the implementation of strategy and succession plan of the high level executives, who may be changed or vacate office by rotation or retire, the Nomination and Remuneration Committee's meeting shall review the principles, and select knowledgeable and qualified person, while the Board of Directors shall consider appointing person at the Managing Director level, and the Executive Board shall consider appointing the executives at the General Manager level and higher.

The executive who has been determined to succeed to an office shall not only be qualified and experienced in the appropriate field, but shall have also accepted transfer of knowledge and experience as well as attending the additional necessary training courses to be well prepared in the performance of duties in a higher position in the future, and to ensure smooth succession and continued management.

The Company sets up the human resource management system with sufficient allocation and following up of the assessment in respect of nomination process for qualified and knowledgeable person as required, appropriate and fair remuneration, determination of duties and responsibilities, performance of personnel, performance standard, personnel development and efficient communication, to ensure that the staff has knowledge and skills, and the Company's human resource management is efficient and suitable based on the Performance Management System : PMS which has been used as the performance assessment tool since 2010 until the present, for two times, by emphasizing the development of the competency of staff and clarity of the assessment of performance in support of consideration of remuneration as appropriate for their capabilities and performance. In this regard, the Company has followed up the application of the Performance Management System (PMS) for continued improvement and in order to ensure the genuine development of the personnel competency.

7.4 Control of Inside Information Usage

The Company has policies and procedures for controlling the use of inside information by directors, executives and staff to prevent any occurrence of the use of inside information for personal interests or others. Moreover, the work rules of the Company prohibit staff from disclosing the Company's secrets to third parties or abuse their positions to seek benefits for themselves or for other persons. Any violation of this is deemed to be a disciplinary misconduct. In addition, this has been specified as an important condition in new employment agreements, whereby staff shall keep the Company's business secret to which they have access, whether directly or indirectly, and shall refrain from disclosing them to any third parties or other unauthorized persons. In this regard, the business secret refers to financial information, marketing plan or business plan, wages, etc. In the past, there has never been any occurrence of misuse of inside information for personal interests or others.

Moreover, the Company has also developed a control system of use of the Company's information by adopting such information security systems as the restriction of access to the Company's information by setting authorization level of staff's access to the Company's information to correspond to their responsibilities and setting user password for common use of data files with other persons via the company system, provided password must be changed every three months.

7.5 Personnel

7.5.1 Number of Staff

As at 31 December 2011, the Company has a total of 653 staff, comprising personnel in the main function, namely, Toll Revenue Division, Traffic Division, Construction and Maintenance Division, and Planning and Development Division, representing 81 percent of all staff, personnel under supervision of the Managing Director Office and the Internal Audit Office, representing 5 percent, and personnel in the support line, such as, General Administration Division and Finance Division, representing 14 percent.

In 2011, the Company improved the performance efficiency by introducing the Enterprise Resource Planning (ERP) system since 1 October 2011. In this connection, the Company has made preparations for personnel by way of provision of training to staff to efficiently accommodate the ERP system implementation.

7.5.2 Human Resource Development Policy

The Company realizes the significance of continued development of personnel, by focusing on improvement, enhancement and development of competency of the Company's personnel, which is deemed as the main work plans each year, so as to achieve the goal of providing an excellence of service to satisfaction and impression to service users. The Company then sets out work plans and proceeds with personnel development by focusing on the following main aspects:

1. Development of competency

The Company arranges for development of personnel in both main function and supporting function, particularly in respect of such main function, training course for competency has been provided, both in theory and in practice, by experts in order for staff to have competency and skills in using equipment, tools with specific characteristics for the respective aspects in rescue operation, traffic management, toll collection and maintenance of system and route, including refresh and advanced courses, as well as customized courses, such as, Hybrid Engine Course as new technology to facilitate the Expressway users in case of any incidents on the Expressways, etc. This is to ensure the excellence of service in line with the policy of the Company. Moreover, the Key Performance Indicators : KPIs are scheduled to be reviewed on a yearly basis to ensure compliance with the Company's policy and master plan.

2. Development of potential of all staff

This is based on the belief that every person has potential which could be used without limitation if they were provided support and opportunity. The Company thus allows staff to show their potential through various quality activities, such as, 5S, Suggestion System and QCC, not only inside the Company, but also the outside, such as, presentation of the QCC achievement in the QC Contest of Thailand held yearly for the purpose of sharing experience and development. In addition, staff who will become executives of the Company in the future will be encouraged to develop their managerial skills by taking Mini MBA course from leading educational institutes, as well as supporting them to further study in a level higher than bachelor degree in the fields relating to their assigned duties or long-term training course in specific fields, including continued study visits in Thailand and overseas.

3. Maintenance of personnel with potential

The Company has taken care of its staff who have high ability and work potential, by allowing for advancement in their career paths by setting out clear criteria to be regularly implemented every year. Moreover, the Company arranges for the individual development plan, especially such personnel at the supervisor level or higher. Furthermore, the Company also improves the performance evaluation based on the Performance Management System (PMS) by using KPIs in the evaluation to ensure concrete and measurable results, along with factors in respect of competency and work behavior of staff which would serve as a mechanism to retain competent personnel and for the purpose of development of staff's competency to possess five core competencies as desirable by the Company, namely:

- (1) Self-learning and self-development to ensure continued development in the learning organization;
- (2) Focus on ethics to promote the performance in accordance with the good corporate governance principles;
- (3) Focus on quality and safety to serve the Expressway users with convenience, rapidity, and safety to their destination in accordance with the Company's main policy;

- (4) Provision of good and quality services to internal/external customers to the satisfaction of internal customers in the working process and to the satisfaction of the Expressway users, including EXAT as the other party to the Concession Agreement of the Company.
- (5) Focus on results to set out goals for the key performance indicators and to set out action plans to achieve the goals.

4. Determination of Succession Plan

The Company focuses on rather internal than outside recruitment, particularly such work positions in the primary line, through the annual promotion process in accordance with the criteria, significantly based on performance and potentials. In this regard, the Company makes preparations for those potential successors in the development of their knowledge, competency and skills as required for their work positions.

5. Quality Management System

The Company is still determined to improve the efficiency and quality of work performance, by way of maintenance of the quality of its service provision through the Company's quality management certification, ISO 9001, which has been certified by SGS (Thailand) Limited in accordance with UKAS Standard of England and NAC Standard of Thailand since 2001 up to the present time. The Company also received the quality management certification, ISO 9001:2008. Furthermore, the Company continues to focus on the significance and support of group quality activities, such as 5S, Suggestion System and QCC, as well as the Quality Day event, which are held every year since 2000. These activities encourage staff to demonstrate their performance of tasks in such activities in the presence of the high level executives, and also encourage their participation in presentation of achievements with external organizations to exchange knowledge and experience, and to serve as encouragement and positive attitude for their group quality activities in the future.

7.5.3 Benefits

1. Remuneration for Staff

In order to determine the appropriate and competitive remuneration to maintain the good and competent staff to work with the organization, whereby staff shall receive remuneration in the form of salary, overtime, shift allowance, office remuneration, special allowance, the Company then participated in the survey of wages and remuneration to compare with other companies in the same sector in respect of both starting salary for new graduates and base salary based on the value of work via the institute conducting wage survey every year. Therefore, it can be assured that the Company determines the fair and appropriate remuneration to the staff, including the performance evaluation by the Performance Management System : PMS to increase staff's knowledge and skills and to determine fair remuneration for work performance for each staff, whereby such performance evaluation shall be conducted twice a year. Furthermore, the Company also provides security to staff in case of leaving employment or retirement, by establishing a provident fund, whereby the Company also arranges group life insurance for staff, so as to ensure security for staff family accordingly.

2. Work Safety

The Company gives priority to work safety by encouraging every department to set out measures relating to proper use of safety equipment as appropriate for each task, as well as providing budget in support of improvement of the efficiency of such equipment to be ready for effective and sufficient use, including review of use of such equipment on a regular basis throughout the year, such as, use of water trucks and fire extinguishing equipment, use of cutter-spreader tools, etc., and emergency simulation drill. Moreover, the Company also provides training to its staff on the awareness of safety at work, life, and assets of its customers. Furthermore, to ensure the provision of service in compliance with the Company's policy, the Company has provided the refresh training and field practice on a yearly basis in the "Fire Fighting" course to its staff in the main and related support lines, including the "First Aid" course to staff in the main traffic line.

3. Quality of Staff's Life

The Company realizes the significance of life quality of staff, including motorists and the society around the Expressway routes in accordance with the guidelines of ISO 14001: 2004 Environmental Management System. The Company was then certified by SGS (Thailand) Limited in accordance with UKAS Standard of England and NAC Standard of Thailand on 14 November 2008, and through the commitments of the management team and contribution of staff in realizing the significance and necessity as members of the world community with duty to preserve the environment, the Company thus requested the second inspection for renewal of the ISO 14001: 2004 Environmental Management System Certificate from SGS (Thailand) Limited in 2011.

The Company also encourages the roles of the staff welfare committee, beginning with the arrangement for the legitimate election as required by law, so as to ensure that acceptable staff representatives would be elected to perform the duty of inspection of the Company's treatment of staff under the legal requirements; as well as provision of other benefits than those prescribed by law in a widespread and fair treatment manner, including advice on welfare improvement as appropriate for the changing circumstances. A meeting of the welfare committee, with the presence of the Managing Director and the executives, shall be held at least four times a year, thereby granting the opportunity for the welfare committee to meet with the Company's highest level executives to provide their opinions, as well as acknowledging the Company's various policies directly from the executives, creating good understanding towards each other which leads to adjustment and improvement of the Company's welfare in various aspects to ensure appropriateness according to the changing economic and social circumstances.

4. Labor Relations

The Company sets out a policy to take care of its staff via the line management, whereby the Human Resources Department shall serve as advisor, support and provide the supervisors with regular training on personnel management and understanding of work rules and regulations of the Company. The Company also sets out the investigation procedures in case of any disciplinary misconduct by staff to ensure fairness and solutions to prevent repeated misconduct, including clear and rapid grievance procedures. Consequently, no labor dispute occurred in 2011.

Moreover, the Company encourages and supports budget for leisure activities by allowing staff who are interested in useful activities to form activity group in the form of various clubs, such as, sports club, and music club, whereby the sports club arranged for activities throughout the year, e.g., jogging for good health, as well as participation in running for charity in association with the government sector on various occasions; arrangement of the annual internal sports activity, so as to encourage staff to work out and then select the Company's athletes to participate in sports competition with external organizations to gain more experience. The music club has regularly arranged for activities every year for recreation and encouragement of the expression of artistic and performance talents as well as allowing staff to perform their shows in various events of the Company, and sharing happiness with the society, particularly the underprivileged communities, such as, "BECL Invites Children to Sing" activity in 2011, organized at Rajvithi Home for Girls on Saturday, 10 September 2011, with around 350 children.

5. Anti-Drug in Office Campaign

In 2011, in evidence of the Company realizing the country's drug problems which give rise to major impact on the economic and social stability, public order and morality, the Company, in association with the Company's Welfare Committee, participated in the "White Factory" project (Drug Free Workplace Project) of the Department of Labor Protection and Welfare. The Company organized the Kick Off activity on 3 May 2011 by organizing exhibitions and special lectures for staff, including various sponsored activities: slogan competition, activities in collaboration with external agencies, and cooperation for drug test of all the Company's staff. In such arrangements, the Company sets out a policy to confirm its commitment and practice, namely:

- (1) Giving priority to drug prevention and solution by educating its staff on the damage of drugs and organizing staff health check-up every year or on specific occasion.
- (2) Supporting and promoting all staff to take a role and participate in campaign for drug prevention and solution, and monitor both inside and outside the Company for drug prevention in the Company.
- (3) Providing cooperation with the government agencies in respect of various measures for drug prevention and solution campaign.
- (4) Appointing the Welfare Committee to take responsibility for implementing the "White Factory" project (Drug Free Workplace Project) to meet the objectives in line with the drug prevention and solution policy in business premises.

In this regard, the Company authorized the Welfare Committee to act as the ex officio "White Factory" Project (Drug Free Workplace Project) Committee to ensure the continued implementation, whereby the "White Factory" Project (Drug Free Workplace Project) Committee shall have duties and responsibilities as follows:

- (1) Providing suggestions and guidelines for drug prevention and solution;
- (2) Complying with policies and action plans for drug prevention and solution;
- (3) Promoting and supporting activities for raising the awareness and campaign on anti-drug in the Company;
- (4) Disseminating knowledge and understanding relating to drugs and drug prevention to its staff;
- (5) Following up and evaluating the implementation and report to the Company.

6. Provision of assistance to staff who suffered from flood crisis

Given the occurrence of the widespread flood crisis in the country, particularly in Bangkok and its surrounding provinces, the Company realized the difficulties of its staff, and as such, it then looked after the living of staff who encountered the flood crisis, whether in terms of accommodation or commute to work, whereby the Company opened a temporary flood relief center for the affected staff so as to enable them to continue their performance of duties, and provided clean food and drinking water for staff who must perform work in the disastrous areas. Furthermore, the Company provided special financial aids to all staff affected by the flood and provided special welfare in the form of loan for assistance in staff housing and necessary items after facing with such flood crisis so as to take care of the quality of life of its staff.

8. Internal Control

The Company's Board of Directors has always realized the significance of its internal control system by authorizing the Audit Committee comprising independent directors to audit the evaluation of the internal control system, whereby the Internal Audit Office directly reporting to the Audit Committee performs the duty to audit the work operation system in various departments of the Company as per the annual audit plan approved by the Audit Committee to ensure each department's efficient and effective performance of work and optimized use of the Company's resources. This also includes the control of the work performance, the timely, accurate and reliable financial reports, as well as the compliance with the policy in accordance with the laws and regulations of the government agencies and relevant authorities. Furthermore, the effectiveness of the control system is regularly reviewed to ensure the optimum benefit to the shareholders from the business operation based on the fairness in terms of benefits to all interested persons. In addition, the Audit Committee shall have the duties to consider, select and submit for appointment of the auditor, including remuneration of the auditor, consider disclosure of the Company's connected transactions or any transactions which may give rise to any conflicts of interest to be accurate and complete.

In regard to risk management, the Company has realized the significance of using the risk management system in the administration. The Company's Management takes into account various risk factors currently sustained or threatened to be sustained in the future by the Company to analyze impact and possibility of such risks and to determine measures to prevent and deal with such risks to stay at an acceptable level in line with the Company's policy, and to report to the Corporate Governance and Risk Management Committee to consider the sufficiency and appropriateness. The effectiveness of the risk management system is reviewed and evaluated every year, and for every time when the risk level has changed, whereby the results are regularly monitored by the Internal Audit Office and reported to the Management and the Corporate Governance and Risk Management Committee for acknowledgement. The significant risk factors are described in Risk Factors on pages 2-1 to 2-9.

In 2011, the Audit Committee convened five meetings, whereby the executives of the Company attended all such meetings, and the Audit Committee convened a meeting with the auditor without the management attending the meeting in the consideration of the 2011 financial statements for independently inquiring of the audit plan and various issues found during the audit. The Board of Directors and the Audit Committee have evaluated the internal control system as per the internal control adequacy evaluation form, comprising five components, i.e., organization structure and environment, risk management, control of the performance of work of the management team, information and communication system, follow-up system for

the performance of work along with the audit results of the Internal Audit Office, and concluded that the Company's internal control system was considered adequate and appropriate to the business operation without material fault in the internal control system; and it could prevent improper or unauthorized use by executives or employees of the property of the Company and the Subsidiary. The financial report of the Company was made in accordance with the generally accepted accounting principles. Disclosure of information in the financial report was accurate and reliable. The Company's business operation was in accordance with the law on securities and exchange and other applicable laws.

Furthermore, the Company's Board of Directors, the Audit Committee and the auditor were of the opinion that the Company's business operation was in accordance with the transparent corporate governance principles, its internal control system was suitable, efficient and capable of preventing improper or unauthorized use by executives or employees of the property of the Company.

9. Connected Transactions

9.1 Principles

Transactions with persons who may have conflict of interest are subject to the conditions and criteria in the ordinary course of business. The execution of connected transactions and transactions with conflict of interest are in accordance with the regulations of the Stock Exchange of Thailand.

In the consideration and approval of any connected transaction, the Company shall propose such matter to the Board of Directors' Meeting, in which the directors having any involvement which may give rise to a conflict of interest shall not be entitled to attend and vote on such matter. Furthermore, the Audit Committee, as assigned by the Board of Directors, shall consider the disclosure of the Company's information in respect of the connected transaction or the transaction which may have conflict of interest, to ensure accuracy and completeness.

In respect of transactions with general commercial terms which the Company and its Subsidiary have or may have in the future, the Company has already requested approval in principle from the Board of Directors' Meeting No. 4/2008 on 26 November 2008, with the approval of the Audit Committee's Meeting No. 6/2008 on 12 November 2008 which already considered justification and nature of the transactions prior to submission thereof to the Board of Directors for consideration.

9.2 Connected Transactions of the Company and the Subsidiary with Persons who May Have Conflict of Interest for 2011 and 2010

Person/ Legal Entity who May Have Conflict of Interest	Relationship	Nature of Transactions	Transaction Value (Baht) in Consolidated Financial Statements		Transaction Description	Opinions of the Audit Committee on Necessity/Justification of Transactions
			31 December 2011	31 December 2010		
1. CH. Karnchang Public Company Limited	<ul style="list-style-type: none"> - The company is the major shareholder of the Company representing 15.15 percent of the paid up capital as at 29 September 2011. - Mr. Plew Trivisvavet, serves as Chairman of the Executive Board of the Company, Chairman of the Executive Board of its Subsidiary, and serves as Chairman of the Executive Board and Chief Executive Officer of CH. Karnchang Public Company Limited. 	1.1 Transactions with the Company <ul style="list-style-type: none"> - Inspection and repair of the structure of the Si Rat Expressway, No. 2, Phase 4 	51,775,806	1,000,615	<ul style="list-style-type: none"> - On 1 November 2010, the Company executed a contract engaging CH. Karnchang Public Company Limited to carry out the inspection and repair of the structure of the Si Rat Expressway, No. 2, Phase 4, in the total value of Baht 51,062,806, with a contract term of 12 months from the date of the contract signing. The Company gave written notice of variation order in the total value of Baht 1,713,615. 	<ul style="list-style-type: none"> - The prices of the works are reasonable and lower than the prices assessed by the independent consulting company. In addition, the contractor has expertise and experience in construction of the Si Rat Expressway, and as such, it should be capable to carry out the works properly and is well-prepared to promptly start the works.
		<ul style="list-style-type: none"> - Inspection and repair of the structure of the Si Rat Expressway, No. 2, Phase 3 	-	77,698,060	<ul style="list-style-type: none"> - On 4 December 2009, the Company executed a contract engaging CH. Karnchang Public Company Limited to carry out the inspection and repair of the structure of the Si Rat Expressway, No. 2, Phase 3, in the total value of Baht 79,699,290, with a contract term of 12 months from the date of the contract signing. 	

Person/ Legal Entity who May Have Conflict of Interest	Relationship	Nature of Transactions	Transaction Value (Baht) in Consolidated Financial Statements		Transaction Description	Opinions of the Audit Committee on Necessity/Justification of Transactions
			31 December 2011	31 December 2010		
	- Mrs. Payao Marittanaporn, Managing Director of the Company and Acting Managing Director of its Subsidiary, is the spouse of Mr. Prasert Marittanaporn, Director and Senior Executive Vice President of CH. Karnchang Public Company Limited.	- Repair of the structure and road surface improvement of the Si Rat Expressway, Sector C, and on- and off-ramps, Sector A	-	41,169,080	- On 4 December 2008, the Company executed a contract engaging CH. Karnchang Public Company Limited to repair the structure and improve the road surface of the Si Rat Expressway, Sector C, and on- and off- ramps, Sector A, in the total value of Baht 135,670,891, with a contract term of 14 months from the date of the contract signing. The Company gave written notice of variation order in the total value of Baht 15,852,468.	- The rental rate is reasonable and comparative to market rate, and is considered a connected transaction with general commercial terms in accordance with the principles approved by the Board of Directors.
		1.2 Transaction with its Subsidiary - Office space rental	120,000	120,000	- The Subsidiary executed an office space lease contract, at the rental rate of Baht 10,000 per month, with a contract term on a yearly basis.	

Person/ Legal Entity who May Have Conflict of Interest	Relationship	Nature of Transactions	Transaction Value (Baht) in Consolidated Financial Statements		Transaction Description	Opinions of the Audit Committee on Necessity/Justification of Transactions
			31 December 2011	31 December 2010		
2. SouthEast Asia Energy Limited	<ul style="list-style-type: none"> - The Company holds shares in SouthEast Asia Energy Limited representing 16.67 percent of its registered capital. - The Company and SouthEast Asia Energy Limited have CH. Karnchang Public Company Limited as their common major shareholder, whereby CH. Karnchang Public Company Limited holds shares representing 15.15 percent of the paid up capital as at 29 September 2011, and during 2011, CH. Karnchang Public Company Limited sold all of its shares in SouthEast Asia Energy Limited. 	2.1 Transaction with the Company - Loan and interest receivable	40,124,089	37,598,046	<ul style="list-style-type: none"> - On 4 September 2007, the Company signed the Shareholders' Loan Agreement which is considered a subordinated loan under the shareholding proportion in the amount of not exceeding Baht 31.25 Million at the interest rate of the average MLR + 1% of three lending banks of SouthEast Asia Energy Limited, with the due date of repayment of the principal, together with interest, within 18 months or the date of Financial Closing of the Project, whichever occurs first. However, the Company made an additional agreement for extension of time for debt repayment until 4 September 2012. 	<ul style="list-style-type: none"> - This is considered a financial support under the shareholding proportion and the interest rate equals the loan interest rate of the existing creditors of SouthEast Asia Energy Limited. - The objective of the loan is to be used for survey and development of new project which would enhance the capacity of the Nam Ngum 2 Project of SouthEast Asia Energy Limited which would be beneficial to the Company as a shareholder.

Person/ Legal Entity who May Have Conflict of Interest	Relationship	Nature of Transactions	Transaction Value (Baht) in Consolidated Financial Statements		Transaction Description	Opinions of the Audit Committee on Necessity/Justification of Transactions
			31 December 2011	31 December 2010		
	- Dr. Virabongsa Ramangkura, serves as Chairman of the Board of Directors of the Company and Chairman of the Board of Directors of SouthEast Asia Energy Limited.	- Provision of the financial support in the form of Cash Deficiency Support (CDS)	-	-	- On 26 May 2006, the Company entered into an Equity Contribution Agreement with SouthEast Asia Energy Limited and Nam Ngum 2 Power Company Limited (co-borrower), other shareholders and lenders of SouthEast Asia Energy Limited. Under the agreement, the Company agrees to provide equity contribution for Revenue Deficiency from Construction of the Nam Ngum 3 Hydropower plant of not more than Baht 94 Million if the Nam Ngum 3 Project is likely to negatively impact the energy production level of that company's system and subsequently results in that company's becoming unable to comply with its obligations under the Financing Documents. In addition, the Company agrees to provide additional equity contributions of not exceeding Baht 63 Million if the co-borrower of that company defaults in payment of its loan or unable to comply with its obligation under the Financing Documents.	- The amount of the financial support is based on reasonable calculation and is under the shareholding proportion.
	- Mr. Plew Trivisavet, serves as Chairman of the Executive Board of the Company and Chairman of the Executive Board of SouthEast Asia Energy Limited.					
	- Mrs. Payao Marittanaporn, Managing Director of the Company and the spouse of Mr. Prasert Marittanaporn, serves as Director of SouthEast Asia Energy Limited.					

Person/ Legal Entity who May Have Conflict of Interest	Relationship	Nature of Transactions	Transaction Value (Baht) in Consolidated Financial Statements		Transaction Description	Opinions of the Audit Committee on Necessity/Justification of Transactions
			31 December 2011	31 December 2010		
3. CH. Kamchang- Tokyu Construction Co., Ltd.	<p>- The Company and CH. Kamchang-Tokyu Construction Co., Ltd. have CH. Kamchang Public Company Limited as their common major shareholder, whereby CH. Kamchang Public Company Limited holds shares representing 15.15 percent of the paid up capital as at 29 September 2011 and CH. Kamchang Public Company Limited holds shares representing 55.00 percent of CH. Kamchang-Tokyu Construction Co., Ltd.'s registered capital.</p>	3.1 Transactions with the Company	27,077,672	81,275,880	<p>- On 25 March 2010, the Company executed a contract engaging CH. Kamchang-Tokyu Construction Co., Ltd. to construct additional road and bridge at the area of intersection of the Si Rat Expressway and Ngam Wong Wan Road, in the total value of Baht 104,000,000, with a contract term of 12 months from the date of the contract signing. The Company gave written notice of variation order in the total value of Baht 4,353,552.</p>	<p>- This connected transaction is considered an ordinary course of business, with the general commercial terms as already approved in principle by the Audit Committee and the Board of Directors.</p>
		- Expansion of traffic lanes in front of Prachachuen Toll Plaza (inbound and outbound)	6,800,000	-	<p>- On 13 December 2010, the Company executed a contract engaging CH. Kamchang-Tokyu Construction Co., Ltd. to expand the traffic lanes in front of Prachachuen Toll Plaza (inbound and outbound), in the total value of Baht 6,800,000, with a contract term of two months from the date of the contract signing.</p>	

Person/ Legal Entity who May Have Conflict of Interest	Relationship	Nature of Transactions	Transaction Value (Baht) in Consolidated Financial Statements		Transaction Description	Opinions of the Audit Committee on Necessity/Justification of Transactions
			31 December 2011	31 December 2010		
		3.2 Transaction with its Subsidiary - Construction of additional toll booths at Muang Thong Thani Toll Plaza (inbound)	-	3,876,961	- On 10 November 2009, its Subsidiary executed a contract engaging CH. Kamchang-Tokyu Construction Co., Ltd. to construct toll booths in Gate 4 at Muang Thong Thani Toll Plaza (inbound), in the total value of Baht 4,600,000, with a contract term of four months from the date of the contract signing and additional works from the contract amounting to Baht 182,932.	- This connected transaction is considered an ordinary course of business, with the general commercial terms as already approved in principle by the Audit Committee and the Board of Directors.

10. Financial Status and Operational Results

Summary of the Report of the Audit Committee

Ernst & Young Office Limited, as the auditor for the Company and its Subsidiary, has audited the statements of financial position of Bangkok Expressway Public Company Limited and its Subsidiary as at 31 December 2011 and 2010, and the statements of income, comprehensive income, changes in shareholders' equity, and cash flows for the years then ended, and has also audited the separate financial statements of Bangkok Expressway Public Company Limited for the same periods, and is of the opinion that the financial statements and the consolidated financial statements as referred to above present fairly, in all material respects, the financial position of Bangkok Expressway Public Company Limited and its Subsidiary and of Bangkok Expressway Public Company Limited as at 31 December 2011 and 2010, the results of their operations and cash flows for the years then ended, in accordance with generally accepted accounting principles.

10.1 Financial Statements of Bangkok Expressway Public Company Limited and its Subsidiary

The financial position and operational results comprise the operational results from the audited financial statements for the year ended 31 December 2011 in comparison with the operational results from the audited financial statements for the years ended 31 December 2010 and 2009.

(Unit: Baht)

Statements of financial position	2011		2010		2009	
	Amount	Percent	Amount	Percent	Amount	Percent
Assets						
Current assets						
Cash and cash equivalents	128,259,054	0.33	100,473,958	0.25	99,165,592	0.23
Current investments	3,014,319,406	7.81	1,936,981,850	4.79	3,113,509,482	7.28
Other receivables	94,000,000	0.24	-	-	-	-
Other current assets	75,400,671	0.20	50,545,373	0.12	72,018,782	0.17
Total current assets	3,311,979,131	8.58	2,088,001,181	5.16	3,284,693,856	7.68
Non-current assets						
Investment in associated company	18,707,925	0.05	-	-	-	-
Other long-term investments	3,875,946,874	10.04	4,385,995,563	10.85	3,695,834,602	8.65
Long-term loans to and interest receivable from related companies	40,124,089	0.10	37,598,046	0.09	35,355,314	0.08
Investment properties	120,357,493	0.31	169,288,000	0.42	169,288,000	0.40
Building and equipment	263,700,420	0.68	252,525,083	0.62	77,806,768	0.18
Construction in process	-	-	118,667,116	0.30	121,108,481	0.28
Rights to operate completed expressway sectors	30,926,664,653	80.11	33,358,337,567	82.51	35,343,053,981	82.67
Intangible assets	41,652,525	0.11	5,053,272	0.01	4,238,367	0.01
Other non-current assets	7,814,645	0.02	13,768,386	0.04	19,458,189	0.05
Total non-current assets	35,294,968,624	91.42	38,341,233,033	94.84	39,466,143,702	92.32
Total assets	38,606,947,755	100.00	40,429,234,214	100.00	42,750,837,558	100.00

(Unit: Baht)

Statements of financial position (continued)	2011		2010		2009	
	Amount	Percent	Amount	Percent	Amount	Percent
Liabilities and shareholders' equity						
Trade and other payables	195,509,895	0.51	205,072,518	0.51	264,503,513	0.62
Current portion of long-term loans	1,142,790,000	2.96	926,455,014	2.29	980,140,000	2.29
Current portion of debentures	1,895,000,000	4.91	2,900,000,000	7.17	3,905,000,000	9.13
Income tax payable	182,660,977	0.47	312,968,234	0.77	298,479,726	0.70
Other current liabilities						
Value added tax payable	42,489,527	0.11	36,960,928	0.09	33,129,128	0.08
Retention guarantees	64,015,877	0.17	58,406,153	0.14	26,681,165	0.06
Deposits for Easy Pass	157,150,609	0.41	104,256,682	0.26	-	-
Others	77,676,260	0.20	130,741,377	0.33	70,846,485	0.17
Total current liabilities	3,757,293,145	9.74	4,674,860,906	11.56	5,578,780,017	13.05
Provision for compensation for site acquisition cost	75,740,000	0.20	433,720,000	1.07	889,870,000	2.08
Long-term loans, net	2,806,323,512	7.27	4,104,322,586	10.15	7,105,237,600	16.62
Debentures, net	13,200,000,000	34.18	12,195,000,000	30.17	11,595,000,000	27.12
Provision for long-term employee benefits	76,203,308	0.20	-	-	-	-
Total non-current liabilities	16,158,266,820	41.85	16,733,042,586	41.39	19,590,107,600	45.82
Total liabilities	19,915,559,965	51.59	21,407,903,492	52.95	25,168,887,617	58.87
Shareholders' equity						
Registered capital	8,000,000,000	20.72	8,000,000,000	19.79	8,000,000,000	18.71
Issued and paid-up capital	7,700,000,000	19.94	7,700,000,000	19.05	7,700,000,000	18.01
Premium on ordinary shares	4,848,492,969	12.56	4,848,492,969	11.99	4,848,492,969	11.34
Retained earnings						
Appropriated - statutory reserve	800,000,000	2.07	797,555,569	1.97	702,526,928	1.64
Unappropriated	5,533,230,050	14.34	5,233,109,068	12.95	4,487,713,164	10.50
Other components of shareholders' equity	(172,330,688)	(0.45)	442,173,116	1.09	(156,783,120)	(0.36)
Equity attributable to shareholders of the Company	18,709,392,331	48.46	19,021,330,722	47.05	17,581,949,941	41.13
Non-controlling interests of the subsidiary	(18,004,541)	(0.05)	-	-	-	-
Total shareholders' equity	18,691,387,790	48.41	19,021,330,722	47.05	17,581,949,941	41.13
Total liabilities and shareholders' equity	38,606,947,755	100.00	40,429,234,214	100.00	42,750,837,558	100.00

(Unit: Baht)

Income statements	2011		2010		2009	
	Amount	Percent	Amount	Percent	Amount	Percent
Revenues						
Toll revenue	7,308,190,551	95.51	7,811,038,712	97.59	7,623,406,943	98.24
Other income						
Interest income	62,677,441	0.82	25,368,130	0.32	12,041,367	0.16
Dividend income	129,062,500	1.69	118,000,000	1.47	114,312,500	1.47
Gain on investments	16,064,535	0.21	27,360,431	0.34	-	-
Gain on sales of fixed assets	112,207,879	1.47	8,709,109	0.11	6,845,989	0.09
Others	23,588,299	0.30	13,302,897	0.17	3,692,727	0.04
Total revenues	7,651,791,205	100.00	8,003,779,279	100.00	7,760,299,526	100.00
Expenses						
Amortisation of rights to operate completed expressway sectors	(2,515,329,075)	(32.87)	(2,377,777,848)	(29.72)	(2,303,369,565)	(29.68)
Provision for compensation for site acquisition cost	(842,020,000)	(11.00)	(743,850,000)	(9.29)	(651,700,000)	(8.40)
Selling expenses	(1,035,567,817)	(13.54)	(1,067,069,938)	(13.33)	(903,277,066)	(11.65)
Administrative expenses	(472,297,396)	(6.17)	(417,077,916)	(5.21)	(372,786,044)	(4.80)
Loss on investments	-	-	-	-	(7,980,305)	(0.10)
Total expenses	(4,865,214,288)	(63.58)	(4,605,775,702)	(57.55)	(4,239,112,980)	(54.63)
Profit before share of income from investment in associate, finance cost and corporate income tax	2,786,576,917	36.42	3,398,003,577	42.45	3,521,186,546	45.37
Share of income from investment in associate	8,666,714	0.11	-	-	-	-
Profit before finance cost and corporate income tax	2,795,243,631	36.53	3,398,003,577	42.45	3,521,186,546	45.37
Finance cost	(896,443,228)	(11.72)	(994,453,267)	(12.42)	(1,138,352,176)	(14.66)
Profit before corporate income tax	1,898,800,403	24.81	2,403,550,310	30.03	2,382,834,370	30.71
Corporate income tax	(509,050,977)	(6.65)	(600,625,765)	(7.50)	(680,549,397)	(8.77)
Profit for the year	1,389,749,426	18.16	1,802,924,545	22.53	1,702,284,973	21.94

(Unit: Baht)

Income statements (continued)	2011		2010		2009	
	Amount	Percent	Amount	Percent	Amount	Percent
Profit attributable to:						
Equity holders of the Company	1,407,753,967	18.40	1,802,924,545	22.53	1,702,284,973	21.94
Non-controlling interests of the subsidiary	(18,004,541)	(0.24)	-	-	-	-
	1,389,749,426	18.16	1,802,924,545	22.53	1,702,284,973	21.94
Earnings per share						
Basic earnings per share						
Profit attributable to equity holders of the Company	1.83		2.34		2.21	

(Unit: Baht)

Statements of comprehensive income	2011		2010		2009	
	Amount	Percent	Amount	Percent	Amount	Percent
Profit for the year	1,389,749,426	18.16	1,802,924,545	22.53	1,702,284,973	21.94
Other comprehensive income:						
Gain (loss) on changes in value of available-for-sale investments	(614,503,804)	(8.03)	598,956,236	7.48	638,200,215	8.22
Other comprehensive income for the year	(614,503,804)	(8.03)	598,956,236	7.48	638,200,215	8.22
Total comprehensive income for the year	775,245,622	10.13	2,401,880,781	30.01	2,340,485,188	30.16
Total comprehensive income attributable to:						
Equity holders of the Company	793,250,163	10.37	2,401,880,781	30.01	2,340,485,188	30.16
Non-controlling interests of the subsidiary	(18,004,541)	(0.24)	-	-	-	-
	775,245,622	10.13	2,401,880,781	30.01	2,340,485,188	30.16

(Unit: Baht)

Statements of cash flows	2011	2010	2009
Cash flows from operating activities			
Profit before tax	1,898,800,403	2,403,550,310	2,382,834,370
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:			
Depreciation and amortisation	2,575,485,437	2,417,213,021	2,329,227,628
Loss (gain) on investments	(16,064,535)	(27,360,431)	7,980,305
Gain on sales of investment properties	(106,736,368)	-	-
Gain on sales of fixed assets	(5,471,511)	(8,709,109)	(6,388,486)
Written-off damaged assets	83,512,871	-	-
Loss (gain) on other written-off	5,133,983	-	-
Provision for compensation for site acquisition	842,020,000	743,850,000	651,700,000
Provision for long-term employee benefits	10,514,754	-	-
Share of income from investment in associate	(8,666,714)	-	-
Interest income	(62,677,441)	(25,368,130)	(12,041,367)
Dividend income	(129,062,500)	(118,000,000)	(114,312,500)
Interest expenses	873,254,530	930,015,818	1,084,017,303
Income from operating activities before changes in operating assets and liabilities	5,960,042,909	6,315,191,479	6,323,017,253
Decrease (increase) in operating assets			
Other receivables	(94,000,000)	-	-
Other current assets	10,154,995	35,327,678	(23,585,288)
Other non-current assets	(612,748)	(79,999)	(1,500)
Increase (decrease) in operating liabilities			
Trade accounts payable	(11,230,865)	(9,621,491)	21,666,051
Value added tax payable	5,528,599	3,831,800	(7,248,054)
Other current liabilities	7,044,774	199,608,405	44,573,803
Cash paid for compensation for site acquisition	(1,200,000,000)	(1,200,000,000)	(800,000,000)
Net cash flows from operating activities	4,676,927,664	5,344,257,872	5,558,422,265
Cash received for interest income	1,369,752	619,426	872,242
Cash paid for corporate income tax	(647,369,072)	(593,323,024)	(652,770,847)
Net cash flows from operating activities	4,030,928,344	4,751,554,274	4,906,523,660

(Unit: Baht)

Statements of cash flows (continued)	2011	2010	2009
Cash flows from investing activities			
Decrease (increase) in current investments	(1,041,314,233)	1,227,154,671	(714,892,044)
Increase in investment in associated company	(42,000,000)	-	-
Cash received from sales of investment in associated company	12,000,000	-	-
Cash received from sales of long-term investments	-	17,210,609	3,012,450
Increase in other long-term investments	(104,455,115)	(120,225,000)	(262,691,625)
Cash received from interest income	31,608,458	10,150,331	1,989,192
Dividend received	129,062,500	118,000,000	114,312,500
Purchase of equipment	(70,541,458)	(84,796,117)	(45,618,354)
Cash received from sales of investment properties	155,666,875	-	-
Cash received from sales of equipment	7,126,339	9,558,472	7,565,953
Additional construction of Second Stage Expressway	(742,500)	(11,403,501)	-
Increase in construction in process	(47,759,415)	(508,317,626)	(107,851,814)
Increase in intangible assets	(39,044,323)	(1,920,581)	(1,126,905)
Net cash flows from (used in) investing activities	(1,010,392,872)	655,411,258	(1,005,300,647)
Cash flows from financing activities			
Cash paid for short-term loans from financial institutions	-	-	(700,000,000)
Cash received from issuance of debentures	2,900,000,000	3,500,000,000	4,000,000,000
Cash paid for long-term loans	(1,081,664,088)	(3,054,600,000)	(5,297,890,000)
Cash paid for redemption of debentures	(2,900,000,000)	(3,905,000,000)	-
Cash paid for interest expenses	(871,586,288)	(983,557,166)	(1,049,766,612)
Cash paid for dividend	(1,039,500,000)	(962,500,000)	(885,500,000)
Net cash flows used in financing activities	(2,992,750,376)	(5,405,657,166)	(3,933,156,612)
Net increase (decrease) in cash and cash equivalents	27,785,096	1,308,366	(31,933,599)
Cash and cash equivalents at beginning of year	100,473,958	99,165,592	131,099,191
Cash and cash equivalents at end of year	128,259,054	100,473,958	99,165,592

10.2 Financial Ratios of Financial Statements

	Unit	2011	2010	2009
LIQUIDITY RATIO				
1. Liquidity Ratio	Times	0.88	0.45	0.59
2. Quick Ratio	Times	0.84	0.44	0.58
3. Cash Flow Ratio	Times	0.83	0.78	0.78
4. Accounts Payable Turnover	Times	N.A.	N.A.	N.A.
5. Average Debt Servicing Period	Day	N.A.	N.A.	N.A.
PROFITABILITY RATIO				
6. Gross Profit Margin	%	65.58	69.56	69.79
7. Cash to Profitability Ratio	%	248.93	220.99	229.89
8. Net Profit Margin	%	18.40	22.53	21.94
9. Return on Equity	%	7.46	9.85	10.10
EFFICIENCY RATIO				
10. Return on Assets	%	3.56	4.33	3.96
11. Return on Fixed Assets	%	12.21	12.17	10.98
12. Assets Turnover	Times	0.19	0.19	0.18
FINANCIAL POLICY RATIO				
13. Debt to Equity Ratio	Times	1.06	1.13	1.43
14. Interest Coverage Ratio	Times	6.14	6.18	5.35
15. Obligation Serviceability Ratio	Times	1.58	0.78	1.19
16. Net Debt to EBITDA	Times	3.14	3.47	3.79
Per Share DATA				
17. Book Value per Share	Baht	24.30	24.70	22.83
18. Net Earnings per Share	Baht	1.83	2.34	2.21
19. Dividend per Share	Baht	1.30	1.30	1.25

Remarks:

- 1) Items 1 - 3: As toll revenue is received daily in cash while the loan would be repaid at the end of each month out of the net cash receipts, therefore, the liquidity ratio would not affect the Company's debt serviceability.
- 2) Items 4 - 5: Most of accounts payable of the Company and its Subsidiary were incurred by the costs of repair and maintenance and the operation costs while the costs of goods sold represented the amortisation of the rights to operate the completed expressway sectors. Therefore, it is not possible to calculate the accounts payable turnover and the average debt servicing period which contain analytical connotation.
- 3) Payment of dividends for 2011 is at the discretion of the 2012 Annual Ordinary General Meeting of Shareholders on 25 April 2012. However, the Company made payment of interim dividends at the rate of Baht 0.60 per share in October 2011.

Operational results

In 2011, the Company had the net profit attributable to equity holders in the amount of Baht 1,408 Million, representing a decrease from the previous year by Baht 395 Million or 21.91 percent. Mainly from the effect of the change in Revenue Sharing for Toll revenue of the urban expressway system. The amortisation expense, thereby, increased by Baht 137 Million according to the increase in traffic volume on the Expressways. The Revenue Sharing for Toll revenue of the urban expressway system between the Company and the Expressway Authority of Thailand has been changed from the percentage of 50:50 to 40:60, commencing from 1 March 2011, or the revenue sharing of the Company decreased 20 percent. However, a continued increase in traffic volume by 5.18 percent from the previous year, even facing the flood in the fourth quarter of the year, resulted in the slightly decreased in toll revenue in the amount of Baht 503 Million or 6.44 percent from the previous year. Provision for compensation for site acquisition cost which is the non-cash expense increased by Baht 98 Million from the accounting record, whereas, the financial expenses decreased by Baht 98 Million from the previous year.

Summary of Operational Results Compared between 2011 and 2010

	2011	2010	(Unit: Million Baht)	
			Changes	
			Amount	%
Toll revenue	7,308	7,811	(503)	-6.44
Other income	344	193	151	78.24
Expenses (excluding financial cost)	5,374	5,207	167	3.21
Financial cost	896	994	(98)	-9.86
Share of income from investment in associated	8	-	8	N/A
Net profit	1,390	1,803	(413)	-22.91
Net profit attributable to the Company	1,408	1,803	(395)	-21.91
Earnings per share attributable to the Company (Baht)	1.83	2.34	(0.51)	

Toll revenues

In 2011, the Company and its Subsidiary had the Toll revenue amounted to Baht 7,308 Million, representing a decrease by Baht 503 Million or 6.44 percent according to the change in Revenue Sharing for Toll revenue of the urban expressway system between the Company and the Expressway Authority of Thailand from the percentage of 50:50 to 40:60, or the Revenue Sharing of the Company decreased 20 percent, commencing from 1 March 2011 which lead to the decrease in toll revenue of the urban expressway system. However, traffic volume in all routes continued increased from a significant growth of new cars registered in Bangkok from the previous year, including the development of area surrounded the expressway especially the area nearby Chaeng Watthana road together with the avoidance of traffic congestions from the construction of an initial extension section of the Purple line under MRTA Project resulting in the rise of traffic volume to the Expressway system, which lead to the decreased in toll revenue of the urban expressway only 13 - 15 percent from the previous year. Toll revenue of the Bang Pa-in - Pak Kret Expressway System increased 11.40 percent, even the Bang Phun, Chiang Rak and Bang Pa-In checkpoints had to close for 2 months in the fourth quarter of the year due to the flood but a result of the adjustment of the Toll discount since January 2011 leaded to the increase in toll revenue 11.40 percent. The details of toll revenue are classified into routes as follows:

(Unit: Million Baht)				
	2011	2010	Changes	
			Amount	%
First Stage Expressway System	2,411	2,812	(401)	-14.26
Second Stage Expressway System				
Sector A (Rama IX - Ratchadapisek)	1,410	1,621	(211)	-13.02
Sector B (Phayathai - Bangkoklo)	654	773	(119)	-15.39
Sector C (Ratchadapisek - Chaeng Watthana)	798	757	41	5.42
Sector D (Rama IX - Srinagarindra)	1,234	1,129	105	9.30
Total Second Stage Expressway System	4,096	4,280	(184)	-4.30
Bang Pa-in - Pak Kret Expressway System	801	719	82	11.40
Grand Total	7,308	7,811	(503)	- 6.44

Other income

In 2011, the Company and its Subsidiary had other income in the amount of Baht 344 Million, representing an increase by Baht 151 Million or 78.24 percent, which mainly comes from gain on sales of land at Bang Pa-in in the beginning of the year. As well as the increase in interest income and gain on current investments from cash management received from issuance of debenture in the amount of Baht 2,000 Million in the second quarter of the year 2011. The Company had reserved such amount for redemption of debenture that due in November 2011. The details of other income are classified as follow:

(Unit: Million Baht)				
	2011	2010	Changes	
			Amount	%
Dividend income	129	118	11	9.32
Gain on sale of fixed assets	112	9	103	1,144.44
Interest income, gain on investments, and others	103	66	37	56.06
Total expenses	344	193	151	78.24

Expenses (excluding financial cost)

In 2011, the Company and its Subsidiary had the expenses (excluding financial cost) in the amount of Baht 5,374 Million, representing an increase by Baht 167 Million or 3.21 percent from the previous year, with material particulars as follows:

(Unit: Million Baht)				
	2011	2010	Changes	
			Amount	%
Amortisation of rights to operate completed expressway sectors	2,515	2,378	137	5.76
Provision for compensation for site acquisition cost	842	744	98	13.17
Selling expenses	1,035	1,067	(32)	-3.00
Administration expenses	473	417	56	13.43
Corporate income tax	509	601	(92)	-15.31
Total expenses	5,374	5,207	167	3.21

1. Amortisation of rights to operate completed expressway sectors was Baht 2,515 Million, representing an increase by Baht 137 Million or 5.76 percent according to the increased in traffic volume. In 2011, the projected vehicle volume, which was used for calculation of amortisation of rights to operate completed expressway sectors, was revised by traffic engineering specialist because of the changes in assumption such as economic parameters, the opening of roads and the mass transit system together with the physical change of the city, etc. which result to the slightly decrease in amortisation expense per car.
2. Provision for compensation for site acquisition cost was Baht 842 Million, representing an increased by Baht 98 Million or 13.17 percent from the previous year. Such provision was recorded to deduct the cost of the present value of compensation to the Expressway Authority of Thailand. Actual payments of the first installment under the Second Stage Expressway System Agreement were made in 2004 and were committed to pay on the 1st of March and the 1st of September in each year. In 2011, the Company was obliged to pay a compensation for site acquisition cost amounting to Baht 1,200 Million, and has already made payment to the Expressway Authority of Thailand.
3. Selling expenses were Baht 1,035 Million, representing a decrease by Baht 32 Million or 3.00 percent due to the decrease in toll collection expense which was postponed from this year because of the flood. Mainly of the selling expenses are the expenditures from toll collection and traffic management and depreciation of the Easy Pass cards.
4. Administration expenses were Baht 473 Million, representing an increase by Baht 56 Million or 13.43 percent, mainly from the fee and specific business tax of land sales, reserve for long-term employee benefits due to the adoption of accounting standard in this year and office expenses that support for toll operation.
5. The corporate income tax for the Company was Baht 509 Million, representing a decrease by Baht 92 Million or 15.31 percent from the same period of the previous year due to the decrease in net profit.

Finance cost

In 2011, the Company and its Subsidiary had the finance cost in the amount of Baht 896 Million, representing a decrease by Baht 98 Million or 9.86 percent. Interest expense decreased from the principle repayment. Moreover, on 30 August 2010, the Company signed the Amendment Agreement to the Credit Facilities Agreement to adjust the long-term loan interest rate from MLR-2 percent per annum to fixed interest rate of 3.75 percent per annum for the interest period commencing from September 2010 to June 2012, and fixed interest rate of 4.0 percent for the interest period from July 2012 onwards.

Financial charge decreased due to the prepayment cost for the refinance in 2010 in the amount of Baht 40 Million but no such transaction in this year. The details of finance expense are classified as follow:

	2011	2010	(Unit: Million Baht)	
			Changes	
			Amount	%
Interest expense	873	930	(57)	-6.13
Financial charge	23	64	(41)	-64.06
Total expenses	896	994	(98)	-9.86

Financial Status

Assets

Total assets of the Company and its Subsidiary as at 31 December 2011 amounted to Baht 38,607 Million, representing a decrease by Baht 1,822 Million or 4.51 percent from the end of the previous year. The details of significant increases and decreases as compared to the end of the previous year are as follows:

			(Unit: Million Baht)	
	31 December 2011	31 December 2010	Changes Amount	%
Cash, cash equivalents, and current investments	3,142	2,037	1,105	54.25
Current assets	170	51	119	233.33
Investment in associated company	19	-	19	N/A
Other long-term investments, net	3,876	4,386	(510)	-11.63
Investment properties	120	169	(49)	-28.99
Building and equipment, net	263	253	10	3.95
Construction in process	-	118	(118)	-100.00
Rights to operate completed expressway sectors, net	30,927	33,358	(2,431)	-7.29
Others	90	57	33	57.89
Total assets	38,607	40,429	(1,822)	-4.51

1. Cash, cash equivalents, and current investments amounted to Baht 3,142 Million, representing an increase by Baht 1,105 Million which mainly come from the issuance of debentures amounted to Baht 900 Million at the end of the year 2011. The Company had reserved such amount for redemption of debenture that due in August 2012 by investing in financial institutions that can generate good returns.
2. Current assets amounted to Baht 170 Million, representing an increase by Baht 119 Million which mainly are receivable claim from insurance company amounted to Baht 94 Million.
3. Other long-term investments amounted to Baht 3,876 Million, representing a decrease by Baht 510 Million or 11.63 percent from the end of the previous year due to the adjustment of investment value according to the market prices of securities in Bangkok Metro Public Company Limited (BMCL) and Thai Tap Water Supply Public Company Limited (TTW), and due to additional payment for shares in SouthEast Asia Energy Limited (SEAN), and payment for investment in Xayaburi Power Company Limited (XPCL). The details as at 31 December 2011 are as follows:

				(Unit: Million Baht)	
	Proportion of Shareholding	Cost	Fair Value		Difference
			31 December 2011	31 December 2010	
BMCL	11.68%	1,735	838	991	(153)
TTW	9.24%	1,137	1,862	2,323	(461)
SEAN	16.67%	1,101	1,101	1,072	29
XPCL	7.50%	75	75	-	75
Total		4,048	3,876	4,386	(510)

4. Construction in process decreased in full amount from the end of the previous year due to a transference of the completed construction of the Ngam Wong Wan Flyover Project, lanes extension to support the increased in vehicle volume and construction of toll booths to the account of Rights to operate completed expressway sectors according to the project completion.

5. Rights to operate completed expressway sectors amounted to Baht 30,927 Million, representing a decrease by Baht 2,431 Million or 7.29 percent from the end of the previous year, because of the recording of amortisation expenses in the income statement based on the volume of vehicles using the Expressways and the transference of the completed construction from Construction in process.

Liabilities

Total liabilities of the Company and its Subsidiary as at 31 December 2011 amounted to Baht 19,915 Million, representing a decrease by Baht 1,493 Million or 6.97 percent from the end of the previous year. The details of significant increases and decreases as compared to the end of the previous year are as follows:

			(Unit: Million Baht)	
	31 December 2011	31 December 2010	Changes Amount	%
Trade accounts payable and other current liabilities	530	529	1	0.19
Corporate income tax payable	183	313	(130)	-41.53
Dividend payable	6	6	-	-
Long-term loans	3,949	5,031	(1,082)	-21.51
Debentures	15,095	15,095	-	-
Provision for compensation for site acquisition cost	76	434	(358)	-82.49
Provision for long-term employee benefits	76	-	76	N/A
Total liabilities	19,915	21,408	(1,493)	-6.97

1. Corporate income tax payable amounted to Baht 183 Million, representing a decrease by Baht 130 Million or 41.53 percent, from the payment of income tax for the last six-month of the year 2010 and the first six-month of the year 2011 amounted to Baht 313 Million and Baht 255 Million, respectively and the recording of income tax payable during the year 2011 amounted to Baht 438 Million.
2. Long-term loans amounted to Baht 3,949 Million, representing a decrease by Baht 1,082 Million or 21.51 percent from the repayment of loans in the ordinary course under the Credit Facilities Agreement amounting to Baht 912 Million and a prepayment in the amount of Baht 170 Million.
3. Debentures amounted to Baht 15,095 Million, equal to the end of the previous year due to the redemption of debenture due in November 2011 amounting to Baht 2,900 Million and the additional issuance of debentures amounted to Baht 2,900 Million during the year 2011 as follows:

<u>No.</u>	<u>Maturity</u>	<u>Amount (MB)</u>	<u>Interest Rate</u>
1/2011 Tranche I	3 years	1,000	Fix interest rate at 3.70 p.a.
1/2011 Tranche II	10 years	1,000	Fix interest rate at 4.72 p.a.
2/2011	7 years	900	Fix interest rate at 4.60 p.a.
		<u>2,900</u>	

The proceeds from the issuance of debentures No.1/2011 is reserved for redemption of debenture that due in November 2011 with fixed interest rate at 5.20 p.a. and the proceeds from the issuance of debentures No.2/2011 is reserved for redemption of debenture that due in August 2012 with fixed interest rate at 4.88 p.a. In the meanwhile, the Company invested such reserve in the short-term investment.

4. Provision for compensation for site acquisition cost amounted to Baht 76 Million decreased by Baht 358 Million or 82.49 percent, due to an actual payment of compensation in the amount of Baht 1,200 Million to the Expressway Authority of Thailand (EXAT) and an increase of additional provision for compensation during the period in the amount of Baht 842 Million.
5. Provision for long-term employee benefits amounted to Baht 76 Million from the adoption of accounting standard No.19 Employee Benefits which is effective in 2011.

Shareholders' Equity

Total shareholders' equity of the Company and its Subsidiary as at 31 December 2011 is equal to Baht 18,692 Million, representing a decrease by Baht 329 Million or 1.73 percent from the end of the previous year. The details of significant increases and decreases as compared to the end of the previous year are as follows:

			(Unit: Million Baht)	
	31 December 2011	31 December 2010	Changes Amount	%
Issued and paid-up share capital	7,700	7,700	-	-
Premium on ordinary shares	4,848	4,848	-	-
Other components of shareholders' equity	(172)	442	(614)	-138.91
Retained earnings	6,334	6,031	303	5.02
Non-controlling interests of the subsidiary	(18)	-	(18)	N/A
Total shareholders' equity	18,692	19,021	(329)	-1.73

- Other components of shareholders' equity was unrealised loss on changes in value of investments which is an adjustment of investment value in TTW and BMCL in accordance with market price. In 2011, the investment value of TTW and BMCL decreased in the amount of Baht 461 and 153 Million, respectively as the investment value as at 31 December 2011.
- Retained earnings increased amounted to Baht 303 Million or 5.02 percent with the details as follow:
 - Increased from operations for the year 2011 amounted to Baht 1,408 Million.
 - Decreased from the adjustment in value of the beginning balance of retained earnings for the year 2011 amounted to Baht 66 Million according to the adoption of accounting standard No.19 Employee Benefits.
 - Decreased from dividend payment for the operational results for the last six-month of the year 2010 on 6 May 2011 amounted to Baht 577 Million or Baht 0.75 per share and for the operational results for the first six-month of the year 2011 on 12 October 2011 amounted to Baht 462 Million or Baht 0.60 per share.

Cash Flow

In 2011, the Company and its Subsidiary generated cash flow from operating activities amounting to Baht 4,031 Million, utilised cash of Baht 1,010 Million from investing activities due to (1) additional investment in current investments amounting to Baht 1,041 Million, (2) investment in long-term investment amounted to Baht 104 Million, (3) investment in associated company amounting to Baht 30 Million, (4) investment in the construction of the Ngam Wong Wan Flyover, lanes extension and construction of toll booths in the net amount of Baht 48 Million, (5) receipts of dividend and interest income amounting to Baht 161 Million and (6) sales of fixed assets in the net amount of Baht 52 Million.

The Company and its Subsidiary utilised net cash of Baht 2,993 Million from financing activities due to (1) redemption of debentures amounting to Baht 2,900 Million, (2) repayment of long-term loans amounting to Baht 1,082 Million, (3) dividend payment amounting to Baht 1,039 Million, (4) interest payment amounting to Baht 872 Million and (5) issuance of debentures amounting to Baht 2,900 Million.

As at 31 December 2011, the Company and its Subsidiary had cash and cash equivalents amounting to Baht 128 Million, representing an increase by Baht 28 Million from the end of the previous year.

Financial Ratios

	2011	2010
Net Profit Margin	18.40%	22.53%
Return on Equity	7.46%	9.85%
Return on Total Assets	3.56%	4.33%
Interest Coverage (times)	6.14	6.18
Debt to Equity (times)	1.06	1.13

“REPORT ON RESPONSIBILITIES OF THE BOARD OF DIRECTORS TOWARDS THE FINANCIAL REPORT”

The Company's Board of Directors realizes the significance of its duties and responsibilities in supervising the Company's business to ensure good management in accordance with laws, detailed objectives and the Company's Articles of Association, as well as resolutions of the shareholders' meetings with integrity and prudence. The Board of Directors protects the benefits of the Company, shareholders and general investors by ensuring that the Company's financial report contains accurate and full accounting records that reflect the Company's actual financial status and operational results.

The Company's Board of Directors establishes the Audit Committee comprising independent directors fully qualified in accordance with the requirements of the Stock Exchange of Thailand to review and ensure accuracy and sufficiency of the financial report, including accurate and complete disclosure of connected transactions or transactions with possible conflict of interest, in compliance with the requirements of the Stock Exchange of Thailand and relevant rules and regulations. In this regard, the Audit Committee has already reported its performance to the Company's Board of Directors.

The Company's Board of Directors is of the opinion that the financial statements for 2011 of the Company and the Subsidiary, which have been reviewed by the Audit Committee in conjunction with the management, and audited by the Company's auditor, reflect accurate financial status and operational results as appropriate in material aspects in accordance with generally accepted accounting principles.



(Dr. Virabongsa Ramangkura)
Chairman of the Board of Directors



(Mrs. Payao Marittanaporn)
Managing Director

“ INFORMATION OF COMPANY EXECUTIVES ”

Information of Company Executives (As at 31 December 2011)

Name-Surname / Position	Age (Years)	Education / Training	Share- holding Ratio (%)	Family Relationship Among Executives	Work Experience for the Past 5 Years		
					Period	Position	Organization
1. Dr. Virabongsa Ramangkura Chairman of the Board of Directors	68	- Doctor of Law (Honorary) Webster University, St. Louis, USA - Ph.D. (Economics) University of Pennsylvania, USA - M.A. (Economics) University of Pennsylvania, USA - B.A. Political Science (First Class Honors) Chulalongkorn University - Director Certification Program (DCP 43/2004) Thai Institute of Directors Association	-	-	2008 - present 2006 - present 2005 - present 2004 - present 1995 - present 2006 - Mar 2008 2005 - Feb 2007 2005 - May 2007	- Chairman of the Board of Directors - Chairman of the Board of Directors - Chairman of the Board of Directors - Director - Audit Committee Member - President - Chairman of the Executive Board - Member of the National Legislative Assembly - Chairman of the Board of Directors - Advisor to the Board of Directors - Advisor to the Chairman of the Executive Board	Nam Ngum 2 Power Company Limited SouthEast Asia Energy Limited Finansa Public Company Limited Bangkok Airways Company Limited Polyplex (Thailand) Public Company Limited Thai-Lao Association Ministry of Foreign Affairs Double A (1991) Public Company Limited The National Legislative Assembly Export-Import Bank of Thailand Wang Kanai Group
2. Prof. Suphachai Phisitvanich Director Chairman of the Audit Committee Chairman of the Corporate Governance and Risk Management Committee	71	- Honorary Ph.D. (Accounting) Thammasat University - Certificate, National Defence College (Class 32) - M.B.A. (Finance) Ohio State University, USA - B.A. (Accounting) Thammasat University - B.A. (Commerce) Thammasat University - Director Certification Program (DCP 38/2003) Thai Institute of Directors Association	-	-	2010 - present 2009 - present 2007 - present 2006 - present 2004 - present 2003 - May 2010 2005 - 2008 2004 - 2008 2004 - 2006 2001 - 2003	- Chairman of the Board of Directors - Independent Director - Chairman of the Board of Directors - Chairman of the Board of Directors - Chairman of the Board of Directors and Independent Director - Chairman of the Board of Directors and Chairman of the Audit Committee - Chairman of the Audit Committee - Chairman of the Audit Committee - Chairman of the Board of Directors - Appellate Committee Member - Police Commission Member - Chairman of the Board of Directors	AIRA Capital Company Limited CP All Public Company Limited AIRA Securities Public Company Limited Sena Saithong Company Limited Samart I-Mobile Public Company Limited Matching Studio Public Company Limited CPPC Public Company Limited Business Development Bank (Shanghai-China) Merit Land Company Limited Office of the Securities and Exchange Commission (SEC) The Royal Thai Police Krung Thai Bank Public Company Limited
3. General Sampao Choosri Director Audit Committee Member Chairman of the Nomination and Remuneration Committee Corporate Governance and Risk Management Member	70	- Chulachomklao Royal Military Academy - Royal Military Academy (Saint Cyr), France - The Army Command and General Staff College Class 51 - The Joint State - Private Sectors Regular Course Class 6, National Defence College of Thailand - Director Accreditation Program (DAP 15/2004) Thai Institute of Directors Association	-	-	Present 2001 - present 2006 - present 2001 - 2006 2000 - 2001	- Chairman of the Board of Directors - Chairman of the Board of Directors - Chief Advisor to the Company - Chairman of the Board of Directors - Supreme Commander	TIPS Co., Ltd. Dhospaak Company Limited Thai Agro Exchange Company Limited Thai Agro Exchange Company Limited Ministry of Defence

Information of Company Executives (As at 31 December 2011)

Name-Surname / Position	Age (Years)	Education / Training	Share- holding Ratio (%)	Family Relationship Among Executives	Work Experience for the Past 5 Years		
					Period	Position	Organization
4. Dr. Annop Tanlamai Director Audit Committee Member Nomination and Remuneration Committee Member Corporate Governance and Risk Management Member	61	<ul style="list-style-type: none"> - Ph.D. Engineering Management, University of Missouri, USA - MBA (Quantitative Business Analysis), Indiana University, Bloomington, USA - M.S. in Engineering Management, University of Missouri, USA - Bachelor of Engineering (Mechanical Engineering) Chulalongkorn University - Director Certification Program (DCP 154/2011) Thai Institute of Directors Association 	-	-	May 2011 - present	- Instructor for Department of Commerce Faculty of Commerce and Accountancy	Chulalongkorn University
					2007 - 2011	- Advisor for Master of Business Administration Program Faculty of Commerce and Accountancy	Chulalongkorn University
					1999 - 2007	- Dean of Faculty of Commerce and Accountancy	Chulalongkorn University
					1995 - 1999	- Chairman of the Committee for Master of Business Administration (MBA) Program Faculty of Commerce and Accountancy	Chulalongkorn University
					1989 - 1995	- Head of Department of Commerce Faculty of Commerce and Accountancy	Chulalongkorn University
					1986 - 1988	- Chairman of the Committee for Master of Business Administration Program Faculty of Commerce and Accountancy	Chulalongkorn University
5. Mr. Plew Trivisvavet Director Chairman of the Executive Board Nomination and Remuneration Committee Member Authorized Signatory Director	66	<ul style="list-style-type: none"> - M.Sc. (Electrical Engineering) Osaka University, Japan - B.Sc. (Electrical Engineering) Osaka University, Japan - Director Certification Program (DCP 50/2004) Thai Institute of Directors Association - Capital Market Academy Leader Program Class 4/2007, Capital Market Academy 	0.0026	-	Jun 2011 - present	- Assistant Professor	Bentley University, Massachusetts, USA
					2010 - present	- Director	CK Power Limited
					2009 - present	- Director	Xayaburi Power Company Limited
					2006 - present	- Director	Thai Tap Water Public Company Limited
					2006 - present	- Director and Chairman of the Executive Board	Nam Ngum 2 Power Company Limited
					2004 - present	- Chairman of the Executive Board	SouthEast Asia Energy Limited
6. Mr. Supong Chayutsahakij Director Vice Chairman of the Executive Board Nomination and Remuneration Committee Member Corporate Governance and Risk Management Member Authorized Signatory Director	70	<ul style="list-style-type: none"> - Honorary Ph.D. (Management Science) Phranakhon Rajabhat University - Executive Master of Business Administration Sasin Graduate Institute of Business Administration of Chulalongkorn University - Master of Engineering (Electrical) University of Tokyo, Japan - Bachelor of Engineering (Electrical) University of Tokyo, Japan - Director Certification Program (DCP 8/2001) Thai Institute of Directors Association - Audit Committee Program (ACP 17/2007) Thai Institute of Directors Association 	-	-	1994 - present	- Chairman of the Board of Directors and Nomination and Remuneration Committee Member	Bangkok Metro Public Company Limited
					1994 - present	- Chairman of the Executive Board and Chief Executive Officer	CH. Karnchang Public Company Limited
					Jun 2011 - present	- Director	CK Power Limited
					2009 - present	- Vice Chairman of the Board of Directors	Bangkok Metro Public Company Limited
					2002 - present	- Director and Executive Committee Member	Bangkok Metro Networks Company Limited
					2009 - present	- Chairman of the Board of Directors	SouthEast Asia Energy Limited
6. Mr. Supong Chayutsahakij Director Vice Chairman of the Executive Board Nomination and Remuneration Committee Member Corporate Governance and Risk Management Member Authorized Signatory Director	70	<ul style="list-style-type: none"> - Master of Engineering (Electrical) University of Tokyo, Japan - Bachelor of Engineering (Electrical) University of Tokyo, Japan - Director Certification Program (DCP 8/2001) Thai Institute of Directors Association - Audit Committee Program (ACP 17/2007) Thai Institute of Directors Association 	-	-	2008 - present	- Director	Nam Ngum 2 Power Company Limited
					2006 - present	- Director	Thai-Nichi Institute of Technology
					2004 - 2009	- Chairman of the Institute	Siam Steel International Public Company Limited
					1994 - 2003	- Director and Audit Committee Member	BMCL Network Limited
					1994 - 2003	- Chairman of the Board of Directors	Metro Mall Development Limited
					1994 - 2003	- Chairman of the Board of Directors	Triads Networks Company Limited
6. Mr. Supong Chayutsahakij Director Vice Chairman of the Executive Board Nomination and Remuneration Committee Member Corporate Governance and Risk Management Member Authorized Signatory Director	70	<ul style="list-style-type: none"> - Master of Engineering (Electrical) University of Tokyo, Japan - Bachelor of Engineering (Electrical) University of Tokyo, Japan - Director Certification Program (DCP 8/2001) Thai Institute of Directors Association - Audit Committee Program (ACP 17/2007) Thai Institute of Directors Association 	-	-	1994 - 2003	- Managing Director	Bangkok Expressway Public Company Limited
					1994 - 2003	- Managing Director	Bangkok Expressway Public Company Limited
					1994 - 2003	- Managing Director	Bangkok Expressway Public Company Limited
					1994 - 2003	- Managing Director	Bangkok Expressway Public Company Limited
					1994 - 2003	- Managing Director	Bangkok Expressway Public Company Limited
					1994 - 2003	- Managing Director	Bangkok Expressway Public Company Limited

Information of Company Executives (As at 31 December 2011)

Name-Surname / Position	Age (Years)	Education / Training	Share- holding Ratio (%)	Family Relationship Among Executives	Work Experience for the Past 5 Years		
					Period	Position	Organization
7. M.L. Prasobchai Kasemsant Director Executive Director Authorized Signatory Director	56	- M.S. (Civil Engineering) Stanford University, USA - M.S. (Operations Research) Stanford University, USA - B.S. (Civil Engineering, Mathematics) Virginia Military Institute, Virginia, USA - Director Certification Program (DCP 33/2003) Thai Institute of Directors Association - Graduate Diploma Program in Public Law (2007) Thammasat University - Graduate Diploma Program in International Trade Law (2007) Thammasat University	-	-	Oct 2010 - present 2009 - Sep 2010 2007 - 2009 2005 - 2006 2004 - 2005 2001 - 2004	- Special Advisor to the Permanent Secretary for Defence - Director-General, Office of Defence Logistics Office of Permanent Secretary - Chief of the Office of Inspector General - Chief of Staff Officer to the Chief of Joint Staff - Staff Officer to the Minister of Defence - Deputy Commanding General, Intelligence School	Ministry of Defence Ministry of Defence Ministry of Defence Office of Supreme Commander Ministry of Defence Ministry of Defence The Royal Thai Army
8. Mr. Panit Dunnvatanachit Director Executive Director	55	- M.B.A. (Finance) Washington University, St. Louis, USA - Bachelor of Arts & Science Washington University, St. Louis, USA - Board and CEO Assessment Program Thai Institute of Directors Association - Director Certification Program (DCP 10/2001) Thai Institute of Directors Association	0.0035	-	2006 - present 2000 - present 1994 - present 2000 - 2010 2002 - Jan 2006 1998 - 2005 1999 - 2005 2000 - 2004	- Director - Executive Vice President - Director - Director and Member of the Executive Committee - Director and Member of the Executive Committee - Director and Member of the Executive Committee - Director - Chairman of the Executive Board	Thai Yamaha Motor Co., Ltd. Bangkok Bank Public Company Limited Krungthep Engineering Consultants Co., Ltd. CBNP (Thailand) Limited Advance Agro Public Company Limited Asia Credit Public Company Limited Asia Credit Securities Company Limited Asia Credit Public Company Limited
9. Miss Arisara Dharamadhaj Director	54	- M.B.A., Roosevelt University, USA - Bachelor of Economics University of the Thai Chamber of Commerce - Director Certification Program (DCP 75/2006) Thai Institute of Directors Association	-	-	2005 - present 2000 - 2005	- Assistant Managing Director, Corporate Banking 2 - Department Director and Project Financing Analysis Department Manager	Krung Thai Bank Public Company Limited
10. Mrs. Vallapa Assakul Director Executive Director	62	- Master of Economics, University of Detroit, USA - Bachelor of Economics (Second Class Honors) Chulalongkorn University - Audit Committee Program (ACP 21/2008) Thai Institute of Directors Association - Director Certification Program (DCP 86/2007) Thai Institute of Directors Association - Director Accreditation Program (DAP 37/2005) Thai Institute of Directors Association - Role of the Compensation Committee (RCC 5/2008) Thai Institute of Directors Association	-	-	2010 - present 2009 - present 2005 - 2007 2009 - present 2008 - present 2006 - present 2008 - present 2004 - 2007 1995 - 2004	- Director - Director - Director - Risk Management Committee Member - Audit Committee Member - Director and Chairman of the Nomination and Remuneration Committee - Director - Vice Managing Director Corporate and Investment Banking - Assistant Managing Director	Siam Estate Co., Ltd. Bangkok Metro Public Company Limited Ocean Life Insurance Company Limited Amphan Co., Ltd. TMB Bank Public Company Limited
11. Mr. Lertsak Chingharanon *	57	- Master of Public Administration (M.P.A.), University of Hartford, USA - Bachelor of Law Chulalongkorn University	-	-	16 Dec 2011 - present 2009 - 15 Dec 2011 2005 - 2008	- Deputy Governor of Law and Land Acquisition - Director of Legal Department - Director of Litigation Division	Expressway Authority of Thailand

Remark : * Appointed as Director effective from 17 February 2012 to replace Mr. Aiyanat Tinapai who resigned from office since 9 November 2011.

Information of Company Executives (As at 31 December 2011)

Name-Surname / Position	Age (Years)	Education / Training	Share- holding Ratio (%)	Family Relationship Among Executives	Work Experience for the Past 5 Years		
					Period	Position	Organization
12. Mrs. Payao Marittanaporn Director Executive Director Managing Director Authorized Signatory Director	54	- M.B.A. Chulalongkorn University - Higher Diploma in Auditing Thammasat University - Bachelor of Accountancy Chulalongkorn University - Director Certification Program (DCP 48/2004) Thai Institute of Directors Association - Role of the Compensation Committee (RCC 9/2009) Thai Institute of Directors Association - Capital Market Academy Leader Program, Class 11/2010, Capital Market Academy	-	-	Mar 2011 - present 2007 - present Dec 2004 - 2006 Apr 2003 - 2006	- Director - Managing Director - Managing Director - Deputy Managing Director	Xayaburi Power Company Limited Bangkok Expressway Public Company Limited Northern Bangkok Expressway Company Limited Bangkok Expressway Public Company Limited
13. Mr. Sanguan Kunatinun Assistant Managing Director (Engineering)	50	- M.B.A. Thammasat University - Bachelor of Engineering Chulalongkorn University - Director Certification Program (DCP 101/2008) Thai Institute of Directors Association	-	-	2006 - present 2003 - 2006	- Assistant Managing Director (Engineering) - General Manager of Project Division	Bangkok Expressway Public Company Limited
14. Mrs. Sudruthai Prommart Assistant Managing Director (Operation)	48	- M.B.A. (Financial Accounting) Northrop University, Inglewood, California, USA - Bachelor of Business Administration Assumption University - Director Certification Program (DCP 151/2011) Thai Institute of Directors Association	-	-	2007 - present 2003 - 2006	- Assistant Managing Director (Operation) - General Manager of Traffic Control Division	Bangkok Expressway Public Company Limited
15. Mrs. Ngamnit Kanokgarjanar Assistant Managing Director (Compliance)	56	- M.B.A. The National Institute of Development Administration - B.A. (Economics) Thammasat University - Director Certification Program (DCP 113/2009) Thai Institute of Directors Association	-	-	1 Jan 2012 - present 2007 - 2011 2003 - 2007	- Assistant Managing Director (Compliance) - Assistant Managing Director Administration - General Manager of Administration Division	Bangkok Expressway Public Company Limited
16. Mr. Phakpoom Thaweewittayarut Senior General Manager of * Administration and Division Company Secretary	45	- M.B.A. Thammasat University - Bachelor of Laws Chulalongkorn University - Bachelor of Accountancy Chulalongkorn University - Certified Public Accountant (CPA) - Certified Internal Auditor (CIA) - Director Certification Program (DCP 102/2008) Thai Institute of Directors Association - Company Secretary Program (CSP 9/2005) Thai Institute of Directors Association	-	-	Sep 2011 - present 2008 - present 2008 - Aug 2011 2007 2005 - 2006	- Senior General Manager of Administration Division Company Secretary - Senior General Manager of Managing Director Office - General Manager of Internal Audit Office - General Manager of Managing Director Office	Bangkok Expressway Public Company Limited

Remark : * Appointed as Assistant Managing Director effective from 1 January 2012.

Information of Company Executives (As at 31 December 2011)

Name-Surname / Position	Age (Years)	Education / Training	Share- holding Ratio (%)	Family Relationship Among Executives	Work Experience for the Past 5 Years		
					Period	Position	Organization
17. Miss Panan Tosuwanthaworn Senior General Manager of * Financial Division	44	- Master of Accountancy Thammasat University - Bachelor of Accountancy Thammasat University	-	-	2008 - present 2006 - 2007 2004 - 2005	- Senior General Manager of Finance Division - General Manager of Finance Division - Deputy General Manager of Finance Division	Bangkok Expressway Public Company Limited
18. Mr. Phaisan Lertsalaluck General Manager of Traffic Division	48	- Master's Degree in Energy Technology King Mongkut's University of Technology Thonburi - Bachelor of Engineering King Mongkut's Institute of Technology Thonburi	-	-	2007 - present 2004 - Jul 2007	- General Manager of Traffic Division - General Manager of Maintenance Division	Bangkok Expressway Public Company Limited
19. Miss Vasana Wattananukulchai General Manager of Internal Audit Office	50	- M.B.A. The National Institute of Development Administration - Bachelor of Accountancy Bangkok University	-	-	2008 - present 2006 - 2007 2003 - 2005	- General Manager of Internal Audit Office - General Manager of Toll Revenue Division - Deputy General Manager of Toll Revenue Division	Bangkok Expressway Public Company Limited
20. Mrs. Wattana Sittiwatayaporn General Manager of Planning & Development Division	48	- M.B.A. Thammasat University - Bachelor of Accountancy Thammasat University	-	-	2008 - present 2005 - 2007	- General Manager of Planning and Development Division - Deputy General Manager of Internal Audit Office	Bangkok Expressway Public Company Limited
21. Mr. Omsyn Pibulwarangkur General Manager of Construction & Maintenance Division	50	- M.B.A. The National Institute of Development Administration - Master of Information Engineering NIGATA University, Japan - Bachelor of Engineering King Mongkut's Institute of Technology Ladkrabang	-	-	2008 - present 2007 2003 - 2006	- General Manager of Construction & Maintenance Division - Deputy Director, IT and HR Department - IT Department Manager	Bangkok Expressway Public Company Limited JVC Manufacturing (Thailand) Co., Ltd.
22. Mr. Supattra Bumnetphan General Manager of Toll Revenue Division	50	- Master of Public Administration The National Institute of Development Administration - Bachelor of Political Science Chiang Mai University	-	-	2009 - present 2007 - 2008 2005 - 2007	- General Manager of Toll Revenue Division - Deputy General Manager of Toll Revenue Division - Senior Manager of Toll Collection Department	Bangkok Expressway Public Company Limited
23. Mr. Chalermkiat Sakonwisansak Deputy General Manager of Construction & Maintenance Division	49	- Bachelor of Engineering Rajamangala University of Technology	-	-	2009 - present 2003 - 2008	- Deputy General Manager of Construction & Maintenance Division - Maintenance Division	Bangkok Expressway Public Company Limited
24. Miss Phenporn Kittiyopars Deputy General Manager of Planning & Development Division	45	- Master of Information Technology Management The National Institute of Development Administration - Bachelor of Science (Statistics) Silpakorn University	-	-	2008 - present 2004 - 2007	- Deputy General Manager of Planning and Development Division - Senior Manager of Information Technology Department	Bangkok Expressway Public Company Limited
25. Mr. Rungsak Luengrattanas Deputy General Manager of Construction & Maintenance Division	39	- M.S. (Computer Engineering and Management) Assumption University - Bachelor of Engineering (Electrical) King Mongkut's Institute of Technology Ladkrabang	-	-	2010 - present 2008 - 2009 2005 - 2007 2003 - 2005	- Deputy General Manager of Construction & Maintenance Division - Senior Manager of System Engineering Department - Manager of Equipment Maintenance Department - Deputy General Manager of Electrical & Mechanical	Bangkok Expressway Public Company Limited

Remarks : * Appointed as Assistant Managing Director effective from 1 January 2012

Executives Holding Positions in the Subsidiary and Related Company

Name of Director	Company	Subsidiary	Related Company				
			Bangkok Metro Public Company Limited	Thai Tap Water Supply Public Company Limited	SouthEast Asia Energy Company Limited	CK Power Company Limited	Xayaburi Power Company Limited
1. Dr. Virabongsa Ramangkura	X	-	-	-	X	-	-
2. Mr. Plew Trivisvavet	/, //	X, //	X, //	/	/, //	/	/, //
3. Mr. Supong Chayutsahakij	/, //	/, //	/, //	-	/	/	-
4. M.L. Prasobchai Kasemsant	/, //	/, //	-	-	-	-	-
5. Mr. Panit Dunnvatanachit	/, //	/, //	-	-	-	-	-
6. Mrs. Vallapa Assakul	/, //	/, //	/	-	-	-	-
7. Mrs. Payao Marittanaporn	/, //	/, //	-	-	-	-	/

Remarks

1. / = Director; X = Chairman of the Board of Directors; // = Executive Director
2. Related company shall refer to the definition of a legal entity of parties who may have conflict of interest

Information of Directors in the Subsidiary

Name of Director	Northern Bangkok Expressway Company Limited
1. Mr. Plew Trivisvavet	X, //
2. Mr. Supong Chayutsahakij	/, //
3. M.L. Prasobchai Kasemsant	/, //
4. Mr. Panit Dunnvatanachit	/, //
5. Mrs. Vallapa Assakul	/, //
6. Mr. Sintop Sirisingha *	/
7. Mrs. Payao Marittanaporn	/, //

Remarks

1. / = Director; X = Chairman of the Board of Directors; // = Executive Director
2. Subsidiary shall refer to material subsidiary, namely, having revenue as per the Notification of the Securities and Exchange Commission No. GorJor. 40/2540. exceeding 10 percent of total revenue as per the consolidated income statement of the most recent accounting year.

* Appointed as Director since 31 January 2012 to replace Mr.Narong Gieddech who resigned from office since 30 January 2012.

“REPORT OF INDEPENDENT AUDITOR”

To the shareholders of Bangkok Expressway Public Company Limited

I have audited the accompanying consolidated statements of financial position of Bangkok Expressway Public Company Limited and its subsidiary as at 31 December 2011 and 2010, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the years then ended, and have also audited the separate financial statements of Bangkok Expressway Public Company Limited for the same years. These financial statements are the responsibility of the management of the Company and its subsidiary as to their correctness and the completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bangkok Expressway Public Company Limited and its subsidiary and of Bangkok Expressway Public Company Limited as at 31 December 2011 and 2010, the results of their operations and cash flows for the years then ended, in accordance with generally accepted accounting principles.

Without qualifying my opinion on the aforementioned financial statements, I draw attention to the following matters.

- a) The subsidiary has consistently suffered from operation losses over a number of years, and as at 31 December 2011 has a deficit of Baht 5,146 million (2010: Baht 5,107 million), and the Company has substantial loans to this subsidiary as described in Note 9 to the financial statements.
- b) As discussed in Note 3 to the financial statements, during the current year, the Company adopted the revised and new accounting standards issued by the Federation of Accounting Professions, and applied them in its preparation and presentation of the financial statements.



Rungnapa Lertsuwankul

Certified Public Accountant (Thailand) No. 3516

Ernst & Young Office Limited

Bangkok: 17 February 2012

“ STATEMENTS OF FINANCIAL POSITION ”

Bangkok Expressway Public Company Limited and its subsidiary
As at 31 December 2011 and 2010

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
Assets					
Current assets					
Cash and cash equivalents	8, 9	128,259,054	100,473,958	113,035,677	88,155,075
Current investments	10	3,014,319,406	1,936,981,850	2,936,230,423	1,934,943,453
Other receivables	9, 11	94,000,000	-	2,675,000	2,568,000
Other current assets	9	75,400,671	50,545,373	64,774,999	38,942,609
Total current assets		3,311,979,131	2,088,001,181	3,116,716,099	2,064,609,137
Non-current assets					
Investment in associated company	9, 13	18,707,925	-	30,000,000	-
Other long-term investments	9, 14	3,875,946,874	4,385,995,563	3,875,946,874	4,385,995,563
Long-term loans to and interest receivable					
from related companies	9	40,124,089	37,598,046	9,300,312,604	9,643,094,482
Investment properties	15	120,357,493	169,288,000	120,357,493	169,288,000
Building and equipment	16	263,700,420	252,525,083	262,491,551	252,504,448
Construction in process	17	-	118,667,116	-	118,667,116
Rights to operate completed expressway sectors	18	30,926,664,653	33,358,337,567	21,779,908,567	23,718,028,249
Intangible assets	19	41,652,525	5,053,272	41,652,525	5,053,272
Other non-current assets		7,814,645	13,768,386	4,609,202	3,996,454
Total non-current assets		35,294,968,624	38,341,233,033	35,415,278,816	38,296,627,584
Total assets		38,606,947,755	40,429,234,214	38,531,994,915	40,361,236,721

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

“ STATEMENTS OF FINANCIAL POSITION (Continued) ”

Bangkok Expressway Public Company Limited and its subsidiary
As at 31 December 2011 and 2010

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2011	2010	2011	2010
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	9, 20	195,509,895	205,072,518	192,438,176	204,670,749
Current portion of long-term loans	9, 21	1,142,790,000	926,455,014	1,142,790,000	926,455,014
Current portion of debentures	22	1,895,000,000	2,900,000,000	1,895,000,000	2,900,000,000
Income tax payable		182,660,977	312,968,234	182,660,977	312,968,234
Other current liabilities					
Value added tax payable		42,489,527	36,960,928	38,297,714	32,886,326
Retention guarantees	9	64,015,877	58,406,153	62,970,204	57,839,449
Deposits for Easy Pass		157,150,609	104,256,682	157,150,609	104,256,682
Others		77,676,260	130,741,377	73,739,333	120,924,941
Total current liabilities		3,757,293,145	4,674,860,906	3,745,047,013	4,660,001,395
Non-current liabilities					
Provision for compensation for site acquisition cost					
	23, 32.1	75,740,000	433,720,000	75,740,000	433,720,000
Long-term loans, net of current portion	9, 21	2,806,323,512	4,104,322,586	2,806,323,512	4,104,322,586
Debentures, net of current portion	22	13,200,000,000	12,195,000,000	13,200,000,000	12,195,000,000
Provision for long-term employee benefits	24	76,203,308	-	76,203,308	-
Total non-current liabilities		16,158,266,820	16,733,042,586	16,158,266,820	16,733,042,586
Total liabilities		19,915,559,965	21,407,903,492	19,903,313,833	21,393,043,981
Shareholders' equity					
Share capital					
Registered					
800,000,000 ordinary shares of Baht 10 each		8,000,000,000	8,000,000,000	8,000,000,000	8,000,000,000
Issued and paid-up					
770,000,000 ordinary shares of Baht 10 each		7,700,000,000	7,700,000,000	7,700,000,000	7,700,000,000
Premium on ordinary shares		4,848,492,969	4,848,492,969	4,848,492,969	4,848,492,969
Retained earnings					
Appropriated - statutory reserve	25	800,000,000	797,555,569	800,000,000	797,555,569
Unappropriated		5,533,230,050	5,233,109,068	5,452,518,801	5,179,971,086
Other components of shareholders' equity		(172,330,688)	442,173,116	(172,330,688)	442,173,116
Equity attributable to shareholders of the Company		18,709,392,331	19,021,330,722	18,628,681,082	18,968,192,740
Non-controlling interests of the subsidiary		(18,004,541)	-	-	-
Total shareholders' equity		18,691,387,790	19,021,330,722	18,628,681,082	18,968,192,740
Total liabilities and shareholders' equity		38,606,947,755	40,429,234,214	38,531,994,915	40,361,236,721

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

“ INCOME STATEMENTS ”

Bangkok Expressway Public Company Limited and its subsidiary
For the years ended 31 December 2011 and 2010

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
Profit or loss:					
Revenues					
Toll revenue	27	7,308,190,551	7,811,038,712	6,506,651,272	7,092,385,928
Other income					
Interest income	9	62,677,441	25,368,130	310,918,017	286,598,799
Dividend income	9	129,062,500	118,000,000	129,062,500	118,000,000
Gain on investments		16,064,535	27,360,431	35,872,737	27,349,176
Gain on sales of fixed assets		112,207,879	8,709,109	112,207,227	8,047,432
Others	9	23,588,299	13,302,897	43,038,295	42,018,360
Total revenues		7,651,791,205	8,003,779,279	7,137,750,048	7,574,399,695
Expenses					
Amortisation of rights to operate completed expressway sectors	18	(2,515,329,075)	(2,377,777,848)	(2,105,288,712)	(1,986,204,860)
Provision for compensation for site acquisition cost	23	(842,020,000)	(743,850,000)	(842,020,000)	(743,850,000)
Selling expenses	9	(1,035,567,817)	(1,067,069,938)	(899,113,521)	(944,561,888)
Administrative expenses	9	(472,297,396)	(417,077,916)	(448,600,392)	(407,160,265)
Loss on impairment of investment		-	-	(59,999,998)	-
Total expenses		(4,865,214,288)	(4,605,775,702)	(4,355,022,623)	(4,081,777,013)
Profit before share of income from investment in associate, finance costs and corporate income tax		2,786,576,917	3,398,003,577	2,782,727,425	3,492,622,682
Share of income from investment in associate	13	8,666,714	-	-	-
Profit before finance cost and corporate income tax		2,795,243,631	3,398,003,577	2,782,727,425	3,492,622,682
Finance cost	9	(896,443,228)	(994,453,267)	(893,495,748)	(991,424,096)
Profit before corporate income tax		1,898,800,403	2,403,550,310	1,889,231,677	2,501,198,586
Corporate income tax		(509,050,977)	(600,625,765)	(509,050,977)	(600,625,765)
Profit for the year		1,389,749,426	1,802,924,545	1,380,180,700	1,900,572,821
Profit attributable to:					
Equity holders of the Company		1,407,753,967	1,802,924,545	1,380,180,700	1,900,572,821
Non-controlling interests of the subsidiary		(18,004,541)	-		
		1,389,749,426	1,802,924,545		
Earnings per share	28				
Basic earnings per share					
Profit attributable to equity holders of the Company		1.83	2.34	1.79	2.47

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

“ STATEMENTS OF COMPREHENSIVE INCOME ”

Bangkok Expressway Public Company Limited and its subsidiary
For the years ended 31 December 2011 and 2010

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Profit for the year	1,389,749,426	1,802,924,545	1,380,180,700	1,900,572,821
Other comprehensive income:				
Gain (loss) on changes in value of available-for-sale investments	(614,503,804)	598,956,236	(614,503,804)	598,956,236
Other comprehensive income for the year	(614,503,804)	598,956,236	(614,503,804)	598,956,236
Total comprehensive income for the year	775,245,622	2,401,880,781	765,676,896	2,499,529,057
Total comprehensive income attributable to:				
Equity holders of the Company	793,250,163	2,401,880,781	765,676,896	2,499,529,057
Non-controlling interests of the subsidiary	(18,004,541)	-		
	775,245,622	2,401,880,781		

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

“ STATEMENTS OF CHANGES ” IN SHAREHOLDERS’ EQUITY

Bangkok Expressway Public Company Limited and its subsidiary company
For the years ended 31 December 2011 and 2010

(Unit: Baht)

Consolidated financial statements

	Equity attributable to the parent's shareholders						Equity attributable to non-controlling interests of the subsidiary	Total
	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Other components of shareholders' equity	Total other components of shareholders' equity		
			Appropriated statutory reserve	Unappropriated	Other comprehensive income			
					Surplus (deficit) on changes in value of available-for-sale investments			
Balance as at 31 December 2009	7,700,000,000	4,848,492,969	702,526,928	4,487,713,164	(156,783,120)	17,581,949,941	-	17,581,949,941
Dividend paid (Note 31)	-	-	-	(962,500,000)	-	(962,500,000)	-	(962,500,000)
Total comprehensive income for the year	-	-	-	1,802,924,545	598,956,236	2,401,880,781	-	2,401,880,781
Statutory reserve	-	-	95,028,641	(95,028,641)	-	-	-	-
Balance as at 31 December 2010	7,700,000,000	4,848,492,969	797,555,569	5,233,109,068	442,173,116	19,021,330,722	-	19,021,330,722
Balance as at 31 December 2010	7,700,000,000	4,848,492,969	797,555,569	5,233,109,068	442,173,116	19,021,330,722	-	19,021,330,722
Cumulative effect of change in accounting policy for employee benefits (Note 5)	-	-	-	(65,688,554)	-	(65,688,554)	-	(65,688,554)
Dividend paid (Note 31)	-	-	-	(1,039,500,000)	-	(1,039,500,000)	-	(1,039,500,000)
Total comprehensive income for the year	-	-	-	1,407,753,967	(614,503,804)	793,250,163	(18,004,541)	775,245,622
Statutory reserve	-	-	2,444,431	(2,444,431)	-	-	-	-
Balance as at 31 December 2011	7,700,000,000	4,848,492,969	800,000,000	5,533,230,050	(172,330,688)	18,709,392,331	(18,004,541)	18,691,387,790

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

“ STATEMENTS OF CHANGES IN SHAREHOLDERS’ EQUITY ”

Bangkok Expressway Public Company Limited and its subsidiary company
For the years ended 31 December 2011 and 2010

(Unit: Baht)

Separate financial statements

	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Other components of shareholders' equity	Total
			Appropriated statutory reserve	Unappropriated	Other comprehensive income	
					Surplus (deficit) on changes in value of available-for-sale investments	
Balance as at 31 December 2009	7,700,000,000	4,848,492,969	702,526,928	4,336,926,906	(156,783,120)	17,431,163,683
Dividend paid (Note 31)	-	-	-	(962,500,000)	-	(962,500,000)
Total comprehensive income for the year	-	-	-	1,900,572,821	598,956,236	2,499,529,057
Statutory reserve	-	-	95,028,641	(95,028,641)	-	-
Balance as at 31 December 2010	7,700,000,000	4,848,492,969	797,555,569	5,179,971,086	442,173,116	18,968,192,740
Balance as at 31 December 2010	7,700,000,000	4,848,492,969	797,555,569	5,179,971,086	442,173,116	18,968,192,740
Cumulative effect of change in accounting policy for employee benefits (Note 5)	-	-	-	(65,688,554)	-	(65,688,554)
Dividend paid (Note 31)	-	-	-	(1,039,500,000)	-	(1,039,500,000)
Total comprehensive income for the year	-	-	-	1,380,180,700	(614,503,804)	765,676,896
Statutory reserve	-	-	2,444,431	(2,444,431)	-	-
Balance as at 31 December 2011	7,700,000,000	4,848,492,969	800,000,000	5,452,518,801	(172,330,688)	18,628,681,082

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

“ STATEMENTS OF CASH FLOWS ”

Bangkok Expressway Public Company Limited and its subsidiary
For the years ended 31 December 2011 and 2010

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Cash flows from operating activities				
Profit before tax	1,898,800,403	2,403,550,310	1,889,231,677	2,501,198,586
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	2,575,485,437	2,417,213,021	2,165,402,697	2,025,504,898
Gain on investments	(16,064,535)	(27,360,431)	(35,872,737)	(27,349,176)
Gain on sales of investment properties	(106,736,368)	-	(106,736,368)	-
Gain on sales of fixed assets	(5,471,511)	(8,709,109)	(5,470,859)	(8,047,432)
Written-off damaged assets	83,512,871	-	-	-
Loss (gain) on other written-off	5,133,983	-	(1,605,773)	-
Provision for compensation for site acquisition	842,020,000	743,850,000	842,020,000	743,850,000
Provision for long-term employee benefits	10,514,754	-	10,514,754	-
Share of income from investment in associate	(8,666,714)	-	-	-
Loss on impairment of investment	-	-	59,999,998	-
Interest income	(62,677,441)	(25,368,130)	(310,918,017)	(286,598,799)
Dividend income	(129,062,500)	(118,000,000)	(129,062,500)	(118,000,000)
Interest expenses	873,254,530	930,015,818	873,254,530	930,015,818
Income from operating activities before changes in operating assets and liabilities	5,960,042,909	6,315,191,479	5,250,757,402	5,760,573,895
Decrease (increase) in operating assets				
Other receivables	(94,000,000)	-	(107,000)	-
Other current assets	10,154,995	35,327,678	1,329,460	24,306,007
Other non-current assets	(612,748)	(79,999)	(612,748)	(79,999)
Increase (decrease) in operating liabilities				
Trade accounts payable	(11,230,865)	(9,621,491)	(13,900,815)	(5,735,653)
Value added tax payable	5,528,599	3,831,800	5,411,388	2,619,398
Other current liabilities	7,044,774	199,608,405	12,444,847	192,557,579
Cash paid for compensation for site acquisition	(1,200,000,000)	(1,200,000,000)	(1,200,000,000)	(1,200,000,000)
Net cash flows from operating activities	4,676,927,664	5,344,257,872	4,055,322,534	4,774,241,227
Cash received for interest income	1,369,752	619,426	744,823	322,466
Cash paid for corporate income tax	(647,369,072)	(593,323,024)	(639,358,234)	(586,137,257)
Net cash flows from operating activities	4,030,928,344	4,751,554,274	3,416,709,123	4,188,426,436

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

“ STATEMENTS OF CASH FLOWS (Continued) ”

Bangkok Expressway Public Company Limited and its subsidiary
For the years ended 31 December 2011 and 2010

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Cash flows from investing activities				
Decrease (increase) in current investments	(1,041,314,233)	1,227,154,671	(965,414,233)	1,223,754,671
Increase in investment in subsidiary company	-	-	(59,999,998)	-
Increase in investment in associated company	(42,000,000)	-	(42,000,000)	-
Cash received from sales of investment in associated company	12,000,000	-	12,000,000	-
Cash received from sales of long-term investments	-	17,210,609	-	17,210,609
Increase in other long-term investments	(104,455,115)	(120,225,000)	(104,455,115)	(120,225,000)
Cash received from long-term loans to related company	-	-	317,047,400	246,684,400
Cash received from interest income	31,608,458	10,150,331	308,745,823	322,992,361
Dividend received	129,062,500	118,000,000	129,062,500	118,000,000
Purchase of equipment	(70,541,458)	(84,796,117)	(69,310,376)	(84,796,117)
Cash received from sales of investment properties	155,666,875	-	155,666,875	-
Cash received from sales of equipment	7,126,339	9,558,472	7,125,217	8,896,790
Additional construction of Second Stage Expressway	(742,500)	(11,403,501)	(742,500)	(11,403,501)
Increase in construction in process	(47,759,415)	(508,317,626)	(47,759,415)	(504,405,166)
Increase in intangible assets	(39,044,323)	(1,920,581)	(39,044,323)	(1,920,581)
Net cash flows from (used in) investing activities	(1,010,392,872)	655,411,258	(399,078,145)	1,214,788,466
Cash flows from financing activities				
Cash received from issuance of debentures	2,900,000,000	3,500,000,000	2,900,000,000	3,500,000,000
Cash paid for long-term loans	(1,081,664,088)	(3,054,600,000)	(1,081,664,088)	(3,054,600,000)
Cash paid for redemption of debentures	(2,900,000,000)	(3,905,000,000)	(2,900,000,000)	(3,905,000,000)
Cash paid for interest expenses	(871,586,288)	(983,557,166)	(871,586,288)	(983,557,166)
Cash paid for dividend	(1,039,500,000)	(962,500,000)	(1,039,500,000)	(962,500,000)
Net cash flows used in financing activities	(2,992,750,376)	(5,405,657,166)	(2,992,750,376)	(5,405,657,166)
Net increase (decrease) in cash and cash equivalents	27,785,096	1,308,366	24,880,602	(2,442,264)
Cash and cash equivalents at beginning of year	100,473,958	99,165,592	88,155,075	90,597,339
Cash and cash equivalents at end of year	128,259,054	100,473,958	113,035,677	88,155,075
Supplemental cash flows information				
Non-cash items consist of: -				
Unrealised gain (loss) on changes in value of investments	(614,503,804)	598,956,236	(614,503,804)	598,956,236
Transfer of construction in process to additional construction of Second Stage Expressway	166,426,531	381,657,933	166,426,531	376,839,501
Transfer of construction in process to equipment	-	129,101,058	-	129,101,058
Adjustment of provision for long-term employee benefits with the beginning balance of retained earnings	65,688,554	-	65,688,554	-

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

“NOTES TO CONSOLIDATED FINANCIAL STATEMENTS”

Bangkok Expressway Public Company Limited and its subsidiary

For the years ended 31 December 2011 and 2010

1. General information

1.1 Corporate information

Bangkok Expressway Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. It is principally engaged in the construction and management of the Second Stage Expressway System (SES) and other extensions, including other related business, under the SES agreement with the Expressway Authority of Thailand (EXAT), for a period of 30 years commencing on 1 March 1990 and expiring on 28 February 2020. The Company has the right to extend the contract period for two further periods of 10 year each upon such terms and conditions as may then be agreed by the parties. The SES consists of Sectors A, B, C and D.

The registered office of the Company is at 238/7 Asoke-Dindaeng Road, Bangkok, Huaykwang, Bangkok.

Effective from 1 March 2011, the ratio for the sharing of toll revenue from urban expressways (the First Stage Expressway System and Sectors A and B of the Second Stage Expressway System) between the Company and the Expressway Authority of Thailand was changed from 50:50 to 40:60, in accordance with the Second Stage Expressway System agreement.

1.2 Revision of toll rates

1.2.1 The Second Stage Expressway System agreement and the Extension of Second Stage Expressway System (Sector D) agreement stipulate that EXAT and Bangkok Expressway Public Company Limited, as counterparties have common obligations to consider a revision of the toll rates of the First and Second Stage Expressway Systems and the Second Stage Expressway System (Sector D) every five years.

On 15 August 2008, the Ministry of Communications issued Ministry of Communications Notification regarding the toll rates for the First and Second Stage Expressway Systems and the Second Stage Expressway System (Sector D), to become effective from 1 September 2008. However, the Company believes that the adjusted toll rates under this notification is contrary to the agreements. The Company is currently proceeding with its right opposition and seeking for compensation based on agreements.

1.2.2 The Bang Pa-In - Pakkret Expressway System agreement stipulates that EXAT and Northern Bangkok Expressway Company Limited (“the subsidiary”) as counterparties, have common obligations to consider a revision of the toll rates of the Bang Pa-In - Pakkret Expressway System every five years.

On 15 August 2008, the Ministry of Communications issued Ministry of Communications Notification regarding the toll rates for the Bang Pa-In - Pakkret Expressway, to become effective from 1 November 2008. However, the subsidiary believes that the adjusted toll rates under this notification is contrary to the agreements. The subsidiary is currently proceeding with its right opposition and seeking for compensation based on agreement.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Profession Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of Bangkok Expressway Public Company Limited (“the Company”) and its subsidiary company, Northern Bangkok Expressway Company Limited (“the subsidiary”). The details are as follows: -

Company's name	Nature of business	Country of incorporation	Proportion of investment as at 31 December	
			2011 %	2010 %
Northern Bangkok Expressway Company Limited	Operation and management of Bang Pa-In - Pakkret Expressway	Thailand	46.36	45.74

The financial statements of Northern Bangkok Expressway Company Limited are included in the consolidated financial statements since the Company is able to exercise management control over this company.

As at 31 December 2011, the Company invested in 320 million shares of the subsidiary company, represented 53.33% of the subsidiary's shares issued of 600 million shares.

- b) The subsidiary is fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- c) The financial statements of the subsidiary are prepared using the same significant accounting policies as the Company.
- d) Material balances and transactions between the Company and the subsidiary have been eliminated from the consolidated financial statements.
- e) 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, which present investment in subsidiary and associate presented under the cost method, have been prepared solely for the benefit of the public.

3. Adoption of new accounting standards

During the current year, the Company adopted a number of revised and new accounting standards, issued by the Federation of Accounting Professions, as listed below.

Accounting standards:

TAS 1 (revised 2009)	Presentation of Financial Statements
TAS 2 (revised 2009)	Inventories
TAS 7 (revised 2009)	Statement of Cash Flows
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2009)	Events after the Reporting Period
TAS 11 (revised 2009)	Construction Contracts
TAS 16 (revised 2009)	Property, Plant and Equipment
TAS 17 (revised 2009)	Leases
TAS 18 (revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (revised 2009)	Borrowing Costs
TAS 24 (revised 2009)	Related Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (revised 2009)	Interests in Joint Ventures
TAS 33 (revised 2009)	Earnings per Share
TAS 34 (revised 2009)	Interim Financial Reporting

TAS 36 (revised 2009)	Impairment of Assets
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2009)	Intangible Assets
TAS 40 (revised 2009)	Investment Property

Financial reporting standards:

TFRS 2	Share-Based Payment
TFRS 3 (revised 2009)	Business Combinations
TFRS 5 (revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources

Financial Reporting Standard Interpretations:

IFRIC 15	Agreements for the Construction of Real Estate
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Accounting Standard Interpretations:

SIC 31	Revenue-Barter Transactions Involving Advertising Services
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These accounting standards do not have any significant impact on the financial statements, except for the following accounting standards.

TAS 19 Employee Benefits

This accounting standard requires employee benefits to be recognised as expense in the period in which the service is performed by the employee. In particular, an entity has to evaluate and make a provision for post-employment benefits using actuarial techniques. The Company and its subsidiary previously accounted for such employee benefits when they were incurred.

The Company and its subsidiary have changed this accounting policy in the current year and recognise the liability in the transition period through an adjustment to the beginning balance of retained earnings in the current year. The change has the effect of decreasing the profit of the Company and its subsidiary for the year 2011 by Baht 11 million, or Baht 0.014 per share (Separate financial statements: decreasing profit by Baht 11 million, or Baht 0.014 per share). The cumulative effect of the changes in the accounting policy has been presented in Note 5.

As at 31 December 2011, the Company and its subsidiary recognised Baht 76 million of such long-term employee benefit liabilities (Separate financial statements: Baht 76 million).

TAS 27 (revised 2009) Consolidated and Separate Financial Statements

This accounting standard requires entities to attribute profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. An entity is not to restate any profit or loss attribution for reporting periods before the amendment is applied. Previously, the Company elected to recognise loss over the equity attributable to non-controlling interests by reduction of equity of the parent company. The change will have the effect of increasing the profit attributable to equity holders of the Company in the consolidated financial statements for the year ended 31 December 2011 by Baht 18 million, or Baht 0.023 per share.

4. New accounting standards issued during the years not yet effective

The Federation of Accounting Professions issued the following new/revised accounting standards that are effective for fiscal years beginning on or after 1 January 2013.

Accounting standards:

TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates

Accounting Standard Interpretations:

SIC 10	Government Assistance - No Specific Relation to Operating Activities
SIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
SIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

The Company's management believes that these accounting standards will not have any significant impact on the financial statements for the year when they are initially applied, except for the following accounting standards.

TAS 12 Income Taxes

This accounting standard requires an entity to identify temporary differences, which are differences between the carrying amount of an asset or liability in the accounting records and its tax base, and to recognize deferred tax assets and liabilities under the stipulated guidelines.

At present, the management is evaluating the impact on the financial statements in the year when this standard is adopted.

5. Cumulative effect of changes in accounting policies due to the adoption of new accounting standards

During the current year, the Company made the changes to its significant accounting policies described in Note 3, as a result of the adoption of revised and new accounting standards. The cumulative effect of the changes in the accounting policies has been separately presented in the statements of changes in shareholders' equity.

The amounts of adjustments affecting the financial statements for the year 2011 and 2010 are summarised below.

(Unit: Thousand Baht)

	As at 1 January 2011	
	Consolidated financial statements	Separate financial statements
Statements of financial position		
Increase in provision for long-term employee benefits	65,689	65,689
Decrease in unappropriated retained earnings	(65,689)	(65,689)

(Unit: Thousand Baht)

	As at 31 December 2011	
	Consolidated financial statements	Separate financial statements
Statements of financial position		
Increase in provision for long-term employee benefits	10,514	10,514
Decrease in unappropriated retained earnings	(10,514)	(10,514)
Decrease in non-controlling interest of the subsidiary	(18,005)	-

(Unit: Thousand Baht)

	For the year ended 31 December 2011	
	Consolidated financial statements	Separate financial statements
Income statements		
Increase in employee expenses	10,514	10,514
Decrease in profit attributable to non-controlling interest of the subsidiary	18,005	-

6. Significant accounting policies

6.1 Revenue and expense recognition

Toll revenue represent the invoiced value, excluding value added tax, of service rendered.

Interest income is recognised as interest accrues based on the effective rate method.

Dividend income is recognised when the right to receive the dividends is established.

Expenses are recognised on an accrual basis.

6.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, cash at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

6.3 Investments

- a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.
- b) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded as a separate item in shareholders' equity, and will be recorded in profit or loss when the securities are sold.
- c) Investments in debt securities, both due within one year and expected to be held to maturity, are recorded at amortised cost. The premium/discount on debt securities is amortised by the effective rate method with the amortised amount presented as an adjustment to the interest income.
- d) Investment in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for loss on diminution in value (if any).
- e) Investment in associated company is accounted for in the consolidated financial statements using the equity method.
- f) Investments in subsidiary and associated companies are accounted for in the separate financial statements using the cost method.

The fair value of marketable securities is based on the latest bid price of the last working day year as quoted on the Stock Exchange of Thailand. The fair value of debt instruments is determined based on the required rate of return or the yield rates quoted by the Thai Bond Market Association. The fair value of unit trusts is determined from their net asset value.

The weighted average method is used for computation of the cost of investments.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised as in profit or loss.

6.4 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

No depreciation has been provided for land awaiting sales.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

6.5 Building and equipment and depreciation

Building and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of the building and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives: -

Building and construction improvement	5 years
Furniture and fixture	5 years
Tools, instruments and equipment	3 and 5 years
Easy Pass	7 years
Vehicles	5 and 10 years

Depreciation is included in determining income.

No depreciation has been provided for construction in process.

An item of building and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

6.6 Amortisation of rights to operate completed expressway sectors

The rights to operate completed expressway sectors are amortised as expenses in income statements with the number of actual vehicle volume. The amortisation of rights to operate completed expressway sectors is calculated as follows: -

Annual amortisation	=	Net rights to operate completed expressway sectors x Percentage of the number of vehicle volume for the year
Percentage of the number of vehicle volume for the year	=	$\frac{\text{Current year's number of actual vehicle volume}}{(\text{Current year's number of actual vehicle volume} + \text{Projected vehicle volume after current year to the remaining years of the agreement})}$
Net rights to operate completed expressway sectors	=	Total actual cost of rights to operate completed expressway sectors - Accumulated amortisation

6.7 Intangible assets and amortisation

Intangible assets are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets with finite lives are amortised on a systematic basis over the useful economic useful life and tested for impairment whenever there is an indication that the intangible asset 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.

A summary of the useful lives of intangible assets with finite useful lives is as follows.

Computer software	10 years
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6.8 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

6.9 Impairment of assets

At the end of each reporting period, the Company performs impairment reviews in respect of the property, plant and equipment, rights to operate completed expressway sectors and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying

amount. 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.

6.10 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses when incurred.

Defined benefit plans

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company 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 profit or loss.

For the first-time adoption of TAS 19 Employee Benefits, the Company elected to recognise the transitional liability, which exceeds the liability that would have been recognised at the same date under the previous accounting policy, through an adjustment to the beginning balance of retained earnings in the current year.

6.11 Provisions

Provisions are recognised when the Company 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. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability.

The Company has recorded its provision for compensation for the cost of site acquisition to be paid to the Expressway Authority of Thailand as expenses in each year throughout the period of the contract.

6.12 Periodic maintenance

All annual maintenance costs are charged directly to the income statement in the year on which they are incurred. The independent specialists have stated that if annual repairs are carried out in accordance with the specified standard, there will be no requirement for major maintenance. As a result, no further amounts are set aside as provision for maintenance.

6.13 Income tax

The income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

7. Significant accounting judgments and estimates

The preparation of financial statements in conformity with generally accepted accounting principles at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgments and estimates are as follows:

Fair value of financial instruments

In determining the fair value of financial instruments that are not actively traded and for which quoted market prices are not readily available, the management exercise judgment, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of liquidity, correlation and longer-term volatility of financial instruments.

Impairment of equity investments

The Company treats available-for-sale investments and other investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgment of the management.

Building and equipment/Depreciation

In determining depreciation of building and equipment, the management is required to make estimates of the useful lives and residual values of the Company’s plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review plant and equipment for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

Amortisation of rights to operate completed expressway sectors

In determining amortisation of rights to operate completed expressway sectors, the management has to project vehicle volume after current year for the remaining years of the agreement. Vehicle volume is projected based on the number of vehicles as assessed by an independent appraiser, and adjusted by comparison to actual vehicle volume. However, the actual vehicle volume in the future could differ from the estimate depending upon changes in external factors that may affect toll rates and vehicle volume.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

Litigation

The Company and its subsidiary have contingent liabilities as a result of litigation. The Company’s management has used judgment to assess of the results of the litigation and believes that no loss will result. Therefore no contingent liabilities are recorded as at the end of reporting period.

8. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Cash	6,260	6,210	5,130	5,160
Bank deposits	121,999	94,264	107,906	82,995
Total	128,259	100,474	113,036	88,155

As at 31 December 2011, bank deposits in saving accounts and current accounts carried interests between 0.50% and 0.75% per annum (2010: between 0.25% and 1.25% per annum).

9. Related party transactions

During the years, the Company and its subsidiary had significant transactions with its 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: Thousand Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	2011	2010	2011	2010	
Transactions with subsidiary company					
Payment for additional share subscription					
Northern Bangkok Expressway Company Limited	-	-	60,000	-	300,000,000 shares of Baht 0.20 each
Cash receipt from repayment of long-term loans and interest receivable					
Northern Bangkok Expressway Company Limited	-	-	383,000	298,000	
Interest receipt on long-term loans					
Northern Bangkok Expressway Company Limited	-	-	248,877	261,526	At the rates of 1.33% - 4.35% per annum (2010: 0.70% - 4.31% per annum)
Management income					
Northern Bangkok Expressway Company Limited	-	-	30,000	28,800	Baht 2,500,000 per month (2010: Baht 2,400,000 per month)
Transactions with associated company					
Payment for share subscription					
CK Power Limited	42,000	-	42,000	-	4,200,000 shares of Baht 10 each
Transactions with related companies					
Dividend income					
Thai Tap Water Supply Public Company Limited	129,062	118,000	129,062	118,000	368,750,000 shares of Baht 0.35 each (2010: 368,750,000 shares of Baht 0.32 each)
Sales of investment in CK Power Limited					
Thai Tap Water Supply Public Company Limited	12,000	-	12,000	-	1,200,000 shares of Baht 10 each
Interest receipt on long-term loans					
SouthEast Asia Energy Limited	2,526	2,243	2,526	2,243	At the rate of MLR+1% per annum

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	2011	2010	2011	2010	
Second Stage Expressway maintenance expenses CH. Karnchang Public Company Limited	54,946	119,868	54,946	119,868	Stated in the agreement and compared to the amounts as estimated by independent consultant
Cost incurred under construction contracts for Second Stage Expressway and Bang Pa-In - Pakkret Expressway CH. Kanchang-Tokyu Construction Company Limited	33,878	85,153	33,878	81,276	
Rental expenses CH. Karnchang Public Company Limited	120	120	-	-	Contracted price
Financial fee Krungthai Bank Public Company Limited	12,000	12,000	9,500	9,500	Baht 10,000 per month
Prepayment fee Krungthai Bank Public Company Limited	-	13,788	-	13,788	Baht 2,500,000 to Baht 9,500,000 per annum
Bangkok Bank Public Company Limited	-	10,143	-	10,143	
Total	-	23,931	-	23,931	At the rate of 2% for prepayment of credit tranches Gor, Khor, Kor, Jor and Shor
Interest payment on long-term loans Krungthai Bank Public Company Limited	57,537	82,228	57,537	82,228	At the rates of 3.75%, MLR-0.5%, MLR-1% and MLR-2% per annum
Bangkok Bank Public Company Limited	42,327	60,490	42,327	60,490	
Total	99,864	142,718	99,864	142,718	
Payment for additional share subscription SouthEast Asia Energy Limited	29,455	120,225	29,455	120,000	60,112,500 shares of Baht 0.49 each (2010: 60,112,500 shares of Baht 2.0 each)
Xayaburi Power Company Limited	75,000	-	75,000	-	
Total	104,455	120,225	104,455	120,000	7,499,999 shares of Baht 10 each

The balances of the accounts as at 31 December 2011 and 2010 between the Company and those related companies are as follows:

(Unit: Thousand Baht)

	Relationship	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
Cash and cash equivalents					
Krungthai Bank Public Company Limited*	*The Company's director has authority in bank	77,095	72,222	68,003	65,823
Bangkok Bank Public Company Limited*		2	2	2	2
Total		77,097	72,224	68,005	65,825
Other receivable					
Northern Bangkok Expressway Company Limited	Subsidiary	-	-	2,675	2,568
Advance payment under service contract (shown under other current assets)					
CH. Karnchang Public Company Limited	Common directors	-	7,509	-	7,509
CH. Karnchang-Tokyu Construction Company Limited	Common directors	-	2,273	-	2,273
Total		-	9,782	-	9,782

(Unit: Thousand Baht)

	Relationship	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
Prepaid expenses (shown under other current assets)					
Krungthai Bank Public Company Limited*	*The Company's director has authority in bank	5,234	5,234	2,929	2,929
Investment in associated company					
CK Power Limited	Associated company	18,708	-	30,000	-
Other long-term investments					
Bangkok Metro Public Company Limited	Common directors	837,634	991,201	837,634	991,201
SouthEast Asia Energy Limited	Common directors	1,101,125	1,071,670	1,101,125	1,071,670
Thai Tap Water Supply Public Company Limited	Common directors	1,862,188	2,323,125	1,862,188	2,323,125
Xayaburi Power Company Limited	Common directors	75,000	-	75,000	-
Total		3,875,947	4,385,996	3,875,947	4,385,996
Long-term loans to and interest receivable from related companies					
Northern Bangkok Expressway Company Limited	Subsidiary	-	-	9,260,189	9,605,496
SouthEast Asia Energy Limited	Common directors	40,124	37,598	40,124	37,598
Total		40,124	37,598	9,300,313	9,643,094
Trade and other payables					
CH. Karnchang Public Company Limited	Common directors	10	3,123	-	3,113
CH. Karnchang-Tokyo Construction Company Limited	Common directors	-	7,437	-	7,437
Thai Tap Water Supply Public Company Limited	Common directors	14	4	14	4
Total		24	10,564	14	10,554
Retention guarantees					
CH. Karnchang Public Company Limited	Common directors	14,358	11,440	14,358	11,440
CH. Karnchang-Tokyo Construction Company Limited	Common directors	1,215	4,319	976	4,080
Total		15,573	15,759	15,334	15,520
Long-term loans and current portion of long-term loans					
Krungthai Bank Public Company Limited*	*The Company's director has authority in bank	1,360,138	1,733,579	1,360,138	1,733,579
Bangkok Bank Public Company Limited*		1,000,565	1,275,282	1,000,565	1,275,282
Total		2,360,703	3,008,861	2,360,703	3,008,861

Long-term loans and current portion of long-term loans (only principal) are summarised below.

(Unit: Thousand Baht)

	Consolidated and separate financial statements	Interest rate
Long-term loans and current portion of long-term loans		
Balance as at 1 January 2011	3,008,861	3.75% per annum
Less: Payment during the year	(648,158)	
Balance as at 31 December 2011	2,360,703	3.75% per annum

During the year 2011, movements of long-term loans to and interest receivable from related companies were as follow: -

(Unit: Thousand Baht)

	Consolidated financial statements				Interest rate
	31 December 2010	Increase during the year	Decrease during the year	31 December 2011	
SouthEast Asia Energy Limited					
Long-term loans	31,250	-	-	31,250	MLR+1% per annum
Interest receivable	6,348	2,526	-	8,874	
Total	37,598	2,526	-	40,124	

(Unit: Thousand Baht)

	Separate financial statements				Interest rate
	31 December 2010	Increase during the year	Decrease during the year	31 December 2011	
Northern Bangkok Expressway Company Limited					
Long-term loans	7,951,105	-	(317,047)	7,634,058	1.33% to 4.35% per annum
Interest receivable	1,654,391	248,877	(277,137)	1,626,131	
Total	9,605,496	248,877	(594,184)	9,260,189	
SouthEast Asia Energy Limited					
Long-term loans	31,250	-	-	31,250	MLR+1% per annum
Interest receivable	6,348	2,526	-	8,874	
Total	37,598	2,526	-	40,124	
Grand total	9,643,094	251,403	(594,184)	9,300,313	

The subsidiary company has consistently had operating losses over a number of years and as at 31 December 2011 has a deficit of Baht 5,146 million (2010: Baht 5,107 million). However, the financial information of the subsidiary shows that its operation results are improving, the subsidiary has consistently been able to make repayment of the loan from the Company on schedule.

On 4 September 2007, the Company entered into the Shareholders' Loan Agreement with other two major shareholders of SouthEast Asia Energy Limited, whereby the Company agreed to provide loans to SouthEast Asia Energy Limited in proportion to its shareholding, or in total not more than Baht 31.25 million, to be used for conducting a survey and development of its project. The loans are subject to interest at MLR+1% per annum and payment of principal and interest is to be made in full on the earlier of the approval date of the loans from financial institutions and a date 18 months after the drawdown date. However, the Company and other two major shareholders have entered into an amendment of the agreement to extend the debts repayment to the date within 4 September 2011. Subsequently, on 1 August 2011, such company requested for an extension of its debts repayment by another 12 months from the due date until 4 September 2012.

Directors and management's benefits

During the year ended 31 December 2011 and 2010, the Company and its subsidiaries had employee benefit expenses of their directors and management as below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Short-term employee benefits	73,384	72,887	72,444	71,937
Post-employment benefits	2,411	-	2,411	-
Total	75,795	72,887	74,855	71,937

10. Current investments

(Unit: Thousand Baht)

	Consolidated financial statements				Separate financial statements			
	2011		2010		2011		2010	
	Cost	Fair value	Cost	Fair value	Cost	Fair value	Cost	Fair value
Fixed deposit	1,100,000	1,100,000	-	-	1,100,000	1,100,000	-	-
Unit trusts	729,806	736,219	1,123,430	1,135,133	679,893	686,230	1,123,392	1,135,094
Bills of exchange	1,178,100	1,178,100	801,547	801,849	1,150,000	1,150,000	799,547	799,849
	3,007,906	3,014,319	1,924,977	1,936,982	2,929,893	2,936,230	1,922,939	1,934,943

11. Other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Other receivable - unrelated party				
Receivable from damages	94,000	-	-	-
Total other receivable - unrelated party	94,000	-	-	-
Other receivable - related party				
Accrued income	-	-	2,675	2,568
Total other receivable - related party	-	-	2,675	2,568
Total other receivable	94,000	-	2,675	2,568

12. Investment in subsidiary company

This represents investments in the ordinary shares and preference shares of Northern Bangkok Expressway Company Limited which operates the Bang Pa-In - Pakkret Expressway. This subsidiary was incorporated in Thailand.

Details of investments in subsidiary as presented in separate financial statements are as follows:

(Unit: Million Baht)

Company's name	Registered capital		Paid-up capital		Proportion of investment		Cost method	
	2011	2010	2011	2010	2011 %	2010 %	2011	2010
Northern Bangkok Expressway Company Limited	6,000	6,000	5,220	5,160	46.36	45.74	2,420	2,360
Less: Allowance for impairment of investment							(2,420)	(2,360)
Investment, net							-	-

The Company treats Northern Bangkok Expressway Company Limited as a subsidiary company since the Company has authority in relation to the setting of the subsidiary company's financial and operational policies.

In February 2011, the subsidiary company called up an additional 2% of the value of the 300 million shares held by the Company (par value of Baht 10 each), a total of Baht 60 million. The Company made payment of this share subscription on 9 March 2011, the Company's proportion of investment increased from 45.74% to 46.36% of its paid-up share capital.

As at 31 December 2011, the Company invested in 320 million shares the subsidiary company, represented 53.33% of the subsidiary's shares issued of 600 million shares.

The assets of the subsidiary company such as deposits at banks, current investments, rights in the Bang Pa-In - Pakkret Expressway System and rights in toll revenues and beneficiary rights under insurance policies are secured against such loans from the Company. However, the subsidiary company is able to make withdrawals from deposit at banks and trading of current investments for use as regular operating expenses.

13. Investment in associated company

13.1 Details of associated company:

(Unit: Million Baht)

Company's name	Nature of business	Incorporated country	Consolidated financial statements					
			Proportion of shareholding		Cost		Carrying amounts based on equity method	
			2011 %	2010 %	2011	2010	2011	2010
CK Power Limited	Holding company	Thailand	30	-	30	-	19	-

(Unit: Million Baht)

Company's name	Nature of business	Incorporated country	Separate financial statements			
			Proportion of shareholding		Cost	
			2011 %	2010 %	2011	2010
CK Power Limited	Holding company	Thailand	30	-	30	-

CK Power Limited

In June 2011, the Company invested in 42,000 ordinary shares of CK Power Limited from CH. Karnchang Public Company Limited at their par value of Baht 10 each. This represents 42% of the registered share capital of that company. Subsequently, that company increased its share capital from Baht 1 million to Baht 100 million through the issuance of 9.9 million ordinary shares of Baht 10 each. The Company exercised its right to purchase 4,158,000 shares, in proportion to its existing shareholding, to maintain its shareholding in that company.

In September 2011, the Company sold 1.2 million ordinary shares of CK Power Limited to Thai Tap Water Supply Public Company Limited at a price of Baht 10 each. As a result, the Company's shareholdings in CK Power Limited decreased from 42% to 30%.

13.2 Share of income

During the year 2011, the Company has recognised its share of profit from investment in associated company in the consolidated financial statements as follows:

(Unit: Million Baht)

Company's name	Consolidated financial statements
	Share of income from investment in associated company
CK Power Limited	9

13.3 Summarised financial information of associated company

Financial information of the associated company is summarised below.

(Unit: Million Baht)

Company's name	31 December 2011			For the year ended	
				31 December 2011	
	Paid-up capital	Total assets	Total liabilities	Total revenues	Net income (loss)
CK Power Limited	100	6,499	6,437	48	(38)

14. Other long-term investments

(Unit: Million Baht)

Company's name	Consolidated and separate financial statements											
	Nature of business	Incorporated country	Registered capital		Paid-up capital		Proportion of shareholding		Cost		Fair value	
			2011	2010	2011	2010	2011 %	2010 %	2011	2010	2011	2010
<u>Investment in marketable equity securities</u>												
Bangkok Metro Public Company Limited	MRT concession	Thailand	11,950	11,950	11,950	11,950	11.68	11.68	1,735	1,735	838	991
Unrealised loss on changes in value of investment									(897)	(744)		
									838	991		

(Unit: Million Baht)

Company's name	Consolidated and separate financial statements											
	Nature of business	Incorporated country	Registered capital		Paid-up capital		Proportion of shareholding		Cost		Fair value	
			2011	2010	2011	2010	2011 %	2010 %	2011	2010	2011	2010
Thai Tap Water Supply Public Company Limited	Manufacture and distribution of treated water	Thailand	3,990	3,990	3,990	3,990	9.24	9.24	1,137	1,137	1,862	2,323
Unrealised gain on changes in value of investment									725	1,186		
<u>Other investments</u>									1,862	2,323		
SouthEast Asia Energy Limited	Manufacture and distribution of electricity	Thailand	6,607	6,607	6,607	6,430	16.67	16.67	1,101	1,072	-	-
Xayaburi Power Company Limited	Manufacture and distribution of electricity	Lao	6,750	-	1,000	-	7.50	-	75	-	-	-
Investment, net									3,876	4,386		

Bangkok Metro Public Company Limited

The 220 million ordinary shares of Bangkok Metro Public Company Limited which were purchased from an existing shareholder have been pledged to secure of long-term loans of such company.

Thai Tap Water Supply Public Company Limited

The Company has pledged its 325 million ordinary shares of Thai Tap Water Supply Public Company Limited with group of lenders to secure long-term loans. Such ordinary shares have been released in May 2011.

SouthEast Asia Energy Limited

On 26 May 2006, the Company entered into an Equity Contribution Agreement with SouthEast Asia Energy Limited and Nam Ngum 2 Power Company Limited (co-borrower), other shareholders and lenders of SouthEast Asia Energy Limited. Under the agreement, the Company agrees to provide equity contribution for Revenue Deficiency from Construction of the Nam Ngum 3 Hydropower plant of not more than Baht 94 million if the Nam Ngum 3 project is likely to negatively impact the energy production level of that company's system and subsequently results in that company's becoming unable to comply with its obligations under the Financing Documents. In addition, the Company agrees to provide additional equity contributions of not exceeded Baht 63 million if the co-borrower of that company defaults in payment of its loan or unable to comply with its obligation under the Financing Documents.

During the current year, SouthEast Asia Energy Limited called up an additional value of shares which were not fully paid, a total of Baht 29 million. As at 31 December 2011, the Company has already made full payment of shares of such company.

The 110.1 million ordinary shares of SouthEast Asia Energy Limited have been pledged to secure of long-term loans of such company.

Xayaburi Power Company Limited

In March 2011, the Company purchased 5,999,999 ordinary shares of Xayaburi Power Company Limited from CH. Karnchang Public Company Limited at their par value of Baht 10 each. This represents 7.50% of the registered share capital of that company. Subsequently, in April 2011, Xayaburi Power Company Limited increased its share capital from Baht 800 million to Baht 1,000 million through the issuance of 20 million ordinary shares of Baht 10 each. The Company exercised its right to purchase 1,500,000 shares, in proportion to its existing shareholding, to maintain its shareholding in that company.

In December 2011, Xayaburi Power Company Limited increased its registered share capital from Baht 1,000 million to Baht 6,750 million through the issuance of 575 million new ordinary shares of Baht 10 each (the Company's portion is 43 million shares). As at 31 December 2011, such company has not called the additional share payments.

The ordinary shares of Xayaburi Power Company Limited held by the Company have been pledged to secure of long-term loans of such company.

15. Investment properties

The net book value of investment properties as at 31 December 2011 and 2010 is presented below.

(Unit: Thousand Baht)

	Consolidated and separate financial statements
Land awaiting sales - at cost	
1 January 2010	169,288
31 December 2010	169,288
Disposal	(48,931)
31 December 2011	120,357

On 15 November 2010, the Company entered into an agreement to purchase and to sale of land, with a company, whereby the Company agreed to sell 2 plots of land to that company. The ownership of land has been transferred to the purchaser on 31 January 2011. As a result, the Company has gain on sales of such land amounting to Baht 107 million, presenting it as other income in the income statement of the current year.

As at 31 December 2011, the fair value of the investment properties as determined based on valuations performed by an accredited independent valuer was Baht 270 million.

The Company has pledged investment properties amounting to Baht 120 million (2010: Baht 169 million) as collateral against credit facilities granted by group of lenders.

16. Building and equipment

(Unit: Thousand Baht)

	Consolidated financial statements					
	Building and construction improvement	Furniture and fixture	Tools, instruments and equipment	Vehicles	Easy Pass	Total
Cost						
1 January 2010	8,273	6,082	43,386	240,852	-	298,593
Acquisitions	17,473	798	3,379	63,146	129,101	213,897
Disposals	-	(6)	(379)	(39,539)	-	(39,924)
Write-off	-	(75)	(1,562)	-	-	(1,637)
31 December 2010	25,746	6,799	44,824	264,459	129,101	470,929
Acquisitions	248	303	2,379	24,663	42,947	70,540
Transfer in (out)	(688)	354	334	-	-	-
Disposals	-	(124)	(39)	(26,315)	-	(26,478)
Write-off	-	(945)	(5,460)	(16)	-	(6,421)
31 December 2011	25,306	6,387	42,038	262,791	172,048	508,570

(Unit: Thousand Baht)

	Consolidated financial statements					
	Building and construction improvement	Furniture and fixture	Tools, instruments and equipment	Vehicles	Easy Pass	Total
Accumulated depreciation						
1 January 2010	5,758	5,249	30,356	179,423	-	220,786
Depreciation for the year	2,267	295	5,091	25,085	5,592	38,330
Accumulated depreciation for disposals	-	(6)	(263)	(38,808)	-	(39,077)
Accumulated depreciation for write-off	-	(74)	(1,561)	-	-	(1,635)
31 December 2010	8,025	5,464	33,623	165,700	5,592	218,404
Depreciation for the year	4,077	452	4,627	28,513	20,042	57,711
Accumulated depreciation for transfer	(56)	-	56	-	-	-
Accumulated depreciation for disposals	-	(117)	(12)	(24,724)	-	(24,853)
Accumulated depreciation for write-off	-	(945)	(5,431)	(16)	-	(6,392)
31 December 2011	12,046	4,854	32,863	169,473	25,634	244,870
Net book value						
31 December 2010	17,721	1,335	11,201	98,759	123,509	252,525
31 December 2011	13,260	1,533	9,175	93,318	146,414	263,700
Depreciation for the year (included in selling and administrative expenses)						
2010						38,330
2011						57,711

(Unit: Thousand Baht)

	Separate financial statements					
	Building and construction improvement	Furniture and fixture	Tools, instruments and equipment	Vehicles	Easy Pass	Total
Cost						
1 January 2010	8,238	5,107	40,180	236,888	-	290,413
Acquisitions	17,473	798	3,378	63,146	129,101	213,896
Disposals	-	(6)	(379)	(36,603)	-	(36,988)
Write-off	-	(75)	(1,562)	-	-	(1,637)
31 December 2010	25,711	5,824	41,617	263,431	129,101	465,684
Acquisitions	248	303	2,380	23,432	42,947	69,310
Transfer in (out)	(688)	354	334	-	-	-
Disposals	-	(118)	(39)	(26,315)	-	(26,472)
Write-off	-	(38)	(3,289)	-	-	(3,327)
31 December 2011	25,271	6,325	41,003	260,548	172,048	505,195

(Unit: Thousand Baht)

	Separate financial statements					
	Building and construction improvement	Furniture and fixture	Tools, instruments and equipment	Vehicles	Easy Pass	Total
Accumulated depreciation						
1 January 2010	5,723	4,274	27,150	175,614	-	212,761
Depreciation for the year	2,267	295	5,091	24,949	5,592	38,194
Accumulated depreciation for transfer	(56)	-	56	-	-	-
Accumulated depreciation for disposals	-	(6)	(263)	(35,872)	-	(36,141)
Accumulated depreciation for write-off	-	(74)	(1,561)	-	-	(1,635)
31 December 2010	7,934	4,489	30,473	164,691	5,592	213,179
Depreciation for the year	4,077	452	4,627	28,471	20,042	57,669
Accumulated depreciation for disposals	-	(111)	(12)	(24,724)	-	(24,847)
Accumulated depreciation for write-off	-	(38)	(3,260)	-	-	(3,298)
31 December 2011	12,011	4,792	31,828	168,438	25,634	242,703
Net book value						
31 December 2010	17,777	1,335	11,144	98,740	123,509	252,505
31 December 2011	13,260	1,533	9,175	92,110	146,414	262,492
Depreciation for the year (included in selling and administrative expenses)						
2010						38,194
2011						57,669

As at 31 December 2011, the Company and its subsidiary have certain of plant and equipment which have been fully depreciated but are still in use. The gross carrying amount (after deducting accumulated depreciation) of those assets amounted to Baht 141 million (2010: Baht 136 million) and the Company only amounted to Baht 139 million (2010: Baht 131 million).

17. Construction in process

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2011	118,667	118,667
Addition during the year	47,759	47,759
Transfer to rights to operate completed expressway sectors	(166,426)	(166,426)
Balance as at 31 December 2011	-	-

18. Rights to operate completed expressway sectors

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Cost		
31 December 2010	61,115,842	48,315,712
Transfer from construction in process	166,426	166,426
Increase during the year	743	743
Written-off damaged assets	(83,513)	-
31 December 2011	61,199,498	48,482,881
Accumulated amortisation of rights to operate completed expressway sectors		
31 December 2010	27,757,504	24,597,684
Amortisation for the year	2,515,329	2,105,289
31 December 2011	30,272,833	26,702,973
Net book value		
31 December 2010	33,358,338	23,718,028
31 December 2011	30,926,665	21,779,908
Amortisation expenses included in income statements for the year		
2010	2,377,778	1,986,204
2011	2,515,329	2,105,289

The severe flooding in Thailand in October 2011 resulted in the damage of some equipment and parts of the road surface of the elevated expressway of the subsidiary, which had been recorded as rights to operate completed expressway sectors. The subsidiary has assessed the damage and written-off an amount of Baht 84 million from such rights, based on net book value. However, the subsidiary has insurance coverage for direct property damage and has submitted a claim to the insurance company. On 30 December 2011, the insurance company notified the subsidiary that it will make an initial payment of compensation of Baht 94 million by March 2012. The subsidiary therefore recorded the Baht 10 million (the insurance compensation, net of written-off damaged assets) as other income in the statement of income for the year.

Rights to operate completed expressway sectors represent the cost of construction of the Second Stage Expressway and Bang Pa-In - Pakkret Expressway. It is stated at cost less accumulated amortisation.

The Company has transferred its rights in the Second Stage Expressway to secure long-term loans.

19. Intangible assets

Details of intangible assets which are computer software are as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	2011	2010
Cost	7,999	6,079
Additions	39,044	1,920
	47,043	7,999
Less: Accumulated amortisation	(5,390)	(2,946)
Net book value	41,653	5,053
Amortisation expenses included in the income statements for the year	2,444	1,105

20. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Trade payables - related parties	24	10,564	14	10,554
Trade payables - unrelated parties	46,526	47,217	43,464	46,825
Accrued interest	148,960	147,292	148,960	147,292
Total trade and other payables	195,510	205,073	192,438	204,671

21. Long-term loans

(Unit: Thousand Baht)

	Credit (Million Baht)	Objective	Interest rate	Period of repayment	Balance as at 31 December	
					2011	2010
Tranche Gor	29,888	Refinance remaining long-term loans (Drew down on 30 September 2003)	MLR - 2.0% from October 2008 to August 2010 3.75% p.a. from September 2010 to June 2012 4.0% p.a. from July 2012 onward	Within September 2014	3,284,853	4,173,719
Tranche Khor	4,998	Lending to subsidiary company to repay its long-term loans from commercial banks (Drew down on 30 September 2003)	MLR - 2.0% from October 2008 to August 2010 3.75% p.a. from September 2010 to June 2012 4.0% p.a. from July 2012 onward	Within September 2014	546,602	695,328

(Unit: Thousand Baht)

	Credit (Million Baht)	Objective	Interest rate	Period of repayment	Balance as at 31 December	
					2011	2010
Tranche Kor	1,000	Working capital (Drew down on 4 March 2004)	MLR - 2.0% from October 2008 to August 2010 3.75% p.a. from September 2010 to June 2012 4.0% p.a. from July 2012 onward	Within September 2014	117,659	146,936
Tranche Ngor	120	Working capital	MOR of commercial bank granting	-	-	-
Tranche Jor*	530	Purchase of shares of Thai Tap Water Supply Public Company Limited (Drew down on 19 June and 31 August 2006)	MLR from October 2008 to August 2010 3.75% p.a. from September 2010 to July 2011	Within July 2011	-	7,822
Tranche Shor	470	Payment for land expropriation to EXAT under the concession agreement (Drew down on 19 June and 31 August 2006)	MLR from October 2008 to August 2010 3.75% p.a. from September 2010 to July 2011	Within July 2011	-	6,973
Total	37,006				3,949,114	5,030,778
Less: Current portion for long-term loans					(1,142,790)	(926,455)
Long-term loans, net of current portion					2,806,324	4,104,323

* The agreement stipulated conditions for mandatory prepayment if the Company sells all or some of the shares or receives dividend from shares of Thai Tap Water Supply Public Company Limited which were pledged under the credit facilities agreement, whereby the Company is to use all of those cash received to make prepayment of debt to the group of lenders.

The MLR used in calculation of interest on loans is the average of the rates of the commercial banks which grant credit line to the Company.

Movements in the long-term loans account during the year ended 31 December 2011 are summarised below.

(Unit: Thousand Baht)

	Consolidated and separate financial statements
Balance as at 1 January 2011	5,030,778
Less: Repayment during the year	(1,081,664)
Balance as at 31 December 2011	3,949,114

Under the loan agreement, the Company must comply with normal financial covenants relating to various matters, such as the maintenance of debt service coverage ratio, debt to equity ratio, shareholding proportion in subsidiary company, dividend payment and conditions for mandatory prepayment. In this respect, the Company has the total financial expenses of Baht 2.4 million per year which they must pay to the agents of the lenders (2010: Baht 2.4 million).

On 30 August 2010, the Company agreed with the existing group of lenders to amend the reinstate credit facilities agreement dated 25 February 2009 to adjust the interest rate from MLR-2% per annum to fixed interest rates. The revised interest rates are 3.75% per annum for the period from September 2010 to June 2012, and 4.0% per annum as from July 2012.

As at 31 December 2011, the overdraft credit facilities of the Company which have not yet been drawn down amounted to Baht 120 million (2010: Baht 120 million).

The long-term loans are secured by assets of the Company such as land and structure thereon, rights under the Second Stage Expressway Agreement, rights in toll revenues, beneficiary rights under insurance policies.

22. Debentures

Debentures as at 31 December 2011 and 2010 have the following details: -

Type of debenture	Age	Interest rate	Maturity date	Consolidated and separate financial statements			
				Number of debentures (Units)		Amount (Thousand Baht)	
				2011	2010	2011	2010
Unsubordinated, unsecured, registered debentures, with debentureholders’ representative							
- No. 1/2550							
- Tranche II	5 years	4.88% p.a.	2 August 2012	1,895,000	1,895,000	1,895,000	1,895,000
- Tranche III	7 years	5.20% p.a.	2 August 2014	1,700,000	1,700,000	1,700,000	1,700,000
- No. 1/2551							
- Tranche I	3 years	5.20% p.a.	7 November 2011	-	2,900,000	-	2,900,000
- Tranche II	5 years	Years 1-2: 5.20% p.a. Years 3-4: 5.65% p.a. Years 5: 6.00% p.a.	7 November 2013	1,100,000	1,100,000	1,100,000	1,100,000
- No. 1/2552	4 years	4.25% p.a.	11 September 2013	1,000,000	1,000,000	1,000,000	1,000,000
- No. 2/2552	3 years	4.10% p.a.	15 March 2013	1,000,000	1,000,000	1,000,000	1,000,000
	6 months						
- No. 3/2552	5 years	MLR-3% p.a.	30 May 2015	2,000,000	2,000,000	2,000,000	2,000,000
	5 months						
- No. 1/2553	3 years	6M FDR+1.33%	3 June 2013	1,000,000	1,000,000	1,000,000	1,000,000
	3 months						
- No. 2/2553	3 years	6M FDR+1.33%	17 May 2013	1,000,000	1,000,000	1,000,000	1,000,000
	2 months						
- No. 3/2553	7 years	6M FDR+1.65%	31 March 2017	1,500,000	1,500,000	1,500,000	1,500,000

Type of debenture	Age	Interest rate	Maturity date	Consolidated and separate financial statements			
				Number of debentures (Units)		Amount (Thousand Baht)	
				2011	2010	2011	2010
- No. 1/2554							
- Tranche I	3 years	3.70% p.a.	29 April 2014	1,000,000	-	1,000,000	-
- Tranche II	10 years	4.72% p.a.	29 April 2024	1,000,000	-	1,000,000	-
- No 2/2554	7 years	4.60% p.a.	29 December 2018	900,000	-	900,000	-
Total				15,095,000	15,095,000	15,095,000	15,095,000
Less: Current portion of debentures						(1,895,000)	(2,900,000)
Debentures, net of current portion						13,200,000	12,195,000

Movements in the debentures account during the year ended 31 December 2011 are summarised below.

(Unit: Thousand Baht)

	Consolidated and separate financial statements
Balance as at 1 January 2011	15,095,000
Add: Issuance of debentures during the year	2,900,000
Less: Redemption of debentures during the year	(2,900,000)
Balance as at 31 December 2011	15,095,000

The above debentures contain covenants relating to various matters such as the maintenance of debt service coverage ratio, debt to equity ratio, making loans or granting guarantees under certain conditions.

23. Provision for compensation for site acquisition costs

(Unit: Thousand Baht)

	Consolidated and separate financial statements
As at 1 January 2011	(433,720)
Increase during the year	842,020
Utilised	(1,200,000)
As at 31 December 2011	75,740

24. Provision for long-term employee benefits

Provision for long-term employee benefits as at 31 December 2011, which is compensations on employees' retirement, was as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements
Cumulative effect of change in accounting policy for employee benefits adjusted against beginning balance of retained earnings (Note 5)	65,689
Current service cost	7,559
Interest cost	2,955
Balance at end of year	76,203

Long-term employee benefit expenses included in profit or loss for the year ended 31 December 2011 amounting to Baht 11 million.

Principal actuarial assumptions at the valuation date were as follows:

	Consolidated and separate financial statements	
	2011 (% p.a.)	2010 (% p.a.)
Discount rate	4.5%	4.5%
Future salary increase rate (depending on age of employee)	7.0%	7.0%
Staff turnover rate	1.0% - 10.0%	1.0% - 10.0%

Amounts of defined benefit obligation for the current and previous three periods are as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements
Year 2011	76,203
Year 2010	65,689
Year 2009	56,190
Year 2008	47,736

25. Statutory reserve

Pursuant to Section 116 of the Public Company Limited Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5% of its net income, after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered share capital. The statutory reserve is not available for dividend distribution.

26. Expenses by nature

Significant expenses by nature are as follow:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Depreciation and amortisation	2,575,485	2,417,213	2,165,403	2,025,505
Provision for compensation for site acquisition cost	842,020	743,850	842,020	743,850
Salary, wages and other employee benefits for EXAT's staff	508,445	447,883	410,762	364,806
Salary, wages and other employee benefits for the Company's staff	371,313	330,751	371,313	330,751
Expenses with respect to facilitation and safety on expressway	442,672	561,308	397,377	515,410

27. Toll revenues

Under the Construction and Management of the Second Stage Expressway System (SES) Contract, the Company and its subsidiary company and EXAT agreed to share toll revenues receive from the First Stage Expressway System (FES), the Second Stage Expressway System (SES) and the Bang Pa-In - Pakkret Expressway as follows: -

	The Company %	EXAT %
<u>Urban Network (FES and SES Sectors A and B)</u>		
(a) First 9 years from the “Priority Component Opening Date” (PCOD) (already expired)	60	40
(b) Last 9 years ending 28 February 2020	40	60
(c) Period between (a) and (b) above	50	50
<u>Suburban Network (SES Sector C)</u>		
(a) The earlier of the PCOD to the completion of SES Sector B or 19 October 1996	60	40
(b) Period after (a) above until end of contract period	100	Nil
<u>Suburban Network (SES Sector D)</u>		
From the construction completion date of relevant Sections until end of contract period (21 April 2027)	100	Nil
<u>The Bang Pa-In - Pakkret Expressway</u>		
From the construction completion date of relevant Sections until end of contract period (26 September 2026)	100	Nil

Effective from 2 September 2002, the ratio for the sharing of toll revenue from urban expressways (the First Stage Expressway System and Sectors A and B of the Second Stage Expressway System) between the Company and the Expressway Authority of Thailand was changed from 60:40 to 50:50, and effective from 1 March 2011, the ratio for the sharing of toll revenue from urban expressway was changed from 50:50 to 40:60.

The Company was informed by the Expressway Authority of Thailand that the Council of Ministers had passed a resolution on 8 November 2011 requiring the Expressway Authority of Thailand to waive toll collection on the Chalem Mahanakorn Expressway, the Si Rat Expressway and the Udon Ratthaya Expressway during the period from 9 November 2011 to 20 November 2011, in order to facilitate the traffic for the people affected by the floods and so that various agencies could use these Expressways to provide relief to people affected by the floods. In this regard, the Company and its subsidiary received toll revenue sharing of Baht 184 million during such period.

Further share of toll revenues (derived from the FES only) is due to the Company for the period from the Priority Component Opening Date, as defined by the contract with EXAT, up to 2 September 1993. However, no such amount has been included in the financial statements because the determination of the Priority Component Opening Date and the applicable rates of toll are still matters of dispute between the Company and EXAT as discussed in Note 33.1.

28. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Profit for the year (Thousand Baht)	1,407,754	1,802,925	1,380,181	1,900,573
Weighted average number of ordinary shares (Thousand shares)	770,000	770,000	770,000	770,000
Earnings per share (Baht/share)	1.83	2.34	1.79	2.47

29. Segment information

The Company's and its subsidiary's operations involve a single industry segment, the construction and operation of expressways, and are carried on only in Thailand. As a result, all of the revenues, operating income and assets as reflected in these financial statements pertain to the aforementioned industry segment and geographic area.

30. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contributed to the Fund monthly at the rates of 5% - 10% of basic salary. The fund, which is managed by TISCO Securities Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year 2011, the Company contributed Baht 18 million (2010: Baht 16 million) to the fund.

31. Dividend

	Approved by	Total dividend (Million Baht)	Dividend per share (Baht)	Paid on
Dividend from the operating results of the period July to December 2010	Annual General Meeting of the shareholders of 7 April 2011	578	0.75	6 May 2011
Dividend from the operating results of the period January to June 2011	Meeting of the Board of Directors on 14 September 2011	462	0.60	12 October 2011
Total dividend paid in 2011		1,040	1.35	
Dividend from the operating results of the period July to December 2009	Annual General Meeting of the shareholders on 22 April 2010	539	0.70	14 May 2010
Dividend from the operating results of the period January to June 2010	Meeting of the Board of Directors on 25 August 2010	423	0.55	23 September 2010
Total dividend paid in 2010		962	1.25	

32. Commitments

- 32.1 The Company is committed to make payments totaling Baht 16,816 million to compensate the Expressway Authority of Thailand for site acquisition costs through a following series of payment commencing from the fifteenth year to the thirtieth year of the contract, or year 2004 to year 2019 as stipulated in the Second Stage Expressway Agreement.

(Unit: Million Baht)

Year of payment	Amount
Contract year 15 (2004)	100
Contract year 16 (2005)	300
Contract year 17 (2006)	500
Contract year 18 (2007)	700
Contract year 19 (2008)	700
Contract year 20 (2009)	800
Contract year 21 (2010)	1,200
Contract year 22 (2011)	1,200
Contract year 23 (2012)	1,200
Contract year 24 (2013)	1,200
Contract year 25 (2014)	1,200
Contract year 26 (2015)	1,500
Contract year 27 (2016)	1,500
Contract year 28 (2017)	1,500
Contract year 29 (2018)	1,600
Contract year 30 (2019)	1,616
	16,816

As at 31 December 2011, the Company has a commitment of compensation for site acquisition cost of Baht 11,316 million (2010: Baht 12,516 million), and already set up for such provision amounting to Baht 76 million in the statements of financial position.

32.2 Other commitments

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Commitments in respect of the uncalled portion of investments				
Northern Bangkok Expressway Company Limited	780	840	780	840
SouthEast Asia Energy Limited	-	29	-	29
Commitments in respect of undertaking to provide				
Equity contribution to SouthEast Asia Energy Limited (as detailed in Note 14)	157	157	157	157
Commitments in respect of various service contracts				
Improvement, repairment and inspection agreements for the Second Stage Expressway System	14	43	-	43

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
Road surface improvement agreement and construction contract with respect to road and bridge	-	58	-	58
Installation of electronic toll collectors, improvement and replacement of cash toll collectors	53	10	52	10
Easy Pass purchase agreement	8	-	8	-
Installation of computer program and equipment	3	-	3	-
Other service contracts	48	103	37	92
Other commitments				
Bank guarantees	210	9	210	9

33. The disputes with Expressway Authority of Thailand (EXAT)

Currently, the Company and the subsidiary had a total of 15 disputes with EXAT, which were referred to the consideration of the Panel and to arbitration in accordance with the dispute settlement procedures under the Agreements, divided into the disputes that the Company and the subsidiary referred to the dispute settlement proceedings under the Agreements and demanded for damages with the total amount until the date of submission of the disputes of approximately Baht 14,201.8 million; and the disputes that EXAT submitted claims for damages with the total amount until the date of submission of the disputes of approximately Baht 15.8 million, against which the Company counterclaimed in the amount of Baht 5,114 million, the essence of each dispute was as follows:

33.1 Disputes submitted by the Company and the subsidiary claiming for damages

33.1.1 Priority Component Opening Date under the Second Stage Expressway Agreement

The Company completed the construction of the “Priority Component” of the Si Rat Expressway on 13 November 1992, in respect of which the Agreement specified that the date on which the Construction Completion takes place in respect of the Priority Component shall be deemed as the Priority Component Opening Date, and the Company would then be entitled to receive the toll revenue sharing, but EXAT commenced sharing the toll revenue on 2 September 1993, thereby rendering the Company to lose such revenue which should have been received under the Agreement.

EXAT and the Company had different opinions as to which date should be the commencement date for toll revenue sharing.

On 9 July 2001, the Company then referred such dispute to arbitration requesting an award requiring EXAT to compensate for the deficient revenue plus interest until the date of submission of the dispute in the amount of Baht 3,831.4 million. In this respect, EXAT raised an objection and counterclaimed in the total amount of Baht 15,575.4 million.

On 15 December 2008, the Arbitral Tribunal rendered its arbitral award on the dispute requiring EXAT to pay the toll revenue sharing for urban network which should have been received by the Company for the period from 13 November 1992 to 2 September 1993, amounting to Baht 1,974.6 million, calculated for interest up to 30 June 2001, amounting to Baht 1,856.8 million, totaling Baht 3,831.4 million, including the interest from 1 July 2001 onwards until the payment would be made in full to the Company, and EXAT’s counterclaim was dismissed. EXAT thus had no right to demand the Company to compensate for such toll revenue as per the counterclaim in the amount of Baht 15,575.4 million. In this regard, EXAT issued a letter refusing to comply with the arbitral award.

On 20 April 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. The Company submitted its answer to such petition to the Central Administrative Court.

On 19 October 2011, the Company submitted a petition to the Central Administrative Court requesting a judgment to enforce compliance with the arbitral award as another case, with the disputed amount of Baht 5,021.1 million. In this regard, EXAT submitted a petition requesting an extension of time for submission of its objection until 2 March 2012.

33.1.2 Competing road with the Udon Ratthaya Expressway

The Agreement specified that during the term of the Agreement, should EXAT or the Government put into effect any arrangements for the construction or substantial improvement of any road or highway of an expressway standard within the primary catchment area of the Expressway, which has the effect of reducing the actual volume of traffic using the Expressway or the revenue arising therefrom from the projections, EXAT shall compensate the subsidiary for such effect.

Given 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, the subsidiary therefore demanded EXAT to compensate for such effect as per the Independent Certification Engineer's letter certifying the effect upon the subsidiary.

On 20 December 2004, the subsidiary then referred such dispute to arbitration requesting an award requiring EXAT to compensate for the deficient revenue, thereby rendering such damages until the date of submission of the dispute (excluding interest) to Baht 1,790 million.

On 27 November 2008, the Arbitral Tribunal rendered its arbitral award on the dispute requiring EXAT to compensate for the deficient revenue from the projection to the subsidiary for the year 1999 in the amount of Baht 730.8 million, with interest from 14 June 2000 onwards, until the payment would be made in full, and for the year 2000 in the amount of Baht 1,059.2 million, with interest from 22 March 2001 onwards, until the payment would be made in full.

In this regard, EXAT issued a letter to the subsidiary, confirming that the arbitral award was illegitimate; and the enforcement of such arbitral award was considered a violation to the public order and good moral of the people, EXAT was thus unable to comply with such arbitral award.

On 3 March 2009, EXAT submitted a petition to the Central Administrative Court requesting the Court to revoke the arbitral award, and the subsidiary submitted its answer to such petition to the Central Administrative Court.

On 1 September 2011, the subsidiary submitted a petition to the Central Administrative Court requesting a judgment to enforce compliance with the arbitral award as another case, with the disputed amount of Baht 3,296.7 million. In this regard, EXAT objected to the subsidiary's petition requesting compliance with the arbitral award.

The Court issued an order requiring the subsidiary to submit its answer to EXAT's objection to the petition within 5 February 2012, whereby the subsidiary has filed a petition requesting an extension of time until to 21 February 2012.

33.1.3 Issuance of variation orders by EXAT

EXAT issued variation orders for additional construction work and confirmed that EXAT would be responsible for such costs as actually incurred by such orders. The Independent Certification Engineer then issued a letter certifying the additional costs, thereby rendering such damages until the date of submission of the dispute (excluding interest) to Baht 238 million. Thereafter, EXAT refused to make such payment as certified by the Independent Certification Engineer, thereby resulting in such dispute.

On 3 May 2006, the Panel terminated its consideration since both parties could not reach an agreement. On 9 December 2009, the Company submitted a statement of claim to the Thai Arbitration Institute, demanding EXAT to compensate the Company for damages caused by EXAT's issuance of three variation orders for total construction costs and expenses of Baht 209.1 million, together with interest until 30 November 2009 in the amount of Baht 173.1 million, thereby bringing the principal with interest to a total of Baht 382.3 million.

On 12 May 2010, EXAT submitted its statement of defense and counterclaim to the Thai Arbitration Institute.

The Company and EXAT appointed their arbitrators, and the Chairman of the Arbitral Tribunal was appointed. In this regard, the Arbitral Tribunal scheduled the hearing for witness examination to be held in March 2012.

33.1.4 Delayed opening of Sector D of the Si Rat Expressway and the Udon Ratthaya Expressway

According to the Agreements, the Company and the subsidiary were required to complete the construction of the Expressways for opening for service within the specified time. However, when the Company and the subsidiary had completed the construction and the Independent Certification Engineer had issued a letter certifying that the Expressways could be opened for service as a public road, EXAT did not effect the opening of Sector D of the Si Rat Expressway and the Udon Ratthaya Expressway for service. Such deferred opening of the Expressways then affected the financial position of the Company and the subsidiary.

On 8 February 1999, the Panel terminated its consideration of the dispute proposed by the subsidiary, and on 10 August 1999, the Panel terminated its consideration of the dispute proposed by the Company since both parties could not reach an agreement. Currently, the Company and the subsidiary are preparing to refer such dispute to arbitration pursuant to the procedures under the Agreements, claiming damages (excluding interest) in the total amount of Baht 85.5 million.

33.1.5 Revision of toll rates of the Chalerm Mahanakorn Expressway and the Si Rat Expressway for the year 2003

The Company requested to revise the toll rates under the Second Stage Expressway Agreement which stipulates that the toll rates shall be revised every five year interval. In this regard, EXAT and the Company had different opinions in respect of the rounding up in the calculation of the tolls to be revised, i.e., the Company was of the view that it should be increased to the whole multiple of Baht 5, while EXAT was of the view that if the resultant tolls to be revised were lower than Baht 5, such fraction should be rounded off. As a result, EXAT therefore did not increase the toll rates as proposed by the Company, thereby resulting in such dispute.

On 14 May 2008, the Company submitted the statement of claim to the Thai Arbitration Institute, demanding EXAT to compensate the Company for damages caused by the revision of toll rates for 2003, which was not in accordance with the Agreement. On 27 March 2009, the Company submitted a petition for amendment to the statement of claim in respect of the figures of the toll rates for 2003 based on the Ministry of Interior Notification dated 23 October 1998 in accordance with the Supreme Court Judgment, thereby bringing the total damages claimed by the Company against EXAT, together with interest up to 31 March 2008, to Baht 4,368 million.

On 19 June 2009, EXAT submitted its statement of defense/counterclaim to the Thai Arbitration Institute.

The Company and EXAT already appointed their arbitrators. On 15 September 2009, the Company submitted a petition to the Thai Arbitration Institute challenging the appointment of EXAT's arbitrator. Thereafter, on 27 October 2010, the Company further submitted a petition challenging the legitimacy of the appointment of the Defendant's arbitrator, and requested to submit copies of documents in support of such challenge to the Thai Arbitration Institute.

On 4 February 2011, the Company filed a petition notifying its intention to have five arbitrators given the high disputed amount in this case as well as the complications of the legal and contractual issues. On 4 March 2011, EXAT filed a petition notifying that EXAT had no intention to change the number of arbitrator and the Thai Arbitration Institute was then requested to issue an order disposing of this dispute. Having considered the matter, the Institute issued an order that there was no ground for disposing of the case, the proceedings shall then resume.

On 8 April 2011, EXAT sent a letter notifying the Company of the resolution of the Board of Directors of the Expressway Authority of Thailand in its Meeting No. 3/2011 held on 28 March 2011 that in order to speed up the arbitration proceedings, it was thus deemed appropriate for each disputing party to appoint an additional arbitrator, provided that the Company shall withdraw or discontinue its challenge to EXAT's arbitrator; and should the Company agree to such condition, the Company was then requested to file a petition withdrawing its challenge to EXAT's arbitrator previously filed by the Company with the Thai Arbitration Institute, and then notify EXAT of the results thereof.

On 11 April 2011, the Company filed a petition with the Thai Arbitration Institute requesting to withdraw the petition dated 15 September 2009 in respect of the Company's challenge to the arbitrator appointed by EXAT.

The Company and EXAT already submitted their respective letters of appointment of additional arbitrator each to the Thai Arbitration Institute, and the Arbitral Tribunal jointly selected the Chairman of the Arbitral Tribunal. In this regard, the Thai Arbitration Institute scheduled the hearing date for appointment of the Chairman of the Arbitral Tribunal, settlement of disputed issues and the arbitration proceedings to be held in April 2012.

33.1.6 Revision of toll rates of Sector D of the Si Rat Expressway for the year 2003

The Company requested to revise the toll rates under the Agreement for the Extension of the Second Stage Expressway System (Sector D) which stipulates that the toll rates shall be revised every five year interval. In this regard, EXAT and the Company had different opinions in respect of the rounding up in the calculation of the tolls to be revised, i.e., the Company was of the view that it should be increased to the whole multiple of Baht 5, while EXAT was of the view that if the resultant tolls to be revised were lower than Baht 5, such fraction should be rounded off. As a result, EXAT therefore did not increase the toll rates as proposed by the Company, thereby resulting in such dispute.

On 24 July 2008, the Company submitted the statement of claim to the Thai Arbitration Institute, demanding EXAT to compensate the Company for damages caused by the revision of toll rates for the year 2003, which was not in accordance with the Agreement, in the amount of Baht 1,048.2 million.

On 12 March 2009, EXAT submitted its statement of defense/counterclaim to the Thai Arbitration Institute.

At present, it is pending the nomination of Chairman of the Arbitral Tribunal.

33.1.7 Revision of toll rates of the Udon Rattaya Expressway for the year 2003

The subsidiary requested to revise the toll rates under the Bang Pa-in - Pak Kret Expressway Agreement which stipulates that the toll rates shall be revised every five year interval.

In this regard, EXAT and the subsidiary had different opinions in respect of the rounding up in the calculation of the tolls to be revised, i.e., the subsidiary was of the view that it should be increased to the whole multiple of Baht 5, while EXAT was of the view that if the resultant tolls to be revised were lower than Baht 5, such fraction should be rounded off. As a result, EXAT therefore did not increase the toll rates as proposed by the subsidiary, thereby resulting in such dispute.

On 20 May 2005, the Panel terminated its consideration since both parties could not reach an agreement. At present, the subsidiary is in the process of concluding damages for preparing to refer such dispute to arbitration pursuant to the procedures under the Agreement.

33.2 Disputes submitted by EXAT claiming for damages

33.2.1 Construction of the Collection and Distribution Road (CD Road) under the Second Stage Expressway Agreement

EXAT was unable to deliver the Site(s) for construction of the CD Road, Rama VI - Ratchadamri Section, to the Company, but still required the Company to have such an obligation to carry out the construction. EXAT then submitted the matter to the Panel to force the Company to admit that the Company still had such obligation to construct the CD Road without any claim for monetary damages.

On 25 June 2001, the Company raised an objection that its obligation to carry out such construction had already ceased, as well as filed a counterclaim for a loss of benefit from the revenue to be derived from such areas, thereby rendering such damages plus interest until the date of submission of the statement of defense to Baht 5,114 million.

On 17 October 2001, EXAT submitted its answer to the counterclaim that since EXAT had not delivered the Site(s) to the Company and the Company had not commenced such delayed work, the Company in no way sustains any damage and as such, the Company's right of claim for compensation for damages has not yet arisen. In their regard, EXAT was unable to pay for the loss of benefit, together with interest, from the revenue in such areas to the Company.

On 7 June 2002, the Panel terminated its consideration since both parties could not reach an agreement. At present, EXAT has not yet referred this issue to arbitration.

33.2.2 Other disputes

EXAT referred six disputes to the Arbitral Tribunal requiring the Company and its subsidiary to be held liable for costs, in respect of which the Company and its subsidiary were of the view that such costs were not within their scope of responsibility under the Agreements, in the total amount of Baht 15.8 million.

On 25 September 2009, the Arbitral Tribunal issued its arbitral award on one dispute, requiring the Company to reimburse EXAT for the amount advanced by EXAT for mitigation of damage for complainants, in the amount of Baht 1.4 million, together with interest in the amount of Baht 0.3 million, totaling Baht 1.7 million. On 14 January 2010, the Company submitted a petition to the Central Administrative Court requesting the Court to revoke the arbitral award. EXAT submitted an objection to the petition requesting compliance with the arbitral award to the Court on 28 September 2010. At present, the case is pending the consideration of the Central Administrative Court.

Given that the various cases are not yet final, the Company therefore did not record such entries in the financial statements.

34. Lawsuit

The Expressway Authority of Thailand (EXAT) and the Company were sued by Expressway user on grounds of wrongful act in relation to traffic management and safety on the Si Rat Expressway System, whereby EXAT was the first defendant and the Company was the second defendant.

On 26 September 2007, the Court of First Instance adjudged to dismiss the plaintiff's plaint. On 8 November 2007, the plaintiff filed an appeal with the Appeal Court and the Court issued an order accepting such appeal on 9 November 2007, in respect of which the Company submitted an answer to the appeal on 25 December 2007. Currently, the case is pending the consideration of the Appeal Court.

However, the Company's management believed that there would be no material impact upon the Company, and as a result, the Company did not make any provision for contingent liabilities in its book.

35. Financial instruments

35.1 Financial risk management and policies

The Company and its subsidiary's financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, loans, investments, short-term loan, long-term loans and debentures. The financial risks associated with these financial instruments and how they are managed is described below.

Interest rate risk

Interest rate risk is the risk that future fluctuations in market interest rates will affect the operating results and cash flows of the Company and its subsidiary.

The Company and its subsidiary's exposure to interest rate risk relates primarily to its cash at banks and long-term loans and debentures which are subject to interest.

The Company and its subsidiary do not use derivatives to manage its interest rate risk. Details of long-term loans and debentures are set out in Note 21 and Note 22, respectively.

As at 31 December 2011, the significant financial assets and liabilities classified by type of interest rate and, for those financial assets and liabilities carrying interest at fixed rates, by the contractual repricing or maturity date (whichever is earlier) are as follows: -

	Consolidated financial statements						
	Fixed interest rates			Non- Floating interest rate	interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1-5 years	Over 5 years				
	(Million Baht)						
Financial assets							
Cash and cash equivalents	-	-	-	122	6	128	0.50% - 0.75%
Current investments	1,100	-	-	1,914	-	3,014	1.54% - 4.21%
Other receivables	-	-	-	-	94	94	-
Long-term loans and interest receivable from related companies	-	-	-	31	9	40	MLR+1%
Other long-term investments	-	-	-	-	3,876	3,876	-
	1,100	-	-	2,067	3,985	7,152	
Financial liabilities							
Trade and other payables	-	-	-	-	196	196	-
Long-term loans	1,143	2,806	-	-	-	3,949	3.75%
Debentures	1,895	5,800	1,900	5,500	-	15,095	Note 22
	3,038	8,606	1,900	5,500	196	19,240	

	Separate financial statements						
	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1-5 years	Over 5 years				
	(Million Baht)						
Financial assets							
Cash and cash equivalents	-	-	-	108	5	113	0.50% - 0.75%
Current investments	1,100	-	-	1,836	-	2,936	1.54% - 4.21%
Other receivables	-	-	-	-	3	3	-
Long-term loans and interest receivable from related companies	-	-	-	7,665	1,635	9,300	MLR+1% and 1.33% - 4.35%
Other long-term investments	-	-	-	-	3,786	3,786	-
	1,100	-	-	9,609	5,429	16,138	
Financial liabilities							
Trade and other payables	-	-	-	-	192	192	-
Long-term loans	1,143	2,806	-	-	-	3,949	3.75%
Debentures	1,895	5,800	1,900	5,500	-	15,095	Note 22
	3,038	8,606	1,900	5,500	192	19,236	

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.

As at 31 December 2011, the Company and its subsidiary do not have any financial assets and liabilities in foreign currencies.

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations, resulting in a financial loss to the Company and its subsidiary.

As at 31 December 2011, the Company and its subsidiary are not exposed to credit risk in relation to the provision of service as they receive payment from customers in cash.

35.2 Fair values of financial instruments

Fair value represents the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction.

The methodology of fair value measurement depends upon the characteristics of the financial instrument. For those financial instruments which are regarded as being traded in an active market, fair value has been determined based on the latest quoted market price. If however the appropriate quoted market price cannot be determined, the fair value is determined using an appropriate valuation technique such as discounted cash flow.

Set out below is a comparison, by category of carrying amount and fair value, of the financial assets and liabilities as of 31 December 2011.

(Unit: Million Baht)

	Carrying amount	Fair value
Financial assets		
Cash and cash equivalents	128	128
Current investments	3,014	3,014
Other long-term investments	3,876	3,979
Financial liabilities		
Trade and other payables	196	196
Long-term loans	3,949	3,311
Debentures	15,095	15,238

The Company and its subsidiary establish fair value of their financial instruments by adopting the following methods and assumptions:

- For financial assets and liabilities which have short-term maturity, including cash and cash at banks, and trade accounts payable, the carrying amounts at the end of the reporting period are considered to be a reasonable approximation of their fair value.
- For marketable debts and equity securities, fair value is based on the latest bid price as quoted in the market.
- For non-marketable debt and equity securities, fair value is estimated based on the carrying amount in the statements of financial position, net asset value of the securities or a discounted cash flow, as the case may be.
- For long-term loans and debentures with fixed interest rate, fair value is estimated by discounting expected future cash flow by the current market interest rate of the loans with similar terms and conditions.
- For long-term loans carrying interest at the rate approximate to the market rate, the carrying amount in the statements of financial position approximate fair value.

36. Capital management

The primary objective of the Company's capital management is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern.

The Company manages its capital position with reference to its debt-to-equity ratio in order to comply with a condition in a long-term loan agreement and a covenant of debentures, which requires the Company to maintain a debt-to-equity ratio of not more than 2.5:1, respectively.

No changes were made in the objectives, policies or processes during the years end 31 December 2011 and 2010.

37. Reclassification

To comply with the Notification of the Department of Business Development relating to the financial statement presentation as described in Note 2 and as the result of the adoption of revised and new accounting standards as described in Note 3 and Note 5, certain amounts in the financial statements for the year ended 31 December 2010 have been reclassified to conform to the current year's classification, without any effect to the previously reported profit or shareholder's equity. The reclassifications are as follow:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	As reclassified	As previously reported	As reclassified	As previously reported
Investment properties	169,288	-	169,288	-
Building and equipment	252,525	-	252,504	-
Property, plant and equipment	-	421,813	-	421,792
Trade and other payables	205,072	-	204,671	-
Trade accounts payable	-	57,780	-	57,379
Accrued interest	-	147,292	-	147,292
Administrative expenses	417,078	344,191	407,160	335,224
Director and management benefit expenses	-	72,887	-	71,936

The reclassifications had no effect to previously reported profit or shareholder's equity.

38. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 17 February 2012.

“ GENERAL INFORMATION ”

1. General information of the Company

Company Issuing Securities Business Operation	Bangkok Expressway Public Company Limited (having initial as “BECL”) Construction and management of the Si Rat Expressway and its extensions, including related businesses as described in the Second Stage Expressway Agreement entered into between Bangkok Expressway Public Company Limited and the Expressway Authority of Thailand.
Head Office	238/7 Asoke-dindaeng Road, Bangkapi Subdistrict, Huaykwang District, Bangkok 10310
Company Registration No.	0107537002320 (formerly, BorMorJor.479)
Registered Capital	Baht 8,000 Million, Baht 7,700 Million of which is paid up.
Telephone	0 2641 4611
Fax	0 2641 4610
Homepage	www.becl.co.th
E-mail	webmaster@becl.co.th

2. Legal entities in which the Company holds more than 10 percent of shares

Company Issuing Securities Business Operation	Northern Bangkok Expressway Company Limited (having initial as “NECL”) Construction and management of the Udon Rattaya Expressway
Head Office	587 Sutthisarn Road, Dindaeng Subdistrict, Dindaeng District, Bangkok 10400
Registered Capital	Baht 6,000 Million, Baht 5,220 Million of which is paid up.
Shareholding Percentage	53.33 percent (as at 31 December 2011)
Telephone	0 2641 4647
Fax	0 2641 4646
Company Issuing Securities Business Operation	Bangkok Metro Public Company Limited (having initial as “BMCL”) Concession from the Mass Rapid Transit Authority of Thailand
Head Office	189 Rama IX Road, Huai Khwang Subdistrict, Huai Khwang District, Bangkok 10310
Registered Capital	Baht 11,950 Million, Baht 11,950 Million of which is paid up.
Shareholding Percentage	11.68 percent (as at 31 December 2011)
Telephone	0 2354 2000
Fax	0 2354 2020
Homepage	www.bangkokmetro.co.th
Company Issuing Securities Business Operation	SouthEast Asia Energy Limited (having initial as “SEAN”) Construction and operation of hydroelectric power plant
Head Office	587, Viriyathavorn Building, 20th Floor, Sutthisarn Road, Dindaeng Subdistrict, Dindaeng District, Bangkok 10400
Registered Capital	Baht 6,607 Million, Baht 6,607 Million of which is paid up.
Shareholding Percentage	16.67 percent (as at 31 December 2011)
Telephone	0 2275 4873
Fax	0 2275 7029
Homepage	www.sean.co.th
Company Issuing Securities Business Operation	CK Power Limited (having initial as “CKP”) Investment by holding shares in other companies (Holding Company)
Head Office	587, Viriyathavorn Building, 19th Floor, Sutthisarn Road, Dindaeng Subdistrict, Dindaeng District, Bangkok 10400
Registered Capital	Baht 100 Million, Baht 100 Million of which is paid up.
Shareholding Percentage	30 percent (as at 31 December 2011)
Telephone	0 2277 0460 / 0 2275 0026
Fax	0 2275 7029

3. Reference

Securities Registrar

Thailand Securities Depository Company Limited
62 The Stock Exchange of Thailand Building 4th and 7th Floors, Rachadapisek Road
Klongtoey Subdistrict, Klongtoey District, Bangkok 10110
Telephone 0 2229 2800
Fax 0 2359 1262-3

Capital Market Academy Building
2/7 Moo 4 (North Park Project) Vibhavadi Rangsit Road Thungsonghong Subdistrict,
Laksi District Bangkok 10210
Telephone 0 2596 9000
Fax 0 2832 4994-6

Auditor

Ernst & Young Office Limited
193/136-137 Lake Rajada Office Complex, 33rd Floor, New Ratchadaphisek Road
Bangkok 10110
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Fax 0 2264 0789-90 / 0 2661 9192

Legal Advisor

The Legists Ltd.
990 Abdulrahim Place, 9th Floor Rama IV Road, Silom Subdistrict, Bangrak District,
Bangkok 10500
Telephone 0 2636 1111
Fax 0 2636 0000

Financial Advisor

Advisory Plus Company Limited
1550 Thanapoom Tower, 10th Floor New Petchburi Road, Makkasan Subdistrict
Ratchathewi District, Bangkok 10400
Telephone 0 2652 7858-64
Fax 0 2652 7867

Regularly Contacted Financial Institutions

Krung Thai Bank Public Company Limited
10 Sukhumvit Road, Klongtoey Subdistrict
Klongtoey District, Bangkok 10110
Telephone 0 2208 8045
Fax 0 2256 8147

Bangkok Bank Public Company Limited
333 Silom Road, Bangrak Subdistrict
Bangrak District, Bangkok 10500
Telephone 0 2626 4056
Fax 0 2626 4959

Siam Commercial Bank Public Company Limited
9 Ratchadaphisek Road, Chatuchak Subdistrict
Chatuchak District, Bangkok 10900
Telephone 0 2544 1828
Fax 0 2937 7645

TMB Bank Public Company Limited
3000 Phaholyothin Road, Chatuchak Subdistrict
Chatuchak District, Bangkok 10900
Telephone 0 2299 1561
Fax 0 2299 2611

Thanachart Bank Public Company Limited
1101 New Petchburi Road, Makkasan Subdistrict
Ratchathewi District, Bangkok 10400
Telephone 0 2208 6301
Fax 0 2253 5704

KASIKORNBANK Public Company Limited
1 Rat Burana Road, Rat Burana Subdistrict
Rat Burana District, Bangkok 10140
Telephone 0 2470 6221
Fax 0 2470 2881



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238/7 Asoke-Dindaeng Rd., Bangkok, Huai khwang, Bangkok 10310
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Tel. 1543 / 0-2664-6400

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