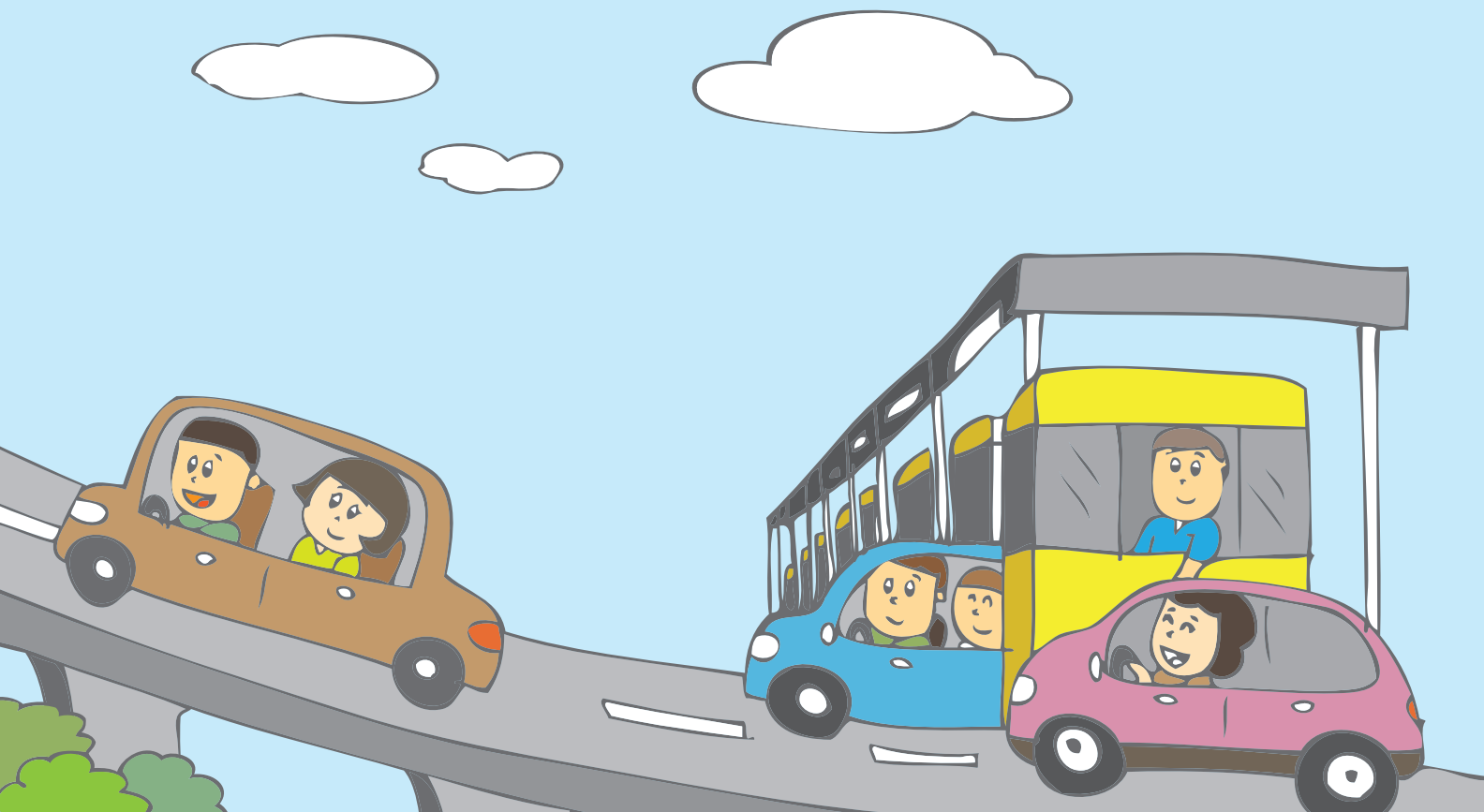


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## BECL gives the happiness to all ...

All through the operating years,  
**BECL**

has strongly determined to provide the Expressway services  
for the utmost satisfaction of the Expressway users.

We also have the commitment to contribute to society  
in all aspects via social activities under the

**“BECL Elevates the Quality of Life and the Environment”**  
concept, a part of sharing happiness to society....



# 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	2013	2012
Total assets	44,825	41,384
Total liabilities	21,984	20,336
Shareholders' equity	22,841	21,048
Toll revenue	8,040	7,732
Total revenues	11,314	9,224
Gross profit	5,287	4,996
Net profit	4,835	2,260

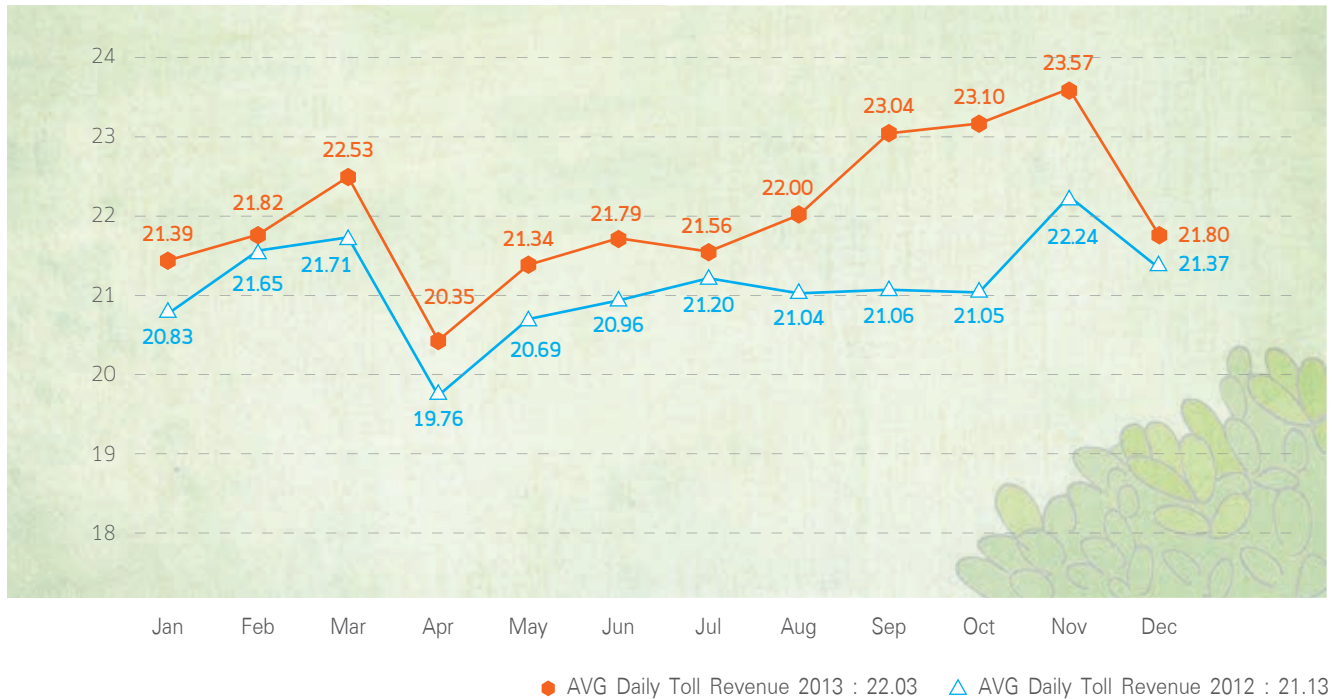
### Financial Ratios

Items	2013	2012
Net profit margin (%)	42.73	24.51
Return on shareholders' equity (%)	22.04	11.54
Return on total assets (%)	11.22	5.65
Book value per share (Baht)	29.64	27.33
Share issued and paid-up (Million shares)	770	770



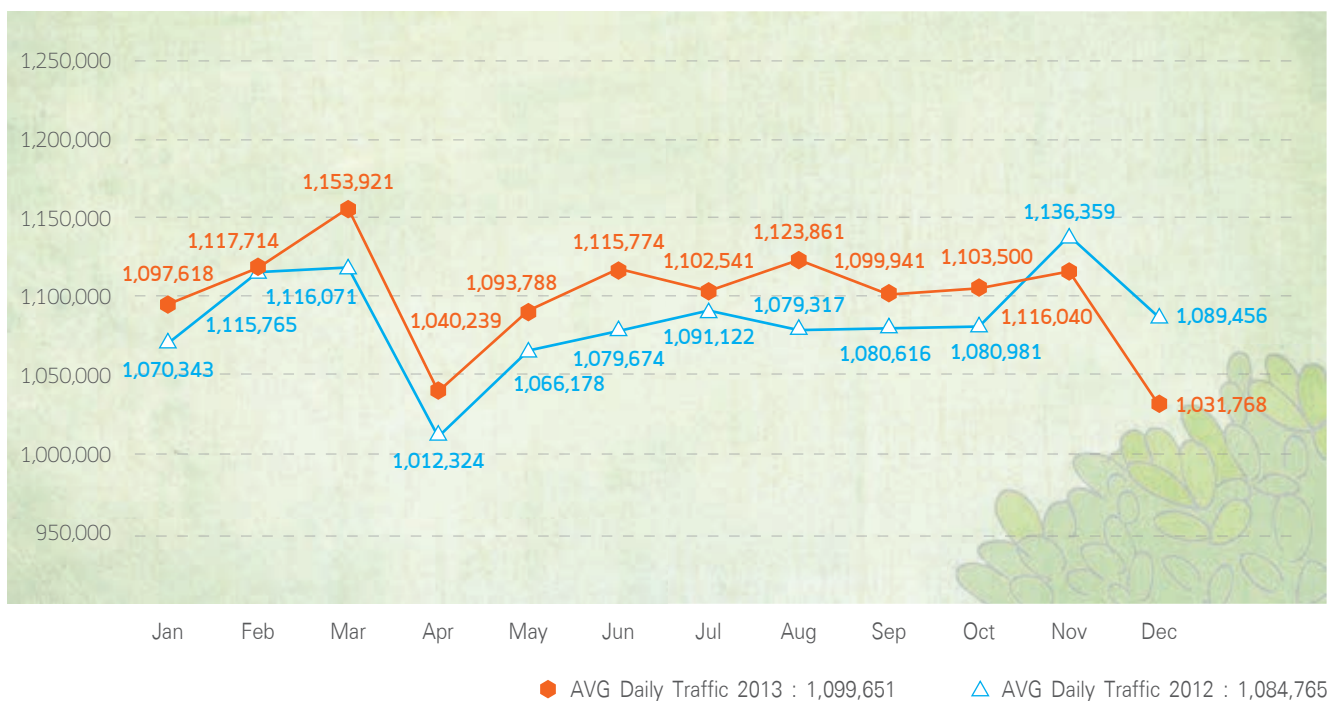
## Average Daily Toll Revenue : Chalmr Mahanakorn, Si Rat and Udon Rattthaya Expressway

(Million Baht/Day)



## Average Daily Traffic : Chalmr Mahanakorn, Si Rat and Udon Rattthaya Expressway

(Trips/Day)



# Message from the Chairman of the Board of Directors



Bangkok Expressway Public Company Limited and the Subsidiary, as the respective operators of the Si Rat Expressway and the Udon Ratthaya Expressway, always remain committed to playing a part to fulfill our original intention of resolving traffic problems. We continue to improve the efficiency of our services, deliver impressive and safe services to the utmost satisfaction of the Expressway users. In 2013, we have carried out the construction of the Si Rat - Outer Ring Road Expressway Project to expand the Expressway network to the West of Bangkok. The overall progress of the Project was 12.31 percent as at the end of 2013, and it is expected to open for service in 2016. The other project is a connecting road between the Si Rat Expressway (Asoke-Srinagarindra Section), and Chaturathit Road (Section C), to help alleviate the congested traffic and to facilitate the traveling to Suvarnabhumi Airport. The project has substantially progressed and should be opened for service in mid-2014.

Our business operations have been socially responsible under the good corporate governance principles and creating value added to our shareholders. We received an “Excellent” rating in the assessment of the corporate governance of Thai listed companies 2013. Through our contributions, care as well as moral and ethical awareness of consequences for stakeholders, economy, society and environment, we received a “CSRI Recognition” award in 2013 from the Corporate Social Responsibility Institute and the Stock Exchange of Thailand. Furthermore, throughout 2013, we continued to organize a “Good Deeds for BECL’s 25<sup>th</sup> Anniversary” activity from 2012, in which we celebrated our 25<sup>th</sup> anniversary, to share our happiness with the society as a whole.

In the interest of financial management in 2013, we issued and offered Baht 7,000 Million debentures to substitute for the matured debentures and to finance the Si Rat - Outer Ring Road Expressway Project, which were widely accepted by investors. The issuance of such debentures will reduce our interest expenses by Baht 27 Million per year. Moreover, our investment in Thai Tap Water Supply Public Company Limited (TTW) was restructured from other long-term investment to investment in an associated company, and as a result, we recognized a share of profit in TTW of Baht 348 Million this year. In addition, the initial public offering of ordinary shares in CK Power Public Company Limited resulted in our gain of Baht 274 Million from such transaction.

The operational results of BECL and our Subsidiary for 2013 showed the net profit of Baht 4,835 Million. The Board of Directors has resolved to propose that the Shareholders’ Meeting approve a dividend payment from the operational results of the second half of 2013 at the rate of Baht 0.90 per share. During the year, our Board of Directors resolved to approve an interim dividend payment from the operational results of the first half of 2013 to the shareholders at the rate of Baht 0.70 per share, thereby bringing the total dividend for 2013 to Baht 1.60 per share.

We would like to extend our thanks to all stakeholders for their contributions which have strengthened our operations in all aspects; to the government sector for giving us the opportunity to operate and manage the current and future Expressway projects; to our shareholders, traders and the financial institutions for continued supports to our business; to the Expressway users for trusting in our services; to all our staff for concerted efforts, contributions and collaboration for our sustainable development. Rest assured that Bangkok Expressway Public Company Limited will always adhere to the code of conduct, integrity and transparent business operations, including our compliance with the good corporate governance principles and our social responsibility.

**(Dr. Virabongsa Ramangkura)**

Chairman of the Board of Directors

# Report of the Audit Committee

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, who has expertise in accounting and finance, General Sampao Choosri and Dr. Annop Tanlamai, as Audit Committee Members, with the General Manager of Internal Audit Office as secretary to the Audit Committee.

In 2013, the Audit Committee held four meetings, in which all of its members attended each and every meeting, for discussion and sharing of opinions with the Management, internal auditors and the auditor, and a meeting with the auditor without the Management's presence, for independent discussion on significant information in the preparation of the financial statements and sharing of suggestions.

The key performance of duties of the Audit Committee in the year 2013 may be summarized as follows:

1. Review of Financial Report: The Audit Committee has reviewed the 2013 annual and quarterly financial statements of Bangkok Expressway Public Company Limited, including changes in the accounting policy, the adjustments which materially affected the financial statements, and correct and complete disclosure of information, to ensure that the financial statements were prepared in accordance with the legal requirements, the generally accepted accounting standards and the financial reporting standards, with correct and sufficient disclosure of information in a timely manner for the benefit of investors or financial statements users.

2. Review of Internal Control System: The Audit Committee has reviewed the assessment result of the internal control system to ensure the effective performance in all of the Company's work units and compliance with various laws and requirements, with the Internal Audit Office to independently examine and evaluate the sufficiency and appropriateness of the internal control, as well as reporting directly to the Audit Committee, taking into consideration the operations, resource utilization, property management, risk prevention and minimization, and reliability of financial report.

3. Supervision of Internal Audit: The Audit Committee has reviewed the mission, scope of work, budget and independence of the Internal Audit Office, to ensure appropriate and effective audit system, as well as personnel development plan to keep them up to date towards changes in business, with ongoing self-improvement in the direction of the organization's business operations and the international standards, including the consideration and approval of the 2014 internal audit plan.

4. Compliance with the Law on Securities and Exchange, Requirements of the Stock Exchange and Laws Relating to the Company's Business: The Audit Committee has reviewed the Company's operations in compliance with the law on securities and exchange, rules and regulations of the Office of the Securities and Exchange Commission, requirements of the Stock Exchange of Thailand, and other laws relating to the Company's business operations, including requirements and obligations which may arise from agreements executed with third party, and is of



the view that the Company has duly and properly complied with the relevant laws and requirements in a timely manner, and acknowledged the change in various rules affecting its business operations.

5. Consideration of Connected Transactions: The Audit Committee has reviewed and provided opinions on connected transactions or transactions which might give rise to conflict of interest to be in compliance with the applicable laws and requirements of the Stock Exchange and the Office of the Securities and Exchange Commission to ensure transparency, justifications, and maximum benefits to the Company's business operations.

6. Consideration for Appointment of the Auditor and Auditing Fee for 2014: The Audit Committee has assessed the audit in the previous year and considered the reasonableness of the auditing fee, and is of the view that the auditor from Ernst & Young Office Limited is independent, and has knowledge and experience in the audit, provision of advice on the accounting standards, certification of the financial statements in a timely manner, and that the auditing fee is reasonable. Therefore, it is resolved to propose the matter to the Board of Directors to consider and seek approval of the meeting of shareholders for appointment of the auditor from Ernst & Young Office Limited as the auditor for 2014, with the remuneration in the amount of not exceeding Baht 1,080,000.

Based on its independent performance of duties under the scope of responsibilities assigned by the Company's Board of Directors in providing opinions and suggestions for the fair benefit of all interested parties, the Audit Committee is of the view that the Company's financial report is correct and reliable in compliance with the generally accepted accounting standards and the financial reporting standards and that the Company's business operations comply with the good governance principles, with effective and proper internal control system as well as due and complete compliance with applicable laws and requirements relating to the Company's business.

**(Professor Suphachai Phisitvanich)**  
Audit Committee Chairman



# The Board of Directors



## 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
- Diploma, The Joint State - Private Sector Course, National Defence College
- Director Certification Program (DCP), Thai Institute of Directors Association



## 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
- M.B.A. (Finance), Ohio State University, USA
- B.A. (Accounting), Thammasat University
- B.A. (Commerce), Thammasat University
- Diploma, The National Defence Course, National Defence College
- The Role of the Chairman Program (RCP), Thai Institute of Directors Association
- The Board Performance Evaluation Program, Thai Institute of Directors Association
- Director Certification Program (DCP), Thai Institute of Directors Association



## 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
- Diploma, The Joint State - Private Sector Course, National Defence College
- Director Certification Program (DCP), Thai Institute of Directors Association
- Capital Market Academy Leader Program, Capital Market Academy

## 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
- Diploma, The Joint State - Private Sector Course, National Defence College
- Director Accreditation Program (DAP), Thai Institute of Directors Association



## 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



## Mr. Supong Chayutsahakij

Director

Vice Chairman of the Executive Board

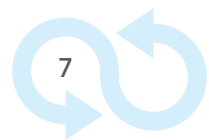
Nomination and Remuneration Committee Member

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



## 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
- Diploma, The National Defence Course, National Defence College
- 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
- Energy Literacy for the world, Thailand Energy Academy



## Mr. Panit Dunnvatanachit

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
- Capital Market Academy Leader Program, Capital Market Academy
- Broadcasting Executive Forum, Office of the National Broadcasting and Telecommunications Commission



## Miss Arisara Dharamadhaj

Director

Academic Achievement

- M.B.A., Roosevelt University, USA
- Bachelor of Economics (Second Class Honors), University of the Thai Chamber of Commerce
- Diploma, The Joint State - Private Sector Course, National Defence College
- Director Certification Program (DCP), Thai Institute of Directors Association



## Mrs. Vallapa Assakul

Director

Executive Director

Academic Achievement

- Master of Economics, University of Detroit, USA
- Bachelor of Economics (Second Class Honors), 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



## Mr. Sudthisak Wattanavinid

Director

Academic Achievement

- Master of Public Administration, Dhurakij Pundit University
- Bachelor of Laws, Ramkhamhaeng University



## 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



as at February 26, 2014

# Management Team



**Mrs. Payao Marittanaporn**

Managing Director



**Mr. Sanguan Kunatinun**

Assistant Managing Director  
Engineering



**Mrs. Sudruthai Prommart**

Assistant Managing Director  
Operation



**Mrs. Ngamnit Kanokgarnjanar**

Assistant Managing Director  
Compliance Unit



**Mr. Phakpoom Thaweewittayarut**

Assistant Managing Director  
Administration and Company Secretary



**Miss Panan Tosuwanthaworn**

Assistant Managing Director  
Finance



**Mr. Chatree Techatassanasoontorn**

Assistant Managing Director  
Business Development



**Mrs. Wattana Sittiwattayaporn**

Senior General Manager  
Construction Division



**Mrs. Supattra Bumnetphan**

Senior General Manager  
Toll Collection Division





**Mr. Phaisan Lertsalaluck**

General Manager Traffic Division



**Miss Vasana Wattananukulchai**

General Manager Internal Audit Office



**Mr. Omsyn Pibulwarangkur**

General Manager Administration Division



**Mr. Chalermkiat Sakonwisansak**

General Manager  
Maintenance Division



**Miss. Phenporn Kittiyopars**

General Manager  
Information Technology Office



**Mr. Rungsak Luengrattanamas**

General Manager  
Engineering Division



**Mrs. Manatsavee Subchavaroj**

General Manager  
Managing Director Office



**Mrs. Suttida Sukhanindr**

General Manager  
Finance Division



**Mr. Kitt Aphonrat**

General Manager  
Business Development Division



**Mrs. Suporn Nakruchata-amorn**

Deputy General Manager  
Toll Revenue Division

as at January 1, 2014





The Company continued to contribute to society in all aspects by organizing social activities under the **“BECL Elevates the Quality of Life and the Environment”** concept, a part of sharing happiness to society, as follows:

## Good Family Relationships



## “Expressway Invites Moms & Kids to Strengthen Relationships with Love in Prachin Buri”

On the occasion of the National Mother's Day, as a special family day, the Company played a part in strengthening family relationships via “Expressway Invites Moms & Kids to Strengthen Relationships with Love in Prachin Buri”, by bringing a total of 46 Expressway users from 15 families to visit Prachin Buri Province, the most glorious city in the ancient Dhavaravati era; pay homage to the Aphai Than Buddha image; appreciate four styles of astonishing architecture and arts at Wat Kaew Phichit; learn how to use Thai herbs at Abhaibhubejhr Thai Herbal Medicine Museum; taste delicious cuisine in Prachin Buri Province, guaranteed by Mae Choice Nang Ram chef; and appreciate the beauty of flowers of various species at Dasada Gallery. The Company also organized the “Me & Mom Made” activity for hugging and expressing love to moms, together with lovely jasmine garlands, as gifts to their moms in a loving and warm atmosphere for all families.





## “Expressway Invites Dads & Kids to Strengthen Relationships, with Bicycle Riding in the Park and Good Deeds for Nature, in Khung Bang Kachao, Samut Prakan”

The Company continues to promote the activities that strengthen family relationships, including environmental preservation. On the occasion of the National Father’s Day, the Company organized the Dads & Kids to Strengthen Relationships, with “Bicycle Riding in the Park and Good Deeds for Nature” activity, by bringing a total of 41 executives and the Expressway users from 14 families to jointly plant 20 trees to enlarge green zone and raise the awareness of environmental preservation, at Sri NakhonKhuean Khan Park, Khung Bang Kachao, Samut Prakan Province. This Park is a protected area reserved as central park under the royal initiative of His Majesty the King, and serves as the source of clean and fresh air for Bangkok, also known as one of Asia’s best urban oasis. Moreover, executives and the Expressway users then rode bicycles, breathed some fresh air, learnt about various kinds of plants from local guides, and tasted delicious cuisine at Pha Chumchon Mueang Suan PhaKet Nom Khlaio, and went shopping agricultural produces at Talat Bang Nam Phueng as the last stop. Furthermore, their children created and painted cards using natural materials, together with lovely jasmine garlands, as gifts to their dads, bringing about love and warmth in the families.



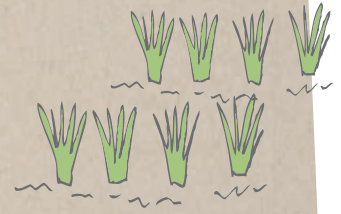
## Awareness of Environmental Preservation

### “Expressway Promotes Environmental Preservation” No. 6

The environmental preservation is of great importance to everyone. The Company organized a campaign for staff awareness of environmental preservation under the activity titled “Expressway Promotes Environmental Preservation No. 6”. A group of executives and staff participated in releasing 8,500 sea basses into the sea at Sirinart Rajini Ecosystem Learning Center, Amphoe Pran Buri, Prachuap Khiri Khan Province, and releasing 1,000 blue crab breeders at The Sirindhorn International Environmental Park, Amphoe Cha Am, Phetchaburi Province. Moreover, we jointly planted 85 land seedlings and 400 mangrove seedlings to restore land and mangrove forests.







## "Plantation of Vetiver Grass under the Royal Initiative of His Majesty the King"

According to the royal initiative of His Majesty the King "living barriers for natural conservation" to prevent soil degradation and erosion by vetiver grass plantation, the Company followed such royal initiative by bringing a group of executives and staff to jointly plant 20,000 vetiver grass on the inbound shoulders of the Udon Raththaya Expressway, Chiang Rak Section.



## "Shareholder Relations' Good Deeds for Nature"

The great flood in 2011 caused a great loss of green zones. The Company wished to restore those lost green zones, and then organized the "Shareholders' Relations Good Deeds for Nature Nos. 1 and 2" activity, by bringing a total of 30 shareholders, together with a group of executives and staff, to jointly plant 300 "Silva Manso" trees at Phutthamonthon Park, Nakhon Pathom Province, including the group of staff planted such trees in 2012, bringing up the grand total 877 Silva manso trees to restore the sustainable green shelter back to the nature. This was also a good opportunity for the shareholders and executives to meet and exchange their opinions, which would help strengthen good relationships.





## Moral and Ethical Awareness for Corporate Social Responsibility

### "Hearing the Dharma with Expressway"

The Company believes that the promotion of staff's moral and ethical awareness will pave the sustainable way to corporate social responsibility. The Company then continuously organized three activities titled "Hearing the Dharma with Expressway", in which a group of executives and staff participated in hearing the Dharma in order to properly apply such teaching to their current lifestyle and work environment, at Wat Suan Kaew, Nonthaburi Province, Wat Phra Ram 9 Kanjanaphisek, and Bangkok Expressway Public Company Limited. Moreover, the executives and staff donated computer equipment, cameras and office desks to Wat Suan Kaew for usage.



### "Robe Offering at Dhammasathan Sang Chan Sang Dhamma in Uthai Thani"

Religion is a spiritual anchor for all those determined to make good deeds and adhere to morality and ethics. The Company wished to promote the religion to carry on its role in Thai society, and thus organized a robe offering ceremony at Dhammasathan "Sang Chan Sang Dhamma in Uthai Thani" to encourage staff to make good deeds, perform their works by adhering to morality and ethics, in the interests of a sustainable corporate social responsibility.



### "Granting Scholarships to Buddhist Novices"

Other than the educational support for youths, the Company also promotes Buddhist novices' education to ensure Buddhism's lasting presence in Thai society. The "Granting Scholarships to Buddhist Novices" activity was thus organized to have its executives and staff jointly donate brand new and second-hand items and equipment to the Buddhist Novice Support Foundation under the Patronage of the Buddhist Supreme Patriarch, Wat Phra Ram 9 Kanjanaphisek, to liquidate those donated items in support of construction of School of Wisdom (Novice and Child Training Center) and Dhammasathan in Phetchaburi Province.



### "Blood Donation"

The Company took part in the great giving under the "Give Blood Give Life" program, by organizing two blood donation activities, in association with Vajira Phayabal Hospital, on 7 May and 9 August 2013 at Bangkok Expressway Public Company Limited, with staff's active participation.





## Good Relationships with Related Authorities

The cooperation for provision of good services to meet the most satisfaction of the Expressway users is regarded as key goal of the three collaborating authorities, namely, staff of EXAT, police officers of the Expressway Police Station 2, and BECL's staff. To strengthen relationships among them in order to ensure unity and maximum efficiency of the services, the Company then organized activities, as follows:

### "Watch Movie with 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 the Company's staff to watch the movie "Oz The Great And Powerful 3D" at Major Cineplex, Ratchayothin. All family members had a good time and enjoyed the games and the 3D movie.



### "BECL Grants Cars and Motorcycles to the Expressway Authority of Thailand and the Expressway Police Station 2"

The Company is committed to taking care of and promoting the performance 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 and motorcycles to the Expressway Authority of Thailand and the Expressway Police Station 2 for use on the Si Rat Expressway to facilitate the convenient travelling and maximum safety of the Expressway users.

## Promotion of Youth Learning

Education represents a key foundation for youths' sustainable development of knowledge, thoughts and values in order to become decent and quality citizens of society. The Company then continues to encourage and support youth 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 seventh year.







### "BECL Grants Scholarships to Adjacent Schools"

An activity which was yearly organized, by granting scholarships to underprivileged students with the good academic records, including funds for school development for educational purposes to schools adjacent to the Si Rat Expressway and the Udon Raththaya Expressway.



### "BECL Grants Scholarships to Children of EXAT Club's Members"

The Company, in association with EXAT Club, granted scholarships to children of EXAT's staff, who are members of the club and working on the Si Rat Expressway and the Udon Raththaya 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 Restores Ban HinLaem School and Grants Books to Students"

In addition to the promotion and development of education in the nearby communities, the Company also envisions the significance of improvement of quality and access to education of remote communities. The Company donated money to restore Ban Hin Laem School, Amphoe Thong Pha Phum, Kanchanaburi Province, and books to the library of Ban Hin Laem School, to encourage students' reading and enlarge their learning exposures.





## Support for Outdoor Learning Experience

The Company realizes that learning is not restricted only in classroom, and outdoor experience is an opportunity for children to personally and directly learn from experience. Such experience would help them understand various things clearly and comprehensively, and apply the knowledge in the future. The Company thus organized outdoor learning experience activities as follows:



### “Expressway Invites Children to Sing”

The Company organized volunteer activities by its music club and staff through music jam, as well as recreational activities and lunch meals to children at Rajawadee Home on 22 June 2013 and the Foundation for the Better Life of Children on 16 November 2013. Children had a good time and enjoyed the activities, whereby this opened an opportunity for staff to express love, care and share happiness with those children in a lovely and warm atmosphere.

### “Audio Library for Young Blinds”

The Company acknowledges that reading will bring about sustainable knowledge. The Company then supported and took part in the Audio Library for Young Blinds project, as organized by Nation Broadcasting Corporation Public Company Limited and the Foundation for the Blind in Thailand under the Royal Patronage of H.M. the Queen, in order to assist and share knowledge to youths with visual disability, by means of audio book recording, which will be organized as audio library for children.



### “Learning Sufficiency Economy with Expressway”

According to the Royal initiative of His Majesty the King “Sufficiency Economy” The Company organized activity by bringing students adjacent to the Expressways to visit the rice farming demonstration in order to appreciate the value of Thai rice and to raise their awareness in relation to sufficiency economy by bringing students adjacent to the Expressways to visit the rice farming demonstration in order to appreciate the value of Thai rice and to raise their awareness in relation to sufficiency economy.



## “Children’s Day with Expressway”

Children of the Expressways’ neighboring villagers, including nearby schools, were invited to enjoy learning and entertaining activities, thereby facilitating a fun outdoor learning experience for children.



## Support for Other Social Activities

### “Granting Parts and Equipment from Expressway to Prostheses Foundation”

Prostheses Foundation of H.R.H. the Princess Mother was established to produce prostheses for underprivileged persons who have no legs, free of charge, regardless of nationality or religion. As such, the Company did take part therein by granting functional and used aluminum expressway parts and equipment to Prostheses Foundation of H.R.H. the Princess Mother, by Police Major General Dr. Chalermpong Komarakul Na Nakhon, member of the Foundation Committee, for use in production of prostheses.



### “Rice for the King”

The Company has truly appreciated the royal grace of His Majesty the King for the philosophy and transfer of rice knowledge to farmers for applied use with success. In honor of His Majesty the King on the auspicious occasion of his 86<sup>th</sup> birthday anniversary in 2013, the Company participated in supporting the “Rice for the King” project, and sponsoring 2,000 bags of specially selected 100% Organic Jasmine Rice (1 kg.), part of the proceeds would be provided to His Majesty the King for the royal contribution to The Chaipattana Foundation and Thai Rice Foundation under the Royal Patronage.





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.

- **Smart Traffic and Variable Message Signs (VMS)**

The Company has added communication channels on traffic information via Smart Traffic and Variable Message Signs (VMS) to keep motorists informed of the traffic conditions on Expressways, as well as suggesting routes on Expressways for more convenience and rapidity

## 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.

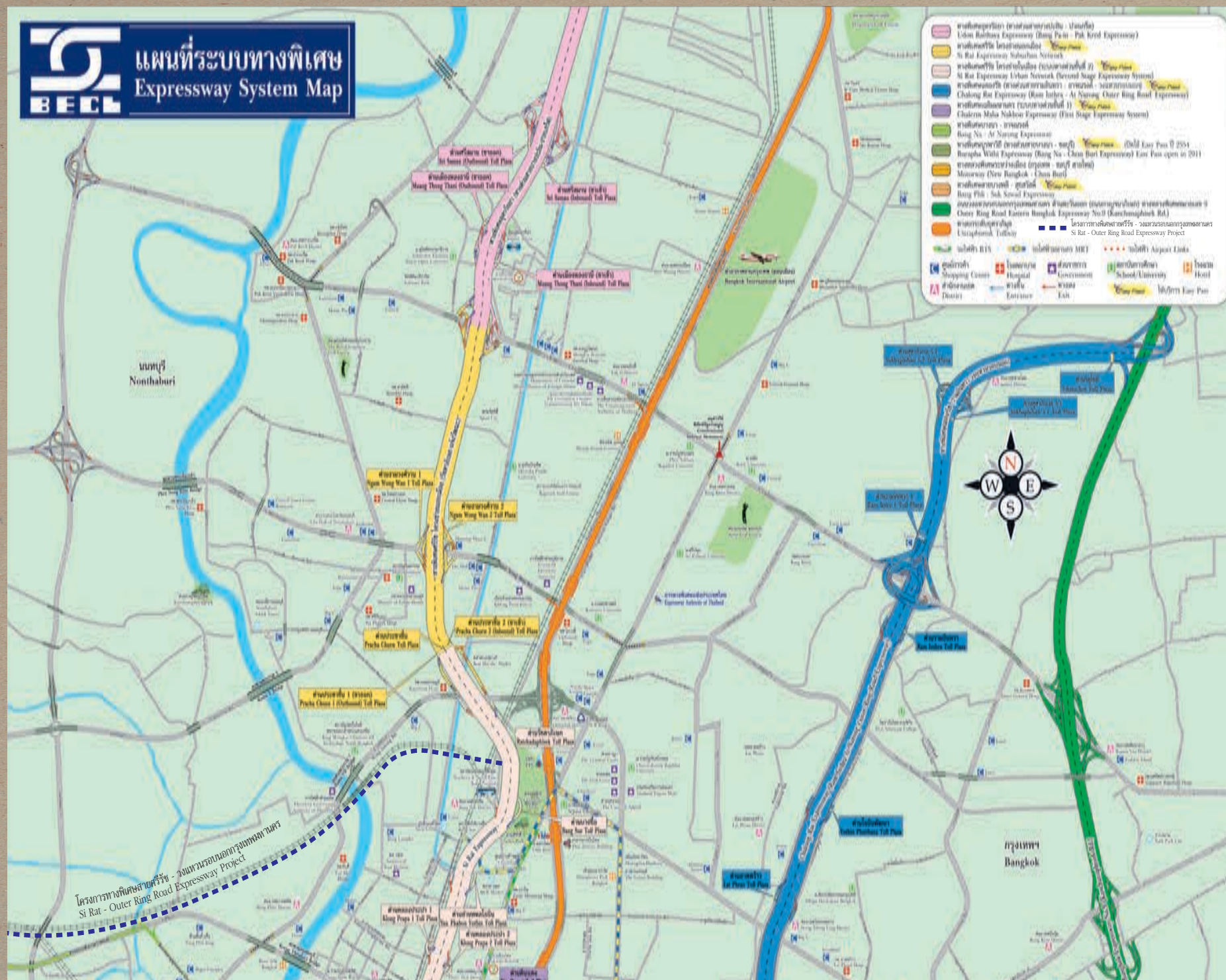
### Chemical Powder Cost

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. The rate of chemical powder will be charged for the actual use.

## Useful Telephone Numbers

Accident / Breakdown Car / Traffic Information	Tel.	1543 / 0 2664 6400
Chalerm Mahanakorn Expressway Control Center	Tel. / Fax.	0 2240 0709
Si Rat Expressway Control Center	Tel.	0 2248 7539 / 0 2641 4649
		0 2664 6400 / 0 2641 4611 ext. 7007
	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 Ratthaya Expressway Control Center	Tel.	0 2567 5700 ext. 7171 / 0 2567 5680
	Fax.	0 2567 5700 ext. 7155
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 / 0 2249 8007
Si Rat Expressway Police Station	Tel. / Fax.	0 2248 6891-5
Udon Ratthaya Expressway Police Station	Tel.	0 2567 5681-3
Bangkok Expressway Public Company Limited	Tel.	0 2641 4611
	Fax.	0 2641 4610
Expressway Authority of Thailand	Tel.	0 2579 5380-9 / 0 2558 9800
	Fax.	0 2561 2984 / 0 2579 8737



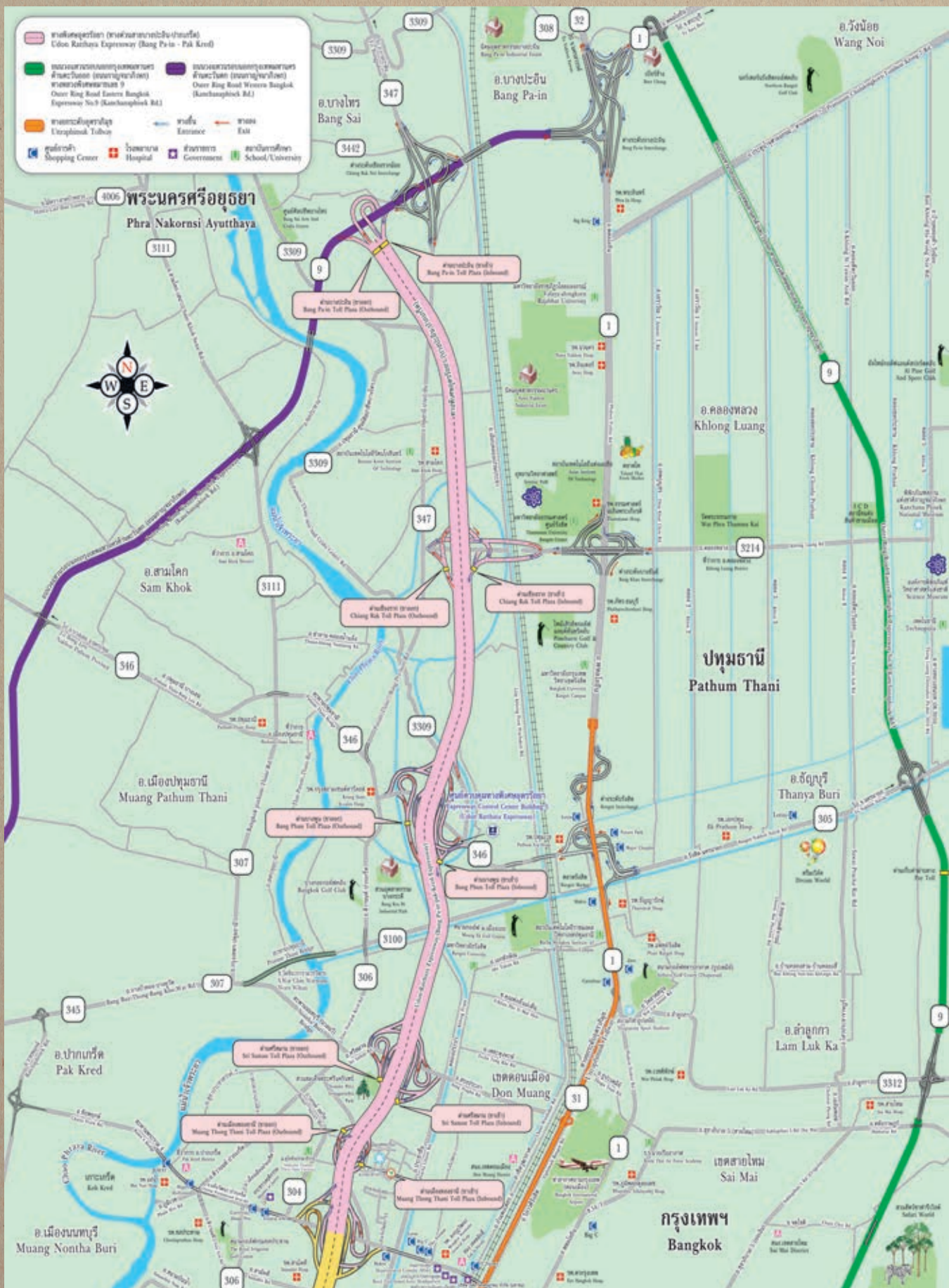








# Expressway System Map





# 1. Business Policy and Overview

Bangkok Expressway Public Company Limited (the “Company”) was founded on 23 December 1987 with a registered capital of Baht 100,000. Subsequently, 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.

## 1.1 Overview of Business Operations of the Company

1. The Company’s construction and operation of the Si Rat Expressway were initiated by the fact that 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, the Expressway Authority of Thailand (EXAT) therefore invited interested parties to submit proposals for construction and operation of the Si Rat Expressway (Second 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. The Company entered into the Second Stage Expressway System Agreement with EXAT on 22 December 1988 for the construction and operation of the Si Rat Expressway (Second Stage Expressway) and its extensions, including related businesses under the Second Stage Expressway System Agreement with EXAT for a period of 30 years from 1 March 1990, and the Company subsequently entered into the Agreement for the Extension of the Second Stage Expressway System, Sector D, for a period of 30 years from 17 April 1997.
2. 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 19 March 2003, the Subsidiary’s registered capital was increased by Baht 3,000 Million, totaling Baht 6,000 Million, Baht 5,250 Million of which has been paid up. The Company’s shareholding percentage therein remains 53.33 percent of the registered capital. The Subsidiary entered into the Agreement with EXAT for the construction and operation of the Udon Rattaya Expressway (Bang Pa-in - Pak Kret Expressway) for a period of 30 years from 27 September 1996. The Udon Rattaya Expressway is northbound and continues from the Si Rat Expressway around Chaeng Watthana Road and passes Bang Phun, Chiang Rak and ends at Bang Sai.
3. In 2012, the Company was granted the concession for implementation of the Si Rat - Outer Ring Road Expressway in accordance with the Council of Ministers approval for the Company to implement the Project on 4 September 2012. On 14 September 2012, the Company entered into the Si Rat - Outer Ring Road Expressway Project Concession Agreement with EXAT, for a period of 30 years from 15 December 2012, with a construction period of 48 months and the remaining period for opening for service and toll collection. The route starts from Kanjanapisek Road around Mahasawat Water Treatment Plant heading eastbound along the right of way of the existing Southern railway, crossing the Chao Phraya River at the Rama VI Bridge and connecting with the Si Rat Expressway around the North of the Mo Chit 2 Bus Terminal, for a total distance of 16.7 kilometers.

The Second Stage Expressway Project, the Bang Pa-in - Pak Kret Expressway Project, and the Si Rat - Outer Ring Road Expressway Project are implemented on a BTO (Build, Transfer and Operate) basis, i.e., the Company and the Subsidiary invested in the design, construction and operation of the Expressways, while 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 are 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 twice for 10 years each, for the Second Stage Expressway Project and the Bang Pa-in - Pak Kret Expressway Project, subject to further negotiation with EXAT.



## Implementation of the Expressway Projects

### 1) The Si Rat Expressway Project

The Company and EXAT jointly invested in the Expressway System in Bangkok and its vicinity. 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 9- Ratchadapisek), Sector B (Phayathai - Bangkhlo), Sector C (Ratchadapisek - Chaeng Watthana) and Sector D (Rama 9- Srinagarindra), covering a total distance of 38.5 kilometers. EXAT invested in the construction and operation of the Chalem Mahanakorn Expressway (First Stage Expressway), 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 shares 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 Chalem 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, namely, Sector C and Sector D of the Si Rat Expressway, all toll revenue shall belong to the Company throughout the period of the Agreement.

### 2) The Si Rat - Outer Ring Road Expressway

The Company shall have the duty in design and construction, supply and installation of various equipment and systems, including the operation, service and maintenance of the expressway, together with toll collection, in consideration of the right to receive toll revenue and other revenues (if any) throughout the concession period, whereby the Company shall be responsible for investment and all operating expenses throughout the concession period, and share consideration with or provide benefits to the State to be agreed upon in the Concession Agreement, with a project value of Baht 25,491 Million.

The Company shall have the right to receive toll revenue throughout the concession period, whereby the toll rates and revisions shall be agreed upon in the Agreement.

The Concession Agreement shall have a term of 30 years from the date specified by EXAT in the Notice to Proceed (NTP), namely, 15 December 2012, divided into

Phase 1: Design and construction of the expressway, supply and installation of electrical and mechanical system equipment, toll collection system, communications system and traffic controlling system, and other systems related to the expressway, for the construction period of not exceeding 48 months from 15 December 2012 as the date specified by EXAT in the NTP.

Phase 2: Operation and provision of service, such as, toll collection, rescue operation and maintenance of the expressway, starting from the opening of the Project until the end of the concession period.

The Company has commenced the construction on 15 December 2012, whereby the initial works include site preparations, survey and design, with 12.31 percent progress as at 31 December 2013.

## Routes and Characteristics

1. The Project starts from Kanjanapisek Road near Chim Phli Interchange, and then uses the right of way of the Western railroad crossing the Chao Phraya River at the Rama VI Bridge to Bang Sue, and connects to the Si Rat Expressway at the North of the Mo Chit 2 Bus Terminal, for a total distance of approximately 16.7 kilometers.
2. The Project is an elevated expressway with six traffic lanes in each direction. The construction will employ the Pre-cast Segment Box Girder technology. There are 8 connections. The on-off ramps will have two traffic lanes in each direction, totaling six locations.

3. The Project will have 10 toll plazas, divided into six inbound toll plazas and four outbound toll plazas.

### 3) The Udon Raththaya Expressway (pursuant to the Bang Pa-in - Pak Kret Expressway Agreement)

The Subsidiary constructs and operates the Udon Raththaya 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. All toll revenue in respect of the Udon Raththaya Expressway shall belong to the Subsidiary.

## 1.2 Overview of the Company's Operation Policies

**Vision :** Bangkok Expressway Public Company Limited is determined to become a leading private company which provides the Expressway services, subject to good management systems to ensure the safe and impressive services to facilitate the public transport, along with quality management systems for continued improvement towards public recognition in accordance with the good corporate governance principles and the corporate social responsibility.

**Mission :** Bangkok Expressway Public Company Limited foresees transportation needs in Bangkok that will grow along with our country development; whereas, we currently have a shortage of infrastructure, i.e., a transportation business. This results in severe traffic congestion in major cities, such as, Bangkok and its vicinities.

The Company has intended to alleviate heavy traffic congestion in Bangkok. The Company has invested around Baht 50,000 Million in developing our expressway network under the Second Stage Expressway Project linked to the First Stage Expressway System covering the heart of Bangkok city. Moreover, the Bang Pa-in - Pak Kret Expressway Project was linked to the outskirts of Bangkok area with some other provinces nearby. With our more than 25 years of business experience, in 2012, the Company was then granted the concession for the Si Rat - Outer Ring Road Expressway Project, which represents the Company's further investment of more than Baht 25,000 Million.

Currently, the daily traffic volume that regularly uses the Expressways in respect of the First Stage Expressway, the Second Stage Expressway and the Udon Raththaya Expressway nearly reached 1 million vehicles. The Company still maintains the quality and road safety standard throughout the Expressway routes. Moreover, the Company has continuously had project developments for our customers convenience, time saving, driving with safety standard and energy-saving.

## Goals of Operations

The Company has 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.



To ensure the Company's business operations in compliance with the main policies, the Company has implemented the strategies and main action plans in 2013 as follows:

1. The Company carried out the construction of the Si Rat - Outer Ring Road Expressway and various related works, with progress according to schedule;
2. The Company proceeded in accordance with the procedures under the Second Stage Expressway System Agreement and the Bang Pa - in Pak Kret Expressway Agreement for the toll rate revisions for the Si Rat Expressway on 1 September 2013 and for the Udon Rattaya Expressway on 1 November 2013;
3. The Company conducted the feasibility study and made preparations for investment in the expressway and connecting road projects, including priority infrastructure projects under the government's policy;
4. The Company cooperated with EXAT in the management and maintenance of the Si Rat Expressway, with good relationship, to optimize its efficiency to the satisfaction of motorists;
5. The Company followed up and accelerated the settlement of disputes with EXAT to minimize impacts on the operations;
6. The Company maintained the liquidity and efficiently managed short-term and long-term investments to generate more revenues, and use various financial instruments for risk management, including reduction of finance cost;
7. The Company made public relations of its commitment to quality of services and responsibility towards concerned persons in all sectors by way of social activities to ensure the good image in the eyes of the service users and society as a whole;
8. The Company maintained an efficient, transparent, and auditable management system subject to the good corporate governance principles, including the Quality Management System (ISO 9001), Environmental Management System (ISO 14001), and developed the information system with state-of-the-art technology to enhance the capacity of performance.

### 1.3 Significant Changes and Developments

The Company has a main policy to alleviate traffic problems in Bangkok, by way of the efficient management of the Si Rat Expressway. The Company has improved the Expressway to ensure convenience and safety for the Expressway users and also continued to enhance the efficiency of the services, as follows:

1. The Company, in association with EXAT, introduced the Electronic Toll Collection system or Easy Pass since 2010 to speed up toll payments at the Toll Plazas and to alleviate the accumulated traffic, particularly during rush hours. In 2013, the Company added a total of 25 Easy Pass lanes to meet the government's target of opening Easy Pass lanes up to 50 percent of all lanes. Currently, there are a total of 66 Easy Pass lanes on the Si Rat Expressway. The utilization of Easy Pass continued to increase, with a daily average utilization of Easy Pass during the business days in December 2013 at 33.54 percent of four-wheeled traffic volume.
2. The Company is aware of the traffic problem crisis in many areas of Bangkok. The areas in which the Company would further help alleviate the traffic problems were around the Rama 9 Bridge and Chaturathit Road, Section C. The Company, in association with EXAT and Bangkok Metropolitan Administration (BMA), have constructed a connecting road between Sector D of the Si Rat Expressway and Chaturathit Road, Section C, to help release the congested traffic and to facilitate the travelling to the Suvarnabhumi Airport. The construction commenced on February 2013, and it is expected to be opened for service in and around mid-2014.

## Significant Changes in 2013

1. EXAT revised the toll rates under the Announcement of the Ministry of Transport dated 2 August 2013. The new toll rates of the Chalmr Mahanakorn Expressway and the Si Rat Expressway came into effect from 1 September 2013 and of the Udon Rattaya Expressway came into effect from 1 November 2013. The next toll revisions shall take place in 2018.
2. The Company accepted the delivery of the sites for the construction of the Si Rat - Outer Ring Road Expressway according to the schedule under the Agreement, in respect of the sites of the State Railway of Thailand and the private sector, except the sites that overlap with the SRT Red Line Project (Bang Sue - Rangsit) of the State Railway of Thailand, which are currently pending coordination with relevant authorities. There remains certain sites of the private sector to be delivered by EXAT under the Agreement on 15 March 2014 and 15 June 2014 accordingly.
3. On 1 February 2013, the Company signed a contract engaging CH. Karnchang - Tokyu Construction Co., Ltd. to carry out the construction of a connecting road between Sector D of the Si Rat Expressway and Chaturathit Road, Section C, for a construction period of 16 months and with a total value of Baht 254 Million.
4. The Company continuously opened more Easy Pass lanes to accommodate the increasing number of Easy Pass users. In 2013, the Company opened 10 Easy Pass lanes for all day long service at 10 toll plazas of the Si Rat Expressway and additionally installed the Easy Pass system for service at designated period at 15 toll plazas, 15 lanes. This was in line with the policies of EXAT and the Ministry of Transport to open Easy Pass lanes up to 50 percent of all lanes for service.
5. In February 2013, the Company additionally acquired 438.90 million ordinary shares in Thai Tap Water Supply Public Company Limited (TTW) from CH. Karnchang Public Company Limited, at the price of Baht 7.55 per share, amounting to Baht 3,314 Million, thereby increasing the Company's shareholding in TTW from 9.24 percent to 20.24 percent of its registered capital.
6. In July 2013, CK Power Public Company Limited (CKP) launched an initial public offering of 220 million ordinary shares, in respect of which the Company jointly sold 20.6 million ordinary shares in CKP at the price of Baht 13 per share, thereby reducing the Company's shareholding in CKP from 30 percent to 23.22 percent of its registered capital.
7. In December 2013, the Company exercised the right to acquire 855.05 million capital increase ordinary shares in Bangkok Metro Public Company Limited (BMCL) according to its shareholding percentage, at the price of Baht 1 per share, to maintain its shareholding percentage at 10 percent of its registered capital of Baht 20,500 Million.
8. In 2013, the Company issued new debentures on three occasions in the total amount of Baht 7,000 Million, namely, two issues in March 2013 in the amount of Baht 6,000 Million, and one issue in November 2013 in the amount of Baht 1,000 Million, per the details as follows:

In March 2013, the Company issued and offered Debentures No. 1/2013, Series 1, with a maturity of three years, in the amount of Baht 2,000 Million, at the fixed interest rate of 3.60 percent per annum; Series 2, with a maturity of five years, in the amount of Baht 2,000 Million, at the fixed interest rate of 4.03 percent per annum; and Series 3, with a maturity of seven years, in the amount of Baht 1,000 Million, at the fixed interest rate of 4.36 percent per annum; and Debentures No. 2/2013, with a maturity of three years, in the amount of Baht 1,000 Million, at the fixed interest rate of 3.60 percent per annum, for the purpose of repayment of debentures due for redemption in March, May, June, September and November 2013 and financing the construction cost under the Project Management Agreement of the Si Rat - Outer Ring Road Expressway Project.

In November 2013, the Company issued and offered Debentures No. 3/2013, with a maturity of five years, in the amount of Baht 1,000 Million, at the fixed interest rate of 4.70 percent per annum to finance the construction cost under the Project Management Agreement of the Si Rat - Outer Ring Road Expressway Project.
9. In April 2013, TRIS Rating Co., Ltd., a credit rating agency in Thailand, reviewed and continued to affirm the rating of the Company at "A" and maintained the rating of the Company's debt instruments at "A".



## 1.4 Shareholding Structure of Company Group

### 1.4.1 Policy on Separation of Operations between the Company and its Subsidiary

The business operations of the Company and the Subsidiary are of the same nature, namely, construction and operation of the Expressways. Given the Subsidiary's severe financial hardship due to the fact that the actual revenue failed to meet the projections as affected by the competing road with the Udon Rattaya Expressway since 1998, the Subsidiary therefore reengineered the management to minimize expenditures by way of staff downsizing and engagement of the Company to carry out the operation of the Udon Rattaya Expressway.

### 1.4.2 Shareholding Structure of Company Group

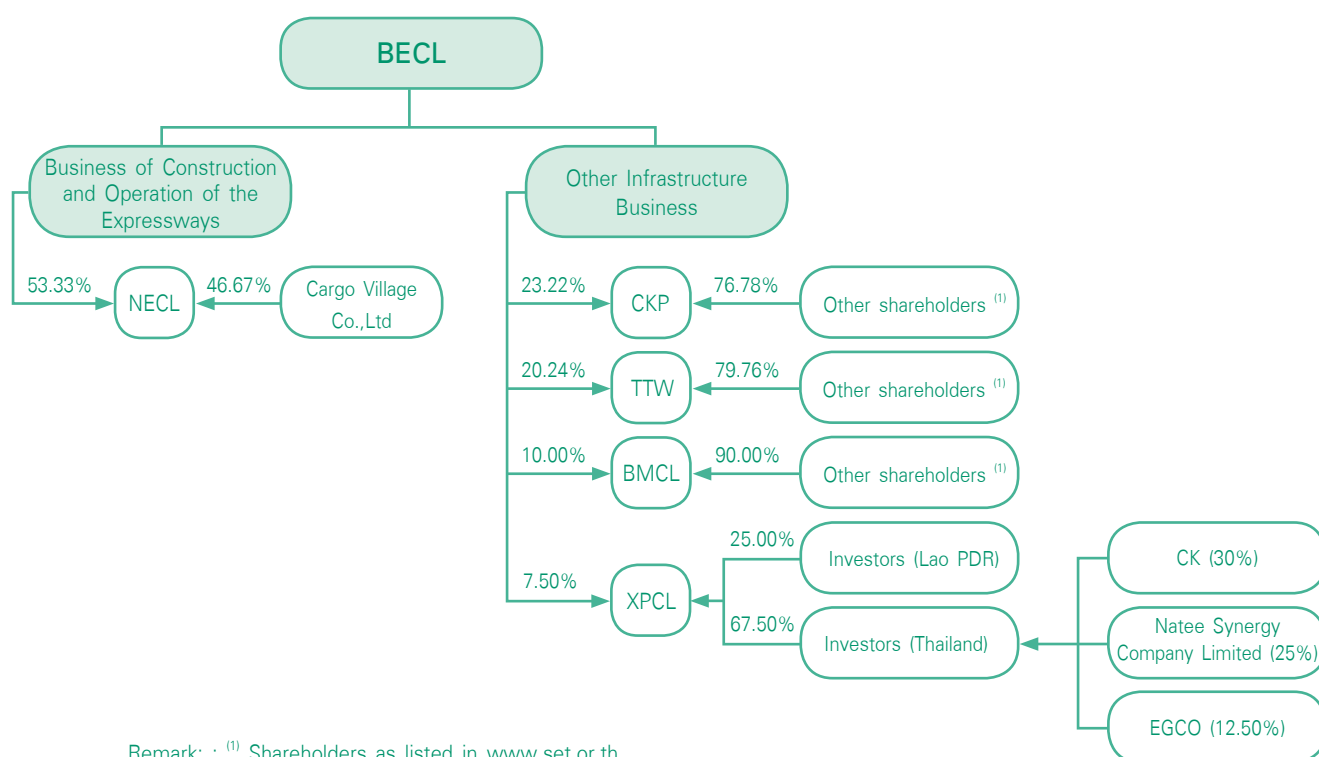
The Company has a policy to invest in the infrastructure business or businesses supporting the operations of the Company and to open up opportunities and generate returns in the long run for the Company. The Company then made investments as at 31 December 2013 as follows:

- Names and shareholdings in companies in which the Company has invested

Unit : Million Baht

Company Name	Business Nature	Registered Capital	Paid-up Capital	Shareholding	Investment Cost
Northern Bangkok Expressway Company Limited	Construction and operation of the Udon Rattaya Expressway	6,000	5,250	53.33%	2,450
CK Power Public Company Limited	Holding company	5,500	5,500	23.22%	2,554
Thai Tap Water Supply Public Company Limited	Tap water production and distribution	3,990	3,990	20.24%	4,451
Bangkok Metro Public Company Limited	MRT service provider	20,500	20,500	10.00%	2,340
Xayaburi Power Company Limited	Construction and operation of the hydroelectric power project	26,861	5,790	7.50%	434

- Chart of Shareholding Structure of Company Group as at 31 December 2013



### 1.4.3 Shareholding Structure in Northern Bangkok Expressway Company Limited (Subsidiary) (as at 31 December 2013)

Registered capital of the Subsidiary	Baht	6,000,000,000	
Par value	Baht	10	per share
Paid-up	Baht	5,250,000,000	
Ordinary shares		294,000,000	shares
Preferred shares		306,000,000	shares
	Total	600,000,000	shares
Bangkok Expressway Public Company Limited holds shares in the Subsidiary		319,999,980	shares
Ordinary shares		154,000,000	shares
Preferred shares		165,999,980	shares

## 2. Nature of Business Operations

### 2.1 Nature of Services

Bangkok Expressway Public Company Limited and Northern Bangkok Expressway Company Limited provide Expressway services, namely, the Si Rat Expressway (Second Stage Expressway) and the Udon Rattaya Expressway (Bang Pa-in - Pak Kret Expressway) which connect to the Expressway network covering major areas in Bangkok and its vicinity, rendering it convenient for motorists to travel from the North of Bangkok 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. By 2016, the opening for service of the Si Rat - Outer Ring Road Expressway Project would connect to the West of Bangkok to complete the service coverage in all directions. The details of the Expressway network connections are as follows:

Expressway System	Length (kilometers)	Constructed and Operated by
1. Chalerm Mahanakorn Expressway (First Stage Expressway) (Bang Na - Din Daeng - Dao Khanong)	27.1	EXAT
2. Si Rat Expressway (Second Stage Expressway) 2.1 Urban Network (Prachachuen-Phayathai-Bangkhlo-Asoke) 2.2 Suburban Network (Prachachuen-Chaeng Watthana and Asoke-Srinagarindra)	38.5	BECL
3. Udon Rattaya Expressway (Bang Pa-in - Pak Kret)	32.0	NECL
4. Uttaraphimuk Elevated Way (Don Muang Tollway)	28.0	Don Muang Tollway Public Company Limited
5. Chalong Rat Expressway including its Extension (Ramindra - At Narong and Ramindra - Outer Ring Road)	37.7	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) including a connecting road to the Industrial Ring Road	37.8	EXAT
8. Si Rat - Outer Ring Road Expressway (project under construction)	16.7	BECL
Total length	272.8	



### 2.1.1 Revenue Structure

Comparison of Revenue of the Company and the Subsidiary in 2011-2013:

Description	Operated by	2013		2012		2011	
		Million Baht	%	Million Baht	%	Million Baht	%
Urban Expressway <sup>(1)</sup>							
Chalerm Mahanakorn Expressway (First Stage Expressway)	EXAT	2,564	22.66	2,463.81	26.71	2,411.46	31.52
Si Rat Expressway (Second Stage Expressway, Sector A)	Company	1,463	12.93	1,415.50	15.35	1,409.67	18.42
Si Rat Expressway (Second Stage Expressway, Sector B)	Company	703	6.20	674.69	7.31	654.14	8.55
Total		4,730	41.81	4,554.00	49.37	4,475.27	58.49
Suburban Expressway							
Si Rat Expressway (Second Stage Expressway, Sector C)	Company	867	7.66	851.31	9.23	797.86	10.43
Si Rat Expressway (Second Stage Expressway, Sector D)	Company	1,393	12.31	1,342.52	14.55	1,233.52	16.13
Udon Ratthaya Expressway (Bang Pa-in - Pak Kret Expressway)	Subsidiary	1,050	9.28	984.39	10.67	801.54	10.46
Total		3,310	29.25	3,178.22	34.45	2,832.92	37.02
Total toll revenue		8,040	71.06	7,732.22	83.82	7,308.19	95.51
Other income							
Gain on adjustment of fair value of investment from changing status of investment		2,808	24.82	-	-	-	-
Gain on investments		309	2.73	1,197.52	12.98	16.06	0.21
Others <sup>(2)</sup>		157	1.39	294.58	3.20	327.54	4.28
Total revenues		11,314	100.00	9,224.32	100.00	7,651.79	100.00

**Remarks :** <sup>(1)</sup> The ratio of toll revenue sharing between the Company and EXAT at 50:50 was changed to 40:60 on 1 March 2011.

<sup>(2)</sup> Other income refers to interest income, dividend income and others.

### 2.1.2 Toll Revenue Sharing

Effective from 1 March 2011, the Company and EXAT have received the toll revenue sharing in respect of the urban network at 40 percent and 60 percent, respectively, while the Company has received all toll revenues for the suburban network, in accordance with the terms of the Agreements.

Expressway	Network	Length (km.)	Opening Date	Revenue	Revenue Sharing Company : EXAT
<b>Chalerm Mahanakorn</b>					
Din Daeng - Port	Urban	8.9	4 Jan 1981	Company and EXAT	- 60:40 for the first nine years
Bang Na - Port	Urban	7.9	17 Jan 1983	Company and EXAT	- 50:50 for the period between the first nine years and the last nine years
Port - Dao Khanong	Urban	10.3	8 Aug 1987	Company and EXAT	- 40:60 for the last nine years
<b>Si Rat</b>					
Sector A: Rama 9 - Ratchadapisek	Urban	12.4	2 Sept 1993	Company and EXAT	- 60:40 for the first nine years
Sector B: Phayathai - Bangkhlo	Urban	9.4	6 Oct 1996	Company and EXAT	- 50:50 for the period between for the first nine years and the last nine years - 40:60 for the last nine years
Sector C: Ratchadapisek - Chaeng Watthana	Suburban	8.0	2 Sept 1993	Company	- 100:0
Sector D: Rama 9 - Srinagarindra	Suburban	8.7	Section 1 2 Dec 1998 Section 2 1 Mar 2000	Company	- 100:0
Si Rat - Outer Ring Road	Suburban	16.7	The construction has commenced on 15 December 2012, which is expected to complete within 48 months.	Company	- 100:0
<b>Udon Ratthaya</b>					
Chaeng Watthana - Chiang Rak	Suburban	22	2 Dec 1998	Subsidiary	- 100:0
Chiang Rak - Bang Sai	Suburban	10	1 Nov 1999	Subsidiary	- 100:0



### 2.1.3 Toll Rates

Expressway/Toll Plaza	Toll Rates (Baht/Trip)		
	4 wheels	6-10 wheels	More than 10 wheels
<b>Chalerm Mahanakorn Expressway</b> (First Stage Expressway)	50	75	110
Except:			
At Narong 1 Toll Plaza (to Bang Na)	40 *	65 *	100 *
<b>Si Rat Expressway (Second Stage Expressway)</b>	50	75	110
Except:			
Srinagarindra and Ramkhamhaeng Toll Plazas	25	55	75
Rama 9 and Asoke 3 Toll Plazas			
Rama 9-1 Toll Plaza (Si Rat)			
Prachachuen Toll Plaza (inbound)	60	90	140
Prachachuen Toll Plaza (outbound)	10	15	30
Prachachuen 1 Toll Plaza (from Prachachuen Road)	15	20	35
Prachachuen 2 Toll Plaza (to Prachachuen Road)			
Ngam Wong Wan 1 Toll Plaza (outbound)			
Ngam Wong Wan 2 Toll Plaza (inbound)			
<b>Si Rat - Outer Ring Road Expressway</b>	50 **	80 **	115 **
<b>Udon Ratthaya Expressway</b>	45	100	150
Except:			
Muang Thong Thani Toll Plaza	35 ***	90 ***	140 ***
Bang Pa-in Toll Plaza	55	120	180

**Remarks :** \* This is the rate after Baht 10 discount for all types of vehicles until 31 December 2014.

\*\* This rate is effective from the opening date for service of the Project for five years.

\*\*\* This is the rate after Baht 10 discount for all types of vehicles until 31 December 2014.

The revision of the toll rates of the Chalerm Mahanakorn Expressway and the Si Rat Expressway is in accordance with the Second Stage Expressway Agreement, which shall be made every five years, 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 2013 and the next toll revision is scheduled to be made on 1 September 2018.

The revision of the toll rates of the Si Rat - Outer Ring Road Expressway is in accordance with the Concession Agreement for Investment, Design, Construction, Management, Operation and Maintenance of the Si Rat - Outer Ring Road Expressway Project, which shall be made every five years from the date of service operation of the Project for five years, at the rates of Baht 15, Baht 25 and Baht 35 for four-wheeled vehicles, six-wheeled to ten-wheeled vehicles; and more than ten-wheeled vehicles, respectively.

With respect to the Udon Rattaya 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 toll revision was made on 1 November 2013. The next toll revision is scheduled to be made on 1 November 2018.

Although EXATs issuance of the Notifications of the Ministry of Transport for toll revisions with approval of the Deputy Minister of Transport in charge, namely, the toll rates for the Chalem Mahanakorn Expressway and the Si Rat Expressway were revised on 1 September 2013 and the toll rates for the Udon Rattaya Expressway were revised on 1 November 2013, 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 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 in Bangkok and its vicinity. The customers by the types of vehicles using the Expressways in 2013 may be divided into four-wheeled vehicles; six-wheeled to ten-wheeled vehicles; and more than ten-wheeled vehicles, which accounted for 97.75 percent, 1.98 percent and 0.27 percent, respectively. The traffic volume during 1 January to 31 December 2013 using the Expressways may be described by areas as follows:

Expressway System	Average Traffic Volume (trips/day)	%
1. Chalem Mahanakorn Expressway (First Stage Expressway) <sup>(1)</sup> (Bang Na - Din Daeng - Dao Khanong)	370,034	22.91
2. Si Rat Expressway (Second Stage Expressway)		
2.1 Urban Network (Prachachuen - Phayathai - Bangkhlo - Asoke)	321,299	19.89
2.2 Suburban Network (Prachachuen - Chaeng Watthana and Asoke - Srinagarindra)	340,577	21.08
3. Udon Rattaya Expressway (Bang Pa-in - Pak Kret)	67,741	4.19
4. Chalong Rat Expressway (Ramindra - At Narong and Ramindra - Outer Ring Road) <sup>(1)</sup>	180,682	11.18
5. Burapha Withi Expressway (Bang Na - Chonburi) <sup>(1)</sup>	134,900	8.35
6. Kanjanapisek Expressway (Bang Pli - Suksawad) <sup>(1)</sup> and Highway No. 37 (Suksawad - Bang Khun Thien Section)	200,386	12.40
Total Traffic Volume	1,615,619	100

Remark : <sup>(1)</sup> Source: Expressway Authority of Thailand.

Given the fact that the provision of Expressway services is considered a form of public service for motorists requiring convenient, rapid and safe traveling, as target customers of the Expressway Systems, customers are broad depending on their destinations, residences and workplaces. In this respect, the revenue of the Expressway Systems will not depend on any particular group of customers.



## 2.2.1 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 Chalmahachak 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. Motorists may use the Expressway to connect to the Burapha Withi Expressway (Bang Na - Chonburi), and the Chalmahachak Expressway and the Chalong Rat Expressway, thereby rendering 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 coordinates with traffic police in police stations of such areas, including linking video signal from CCTVs on the Expressway to police stations of such areas, to provide assistance in releasing and facilitating traffic flow in the Expressway Systems by improving various on- and off-ramps for motorists to save time and facilitate motorists with more convenience and better quality of living in their commute in the downtown. Motorists 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. The Company has continuously monitored the traffic volume statistics to enhance the efficiency of its Easy Pass service as appropriate in order to improve the service provision and accommodate the increased volume of Expressway users. In 2013, the Company has added 25 Easy Pass lanes at various Toll Plazas on the Si Rat Expressway to accommodate the increased volume of Easy Pass users. In addition, the Company has moved the Easy Pass lanes at Prachachuen Toll Plaza (inbound) and Asoke 4 Toll Plaza to the right lane for more convenience and safety of the Easy Pass service users and to minimize the cross traffic between the cash lanes and the Easy Pass lanes, which will mitigate the traffic congestion at the front of the toll plazas.
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.
5. The Company has added communication channels on traffic information via Smart Traffic and Variable Message Signs (VMS) to keep motorists informed of the traffic conditions on Expressways, as well as suggesting routes on Expressways for more convenience and rapidity.
6. The Company also plans to improve signboards regarding the Expressway usage on the at-grade main road and various alleys in Bangkok and its vicinity so as to facilitate motorists and boost confidence to access and use 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)

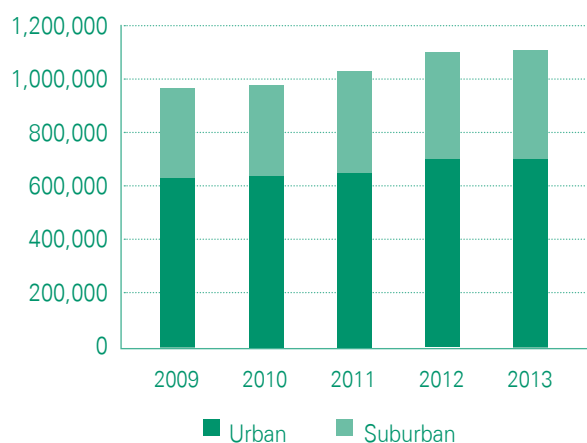
1. Toll rates are agreed upon and specified in the Agreements, including the calculation for revisions of toll rates ahead of time. It is mutually agreed that the rates are considered reasonable and based on the feasibility study for investment of each Project. Under the Second Stage Expressway Agreement 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 2013 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), which the Company provided discount until 31 August 2013, and At Narong 1 Toll Plaza (to Bang Na), which the Company will provide discount until 31 December 2014, as well as the route of the Udon Ratthaya Expressway at Si Saman Toll Plaza and Bang Phun Toll Plaza, which the Subsidiary provided discount until 31 October 2013, and Muang Thong Thani Toll Plaza, which the Subsidiary will provide discount until 31 December 2014.

## 3) Distribution Channels (Place)

1. Traffic volume in the Chalerm Mahanakorn Expressway (First Stage Expressway), the Si Rat Expressway (Second Stage Expressway) and the Udon Ratthaya Expressway (Bang Pa-in - Pak Kret Expressway) in 2013 may be categorized by urban and suburban, which equals 63:37.

Average Daily Traffic Volume for Urban and Suburban  
(The First, the Second Stage Expressway Systems and the Bang Pa-in - Pak Kret Expressway)

(Unit : Trips/Day)



	Urban	Suburban	Total
2009	621,503	331,005	952,508
2010	630,032	344,131	974,163
2011	658,276	366,317	1,024,593
2012	688,139	396,626	1,084,765
2013	691,333	408,318	1,099,651

## 2. Payment of Tolls

- 2.1 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 Chalerm 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.). Users may pay tolls in two channels, in cash, or via the Electronic Toll Collection system (Easy Pass).



2.2 Users of the Udon Rattaya Expressway which connects to the Expressway System towards the North of Bangkok has a total distance of 32 kilometers, with 10 toll plazas, 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.

### 3. 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 Chalmr 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 Company's opening for service of Easy Pass, the Easy Pass service then covers all Expressway networks, as a result, in December 2013, the average volume of vehicles using Easy Pass on working days for the Chalmr Mahanakorn Expressway and the Si Rat Expressway is approximately 350,019 trips per day, representing 32.40 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 959 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. To promote more Easy Pass usage, EXAT has set a policy to cancel the deposits for Easy Pass cards and Smart Cards against damage or loss since 14 July 2012.

In the interest of convenience to the Easy Pass users, the Company arranged for the Easy Pass Fast Service, including film cutting service for Easy Pass installation and testing, 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 9:00 - 17:00 hours.

### 4) Sales Promotion and Public Relations (Promotion)

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 2013, the Company provided discount at the connection from the Chalong Rat Expressway to the Chalmr 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 at Muang Thong Thani Toll Plaza.

Furthermore, during the remarkable festivals, such as, Songkran Festival and New Years 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, 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, special activities for lucky motorists, discount on tolls, connections between the Expressways and various routes to facilitate motorists.

The channels of public relations used by the Company to disseminate information comprise documentary programs on radio and television, radio spot, leaflets, Variable Message Signs (VMS), and our website: [www.becl.co.th](http://www.becl.co.th), as well as social media ([www.facebook.com/bangkokexpressway](https://www.facebook.com/bangkokexpressway)), including Si Rat bimonthly newsletters as a medium for sharing information and news between the Company and motorists. In 2013, the Company improves the frequency of our customer relations activities with the existing customers and stakeholders on the occasion of the 25<sup>th</sup> anniversary in 2012, 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.

In 2013, the Company, together with EXAT, arranged for the Easy Pass Movie Ticket Giveaway program, as a marketing campaign for the Easy Pass customers to publicize the top-up channels and increase the number of the Easy Pass top-up service via ATM and online banking with Krung Thai Bank, Bangkok Bank, KASIKORNBANK and Siam Commercial Bank, which provides marketing privileges to the Easy Pass customers.

In addition, during 1 September 2013 to 31 December 2013, EXAT granted an additional three percent per top-up to the Easy Pass users, for example, for a Baht 1,000 top-up, the value in the card will be Baht 1,030, in order to attract more Easy Pass customers.

## 2.2.2 Industry and Competition

Despite Thailand's economic recession since mid-2013, the tax refund campaign for first-time car buyers under the government's policy, along with the marketing campaigns organized by automotive industrial operators, accounted for the increased number of new cars registered in 2013, and the traffic volume using the Expressways. According to the information of the Department of Land Transport, in 2013, the number of new cars registered (inclusive of all types of cars) in Bangkok area is as high as 610,174 vehicles, which is more than 604,539 vehicles in 2012, thereby bringing the cumulative number of cars in Bangkok to a total of 5,010,006 vehicles. Comparing to the road space in Bangkok for a total distance of approximately 5,400 - 5,500 km., the available road space to accommodate the volume of vehicles in Bangkok is lower. In 2013, the average speed of cars running on the roads throughout Bangkok during rush hours is 21.7 kilometers per hour. In case of raining and flood, the speed would be reduced to 20 kilometers per hour. Given the increased volume of vehicles in the next five years, the average speed of cars would be reduced from 21.7 kilometers per hour to 15-17 kilometers per hour and would be lower accordingly (source: Post Today Newspaper, 5 August 2013 Issue, and Daily World Today Newspaper, 11 August 2013 Issue).

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), 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 84.25 kilometers, divided into 36.25 kilometers for BTS (including the Extension of Sukhumvit Line, On Nut - Bearing, and the Wongwian Yai - Bang Wa Extension), 20 kilometers for the 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, these factors 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), for a distance of 5.25 kilometers, which was opened for service since 12 August 2011, 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 Purple Line Project, North (Bang Yai-Bang Sue), for a distance of 23 kilometers, which would be postponed for opening for service in 2016; the Blue Line Project (Bang Sue-Tha Phra and Hua Lamphong-Bang Khae), for a total distance of 55 kilometers, which would be completed in 2017; and the Light Green Line (Bearing - Samut Prakan), which would be completed in 2016. 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.



## 2.3 Procurement of Products and Services

### 2.3.1 Nature of Procurement of Products

EXAT is an authority responsible for the construction of expressways to provide service for convenient, rapid and safe traffic, as well as to mitigate traffic problems. EXAT invited interested parties to submit investment proposals, the Company then conducted feasibility study and submitted its proposals for investment in projects with appropriate return and conditions.

The Expressway Projects under the Second Stage Expressway Agreement, the Bang Pa-in - Pak Kret Expressway Agreement, the Agreement for Extension of the Second Stage Expressway (Sector D), and the Concession Agreement for the Si Rat - Outer Ring Road Expressway Project 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 completed 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. 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.

With respect to the Si Rat - Outer Ring Road Expressway Project, the Company and EXAT executed the Concession Agreement for Investment, Design, Construction, Operation, Service and Maintenance of the Project on 14 September 2012, for a concession period of 30 years from 15 December 2012 to 15 December 2042, and with a construction period of not exceeding 48 months. EXAT shall determine the Expressway route and areas to be used for construction and arrange for land expropriation for delivery to the Company within the specified time. The Company shall have the duty to carry out the design and construction in accordance with the designs approved by EXAT, subject to the supervision of the quality of construction work by EXAT's Engineer and Independent Certification Engineer. 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 completed in accordance with the specified standards and is ready for service. The Company engaged CH. Karnchang Public Company Limited, as specialist with experience in construction and management of all Expressway projects under the concessions of the Company, to act as project manager and construction contractor as well as operator of the Project on a lump sum turnkey basis.

Under this Concession Agreement, the Company shall have the right to manage and provide service, e.g., toll collection, rescue operation and maintenance, whereby the Company shall be entitled to receive all tolls throughout the concession period.

### 2.3.2 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 pollution 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, which includes the current construction of the Si Rat - Outer Ring Road Expressway Project.

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. In addition, 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 2013, the Company continued to maintain the ISO 14001: 2004 Environmental Management System, by following up possible environmental issues, as well as optimizing the use of natural resources through its continued energy management measures, such as, using the 30-watt Light-emitting Diode or LED technology instead of the existing 250-watt Metal Halide technology on both the Si Rat Expressway and inside the Company's premises, in order to save energy, not to mention the LED technology's longer useful life, thereby minimizing repair and maintenance on the Expressways; alleviating the traffic congestion on the Expressways, as well as minimizing air pollution and global warming.

Given the features of such LED technology, the Company has conducted a study and test on the use of LED technology instead of the lighting on roads. Should such project succeed, it would help save energy substantially.

With respect to the environmental management, the Company has an engineering analysis agency comprising knowledgeable and skilled personnel in traffic engineering and safety on the Expressways to conduct studies on impacts from various factors. A traffic simulation has been made for study of the suitability in the improvement of physical characteristics at the front areas of toll plazas, as well as inspection of road safety; analysis of risk areas on Expressways; study of features and patterns in the installation of safety equipment, in order to improve the Expressways to ensure the maximum safety for motorists, as well as minimizing environmental impact. The Company has applied such study results as follows:

1. The safety on Expressways has been improved by inspecting and assessing the safety of the gore areas and installing safety equipment, e.g., crash cushions, cushion tanks, flexible guide posts, cold plastic red color road paint to alert for high accident risk areas.
2. More Easy Pass lanes have been added in response to the increased traffic volume in the Easy Pass lanes. After EXAT's policy on cancellation of the Easy Pass card deposit, the use of Easy Pass service has increased, which necessitates more Easy Pass lanes to accommodate the increased traffic volume, and as a result, motorists can save their commute time and fuels.
3. Traffic and Easy Pass signboards have been improved to provide suggestions to Expressway users for convenience and rapidity in passing through the Easy Pass lanes.



In addition, 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.

## 2.4 Works Pending Delivery

### 24.1 The Construction of the Si Rat - Outer Ring Road Expressway Project

The Company has started the construction since 15 December 2012, for the construction period of not exceeding 48 months, with the project value of Baht 25,491 Million. As at 31 December 2013, the construction progressed 12.31 percent, as compared to 11.10 percent as per the construction plan under the Agreement. It is expected to be opened for service by December 2016.

### 2.4.2 The Project for Construction of the Connecting Road between the Si Rat Expressway (Sector D) and Chaturathit Road (Section C)

The Company has constructed the connecting road between the Si Rat Expressway (Sector D) and Chaturathit Road (Section C) to allow motorists from Chaturathit Road or New Petchburi Road or City Airport Terminal (CAT), wishing to travel to the East and the Suvarnabhumi Airport, to use the road connecting with the Si Rat Expressway (Sector D) from Chaturathit Road to enter the Si Rat Expressway (Sector D) behind Asoke 3 Toll Plaza. This would be more convenient and save the commute time for motorists. The construction started on 1 February 2013, for a construction period of not exceeding 16 months. As at 31 December 2013, the construction progressed 65.95 percent. It is expected to be opened for service by mid-2014.

## 3. Risk Factors

The Company realizes the significance of the management of risks from business operations under the changes of internal and external factors affecting its 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. Risk factors which may materially affect the Company's business operations are as follows:

### 3.1 Concession Risk

#### 3.1.1 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 Second Stage Expressway Agreement executed with the Expressway Authority of Thailand ("EXAT"), whereby 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 with EXAT on different interpretation of several matters, such as, adjustment of toll rates and responsibility for costs under the Agreements.

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 congestion in downtown. Failure in construction of said roads therefore impaired efficiency in provision of overall traffic services. As at 31 December 2013, such dispute has not yet been referred to arbitration proceedings. However, the Company has given notice to EXAT to reserve its right to reduce the compensation for site acquisition cost to EXAT in proportion to the areas actually delivered to the Company by EXAT.

The details on other disputes are described in Disputes with EXAT on pages 53 to 57, most of the major claim on high value damages are made by the Company from EXAT. Therefore, the decision should not materially have any negative risk towards the Company's operational results. However, pursuant to the Si Rat - Outer Ring Road Expressway Agreement, both parties have agreed to minimize conflicts in interpretation, e.g., the toll revision will be based on fixed amounts.

### 3.1.2 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.

The fact that the Company has been granted an opportunity from the public sector in the operation, service and maintenance of the Si Rat - Outer Ring Road Expressway Project for a period of 30 years thus signifies a certain level of trust placed in the Company.

## 3.2 Financial Risk

### 3.2.1 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. Should the toll revenue differ from the study or the projections, it may affect the liquidity and serviceability 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. The Ministry of Transport issued its Notification on the new toll rates dated 2 August 2013, effective from 1 September 2013. As for the past toll revisions, the Company was granted approval to increase toll rates but not at the proposed rates (as per the details in Legal Disputes on pages 55 to 56), which in the Company's opinion, did not comply with the Agreement, thereby causing its 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 estimates that there remains a risk from uncertainty of the traffic volume on the Expressways, which directly affects its 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 its vicinity, 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 average daily traffic volume of the Chalerm Mahanakorn Expressway, the Si Rat Expressway and the Udon Rattaya Expressway in 2013 was 1,099,651 trips per day, representing an increase from 1,084,765 trips per day of the previous year or 1.37 percent. In the last quarter of 2013, the traffic volume was affected by political rallies and the increased toll rates of the Chalerm Mahanakorn Expressway and the Si Rat Expressway, effective from 1 September 2013 and of the Udon Rattaya Expressway, effective from 1 November 2013. However, with the positive factor from the government's economic stimulus measure by way of tax refund campaign for first-time car buyers in the previous year, the number of new cars registered in Bangkok substantially increased, and as a result, the overall traffic volume using the Expressways thus continued to increase from the previous year. The average daily toll revenue in 2013 was Baht 22.026 Million per day which increased from the average of Baht 21.126 Million per day of the previous year, representing an increase by 4.26 percent which was more than the growth rate of the traffic volume as a result of the increase of toll rates.

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 its traffic volume in respect of indirect competition. This is because customers of the BTS and the metro are not the target group of customers using the Expressways 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, and have not yet covered major areas in response to most people's transportation demand in Bangkok. Although the behavior of personal car owners may change to a certain extent, the information obtained from the survey revealed that the Company's revenue is not affected. However, with respect to the policy on the extension of the mass transit system network of both the MRT Purple Line and the SRT Red Line which are under construction, the Company has already arranged for a unit to closely monitor the effects which might give rise to the traffic volume.

With respect to 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), according to the continued monitoring, the traffic volume of Sector D of the Expressway, Rama 9 - Srinagarindra, may be slightly affected. 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, more passengers will get off at Makkasan Terminal Station or City Airport Terminal (CAT) near the on-ramps of Sector A of the Si Rat Expressway around Asoke 2 Toll Plaza, which would serve to accommodate the traffic volume from such project to conveniently and rapidly arrive at Bangkok downtown and others. At present, the Company is constructing a connecting road from Makkasan Station to enter Sector D of the Si Rat Expressway at Asoke 3 Toll Plaza, in order to accommodate the traffic volume heading eastbound and the Suvarnabhumi Airport more smoothly, conveniently and rapidly. It is scheduled to be opened for service in and around mid-2014.

### 3.2.2 Risk from Interest Rate Fluctuation

The Company has a large amount of debts in the form of long-term loans in the amount of Baht 19,310 Million as at 31 December 2013 for investment in construction of the Si Rat Expressway and the extensions under the Second Stage Expressway Agreement, including the Si Rat - Outer Ring Road Expressway Project. Thus, interest expenses are considered the significant expenditures for the Company. The increased interest rates on loans 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 has already managed such risk from interest rate fluctuation, whereby at present, the Company's long-term loan structure as at 31 December 2013 comprises approximately 69 percent for loans at fixed interest rates and approximately 31 percent for loans at floating interest rate. Should the interest rate increase by 1 percent, the Company's interest expenses would increase by merely Baht 60 Million per year.

## 3.3 Investment Risk

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

The Subsidiary which invested, constructed and operated the Udon Rattaya 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 Rattaya Expressway than projected. The Subsidiary's operational results are below projections and remain at a loss. As at 31 December 2013, the Subsidiary had accumulated loss amounting to Baht 5,069.46 Million and the outstanding liabilities and loans from its parent company amounting to Baht 8,158.71 Million, affecting the quality of the Company's investment funds and assets.

On 1 November 2003, 1 November 2008 and 1 November 2013, the Ministry of Transport issued its Notifications on toll revision for the Udon Rattaya 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.

### 3.3.2 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, and based on its experience as investor in the construction and management of the Second Stage Expressway System, which is a public infrastructure business in the form of concession awarded by the government sector, the Company therefore considered investing in the public infrastructure business or in supporting business, in order to establish long-term return and increase business value to its shareholders, 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.

BMCL was listed on the Stock Exchange of Thailand on 21 September 2006, rendering its financial costs to decrease, whereby BMCL utilized some proceeds 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 underwent 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 opening



for service of the MRT Blue Line Extension (Hua Lamphong - Bang Khae and Bang Sue - Tha Phra), which started the construction in April 2011 and was scheduled for completion and opening for service in late 2016. On 2 October 2012, the Mass Rapid Transit Authority of Thailand (MRTA) issued a letter notifying that the committee for selection of private entity to participate in State undertaking selected BMCL to invest in the M&E Systems and supply rolling stock and operate the MRT Purple Line Project (Bang Yai - Bang Sue Section), and on 4 September 2013, the Agreement was executed to engage BMCL as the operator of the MRT Purple Line. Therefore, the network would extend from the existing project, which would result in an increased volume of passengers.

In November 2013, BMCL increased its registered capital from Baht 11,950 Million to Baht 20,500 Million, by issuing new 8,550 million ordinary shares, at the par value of Baht 1 each. The proceeds have been used for debt repayment and acquisition of the additional M&E Systems, for business expansion and enhancement of the service efficiency. As at 31 December 2013, the Company holds 10 percent of shares in BMCL.

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

In 2011, the Company invested in Xayaburi Power Company Limited (XPCL), 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. In June 2013, XPCL increased its registered capital from Baht 16,250 Million to Baht 26,861 Million, by issuing new 1,061 million ordinary shares, at the par value of Baht 10 each. As at 31 December 2013, the Company holds 7.50 percent of shares in XPCL.

As the Xayaburi Hydroelectric Power Project is a large-scale construction project on the Mekong River, with a large size 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 Megawatts. On 7 November 2012, the groundbreaking ceremony was held for the Project. In addition, the Government of the Lao People’s Democratic Republic officially announced that the design had been revised in order to address concerns of environmentalists from its neighboring countries, and as a result, the Project can then be implemented according to plan.

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

In 2011, the Company jointly invested in the establishment of CK Power Public Company Limited (CKP) to operate its core business by holding shares in other companies (Holding Company). CKP holds shares in SouthEast Asia Energy Limited (SEAN), a company investing in Nam Ngum 2 Power Company Limited as a party to the Concession Agreement for the (Nam Ngum 2) Hydroelectric Power Project with the Government of the Lao People’s Democratic Republic; and also holds shares in Bangkhenchai Co., Ltd. (BKC), Nakhon Ratchasima Solar Co., Ltd. (NRS) and Chiangrai Solar Co., Ltd. (CRS), companies investing in the solar photovoltaic power plants; as well as Bangpa-in Cogeneration Limited (BIC), a company investing in the cogeneration power plant.

In July 2013, the Stock Exchange of Thailand considered accepting CKP’s ordinary shares as listed securities on the Stock Exchange. CKP made a public offering of 220 million shares, comprising new 180 million ordinary shares for capital increase and the existing 40 million ordinary shares, at the offering price of Baht 13 each. The Company also offered for sale its 20.6 million shares in CKP, and as a result, the Company’s shareholding in CKP decreased from 30 percent to 23.22 percent.

## 3.4 Operational Risk

### 3.4.1 Risk from Delayed Construction and Operation of the Si Rat - Outer Ring Road Expressway Project

The 2012 Annual Ordinary General Meeting of Shareholders which was held on 25 April 2012 resolved to grant approval for the Company to invest in the Si Rat - Outer Ring Road Expressway Project, which would continue from and expand the existing Expressway network currently being operated by the Company; and also grant approval for the Company to engage CH. Karnchang Public Company Limited as project manager for construction of the Expressway.

On 14 September 2012, the Company executed the Concession Agreement for Investment, Design, Construction, Operation, Service and Maintenance of the Si Rat - Outer Ring Road Expressway Project with the Expressway Authority of Thailand (EXAT), for a period of 30 years, with a construction period of not exceeding 48 months from the date of EXAT's Notice to Proceed. On the same day, the Company executed the Agreement for Engagement of CH. Karnchang Public Company Limited as Project Manager and also executed the Credit Facility Agreement for the Project with a lending bank group.

The risk for the Project at this stage would involve construction and liquidity issues. As for the construction, the Company executed the Agreement with CH. Karnchang Public Company Limited, which has expertise and experience in the construction and management of the Expressway Projects on a lump sum turnkey basis, with fixed construction cost, and as a result, the Company would not be exposed to any risk from cost overrun. As at 31 December 2013, the construction progressed 12.31 percent, as compared to 11.10 percent per the construction plan, or representing 1.21 percent ahead of schedule. In respect to the liquidity for construction, the Company executed the Credit Facility Agreement with the lending bank group in the amount of Baht 10,000 Million, and approved Baht 19,000 Million debentures, which are considered sufficient for the project operation. As at the end of 2013, the Company has made a loan drawdown of Baht 400 Million and issued Baht 4,000 Million debentures.

### 3.4.2 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 available for full-time service by way of drawing up a plan for inspection of the structures of both the Si Rat Expressway and the Udon Ratthaya 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 its 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.

### 3.4.3 Risk from Toll Collection System Malfunction

In 2010, the Company has launched the Electronic Toll Collection system or Easy Pass system for service, which is a new standard method of toll payment using state-of-the-art technology to solve traffic congestion problem at the front of the toll plazas, together with the toll collection system by cash. The Company cooperated with EXAT to provide such service to facilitate the Chalerm Mahanakorn Expressway, the Si Rat Expressway, the Chalong Rat Expressway, the Burapha Withi Expressway and the Southern Kanjanapisek 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.

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, determination of authorization levels of access to information and equipment, and installation of virus scan software and data backup system in the operating system to ensure instant substitution. As for the Easy Pass system, backup servers have been provided for key operations in the system at the Control Center, namely, Application Server, Gateway Server, Point of Sale and Maintenance Server. The duration of the data transmission from Easy Pass lanes to the Central System and the duration of the card balance data transmission from the Central System to Easy Pass lanes have been reviewed daily. The alert system via SMS in case of any system error at the Control Center has been installed for prompt attention of the system operators in charge. Regarding the toll collection equipment by cash, which previously had a risk in obsolete technology, making it difficult to procure spare equipment, the Company thus completely installed the replacement equipment in all lanes since 2012 and it is expected to be available for service until the end of the concession period.

In June 2013, after the Easy Pass card deposit was cancelled and more Easy Pass lanes were added to 50 percent of all lanes in accordance with the government's policy, the average daily traffic volume increased accordingly from 1.5 hundred thousand records per day in 2010 to more than 4.5 hundred thousand records per day in 2013. The Central System has been designed to support the data transmission up to merely 2.5 hundred thousand records per day, therefore, the Central System processing became slow, resulting in inaccurate Easy Pass value display and top-up error. Later in early August 2013, EXAT solved such problems by software upgrade to the Central System for data transmission up to 1 million records per day, and as a result, the unsettled toll records would be automatically debited in the accounts so as to display accurate values.

In order to prevent the accumulation of substantial unsettled toll records, the Company and EXAT conducted a daily review of toll record volume in the system at the Control Center in comparison with the Central System. EXAT also arranged for a working group to regularly monitor the operation of the Central System, to ensure that the system performs efficiently. In this regard, the Company developed software for storage of data on transmission durations from Easy Pass lanes on the Si Rat Expressway System to the Central System, in order to check the efficiency of the data transmission system to ensure rapid operation without accumulating unsettled records.

#### **3.4.4 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, together with EXAT as traffic officers on the Expressway, has controlled and monitored for strict compliance with the relevant laws; for example, transportation of hazardous 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, installation of crash cushions and rumble strips, CCTV cameras, lighting, traffic signboards and information signboards.

The Company and the Subsidiary took out insurance against Property Damage of the structures of the Si Rat



Expressway and the Udon Rattaya Expressway, and Business Interruption, including the Public Liability, on a yearly basis, in order to prevent the impact from possible damage.

Due to the flood crisis in 2011, 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. As a result of its management of 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, the damage which occurred to the Subsidiary could be minimized.

#### **3.4.5 Risk from Political Unrest**

During November 2013 until the end of 2013, there were political rallies throughout Bangkok, affecting the Expressway users at certain on- and off-ramps located near the protest venues. The Company and EXAT have arranged for an emergency backup plan in response to any violence and impact of the protest on the Expressway service. The emergency backup plan involves 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. The Company is certain the Expressway service will become strategic routes for commuting during such crisis.

#### **3.4.6 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. It 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 9001:2008 Quality Management System, in respect of which the Company has been passing the quality surveillance since 2004 to date, so as to ensure that its 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 to date, in order to ensure our corporate social and environmental responsibility. During 16-17 May 2013 and on 29 November 2013, SGS (Thailand) Limited, a certification body in respect of the Quality Management System and the Environmental Management System, has conducted a surveillance audit for both Systems and a recertification audit of ISO 9001:2008 Quality Management System. As a result, the auditor from SGS (Thailand) Limited was of the view that the Company continued to maintain ISO 14001:2004 Environmental Management System, and for the ISO 9001:2008 Quality Management System, the Company complied with the standard requirements and the certification was thus renewed for another three years.

## 4. Property Used in Business Operations

### 4.1 Significant Characteristics of Fixed Assets / Title

#### 4.1.1 Rights to Operate Completed Expressway Sectors

The costs of construction of the Second Stage Expressway System and the Bang Pa-in - Pak Kret Expressway Project, comprise:

Class of Assets	Net Book Value (Million Baht) as at 31 December 2013
Si Rat Expressway, Sectors A, B and C	12,307
Si Rat Expressway, Sector D	4,988
Udon Ratthaya Expressway	8,269
Total	25,564

Remark : The Company has assigned the rights to operate the Second Stage Expressway System as security for long-term loans.

Given that the Expressway Agreements above 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 collection, 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

#### 4.2.1 Policy on Investment and Management in the Subsidiary

The Company aims to operate its business as the Expressway service provider and to be an investment holding company in parallel, by investing in the public utilities or related business in support of its operations and providing opportunities and long-term yields to the Company. The investment policy shall be as follows:

1. To invest in projects or acquire ordinary shares in project operators, in a manner of long-term investments;
2. To invest up to the minimum proportion to allow the Company to participate in setting out policies, monitoring and reviewing operations of such companies so invested;
3. Not to invest in any project giving rise to environmental impact or contrary to the good moral of the society.

As at 31 December 2013, the Company has invested in the following companies:

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 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 Chalerm 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 2013, the Subsidiary called for share payment of 75 percent of the increased registered capital of Baht 3,000 Million. As at 31 December 2013, the Subsidiary has the paid-up registered capital in the amount of Baht 5,250 Million. At present, the Company holds shares in the Subsidiary, representing 53.33 percent of its registered capital. Since the Company provided a large amount of loans for 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' Meeting. 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. During 2013, BMCL increased its registered capital from Baht 11,950 Million to Baht 20,500 Million. In order to maintain the shareholding percentage, the Company acquired additional shares in BMCL as per its shareholding in the amount of Baht 855 Million, and as a result, as at the end of 2013, the Company holds shares in BMCL, representing 10.00 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. Currently, BMCL has a plan to expand its service to the MRT Purple Line Project which would connect with the MRT 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. Currently, TTW expanded its business by producing and selling tap water and providing water treatment service for industrial areas. TTW's securities were listed as listed securities on the Stock Exchange of Thailand on 22 May 2008. In addition, in 2011, TTW invested in the energy business by holding 30 percent of shares in CK Power Public Company Limited, a company investing in other companies operating the energy business. The benefits to be derived by the Company from investment in TTW shall be dividend income.

On 19 December 2012, the Board of Directors' Meeting No. 5/2012 was of the view that TTW was a company with stability and low risk in the business operations, and the investment in TTW would provide long-term yields, and therefore resolved to grant approval for proposing the matter to the Extraordinary General Meeting of Shareholders No. 1/2013 on 6 February 2013 for consideration and approval for the Company to acquire additional 438.9 million ordinary shares in TTW, representing 11 percent of its registered capital, at the price of Baht 7.55 per share, totaling Baht 3,313.7 Million. Upon combination with the existing 368.8 million shares in TTW held by the Company, the Company would hold a total of 807.7 million shares in TTW or representing 20.24 percent of its registered capital.



Such acquisition of shares changed TTW's status to be an associated company, and as a result, the Company recognized gain on adjustment of value of investment in the existing proportion held by the Company to fair value in the consolidated statement of income in the amount of Baht 2,808 Million under the item "gain on fair value adjustment of investment from changing status of investment" and reversed gain on change in value of available-for-sale investment due to transfer of investment from other long-term investment to investment in associate, in the amount of Baht 2,237 Million, in the statement of comprehensive income. In 2013, the Company received dividend from TTW in a total amount of Baht 444 Million, which was recorded as income in the Company's separate financial statements and recognized the share of profit from TTW, net of amortization of intangible assets due to the allocation of the acquisition price, in the amount of Baht 347 Million in the consolidated statement of income. Given the Company's increased shareholding in TTW, the Company would have an additional director in TTW, totaling two directors in TTW.

#### 4. CK Power Public Company Limited (CKP)

The Company jointly invested in the establishment of CK Power Public Company Limited (CKP), which operates core business by investing in other companies operating the energy business. As at 31 December 2013, CKP invested by holding shares representing 56 percent in SouthEast Asia Energy Limited; 30 percent in Nakhon Ratchasima Solar Co., Ltd.; 30 percent in Chiangrai Solar Co., Ltd.; 100 percent in Bangkhenchai Co., Ltd.; and 65 percent in Bangpa-in Cogeneration Limited. The benefits to be derived by the Company shall be in the form of dividend from investment. In July 2013, the Stock Exchange of Thailand accepted CKP's ordinary shares as listed securities on the Stock Exchange. CKP made a public offering of 220 million shares, comprising new 180 million ordinary shares for capital increase and the existing 40 million ordinary shares, at the offering price of Baht 13 each. The Company also offered for sale its 20.6 million shares in CKP, at the price of Baht 13 each, totaling Baht 268 Million, and as a result, the Company's shareholding in CKP decreased from 30 percent to 23.22 percent. The Company recognized gain on sale of investments in CKP and gain on deemed disposal of investments in associate in the amount of Baht 274 Million in the consolidated statement of income for 2013. In 2013, the Company recognized share of profit from CKP in the amount of Baht 53 Million. The Company, in the capacity as a shareholder, sent two representatives to be members of the board of directors of CKP.

#### 5. 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 2013, 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 in XPCL held by the Company have been pledged as security of long-term loan of XPCL.

## 4.3 Building and Equipment

### 4.3.1 Bangkok Expressway Public Company Limited

Class of Assets	Net Book Value (Million Baht) as at 31 December 2013
Building and construction improvement	12.93
Furniture and fixture	1.86
Tools, instruments and equipment	14.89
Vehicles	97.11
Total	126.79

Remark : Free of any encumbrance.

The Company's head office is located at the Second Stage Expressway Control Center Building, No. 238/7 Asoke-dindaeng Road, Bangkok Subdistrict, Huaykwang District, Bangkok 10310, which is part of the Second Stage Expressway Project. Despite the fact that the title to such Building is owned by EXAT, 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 2013
Vehicles	1.02
Total	1.02

Remark : Free of any encumbrance.

The Subsidiary does not own any property, plant and equipment, but leases a building as its head office located at No. 587, Sutthisarnvinitchai Road, Dindaeng Subdistrict, Dindaeng District, 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 Control Center 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 Construction in Process of the Si Rat - Outer Ring Road Expressway Project

On 25 April 2012, the 2012 Annual Ordinary General Meeting of Shareholders resolved to grant approval for the Company to invest in the Si Rat - Outer Ring Road Expressway Project. On 14 September 2012, the Company executed the Concession Agreement for Investment, Design, Construction, Management, Operation and Maintenance of the Si Rat - Outer Ring Road Expressway Project with the Expressway Authority of Thailand, for a concession period of 30 years, and the Project Management Agreement for the Si Rat - Outer Ring Road Expressway Project with CH. Karnchang Public Company Limited. The construction period shall not exceed 48 months, which commenced on 15 December 2012. The value of construction in process as at 31 December 2013 was Baht 2,731 Million. The construction progressed 12.31 percent in line with the plan. In this regard, such construction in process is free of any encumbrance.

## 4.5 Investment Property

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 Si Rat Expressway. The book value of Baht 120.36 Million of such land was recorded at cost as at 31 December 2013. Such land has been used to secure credit facilities extended by the group of lenders.

# 5. Legal Disputes

## 5.1 Disputes with the Expressway Authority of Thailand (EXAT)

Currently, the Company and its Subsidiary have a total of 14 disputes with EXAT, which were referred to the consideration of the Arbitral Tribunal in accordance with the dispute settlement procedures under the Agreements and in the Administrative Court, divided into the disputes that the Company and its Subsidiary referred to the dispute settlement proceedings under the Agreements to claim damages in the total amount until the dates of submission of the disputes of approximately Baht 28,179.8 Million; and the disputes submitted by EXAT claiming damages in the total amount until the dates of submission of the disputes of approximately Baht 15.8 Million, with key summaries of the respective disputes as follows:

### 5.1.1 Disputes submitted by the Company and its Subsidiary claiming 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 specifies 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 was the Priority Component Opening Date, from which EXAT was obliged under the Agreement to commence sharing the toll revenue with the Company onwards.

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. 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.

On 13 September 2013, the Central Administrative Court adjudged to dismiss EXAT's petition requesting the Court to revoke the arbitral award and adjudged to enforce the Company's petition by 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, with interest under the Agreement calculated from 13 November 1992 up to 30 June 2001, amounting to Baht 1,856.8 Million, including the interest calculated from 1 July 2001 up to the date on which the Company submitted the petition to the Court, namely, 19 October 2011, amounting to Baht 1,189.7 Million, thereby bringing a total of the toll revenue sharing together with interest to Baht 5,021.1 Million, to the Company, as well as requiring EXAT to pay the default interest on the principal until the payment would be made in full to the Company, whereby EXAT shall make such payment in full within 60 days from the date on which the case is final.

On 11 October 2013, EXAT lodged an appeal against the Central Administrative Courts judgment with the Supreme Administrative Court. At present, the Company is preparing its answer to the appeal for submission to the Supreme Administrative Court.

#### 2. Competing road with the Udon Raththaya Expressway

The Agreement specifies 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 Engineers 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.

On 3 May 2013, the Central Administrative Court adjudged to dismiss EXAT's petition requesting the Court to revoke the arbitral award and the Central Administrative Court also issued a judgment to enforce compliance with the arbitral award, thereby requiring EXAT to compensate for revenue reduced from that estimated to the Subsidiary for the year 1999 in the amount of Baht 730.8 Million and for the year 2000 in the amount of Baht 1,059.2 Million together with interest until the said payment would be made in full.

On 31 May 2013, EXAT lodged an appeal against the Central Administrative Courts judgment in both cases with the Supreme Administrative Court. The Supreme Administrative Court then issued an order accepting EXAT's appeal in both cases. In this regard, the Subsidiary already submitted its answer to EXAT's appeal in both cases to the Supreme Administrative Court on 18 October 2013. At present, it is pending the Supreme Administrative Court's consideration.

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

EXAT issued variation orders for certain construction work of the Si Rat Expressway and confirmed that EXAT would be responsible for such costs as actually incurred by such orders. The Independent Certification Engineer subsequently issued a letter certifying the additional costs in the total amount of Baht 238 Million (excluding interest). EXAT refused to make such payment as certified by the Independent Certification Engineer.

On 9 December 2009, the Company submitted a statement of claim to the Thai Arbitration Institute, demanding EXAT to compensate 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 the date of submission of the statement of claim in the amount of Baht 173.4 Million, thereby bringing the principal with interest to a total of Baht 382.5 Million.

On 20 December 2013, the Arbitral Tribunal rendered its award requiring EXAT to pay the construction costs and expenses as per such variation orders in the total amount of the principal with interest of Baht 382.5 Million, including the interest on the principal in the amount of Baht 209.1 Million, calculated from the day following the date of submission of the statement of claim until the said payment would be made in full to the Company. In this regard, the Company may, within three years, submit a petition to the court of competent jurisdiction requesting the court to enforce the arbitral award; while EXAT may submit a petition for revocation of the arbitral award to the court of competent jurisdiction within 90 days from the date of receipt of the copy of the arbitral award.

### **4. 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 calculation of the tolls to be revised, and as such, EXAT issued the toll rate notification which did not increase the toll rates as proposed by the Company.

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. At present, it is in the course of witness examination.

### **5. 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 calculation of the tolls to be revised, and as such, EXAT issued the toll rate notification which did not increase the toll rates as proposed by the Company.

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 total amount of Baht 1,048.2 Million.

On 31 October 2013, the Company submitted a statement to the Thai Arbitration Institute, requesting the consideration for scheduling a meeting of both disputing parties for appointment of the Chairman of the Arbitral Tribunal, determination of disputed issues, burden of proof, and arbitration proceedings.

#### **6. Revision of toll rates of the Udon Rathhaya 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 calculation of the tolls to be revised, and as such, EXAT issued the toll rate notification which did not increase the toll rates as proposed by the Subsidiary.

On 22 October 2013, the Subsidiary submitted the statement of claim to the Thai Arbitration Institute, demanding EXAT to compensate the Subsidiary for damages, together with interest, in the total amount of Baht 908.7 Million, and interest shall be calculated on a daily basis on the principal of the damages in the amount of Baht 561.9 Million from the day following the date of submission of the statement of claim until EXAT would compensate the Subsidiary for the principal of such damages, together with interest in full.

At present, it is awaiting EXAT's submission of its statement of defense to the Thai Arbitration Institute.

#### **7. Revision of toll rates of the Chalerm Mahanakorn Expressway and the Si Rat Expressway for 2008**

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 calculation of the tolls to be revised, and as such, EXAT issued the toll rate notification which did not increase the toll rates as proposed by the Company.

On 13 June 2013, the Company submitted the statement of claim to the Thai Arbitration Institute, demanding EXAT to compensate the Company for damages, together with interest calculated up to 31 May 2013, in the total amount of Baht 9,091.8 Million, and interest shall be calculated on the principal of the damages in the amount of Baht 7,909.6 Million calculated from 1 June 2013 onwards until EXAT would compensate the Company for such damages, together with interest in full; and also demanding EXAT to compensate for damages from 1 June 2013 onwards until EXAT would adjust and apply the toll rates in accordance with the rates as proposed by the Company under the Agreement, together with interest on the principal of such damages.

On 16 October 2013, EXAT submitted its statement of defense to the Thai Arbitration Institute.

On 12 December 2013, the Arbitral Tribunal scheduled the first meeting of both disputing parties for mediation or determination of the arbitration proceedings. Both disputing parties agreed to conduct the mediation and the arbitration proceedings in parallel.

#### **8. Revision of toll rates of Sector D of the Si Rat Expressway for 2008**

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 calculation of the tolls to be revised, and as such, EXAT issued the toll rate notification which did not increase the toll rates as proposed by the Company.

On 28 June 2013, the Company submitted the statement of claim to the Thai Arbitration Institute, demanding EXAT to compensate the Company for damages, together with interest calculated up to 31 May 2013, in the total amount of Baht 4,062.8 Million, and interest shall be calculated on the principal of the damages in the amount of Baht 3,557.8 Million from 1 June 2013 onwards until EXAT would compensate the Company for the principal of such damages, together with interest in full; and also demanding EXAT to compensate for damages from 1 June 2013 onwards until EXAT would adjust and apply the toll rates in accordance with the rates as proposed by the Company under the Agreement, together with interest on the principal of such damages. In this regard, EXAT submitted its statement of defense to the Thai Arbitration Institute on 21 November 2013.

### 5.1.2 Disputes submitted by EXAT claiming damages

EXAT referred six disputes to the Arbitral Tribunal requiring the Company and its Subsidiary to be held liable for costs, 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.

The Arbitral Tribunal rendered its arbitral on two disputes, as follow;

#### 5.1.2.1 Additional construction work

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 1.7 Million. On 14 January 2010, the Company submitted a petition to the Central Administrative Court requesting the Court to revoke the arbitral award. Subsequently, on 22 February 2012, EXAT submitted a petition requesting compliance with the arbitral award to the Central Administrative Court as another case.

The Central Administrative Court scheduled a hearing of its judgment on 28 August 2013, whereby the Court was of the view that there was no ground for the Court to revoke the arbitral award, and as such, the Company's petition was dismissed. Having considered the current facts, the Company deemed it appropriate not to lodge an appeal against the Central Administrative Court's judgment with the Supreme Administrative Court.

As for the case where EXAT submitted the petition requesting compliance with the arbitral award, the Central Administrative Court scheduled 8 November 2013 to be the fact inquiry termination date. At present, it is pending the consideration of the Administrative Court.

#### 5.1.2.2 Cost of arrangements of the entrance - exit and resolution of complaints

On 23 January 2014, the Arbitral Tribunal issued its arbitral award ruling that EXAT may not exercise a right of claim demanding the Company to pay the cost of arrangements of the entrance - exit and the cost of road construction, together with drainage and free flow drains, totaling Baht 404,728.82, therefore dismissed EXAT's claims and requests.

Given that all of the 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. Subsequently, on 8 November 2007, the plaintiff filed an appeal with the Appeal Court. The Appeal Court rendered its judgment on 24 April 2012 requiring EXAT and the Company to jointly compensate the plaintiff in a total amount of Baht 2.3 Million, with interest at the rate of 7.5% per annum, from 21 May 2005 onwards until the payment would be made in full. In this regard, the Company, EXAT and the plaintiff lodged their respective appeals with the Supreme Court. At present, the case is pending the Supreme Courts consideration.

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

## 6. General Information and Other Significant Information

### 6.1 General Information

#### (1) General information of the Company

Company Issuing Securities	:	Bangkok Expressway Public Company Limited ("BECL")
Business Operation	:	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 10 percent of shares or more

Company Issuing Securities : Northern Bangkok Expressway Company Limited (“NECL”)  
Business Operation : Construction and management of the Udon Rattaya Expressway  
Head Office : 587 Sutthisarnvinitchai Road, Dindaeng Subdistrict, Dindaeng District, Bangkok 10400  
Registered Capital : Baht 6,000 Million, Baht 5,250 Million of which is paid up.  
Shareholding Percentage : 53.33 percent  
Telephone : 0 2641 4647  
Fax : 0 2641 4646

Company Issuing Securities : Thai Tap Water Supply Public Company Limited (“TTW”)  
Business Operation : Production and distribution of water supply to the Provincial Waterworks Authority (PWA)  
Head Office : No. 30/130 Moo 12, Buddhamonthon 5 Road, Tambon Rai Khing, Amphoe Samphran, Nakhon Pathom Province 73210  
Registered Capital : Baht 3,990 Million, Baht 3,990 Million of which is paid up.  
Shareholding Percentage : 20.24 percent  
Telephone : 0 2811 7526  
Fax : 0 2420 6064  
Homepage : www.thaitap.com

Company Issuing Securities : Bangkok Metro Public Company Limited (“BMCL”)  
Business Operation : 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 20,500 Million, Baht 20,500 Million of which is paid up.  
Shareholding Percentage : 10.00 percent  
Telephone : 0 2354 2000  
Fax : 0 2354 2020  
Homepage : www.bangkokmetro.co.th

Company Issuing Securities : CK Power Public Company Limited (“CKP”)  
Business Operation : Holding Company  
Head Office : 587, Viriyathavorn Building, 19<sup>th</sup> Floor, Sutthisarnvinitchai Road, Dindaeng Subdistrict, Dindaeng District, Bangkok 10400  
Registered Capital : Baht 5,500 Million, Baht 5,500 Million of which is paid up.  
Shareholding Percentage : 23.22 percent  
Telephone : 0 2691 9720-2  
Fax : 0 2691 9723

## (3) Reference

Securities Registrar : Thailand Securities Depository Company Limited  
62 The Stock Exchange of Thailand Building 4<sup>th</sup> and 7<sup>th</sup> 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	: EY Office Limited (Formerly, Ernst & Young Office Limited) 193/136-137 Lake Rajada Office Complex, 33 <sup>rd</sup> Floor New Rajadapisek Road Klongtoey, Bangkok 10110 Telephone : 0 2264 0777 / 0 2661 9190 Fax : 0 2264 0789-90
Legal Advisor	: The Legists Ltd. 990 Abdulrahim Place, 9 <sup>th</sup> 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, 10 <sup>th</sup> Floor New Petchburi Road, Makkasan Subdistrict Ratchathewi District, Bangkok 10400 Telephone : 0 2652 7858-64 Fax : 0 2652 7867
Regularly Contacted Financial Institutions	: <div> <div> Krung Thai Bank Public Company Limited  10 Sukhumvit Road, Klongtoey Subdistrict  Klongtoey District, Bangkok 10110  Telephone : 0 2208 8045  Fax : 0 2256 8147 </div> <div> Bangkok Bank Public Company Limited  333 Silom Road, Bangrak Subdistrict  Bangrak District, Bangkok 10500  Telephone : 0 2626 4056  Fax : 0 2626 4959 </div> <div> Siam Commercial Bank Public Company Limited  9 Ratchadaphisek Road, Chatuchak Subdistrict  Chatuchak District, Bangkok 10900  Telephone : 0 2544 1828  Fax : 0 2937 7645 </div> <div> TMB Bank Public Company Limited  3000 Phaholyothin Road, Chatuchak Subdistrict  Chatuchak District, Bangkok 10900  Telephone : 0 2299 1561  Fax : 0 2299 2611 </div> </div>



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

## 6.2 Other Significant Information -

# 7. Information on Securities and Shareholders

## 7.1 Number of Registered Capital and Paid-up Capital

- 7.1.1 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.
- 7.1.2 As at 27 December 2013, the Company's 75,079,326 ordinary shares were used as underlying securities for issuance of Non-Voting Depositary Receipt or NVDR, representing 9.75 percent of all shares in 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](http://www.set.or.th/nvdr).

## 7.2 Shareholders

### 7.2.1 List of Major Shareholders

As at 12 September 2013, which is the latest date the share register book was closed, the major shareholders were as follows:

Shareholders	Shareholding	
	Number of Shares	% of total number of shares
1. CH. Karnchang Group	127,920,690	16.61
- CH. Karnchang Public Company Limited	116,669,550	15.15
- CH. Karnchang-Tokyu Construction Company Limited	11,251,140	1.46
2. Thai NVDR Company Limited	71,555,363	9.29
3. BNY MELLON NOMINEES LIMITED	56,556,600	7.35
4. Bangkok Bank Public Company Limited	55,295,390	7.18
5. Krung Thai Bank Public Company Limited	38,500,550	5.00
6. Bangkok Life Assurance Public Company Limited	35,458,500	4.61
7. STATE STREET BANK EUROPE LIMITED	20,122,729	2.61
8. STATE STREET BANK AND TRUST COMPANY	16,109,685	2.09
9. HSBC (SINGAPORE) NOMINEES PTE LTD	12,193,900	1.58
10. Mr. Min Tieworn	11,600,000	1.51



Shareholders	Shareholding	
	Number of Shares	% of total number of shares
11. United Overseas Bank (Thai) Public Company Limited	11,391,470	1.48
12. THE BANK OF NEW YORK MELLONN	10,968,700	1.42
13. Social Security Office	9,449,700	1.23
14. AIA Company Limited- AIA D-PLUS	9,135,000	1.19
15. CHASE NOMINEES LIMITED	7,628,100	0.99
16. AIA Company Limited-APEX	7,405,700	0.96
17. NORBAX INC.,21	6,547,000	0.85
18. THE BANK OF NEW YORK (NOMINEES) LIMITED	6,142,705	0.80
19. EAST FOURTEEN LIMITED-DIMENSIONAL EMER MKTS VALUE FD	5,326,500	0.69
20. Mr. Chuwit Chitsakul	5,260,000	0.68
21. TOKYU CONSTRUCTION COMPANY LIMITED	4,551,150	0.59
22. ING Thai Value Focus Equity-Dividend Fun	4,356,100	0.57
23. NORTRUST NOMINEES LTD.	4,143,800	0.54
Total	537,619,332	69.82
Others	232,380,668	30.18
Grand Total	770,000,000	100.00

Remark : The Stock Exchange of Thailand's disclosure on [www.set.or.th](http://www.set.or.th) for shareholders with more than 0.5 percent shareholding.

## 7.3 Issuance of Other Securities

### 7.3.1 Long-Term Loans

As at 31 December 2013, the Company has long-term loans under the existing Credit Facility Agreement in the amount of Baht 810 Million, at the fixed interest rate of 4.00 percent per annum. The repayment of the principal is scheduled to be made every month and such repayment shall be made in full by July 2014. The long-term loans for the Si Rat - Outer Ring Road Expressway Project amounts to Baht 400 Million, at the interest rate of MLR-2.525 percent and 6M FDR+2 percent per annum.

### 7.3.2 Debentures

In 2013, the Company issued additional debentures in March 2013, comprising debentures in the amount of Baht 3,000 Million, with a maturity of 3 years at the fixed interest rate of 3.60 percent per annum; debentures in the amount of Baht 2,000 Million, with a maturity of 5 years at the fixed interest rate of 4.03 percent per annum; and debentures in the amount of Baht 1,000 Million, with a maturity of 7 years at the fixed interest rate of 4.36 percent per annum. The proceeds from the issuance of such debentures shall be used for repayment of the existing debentures due in 2013 and payment of the construction costs under the Project Management Agreement for the Si Rat - Outer Ring Road Expressway Project. In November 2013, the Company issued debentures in the amount of Baht 1,000 Million, with a maturity of 5 years at the fixed interest rate of 4.70 percent per annum, for payment of the construction costs under the Project Management Agreement for the Si Rat - Outer Ring Road Expressway Project. As at 31 December 2013, the Company has the outstanding debentures in the amount of Baht 18,100 Million, as per the following details:

Details of Debentures	Debentures No. 1/2007 Series 3	Debentures No. 3/2009
Debenture Symbol	BECL148A	BECL155A
Total Value of Debentures	Baht 1,700 Million	Baht 2,000 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 without a debenture holder representative
Number of Debentures	1,700,000 units	2,000,000 units
Par Value per Unit	Baht 1,000	Baht 1,000
Interest Rate per annum	5.20%	MLR - 3.00%
Maturity	7 years	5 years 5 months 2 days
Issue Date of Debentures	2 August 2007	28 December 2009
Maturity Date	2 August 2014	30 May 2015
Registrar	KBANK	SCB
Early Redemption Right	-None-	
Repayment of Principa	The issuer of debentures shall make a repayment of the principal in full on the Maturity Date.	
Rating	A	A

Details of Debentures	Debentures No. 3/2010	Debentures No. 1/2011 Series1
Debenture Symbol	BECL173A	BECL144A
Total Value of Debentures	Baht 1,500 Million	Baht 1,000 Million
Type of Debentures	Unsubordinated and unsecured debentures bearing names of the holders without a debenture holder representative	Unsubordinated and unsecured debentures bearing names of the holders without a debenture holder representative
Number of Debentures	1,500,000 units	1,000,000 units
Par Value per Unit	Baht 1,000	Baht 1,000
Interest Rate per annum	6m FDR + 1.65%	3.70%
Maturity	7 years	3 years
Issue Date of Debentures	31 March 2010	29 April 2011
Maturity Date	31 March 2017	29 April 2014
Registrar	SCB	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

Debentures (continued)

Details of Debentures	Debentures No. 1/2011 Series2	Debentures No. 2/2011	Debentures No. 1/2012	Debentures No. 2/2012
Debenture Symbol	BECL214A	BECL18DA	BECL153A	BECL160A
Total Value of Debentures	Baht 1,000 Million	Baht 900 Million	Baht 1,000 Million	Baht 2,000 Million
Type of Debentures	Unsubordinated and unsecured debentures bearing names of the holders without a debenture holder representative	Unsubordinated and unsecured debentures bearing names of the holders without a debenture holder representative	Unsubordinated and unsecured debentures bearing names of the holders without a debenture holder representative	Unsubordinated and unsecured debentures bearing names of the holders without a debenture holder representative
Number of Debentures	1,000,000 units	900,000 units	1,000,000 units	2,000,000 units
Par Value per Unit	Baht 1,000	Baht 1,000	Baht 1,000	Baht 1,000
Interest Rate per annum	4.72%	4.60%	4.12%	4.08%
Maturity	10 years	7 years	3 years	4 years
Issue Date of Debentures	29 April 2011	29 December 2011	28 March 2012	10 October 2012
Maturity Date	29 April 2021	29 December 2018	28 March 2015	10 October 2016
Registrar	TMB	TMB	SCB	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

Details of Debentures	Debentures No. 1/2013 Series1	Debentures No. 1/2013 Series2	Debentures No. 1/2013 Series3	Debentures No. 2/2013
Debenture Symbol	BECL163A	BECL183A	BECL203A	BECL163B
Total Value of Debentures	Baht 2,000 Million	Baht 2,000 Million	Baht 1,000 Million	Baht 1,000 Million
Type of Debentures	Unsubordinated and unsecured debentures bearing names of the holders without a debenture holder representative	Unsubordinated and unsecured debentures bearing names of the holders without a debenture holder representative	Unsubordinated and unsecured debentures bearing names of the holders without a debenture holder representative	Unsubordinated and unsecured debentures bearing names of the holders without a debenture holder representative
Number of Debentures	2,000,000 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	3.60%	4.03%	4.36%	3.60%
Maturity	3 years	5 years	7 years	3 years
Issue Date of Debentures	6 March 2013	6 March 2013	6 March 2013	12 March 2013
Maturity Date	6 March 2016	6 March 2018	6 March 2020	12 March 2016
Registrar	TMB	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



## Debentures (continued)

Details of Debentures	Debentures No. 3/2013
Debenture Symbol	BECL18NA
Total Value of Debentures	Baht 1,000 Million
Type of Debentures	Unsubordinated and unsecured debentures bearing names of the holders without a debenture holder representative
Number of Debentures	1,000,000 units
Par Value per Unit	Baht 1,000
Interest Rate per annum	4.70%
Maturity	5 years
Issue Date of Debentures	7 November 2013
Maturity Date	7 November 2018
Registrar	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

## 7.4 Policy on Dividend Payment

The Company has a policy to pay dividend at not less than 40 percent of the 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 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 shareholder's meeting.

Pursuant to the conditions of the Credit Facility Agreement, the Company is able to pay dividend to shareholders in the case that its 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
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	51	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	0.70	614	568	88	95
Total in 2011	1,001	1.30	1,408	1,380	71	73
2012						
- First half	477	0.62	1,466	1,993	33	24
- Second half	678	0.88	794	724	86	94
Total in 2012	1,155	1.50	2,260 <sup>(1)</sup>	2,717 <sup>(2)</sup>	51	43
2013						
- First half	539	0.70	3,714	905	15	60
- Second half	693 <sup>(4)</sup>	0.90 <sup>(4)</sup>	1,121	932	62	74
Total in 2013	1,232	1.60	4,835 <sup>(3)</sup>	1,837	25	67

**Remarks :** <sup>(1)</sup> This is divided into normal operating profit amounting to Baht 1,484 Million and gain on sales of investment in SouthEast Asia Energy Limited, net of tax, amounting to Baht 776 Million.

<sup>(2)</sup> This is divided into normal operating profit amounting to Baht 1,445 Million and gain on sales of investment in SouthEast Asia Energy Limited, net of tax, amounting to Baht 1,272 Million.

<sup>(3)</sup> This is divided into normal operating profit amounting to Baht 2,027 Million and gain on fair value adjustment of investment from changing status of investments in Thai Tap Water Supply Public Company Limited in the amount of Baht 2,808 Million.

<sup>(4)</sup> This is included in the Agenda for the 2014 Annual Ordinary General Meeting of Shareholders on 23 April 2014.

Northern Bangkok Expressway Company Limited, as its Subsidiary, does not have a policy on dividend payment other than that specified in Article 40 of the Articles of Association which specifies that the company must appropriate to a reserve fund, at each dividend payment, at least one-twentieth (1/20) of the profits, until the reserve fund reaches one-tenth (1/10) of the capital of the company. The board of directors may from time to time pay to the shareholders such interim dividends as it appears to the board of directors that the company has sufficient profits to do so. If the company has encountered a loss, no dividend shall be paid until such loss has been made good.

## 8 Management Structure

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, and the Corporate Governance and Risk Management Committee.

The structure of the Board of Directors consists of 12 qualified members, comprising: five executive directors, four independent directors and three 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 lists of names of the Board of Directors and the four subcommittees and executives are described as follows:

### 8.1 Board of Directors

The Board of Directors has 12 directors, whose names, as at 31 December 2013, are listed below:

Name-Surname	Position	Category	Number of Years of Directorship	Attendances/ Number of Board of Directors' Meetings
1. Dr. Virabongsa Ramangkura	Chairman of the Board of Directors	Independent Director	19	4/4
2. Prof. Suphachai Phisitvanich	Director Audit Committee Chairman Chairman of the Corporate Governance and Risk Management Committee	Independent Director	19	4/4
3. Gen. Sampao Choosri	Director Audit Committee Member Chairman of the Nomination and Remuneration Committee Corporate Governance and Risk Management Committee Member	Independent Director	9	4/4
4. Dr. Annop Tanlamai	Director Audit Committee Member Nomination and Remuneration Committee Member Corporate Governance and Risk Management Committee Member	Independent Director	2	4/4
5. Mr. Plew Trivisvavet	Director Chairman of the Executive Board Nomination and Remuneration Committee Member	Executive Director	19	4/4
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	19	4/4
7. M.L. Prasobchai Kasemsant	Director Executive Director	Executive Director	19	4/4
8. Mr. Panit Dunnvatanachit	Director	Non-Executive Director	10	4/4
9. Miss Arisara Dharamadhaj	Director	Non-Executive Director	7	4/4
10. Mrs. Vallapa Assakul	Director Executive Director	Executive Director	3	4/4



Name-Surname	Position	Category	Number of Years of Directorship	Attendances/ Number of Board of Directors' Meetings
11. Mr. Sudthisak Wattanavinid <sup>(1)</sup>	Director	Non-Executive Director	-	(Not a director in 2013)
12. Mrs. Payao Marittanaporn	Director Executive Director Managing Director	Executive Director	6	4/4

Remark : The director's profiles appear on pages 145 to 152.

<sup>(1)</sup> Mr. Sudthisak Wattanavinid was appointed on 26 February 2014 to replace Mr. Chavalit Wathanakul who was appointed on 27 February 2013 and resigned on 1 October 2013 (with 2/2 attendances of the Board of Director's Meetings).

#### Directors authorized to sign and bind the Company

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.

## 8.2 Management Team

### 8.2.1 List of Names of Management Team

The Management Team under the structure as at 31 December 2013 comprises 18 persons (information of executives appears on pages 148 to 151) as listed below:

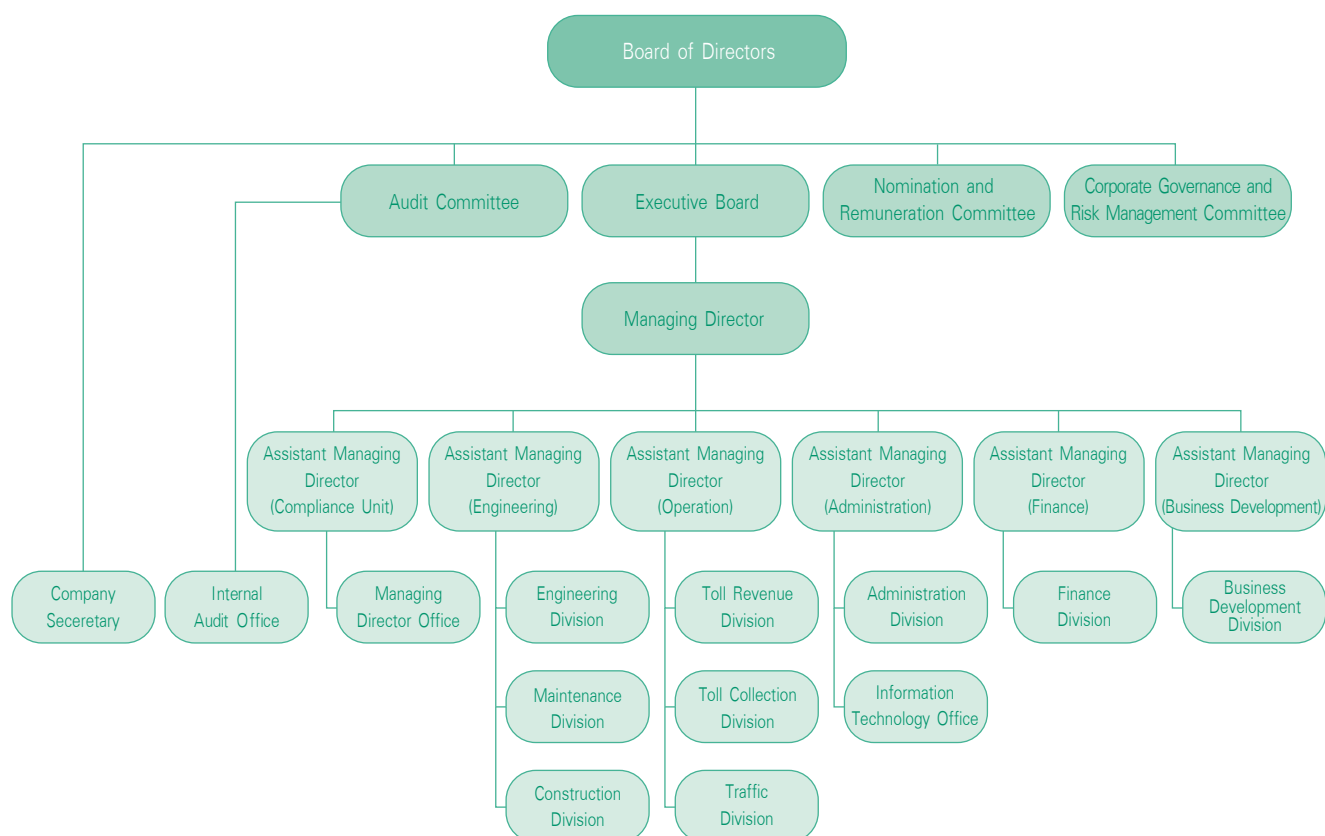
- |                     |                      |   |
|---------------------|----------------------|---|
| 1. Mrs. Payao       | Marittanaporn        | Managing Director   |
| 2. Mr. Sanguan      | Kunatinun            | Assistant Managing Director: Engineering                          |
| 3. Mrs. Sudruthai   | Prommart             | Assistant Managing Director: Operation                            |
| 4. Mrs. Ngamnit     | Kanokgarnjanar       | Assistant Managing Director: Compliance Unit                      |
| 5. Mr. Phakpoom     | Thaweewittayarut     | Assistant Managing Director: Administration                       |
| 6. Miss Panan       | Tosuwanthaworn       | Assistant Managing Director: Finance                              |
| 7. Mr. Chatree      | Techatassanasoontorn | Assistant Managing Director: Business Development <sup>(1)</sup>  |
| 8. Mrs. Wattana     | Sittiwattayaporn     | Senior General Manager of Construction Division                   |
| 9. Mrs. Supattra    | Bumnetphan           | Senior General Manager of Toll Collection Division <sup>(2)</sup> |
| 10. Mr. Phaisan     | Lertsalaluck         | General Manager of Traffic Division                               |
| 11. Miss Vasana     | Wattananukulchai     | General Manager of Internal Audit Office                          |
| 12. Mr. Omsyn       | Pibulwarangkur       | General Manager of Administration Division <sup>(2)</sup>         |
| 13. Mr. Chalermkiat | Sakonwisansak        | General Manager of Maintenance Division <sup>(2)</sup>            |
| 14. Miss Phenporn   | Kittiyopars          | General Manager of Information Technology Office <sup>(2)</sup>   |
| 15. Mr. Rungsak     | Luengrattanas        | General Manager of Engineering Division <sup>(2)</sup>            |
| 16. Mrs. Manatsavee | Subchavaroj          | General Manager of Managing Director Office <sup>(2)</sup>        |
| 17. Mrs. Suttida    | Sukhanindr           | General Manager of Finance Division <sup>(2)</sup>                |
| 18. Mr. Kitt        | Aphonrat             | General Manager of Business Development Division <sup>(2)</sup>   |

Remarks : Executives Nos. 1-7 refer to the definition of "executive" of the Office of the Securities and Exchange Commission.

<sup>(1)</sup> As appointed on 1 August 2013.

<sup>(2)</sup> As appointed on 1 January 2014.

## 8.2.2 Management Structure of the Company



Remark : Management Structure as at 1 January 2014

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

The Board of Directors of Northern Bangkok Expressway Company Limited (Subsidiary) has seven qualified members, whose names, as at 31 December 2013, 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. Sudthisak   | Wattanavinid <sup>(1)</sup> | Director                           |
| 7. Mrs. Payao      | Marittanaporn               | Director                           |

Remark : <sup>(1)</sup> Mr. Sudthisak Wattanavinid was appointed on 26 February 2014 to replace Mr. Chavalit Wathanakul who was appointed on 27 February 2013 and resigned on 1 October 2013.

### 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.

## 8.3 Company Secretary

The Board of Directors had considered the qualified persons for appointment as Company Secretary. On 28 November 2007, the Board of Directors appointed Mr. Phakpoom Thaweewittayarut, who has knowledge and capacities in the fields of accounting, law, and audit, as well as having a good understanding of rules, regulations and criteria applicable to the listed companies, to serve as Company Secretary (details of his profile appear on page 149), 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](mailto: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.

## 8.4 Remuneration of Directors and Executives

The Company has a policy to pay remuneration for directors and executives by considering providing appropriate remuneration as per the criteria of determination of remuneration as follows:

### Remuneration for Directors and Managing Director

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.
4. The remuneration 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.

### Remuneration for Executives

Remuneration for executives shall be considered, excluding the Managing Director, 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 2013, the Company paid remuneration for directors and executives as follows:

#### (1) Monetary remuneration

- (1.1) Remuneration for directors of the Company comprises annual remuneration, meeting allowance, and bonus. The total remuneration for directors of the Company in 2013 amounted to Baht 23,754,468, which was in line with the resolution of the 2013 Annual Ordinary General Meeting of Shareholders which approved the remuneration for directors in the amount of not exceeding Baht 25,300,000 as bonus for directors in 2012 in the amount of not exceeding Baht 11,500,000 and remuneration for directors for 2013 in the amount of not exceeding Baht 13,800,000.



Name of Director	Position	Remuneration for Directors for 2013						Bonus for 2012
		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	2,000,000	-	-	-	-	2,000,000	1,450,000
2. Prof. Suphachai Phisitvanich	Director Chairman of the Audit Committee Corporate Governance and Risk Management Committee Chairman	500,000	-	500,000	-	250,000	1,250,000	1,250,000
3. Gen. Sampao Choosri	Director Audit Committee Member Chairman of the Nomination and Remuneration Committee Corporate Governance and Risk Management Committee Member	500,000	-	300,000	225,000	150,000	1,175,000	1,075,000
4. Dr. Annop Tanlamai	Director Audit Committee Member Nomination and Remuneration Committee Member Corporate Governance and Risk Management Committee Member	500,000	-	300,000	125,000	150,000	1,075,000	900,000
5. Mr. Plew Trivisvavet	Director Chairman of the Executive Board Nomination and Remuneration Committee Member	500,000	975,000	-	125,000	-	1,600,000	1,425,000
6. Mr. Supong Chayutsahakij	Director Vice Chairman of the Executive Board Corporate Governance and Risk Management Committee Member Nomination and Remuneration Committee Member	500,000	500,000	-	125,000	150,000	1,275,000	1,200,000
7. M.L. Prasobchai Kasemsant	Director Executive Director	500,000	425,000	-	-	-	925,000	850,000
8. Mr. Panit Dunnvatanachit <sup>(1)</sup>	Director Executive Director	500,000	-	-	-	-	500,000	628,636
9. Miss Arisara Dharamadhaj	Director	500,000	-	-	-	-	500,000	400,000
10. Mrs. Vallapa Assakul	Director Executive Director	500,000	450,000	-	-	-	950,000	850,000
11. Mrs. Payao Marittanaporn	Director Executive Director Managing Director	500,000	500,000	-	-	-	1,000,000	850,000

Name of Director	Position	Remuneration for Directors for 2013						Bonus for 2012
		Board of Directors	Executive Board	Audit Committee	Nomination & Remuneration Committee	Corporate Governance and Risk Management Committee	Total	
12. Mr. Lertsak Chingharanon <sup>(2)</sup>	Director	-	-	-	-	-	-	348,634
13. Mr. Chavalit Wathanakul <sup>(3)</sup>	Director	277,198	-	-	-	-	277,198	-
<b>Total</b>		7,277,198	2,850,000	1,100,000	600,000	700,000	12,527,198	11,227,270
<b>Amount approved by shareholders</b>							13,800,000	11,500,000

**Remarks :** <sup>(1)</sup> Mr. Panit Dunnvatanachit resigned from his office as executive director on 4 July 2012.  
<sup>(2)</sup> Mr. Lertsak Chingharanon held the office as director on 17 February 2012 and resigned from his office as director on 11 January 2013.  
<sup>(3)</sup> Mr. Chavalit Wathanakul held the office as director on 27 February 2013 and resigned from his office as director on 1 October 2013.

(1.2) In 2013, the Subsidiary paid remuneration for directors of the Subsidiary comprising office remuneration for directors and meeting allowance. The total remuneration for seven directors, which was received from the Subsidiary in 2013, amounted to Baht 770,000.

(1.3) In 2013, the Company paid remuneration comprising salary and bonus for executives from the level of the Managing Director downwards to General Manager, a total of 18 persons, amounted to Baht 71,948,285.

(2) Other remuneration

(2.1) Other remuneration for directors

- None -

(2.2) Other remuneration for executives

The Company establishes a providend fund, whereby executives shall pay savings at the rate of 5-10 percent of his/her salary according to service years and the Company shall pay contribution at the same rate to the fund. In 2013, the Company paid contribution to the providend fund for 18 executives in the amount of Baht 4,322,593.

## 8.5 Personnel

### 8.5.1 Number of Staff

As at 31 December 2013, the Company has a total of 660 staff, comprising personnel in two main functions, namely, Operation comprising Toll Revenue Division and Traffic Division; and Engineering comprising Construction Division and Maintenance Division, representing 77 percent of all staff, personnel in the supporting functions, namely, Compliance Unit, Administration, Finance, and Business Development, representing 23 percent of all staff.

### 8.5.2 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 functions and supporting functions, particularly in respect of such main functions, 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, in order to refresh and enhance specific skills on a regular basis, and broaden their visions to promptly respond and 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. 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, including overseas study visit, to serve as encouragement and positive attitude for their group quality activities in the future.

### 8.5.3 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, the Company then participated in the survey of wages and remuneration to compare with other companies in the same sector as well as reviewing the starting salary for new graduates and base salary based on the value of work via the institute conducting wage survey on a regular basis. 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 establishes a provident fund for long-term care of staff in order to motivate staff to work with the Company and to encourage staff's saving habits to secure adequate retirement savings for a quality retirement life. Staff may immediately apply for membership after employment as permanent staff of the Company, whereby staff shall pay savings at the rate of 5 to 10 percent of his/her salary according to service years and the Company shall pay contribution at the same rate to the fund. Staff who are fund members shall gain benefits arising from management in proportion to each staff's money in the fund. 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 the rescue and traffic management staff on the Expressways.

#### 3) Quality of Staffs 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, and as such, the Company underwent a second recertification audit of ISO 14001: 2004 Environmental Management System Certificate by SGS (Thailand) Limited in 2011 and also continuously passed the surveillance audit.

#### 4) Staff Welfare

In addition to welfare required by law, the Company also provides staff with additional and appropriate welfare and 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.

#### 5) 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, the Company had no labor dispute.

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.

#### 6) Anti-Drug in Office Campaign

The Company realizes the country's drug problems which give rise to major impact on the economic and social stability, public order and morality, and then, 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, by participating in 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.

The Company as 1 of 150 business premises which were granted a Drug Free Workplace Certificate by the Department of Labor Protection and Welfare due to the Company's "Drug Management System in the Business Premises Ranking No. 1", on 15 March 2012, from the total of 258 nominees, as a role model for other business premises in that the Company could encourage its staff to participate in anti-drug campaign in the business premises until they produced concrete results.

## 9. Corporate Governance

### 9.1 Corporate Governance Policy

The Board of Directors realizes the significance and benefits of the good corporate governance to ensure the Company's efficient, transparent and auditable management systems to help build up trust and confidence for shareholders, investors, stakeholders, all parties concerned, thereby resulting in the Company's sustainable growth. The Company adheres to its corporate governance policy which is in compliance with the corporate governance principles in five sections, namely:

#### 1. Shareholder's 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 of 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. Role of Stakeholders

Taking care of every group of 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 sustain 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. 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 material information relating to the Company, both financial and non-financial information, shall be made correctly, completely, timely and transparently through an easy access with equality and reliability.

#### 5. The Board of Director's 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.

To build up confidence for shareholders, investors and all parties concerned, the Board of Directors regularly reviews its corporate governance policy every year to ensure compliance with the good corporate governance principles for listed companies. In this regard, the Company discloses and disseminates the corporate governance policy on its website for external communication and via the Intranet for communication with internal staff to acknowledge and facilitate their participation in compliance with such policy. In 2013, the Board of Directors reviewed its practices in accordance with the good corporate governance principles for listed companies 2012 and the Company has also prepared the good corporate governance guidelines for compliance.



The Company has adhered to the good corporate governance principles in its management by taking into account the significance of and responsibilities towards the Company's shareholders and stakeholders, and as such, the Company continued to receive an excellent rating in the assessment of the corporate governance. In 2013, the Company's assessment results by the regulatory units and awards from various organizations and agencies are as follows:

- The Company received an "Excellent" rating in the assessment of the corporate governance of Thai listed companies for 2013 from the Thai Institute of Directors Association.
- The Company received an "Excellent" rating in the assessment of the quality of the 2013 Annual Ordinary General Meeting of Shareholders.
- The Company received a CSRI Recognition 2013 award in the general category from the Corporate Social Responsibility Institute (CSRI), the Stock Exchange of Thailand, to honor and encourage the Company for its commitment to ongoing business development with social responsibility.

The Company's adherence to the good corporate governance principles for listed companies 2012 in accordance with the best practices of the Stock Exchange of Thailand in five sections is described as follows:

### 9.1.1 Shareholders' Rights

The Board of Directors acknowledges shareholders' ownership rights to decide on the Company's significant changes. The Board of Directors also understands the significance of shareholders' rights and therefore refrains from taking any actions in violation of or depriving shareholders of their rights as well as facilitates their exercise of rights. Shareholders are sufficiently informed on rules and procedures for participation in meetings and other information in support of their consideration of each agenda item in due course in accordance with the practices of the Stock Exchange of Thailand, as follows:

#### 1. Shareholders' Meetings

##### 1.1 All groups of shareholders' participation in shareholders' meetings

The Company realizes shareholders' ownership rights, and thus, manages its business with good, acceptable and reliable governance. Shareholders shall control the Company through the appointment of the Board of Directors. In this connection, the Board of Directors clearly sets out the corporate governance policy that the Company shall promote all groups of shareholders, particularly minority shareholders, foreign shareholders, and institutional shareholders, to exercise their rights without limitation to only such rights provided by laws, and shareholders' fundamental rights under laws shall be protected, whereby the Company shall not take any actions in violation of or depriving shareholders of their rights. Shareholders' right to decide on significant changes shall be promoted by way of sufficient access to the Company's information, participation in shareholders' meetings to vote on 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.

In case it is inconvenient for any shareholders' to attend meetings in person, the Company prepares proxy forms to facilitate shareholders' voting, and nominates one independent director as an option for appointment as proxy of shareholders for exercising the right to attend meetings and vote on each agenda by proxy.

##### 1.2 Shareholders' opportunity to study the Company's information memoranda

The Company provides information, date, time, place and agenda of meetings, together with explanations and reasons in support of each agenda item, in notices of shareholders' meetings. Notices of shareholders' meetings, together with details of each item of the agenda, shall be prepared both in Thai and English versions for the benefit of foreign shareholders. In addition, details relating to such documents or evidence in support of participation in meetings are provided in the said notices, which shall be displayed on the Company's website 30 days in advance, e.g., for the Extraordinary General Meeting of Shareholders

No. 1/2013 on 6 February 2013 (the notice was displayed from January 7, 2013) and for the Annual Ordinary General Meeting of Shareholders on April 24, 2013 (the notice was displayed from 22 March 2013). In addition, notices of meetings shall be sent to Thailand Securities Depository Company Limited, as the Company's share registrar, for delivery to shareholders in advance 14 days prior to meeting dates, so as to allow shareholders to have time to consider details of each agenda item. Furthermore, shareholder's meetings shall proceed in accordance with the order of agenda as specified in notices of meetings without adding any agenda to meetings without prior notice to shareholders, so that shareholders shall have the opportunity to study information in support of their consideration of each agenda.

#### 1.3 Facilitation to shareholders' exercise of their rights to attend meetings and vote

The Company facilitates shareholders' exercise of their rights to attend meetings and vote without any special conditions which may restrict shareholders' opportunity to attend meetings. The Company sets shareholders meeting dates which shall not fall on any long holidays or public holidays; and appropriate meeting time which shall not be too early in the morning or too late in the evening; including meeting venues 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 venues and travelling. Details relating to documents or evidence in support of participation in meetings are provided in notices of meetings delivered to shareholders in advance 14 days prior to meetings. In 2013, the Company convened two shareholders meetings, namely, the Extraordinary General Meeting of Shareholders No. 1/2013 on 6 February 2013, at 14:00 hours, at Golden Tulip Sovereign Hotel Bangkok; and the 2013 Annual Ordinary General Meeting of Shareholders on 24 April 2013, at 13:30 hours, at Grand Millennium Sukhumvit Hotel, Bangkok, where by shareholders could travel to both places using the MRT service. Moreover, the Company arranged for shuttle bus service from the MRT stations to the meeting venues.

#### 1.4 Shareholders' opportunity to ask questions in advance

The Company welcomes shareholders' inquiries concerning meetings in each agenda item or submission of questions or suggestions prior to meetings, subject to procedures described in the notices of meetings. The Company also discloses such procedures for submission of questions in advance on its website at [www.becl.co.th](http://www.becl.co.th). Shareholders may send questions via the Company's website or e-mail address : [companysecretary@becl.co.th](mailto:companysecretary@becl.co.th), Telephone : 0 2641 4611 ext. 8400 or 8500, Facsimile : 0 2641 4610 and by post to the Managing Director Office, Bangkok Expressway Public Company Limited No. 238/7, Asoke-Dindaeng Road, Bangkapi Subdistrict, Huaykwang District, Bangkok 10310. Shareholders may submit questions in advance for the Company's ordinary general meetings of shareholders from November every year. Answers to shareholders questions submitted in advance may be given via e-mail, facsimile, other appropriate channels, or at ordinary general meetings of shareholders.

#### 1.5 Shareholders' proxy

The Company encourages shareholders who are unable to attend meetings in person to use proxy forms of their own choosing for voting. Three available proxy forms under law are as follows:

- Proxy Form A is a general simple proxy form (for shareholders in all cases);
- Proxy Form B is a proxy form with specific details;
- Proxy Form C is used only by foreign shareholders who appoint a custodian in Thailand.

The Company makes these three proxy forms available on its website for shareholders to choose and use them as appropriate. Furthermore, the Company prepares duty stamps available for free for shareholders who appoint proxy to attend meetings.

## 2) Conduct of Shareholders' Meetings

The Company's reception staff shall facilitate shareholders' participation in meetings and provide information to shareholders both before and after meetings as well as serving refreshments to shareholders. In addition, the Company uses the following facilities and methods to conduct meetings:

### 2.1 Use of technology in meetings

The Company uses barcode and computer systems for meeting registration and voting for the purpose of accuracy, convenience and rapidity, and as such, voting results can be displayed online immediately. In addition, the Company's staff shall facilitate shareholders submission of written questions to directors or posting of direct questions to directors during the meetings.

### 2.2 Directors' participation in shareholders' meetings

The Board of Directors realizes the significance of their participation in shareholders' meetings to answer questions and take suggestions of shareholders into consideration. In 2013, 10 out of 11 directors attended the Extraordinary General Meeting of Shareholders No. 1/2013, and 11 out of 12 directors attended the 2013 Annual Ordinary General Meeting of Shareholders, whereby Chairman of the Board of Directors, Audit Committee Chairman, chairs of various subcommittees, Managing Director, and the Management Team of the Company attended all shareholders meetings to answer shareholders questions on various issues.

### 2.3 Rules on voting

The Company specifies that shareholders shall have one vote for each share held by them. Normally, a majority of votes of shareholders who attend the meeting and cast votes shall be applicable. Resolution for agenda item on determination of remuneration for directors shall be passed by not less than two-thirds of all votes of the shareholders who attend the meeting. As for other issues, votes shall be in accordance with the Articles of Association, laws and relevant regulations. Agenda item for acknowledgement shall require no resolution.

### 2.4 Vote counting or examination in shareholders' meetings

The Company uses barcode system to record and display voting results. A legal advisor and at least two independent persons as shareholders' representatives shall witness the counting of votes to ensure transparency and compliance with the laws and the Articles of Association. The Company's Board Chairman who presides over shareholders' meetings shall introduce the examiners of vote counting to the meetings for the record in minutes of every shareholders' meeting. The results of vote counting are open to shareholders' examination. The Company discloses resolutions, together with voting results on each item to the meetings and disseminates such resolutions via the Stock Exchange of Thailand's system as well as makes such resolutions and minutes of meetings available on the Company's website for the shareholders' information and examination of voting results.

### 2.5 Use of voting cards

1. Voting cards are provided for every agenda for those who attend the meetings in person or by proxy and have power to vote on each agenda item. The Company's officers shall facilitate the collection of voting cards in the meeting room. To ensure transparency, the Company has the legal advisor and the shareholders' representatives serve as witness in the counting of votes.
2. In case that shareholders appointing their proxies have clearly voted for, against or abstained from voting on the respective agenda items, the Company shall collect and record such votes for computer processing in advance. The legal advisor and the shareholders' representatives shall examine the counting of votes by proxy, in which case, no voting cards shall be provided to the proxies attending the meetings.



3. To ensure that the conduct of the meeting in each agenda item is efficient and beneficial to shareholders as a whole and the Board of Directors has sufficient time to clarify or answer shareholders' questions, the Company shall collect only the voting cards of the shareholders attending the meeting in person and intending to vote against or abstain from voting.
4. As for the agenda item on appointment of directors in respect of which the shareholders may vote on an individual basis, the Company shall collect the voting cards from all shareholders attending the meeting to ensure the transparency in the counting of votes which can be requested for review at a later date.

#### 2.6 Shareholders' opportunity to share opinions or ask questions

The Chairman of the Board of Directors who presides over shareholders' meetings allows and supports shareholders to share opinions and ask questions concerning related matters to the meetings, based on the following practices:

1. To further share opinions or ask questions relating to agenda items during the meetings, after the end of report or presentation of each agenda item;
2. To further share opinions or ask questions relating to other matters than the agenda items after the meetings have proceeded in accordance with all agenda items.

### 3) Preparation of Minutes of Shareholders' Meetings and Disclosure of Meetings' Resolutions

1. The Company disseminates resolutions of shareholders' meetings in each agenda item on its website in addition to the disclosure to the Stock Exchange of Thailand via SET Community Portal (SCP), within the business day following the date of shareholders' meetings for shareholders' information and review of voting results.
2. The Company prepares minutes of every shareholders' meeting with accuracy and completeness, comprising the following information:
  - The list of directors attending the meeting;
  - The number of shareholders/shares present at the meeting (in person/by proxy);
  - Brief explanation on material issues, such as, voting procedures and display of voting results, to the meeting prior to conducting the meeting;
  - Names of persons who ask/answer questions or share opinions in brief;
  - Resolutions of the meeting, with details of votes for, against or abstentions.
3. Draft minutes of shareholders' meeting is made available for all shareholders' information on 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.
4. A video presentation of the atmosphere of the shareholders' meeting is made available on the Company's website for the shareholders absent from the meeting or for any persons interested in the Company's information, to review details of the meeting other than those recorded in the minutes, whereby such video presentation is available on the website until the next shareholders' meeting.

#### 9.1.2 Equitable Treatment of Shareholders

The Board of Directors' realizes the significance of supervision and monitoring to ensure the Company's equal and fair treatment of all shareholders, both executive and non-executive, including foreign shareholders, for the protection of shareholders' fundamental rights, as well as laying down measures to prevent inside information usage to seek personal interests or others which may cause damage to shareholders as a whole.

#### 1) Provision of Information prior to Shareholders' Meetings

The Board of Directors shall ensure that the Company gives notice of the meeting, together with agenda items and opinions of the Board on each agenda item, to the Stock Exchange of Thailand in accordance with the rules on disclosure, and such notice shall be posted on the Company's website within the following business day; and that the Company prepares the notice of the meeting, together with details of each agenda item, both in Thai and English, for the convenience of foreign shareholders, and disseminates such notice of the meeting,

together with details of each agenda item on its website in advance one month prior to the meeting date. The Board of Directors shall also ensure that the Company gives prior notice to shareholders on rules and regulations in the conduct of the meeting, voting procedures, including their voting rights.

## **2) Protection of Minority Shareholders' Rights**

The Company is determined to facilitate shareholders' exercise of their rights to supervise the Company's business through the Board of Directors in order to enable shareholders to exercise their rights to propose any matters relating to the Company's significant changes. The Company therefore fairly and equally allows all shareholders to exercise their rights to propose agenda to the shareholders' meeting and to nominate qualified candidates for appointment as directors via the Company's website. Shareholders may exercise such rights in advance one month prior to the end of each accounting year for the purpose of the Company's annual ordinary general meeting of shareholders, starting from the 2009 Annual Ordinary General Meeting of Shareholders. The period for shareholders' exercise of such rights has been changed to two months prior to the end of each accounting year, starting from the 2013 Annual Ordinary General Meeting of Shareholders onwards. The Company has informed its shareholders of such change via the Stock Exchange of Thailand's website, including relevant rules on the Company's website. In this regard, the Board of Directors shall consider incorporate such agenda proposed by shareholders as appropriate. As for the candidates nominated for appointment 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 shareholders' meeting shall proceed in accordance with the order of the agenda as specified in the notice of the meeting and shall not add any agenda to the meeting without prior notice to shareholders, so that shareholders shall have the opportunity to study information in support of consideration of each agenda.

Shareholders are allowed to exercise their rights to appoint directors on an individual basis in the agenda item of appointment of directors, in respect of which shareholders may vote on an individual basis.

## **3) Prevention of Inside Information Usage**

The Board of Directors has set out written guidelines for storage and prevention of inside information usage, and informed all staff on such guidelines for compliance. In this regard, the Company establishes measures to prevent inside information usage to seek 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 on 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 business days from the date of purchase, sale, transfer or acceptance of transfer of securities, whereby the Company regularly reminds the Board of Directors thereof. Moreover, directors and executives have also been informed of their duties and responsibilities as specified, including punishments under the laws. In addition, the Company prohibits its executives who have access to inside information from taking any actions contrary to the relevant laws, rules and regulations.

## **4) Interests of Directors and Executives**

### **4.1 Report on interests of directors and executives**

The Board of Directors requires its directors and executives to have a duty to report on their personal interests and disclose their holding of directorship or executive positions in other legal entities, and their shareholdings in other legal entities in excess of 25 percent of total voting shares by both reporters and their related persons. This is to ensure that the Board of Directors shall have information in support of its consideration and approval of execution of transactions of the Company and its Subsidiary with accuracy and transparency in compliance with the relevant rules and regulations.

The Company Secretary shall keep such reports on interests by directors and executives, and provide copies of such reports to the Chairman of the Board of Directors and the Audit Committee Chairman within seven business days from the date of receipt thereof.

#### 4.2 Interested directors' participation in shareholders' meetings

The Board of Directors sets out a policy to prohibit its directors and executives who are connected persons or interested persons in relation to any agenda items to be considered, from participating in the meeting or voting on such items. The Management shall give prior notice to such directors and executives who are not allowed to participate in the meeting or vote on such item. In considering a connected person and interested person, the Board of Directors shall take into account such reports on interests which all directors and executives have a duty to prepare and submit to the Chairman of the Board of Directors and the Audit Committee Chairman in accordance with the Board of Directors policy requiring directors' and executives to report on their personal interests.

### 5) Execution of Connected Transaction on Arms' Length Basis

The Company acknowledges the significance of transparent consideration of transactions for the benefit of the Company, and thus it is important to prevent any transaction which may constitute a conflict of interests, connected transaction or related transaction, based on the following key principles:

#### 5.1 Prevention of a conflict of interests

1. Directors and executives must inform the Company of relationships or connected transactions in any business which may give rise to a conflict of interests;
2. Any connected transactions with directors which may give rise to a conflict of interests with the Company must be avoided. Any connected transaction which is necessary to be executed must be proposed to the Audit Committee to consider providing an opinion prior to proposing the same to seek approval from the Executive Board or the Board of Directors (as the case may be) in accordance with the good corporate governance principles, and in compliance with the rules of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission;
3. Executives and staff must strictly comply with the Articles of Association and the code of business ethics of the Company, in order to ensure the Company's reliability and trust for all stakeholders, and all staff's understanding and adherence to the same.

#### 5.2 Related transactions or connected transactions

In case the Company executes a connected transaction under the definition of the Stock Exchange of Thailand, the Company shall comply with the rules and regulations of the Stock Exchange of Thailand, as follows:

1. The Company shall consider executing connected transactions on the same basis as general customers in the ordinary course of its business, with fairness and justification for the utmost benefit of the Company;
2. If such price is not available, the Company shall consider comparing prices of goods or services with those of third parties, subject to the same or similar conditions;
3. If a market price is not available, the Company shall require an independent price appraiser's opinion for price comparison with respect to material related transactions, to ensure such price is reasonable for the utmost benefit of the Company;
4. Any related transaction or connected transaction in which a major shareholder or director or high level executive of the Company may have interests; and which is not in the ordinary course of its business; or is subject to different commercial terms from those of a general commercial transaction; and with a transaction size beyond the Management's scope of power, shall be executed by the Company subject to approval of the Board of Directors meeting, in which the interested director or high level executive shall not participate in the consideration and approval of such transaction;
5. The Company shall disclose information on transactions in accordance with the rules as specified by the Office of the Securities and Exchange Commission;
6. The execution of connected transactions shall be reviewed under the audit plan by the Internal Audit Unit and reported to the Audit Committee, subject to control and audit measures as well as random review to ensure that the transactions are actually and duly executed in compliance with contracts or specified policies or conditions;



### 9.1.3 Role of Stakeholders

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 its Subsidiary, or outside, such as, customers, business related persons, lenders, traders, society and communities where the Company is located, schools adjacent to the Expressways, government sector, including competitors, and other relevant authorities. Any stakeholders wishing to contact or have any comments may directly contact directors or the Company Secretary. In addition, 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; focusing on its operations with respect to human rights. The Company has continued to take care of stakeholders in accordance with the policies, as follows:

#### 1) Policy on treatment of each group of stakeholders

- 1.1 Customers : The Company has a commitment to provision of quality and reliable service in 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' submission of any comments or suggestions for service improvement.
  3. Providing accurate and timely information on service.
  4. Organizing special activities for allowing the Expressway users to visit the operation and management of the Expressways under the Company's concession.
- 1.2 Business counterparty : The Company strictly discharges its obligations under the Agreements with EXAT in the capacity as contractual party, and fairly treats its business counterparty on the basis of equitable treatment, without any barrier, special right or discrimination. The Company also complies with conditions, rules, regulations, practices towards each other, and promotes good relationships, which are clearly written in the Company's code of business ethics, along with the work procedures in accordance with ISO 9001 Quality Management System. This is to ensure its collaboration with EXAT to provide the efficient and regular Expressway service. In this regard, the Company arranges for monthly performance satisfaction assessment by EXAT 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 Company's excellent collaboration. The Company organizes quarterly meetings between its operating staff and EXAT's personnel, which not only enhances the efficiency and results in the Expressway users satisfaction, but also minimizes conflicts or impacts which may give rise to disputes over joint operations between both parties.
- 1.3 Traders/Contractors: 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 in terms of 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 the work procedures regarding procurement in accordance with the requirements of ISO 9001 Quality Management System, based on 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 for management and monitoring system to ensure the full compliance with 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 its competitors.
9. Refraining from making a serious accusation against traders without reasonable grounds.

1.4 Lenders/Shareholders : The Company strictly complies 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 breaches any conditions thereof as mutually agreed. The Company complies with and adheres to the following procedures:

1. Strictly complying with the 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 all lenders on the basis of a win-win solution for both sides.
3. Regularly and timely reporting on accurate and complete financial information 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 jointly resolve such problems fairly and promptly.

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 shareholder's meetings, and also realizes the significance of its responsibility to fulfill commitments in accordance with the requirements regarding the debenture issuer's rights and duties, including relevant contractual conditions.

1.5 Staff : The Company considers staff as key resource behind its business movements and as a crucial factor to the Company's success, and then clearly sets out the staff practices in respect of proper treatment of staff 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 KPIs in every key 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 run.
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 their career advancement.

4. Ensuring equitable treatment, integrity and fairness in punishment, appointment, and transfer, including reward, on the basis of staff's knowledge, capacities and qualifications.
  5. Creating the work environment on the basis of occupational health and safety for life and property of staff and the Company, whereby the Company takes into account the safety of staff's operation and the Expressway users, and as such, organizes 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. (Work-related accident statistics: In 2013, the Company's work-related accident statistics involves an accident on the Expressway with zero staff casualty.)
  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. In 2013, the Company arranged for staff to attend training for five days each on average (30.47 training hours/person) and also organized staff health activities titled "In Good Shape Mission" to support the balance between work efficiency and good health and well-being of staff; as well as widely and constantly fostering the attitudes and values on quality work system, including awareness of energy saving and environment preservation.
  7. Respecting human rights in respect of nondiscrimination, provision of equitable opportunity for employment of female labor, disabled persons, underprivileged persons, youths, the elderly, and acceptance of staffs freedom of association and the 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.
- 1.6 Supply chain : The Company deals with the supply chain in strict compliance with international standards, ISO 9001 Quality Management System, and ISO 14001 Environment Management System, by way of providing education and close monitoring and audits to ensure that the supply chain of traders in business association with the Company is concerned for environmental impact, in the interests of the sustainability of their mutual business alliance.
  - 1.7 Communities where the Company's business premises are located : The social and environmental impacts of its business operations on the communities adjacent to the Expressways or near its office are of concern to the Company, and therefore, the Company continues to organize special activities and provide supports to various community activities.

## 2) Anti-Corruption Guidelines

The Company sets out a policy on anti-corruption and bribery for its business interests, and also adopts a corruption risk assessment. Guidelines for supervision and monitoring to prevent and follow up corruption risks are as follows:

1. Staff are prohibited from granting or offering any items or any other benefits to third parties, such as, government officials, agents, representatives, counterparts, etc., with the intention of misleading such third parties to take or omit to take any acts in violation of laws or contrary to their positions or functions or in exchange for undue privileges.
2. Staff are prohibited from demanding or receiving any items or any other benefits for personal gains or others in a manner that persuades them to abuse their duties or neglect to perform their duties.

3. Any business dealings in association with various agencies, such as, government agencies, state enterprises or private sector, etc., both local and international, must be transparent, fair and lawful in Thailand and foreign countries where such dealings take place.
4. Any fraudulent acts against duties are a serious disciplinary misconduct.

### 3) Non-infringement of Intellectual Property

1. Staff are prohibited from using any information, documents, computer applications, software, books, articles, video tapes, audio records, and works of any other persons in a manner that infringes their intellectual property, regardless of whether such rights are reserved by the owners or rightful beneficiaries of such works.
2. All staff shall have the duty to maintain the Company's intellectual property works and shall not use or allow any third parties to use the Company's intellectual property without permission.
3. Any discovery or invention for improvement by staff during their employment with the Company, which is related to or effective on or connected with the Company's business in any way, shall be treated as the Company's property and must be promptly disclosed to the Company.

### 4) Procedures and Channels of Complaints

#### 4.1 Submission of complaints

The Company authorizes the Company Secretary accept complaints. If any stakeholders find any behavior or event which may violate or be contrary to the code of ethics or policies, they may submit complaints directly to directors or contact the Company Secretary.

Company Secretary : Bangkok Expressway Public Company Limited No. 238/7, Asoke-Dindaeng Road, Bangkapi Subdistrict, Huaykwang District, Bangkok 10310

Telephone : 0 2641 4611

E-mail : companysecretary@becl.co.th

#### 4.2 Procedures upon receipt of complaints

##### 1. Fact-finding

The Board of Directors shall appoint or authorize a working group to personally find facts related to the violation or non-compliance with the code of ethics or policies.

##### 2. Fact processing and screening

The authorized working group shall process and screen such facts and then consider proposing appropriate steps and actions for handling such complaints.

##### 3. Measures

The authorized working group shall propose measures to deal with the violation or non-compliance with the code of ethics or policies to the Board of Directors consideration so as to alleviate damage for those affected by such occurrence, taking the overall damage into account.

##### 4. Report on results

The Company Secretary or the person authorized by the Board of Directors shall report on the results to the stakeholders who submit such complaints, if the complainants can be identified.

#### 4.3 Measures to protect the complainants or those who provide cooperation in the investigation

The complainants or those who provide cooperation in the investigation shall be protected in accordance with the criteria, as follows:

1. The complainants or those who provide cooperation in the investigation of facts may choose to keep their identity undisclosed, should such disclosure may result in unsafety or any damage.
2. In case their identity is disclosed, the Company shall report on development of the fact finding.



3. The Company shall not disclose name-surname, address, photograph, or any other identity information of the complainants or those who provide cooperation in the investigation of facts.
4. The person who accepts complaints must keep related information confidential and shall disclose the same only to the extent necessary by taking into account safety and damage in respect of the complainants or those who provide cooperation in the investigation of facts, sources of information or related persons. If it is likely to cause damage or unsafety, appropriate protection measures shall be implemented.
5. Those who sustain damage shall be compensated by way of appropriate and fair procedures.

## 5) Corporate Social and Environmental Responsibility Policy

The Board of Directors sets out the corporate social and environmental responsibility policy as guidelines for all activities in its business operations in the interests of all related stakeholders. The Managing Director, as Management, shall propose sub-policies on each issue, action plans, and goals in line with the key policy, considering corporate key performance indicators in terms of finance, customers, work process, and knowledge and skill development. In this regard, the Company's internal work units shall prepare budget, annual/monthly plans, manuals, process, including key performance indicators at the work unit level, to ensure the efficient performance subject to the key policy and in line with international standards, namely, ISO 9001 Quality Management System and ISO 14001 Environment Management System.

### 1. Corporate Social and Environmental Responsibility in Process of the Company's Business Operations (CSR In Process)

#### 1. Staff

The Company gives priority to development of staff's skills, provision of opportunities for staff to perform, and care for the quality of life staff morale and encouragement. To this effect, the Company then sets out a personnel development plan, a fair and measurable performance evaluation with PMS, clear rules for promotion, and payment of appropriate remuneration through its participation in annual survey of wages and remuneration, in comparison with other organizations, as well as continuing support for development via quality activities.

Objectives: Staff shall be loyal to the organization, enjoy working in their workplace, create and improve their works continuously, and provide good services to external customers, i.e., Expressway users, and internal customers, i.e., staff who work in the next work process.

#### 2. Products and services: Expressway service

- (1) Expressway construction technology: Given that the Expressways under the Company's operations are expressways in the center of Bangkok and business zones, the Company is well aware to minimize any impacts on at-grade traffic, and keep dust and noise problems during construction to a minimum. As such, the Company utilizes state-of-the-art technology available at such time and complies with AASHTO safety standards.

Objectives : The construction shall proceed as planned without any impact of pollution on nearby society and communities.

- (2) Expressway maintenance for available and safe service: It is the Company's core, necessary and essential duty to carry out the preventive maintenance (PM) and the corrective maintenance (CM) according to plans in line with the useful life of the structures and equipment. In addition, the Company's engineers, in association with the consulting engineers, regularly carry out a full-scale (100%) inspection of the structures.

Objectives : The Expressways shall be available for service throughout 24 hours for the Expressway users to reach their destinations with convenience, rapidity, and safety, to the satisfaction of the Expressway users and the Expressway Authority of Thailand, as the authority which granted the concession to the Company.



- (3) Traffic management on the Expressways: The Company treats this issue as the heart of its services. The Company installs the surveillance system via CCTVs and emergency telephone system covering every route. Its Control Center is working 24 hours a day and standby staff at various points are ready to provide instant facilitation and assistance in case of an emergency on the Expressways, e.g., car accidents, breakdown or fuel run-outs.

Objectives : Recurrence of accidents shall be prevented for the Expressway users to rest assured of their safety over at-grade roads, other than its convenience and rapidity.

- (4) Continued service improvement: The Company forms a work unit responsible for research and development, comprising engineers and consultants with expertise in the field of transportation and traffic engineering to conduct study on improvement of the physical characteristics and inspection of the safety on the Expressways, utilizing computer software and applied international safety principles. Furthermore, the Company promotes staff innovation via its quality activities, namely, QCC (Quality Control Circle) on a P-D-C-A basis (Plan-Do-Check-Action) and SS (Suggestion System). Objectives : Innovations or new projects shall be initiated for the Company to continuously develop and improve the services in terms of convenience, rapidity and safety.

3. Contractual parties/traders: Expressway Authority of Thailand, including contractors and suppliers

The Company carries out its obligations in strict compliance with the Concession Agreement, in close collaboration between high level executives and operational staff of both organizations. ISO 9001 Quality Management System is applied to ensure the quality services and continual improvement. As for treatment of traders, the Company adheres to contracts, agreements as mutually agreed, operates its business with fairness, equality and nondiscrimination. The Company expressly gives priority to the quality of goods or services which is reasonable to prices, trust and creditability, as well as mutual development and growth. The procurement process is thus in line with such guidelines, including the good corporate governance principles and ISO 9001 Quality Management System.

Objectives : The Company has the opportunities and is entrusted by the government sector to carry out new projects in the future, including creditability, support and collaboration with contractual parties/traders, contractors, and financial institutions.

4. Society and environment

The Company has a sustainable development policy to upgrade the quality of services, the quality of life, along with the environmental responsibility, by continuously organizing appropriate activities, in line with the policy and budget approved by the Board of Directors. The Company puts in place such action plans to rapidly and efficiently respond to any events giving rise to an impact on environment and communities as a result of the Company's operations, and raises awareness of environmental responsibility in accordance with ISO 14001 Environment Management System.

Objectives : The Company shall ensure the excellence of its service to the service users satisfaction and impression, subject to the good corporate governance principles. As a result, the Company shall receive the opportunities from society and trust from the government sector to continue its infrastructure service business.

## 6) Risk Management Policy

The Board of Directors foresees the significance of the Enterprisewide Risk Management (ERM) in the management systems and operations of importance to efficient and effective achievement of the specified objectives throughout the organization. The Corporate Governance and Risk Management Committee is then appointed to supervise and monitor the operations of all internal units of the organization to ensure compliance with the good corporate governance principles, and support the successful corporate risk management. The Company's risk management policy may be described as follows:

1. To prepare annual risk management plan subject to consideration and approval of the Corporate Governance and Risk Management Committee in respect of sufficiency and appropriateness to the current business circumstances.
2. To assign duties and responsibilities of all units to consider and review the assessment of levels of impacts on the Company's business operations, and the possibility of the current risks and potential risks in the future, and establish guidelines to keeping risks to a minimum or at an acceptable level.
3. To adopt a standard risk management process in accordance with international practices to ensure the efficient management of risks which may affect the Company's operations, resulting in the consistent risk management development throughout the organization.
4. To use the risk management system as part of decision-making, strategic planning, work plans and operations of the Company to achieve the objectives, goals, vision, missions, and to create a sustainable prosperity and confidence of all parties concerned.
5. To determine guidelines for prevention or reduction of risks at a level acceptable to the Company in order to formulate plans to manage and control risks to at an acceptable level. All work units must consider the justification of expenses or costs to implement risk management measures in comparison with expected benefits.
6. To regularly follow up and assess the results of risk management to make sure that the risk management is duly and properly conducted.

#### 9.1.4 Disclosure and Transparency

- 1) The Board of Directors sets out a policy to disclose information to the public, whereby the Company's business operations shall be transparent and open for inspection with sufficient information disclosure equally to all parties concerned. The Managing Director shall have power to disclose information and ensure the accurate, complete, timely and transparent disclosure of material information relating to the Company, both financial and non-financial, as required by the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.  
In regard to the compliance with the good corporate governance principles, the Board of Directors sets out the disclosure guidelines and ensures the Company's report on compliance with best practices and policies, including any noncompliance, together with an explanation.

- 2) 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 set up an Investor Relations unit for communication purpose, and a dedicated 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 sufficient and equal access to appropriate information without any discriminatory treatment of any specific groups. Interested investors may contact the Investor Relations Department, at 0 2641 4611 Ext. 6200 or 6221. Investors, who find it inconvenient to visit the Company's Office No. 238/7, Asoke-Dindaeng Road, Bangkok Subdistrict, Huaykwang District, Bangkok 10310, may contact to make a conference call or sign up for the news mailing list via the website or submit questions or e-mail to [ir@becl.co.th](mailto:ir@becl.co.th).

Other than the mandatory disclosure pursuant to the practices and legal requirements, the Company also has a policy to rotate high level executives to participate in providing information and answers to investor's questions 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 regularly participate in the Company's Investor Relations activities.

- 3) The Company clearly sets out the authorization levels of information available to executives at each level, and their authorized access to such information for public disclosure, by means of communicating and ensuring proper understanding of information for investors, internal and external agencies of the Company, as well as contacting and coordinating with investors, collecting investors' opinions, and communicating with high level executives to staff at all levels, as follows:

#### 3.1 Internal communications

Although the Board of Directors and high level executives may have full access to all information of the Company, the Managing Director is appointed to be the authorized person to disclose such information to the Stock Exchange of Thailand and answer questions to the public and the press in accordance with the Company's disclosure policy.

The Board of Directors, executives, advisors and staff of the Company are obliged to keep any undisclosed information confidential. The Company's work rules and regulations prohibit staff from disclosing the Company's confidential information to any third parties or abusing their positions for personal gains or others. Any violation is deemed a disciplinary misconduct liable to termination of employment. 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 on use of the Company's information by adopting such information security systems as the restriction of access to the Company's information by authorization level of staff's access to the Company's information based on their responsibilities. To prevent executives' misuse of the Company's inside information for securities trading, 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.

The Company's disclosure of information to staff shall be the same as the public disclosure in terms of accuracy, frequency and timeframe. The Investor Relations Department prepares and submits monthly IR Reports, which collect and summarize investors' questions and opinions on the Company's business operations, to the Management, in order to present useful suggestions or feedback of investors to the Management for further improvement of the Company's operations.

#### 3.2 External communications

The Board of Directors shall make sure that the Company's disclosure of material information follows the specified policy and requirements. The disclosure is prepared both in Thai and English and made available via the Stock Exchange of Thailand's channel and on Company's website at [www.bec1.co.th](http://www.bec1.co.th). The Company regularly updates such information as, annual report, annual registration statement (Form 56-1), good corporate governance guidelines, the Company's profile and various policies, movements of traffic volume, toll revenue, loan status, operational results, financial ratios, securities price, dividend history, together with other information, e.g., corporate social responsibility activities and public relations news. These information and news are made available in support of decision-making by investors and relevant parties, together with monthly corporate presentation to investors, which is updated on the 10<sup>th</sup> day of the following month, so as to be regularly and timely available to all investors on the website. Users of such information shall have convenient access to such information in a timely manner to their best interests. Moreover, opinions and investment analysis of the Company by securities analysts from securities companies from [www.settrade.com](http://www.settrade.com), which are compiled in the form of Analyst Consensus, are shared on the Company's website in order to assist investors in making their decisions to invest.

In the disclosure of financial report, the Board of Directors shall prepare the Report on Responsibilities of the Board of Directors towards the Financial Report to be presented along with the Report of the Auditor, as per the details on pages 136.

The provision of the Company's related information to securities analysts is also another main duty of the Investor Relations Department since the Company's information is made available in the Analyst Consensus to assist investors in making their decisions to invest. The Investor Relations staff then are assigned to provide such information to ensure correct understanding and maintain good relationships with securities analysts. Staff may review and revise the Analyst Consensus for the purpose of accuracy, as opposed to guiding or distorting the Analyst Consensus by securities analysts, or may revise only such facts which have been outdated or disclosed to the public, in which case, such revision is not treated as guiding investment.

Other than the public disclosure, the Company also participates in various activities to serve as disclosure channel to directly meet with investors and hear their opinions as well as creating good relationships with investors via activities, such as, Roadshow, Opportunity Day, Company Visit, Analyst meeting, exhibition booths, etc. The Company's management staff shall be rotated to accompany the Investor Relations staff to communicate and provide better explanations in support of their decisions to invest.

In 2013, the Company organized Company Visits and Conference Calls, and Press Interview, as well as participated in local and international Road Shows organized by various institutions for foreign investors, as follows:

- Pulse of Asia Conference in Singapore organized by DBS VICKERS SECURITIES in Singapore;
- NDR Roadshow organized by DBS VICKERS SECURITIES in the United Kingdom and the United States of America;
- J.P. Morgan's Thailand Conference 2013 organized by J.P. Morgan (Thailand);
- TISCO Corporate Day organized by TISCO Securities Company Limited;
- Thanachart Assets to Funds Day organized by Thanachart Fund Management Company Limited;
- Investment Malaysia 2013 organized by Maybank Kim Eng Securities (Thailand) Public Company Limited in Malaysia;
- Thailand Focus 2013 organized by the Stock Exchange of Thailand, Phatra Securities Company Limited and Bank of America Merrill Lynch;
- Thailand Investor Conference organized by the Stock Exchange of Thailand and KT Zmico Securities Company Limited in New York, the United States of America;
- Asia-Pacific Industrials, Infrastructure and Transportation Corporate Day organized by MACQUARIE SECURITIES LIMITED in Hong Kong.

The foregoing events were the opportunities for the Company to provide appropriate clarification on the operational results and progress of the investment projects and for the Management to answer questions to investors and the press equally and fairly. The Company also participated in the "SET in the City 2013" investment fair organized by the Stock Exchange of Thailand to provide material, necessary and accurate information for investment decisions to the general public, including investors and institutional analysts.

The Company organizes the Company Visit program 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 2013 for further improvement. The survey revealed that the provision of service in such Investor Relations activities was satisfactory representing 95.02 percent.



#### 4) Rules on securities trading by inside information users

Other than the report on securities trading of executives in accordance with the requirements of the Office of the Securities and Exchange Commission, in regard to other executives along with staff who are authorized to access the Company's material information which may influence securities price movements, a securities trading by usage of inside information, such as, information on capital increase or decrease, dividend payment, the Company's operational results, joint investments, etc., is considered as taking advantage of general investors. In this respect, the Company prevents any insiders' purchase or sale of securities by requiring its executives to report on their securities trading in accordance with the rules as required by the Stock Exchange of Thailand, whereby all insiders should refrain from trading securities or should wait until the public has been informed of such information with a reasonable period of time to study.

### 9.1.5 The Board of Directors' Responsibilities

The Board of Directors acknowledges its role and responsibilities to set policies and directions of the Company's operations under the laws, its business objectives, the Articles of Association, as well as resolutions of shareholders' meetings. The Board shall monitor and supervise the Management to efficiently and effectively perform in compliance with the specified policies in order to protect the Company's interests, maximize its economic value and great wealth for shareholders based on the good corporate governance principles. The Board of Directors complies with the best practices of the Stock Exchange of Thailand in various aspects, as follows:

#### 1. The Board of Directors' Structure

- 1.1 The structure of the Board of Directors consists of 12 qualified members with useful skills, knowledge and experience to efficiently perform their duties, comprising five executive directors, four independent directors and three 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, 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. In addition, one director as the Expressway Authority of Thailand's who has experience in the Company's core business is a non-executive director.
- 1.2 The Board of Directors comprises four independent directors who are able to independently provide opinions on the Management Team's performance, according to the number as required by the Office of the Securities and Exchange Commission. The Company also 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.
- 1.3 Directors shall have a term of office of three years, whereby the retiring directors may be re-elected. 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.
- 1.4 The Chairman of the Board of Directors and the Managing Director shall not be the same person so as to separate between the policy making and supervisory duty and the regular managerial duty. The Board of Directors clearly determines powers and duties of the Chairman of the Board of Directors and the Managing Director. 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.
- 1.5 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 is of the view that all directors devote their time to regularly attend meetings.

#### 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 Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance and Risk Management Committee, and the Executive Board. In this regard, the Board of Directors has determined duties and responsibilities of each subcommittee as detailed on pages 100 to 103.

### 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, approval of vision, missions, strategies, targets, business plan and budget of the Company, and supervises 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 stakeholders 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 2013 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 association 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

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

Remark : <sup>(1)</sup> Mr. Chavalit Wathanakul was appointed on 27 February 2013 and resigned on 1 October 2013.

##### 1) 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. Pursuant to the Articles of Association, the Board of Directors must meet every three months; a quorum shall consist of not less than 60 percent of the total number of directors; and every director shall attend not less than 75 percent of the total number of the Board of Directors' meetings held each year. However, the Board of Directors appoints the Executive Board to help provide the Management with suggestions and advice, and review the operations in compliance with the Company's policies and work plans in various aspects to ensure the efficiency, whereby the Executive Board shall meet every month in order to closely follow up performance of the Management.

By virtue of the improved operational practices in November 2013 in accordance with the good corporate governance principles for listed companies 2012, the Company determines the number of the Board of Directors' meetings to be at least six times a year and the report on the operational results is required to be submitted to the Board of Directors for acknowledgement in the month without meeting, which shall commence in 2014 onwards.

The Managing Director Office delivers the notice of each meeting and agenda as clearly pre-determined, for 10 days prior to the meeting date and delivers the supporting documents in advance at least five days prior to the meeting date, 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 2013, all directors attended the meetings representing 100 percent of the total number of meetings, namely, four times, 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.

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.

Moreover, the Board of Directors sets out a policy to prohibit directors and executives who are connected persons or interested persons in relation to any items to be considered from attending the meeting or voting on such item, whereby the Management shall give prior notice to such directors and executives who are not allowed to attend the meeting or vote on such item. In considering a connected person and interested person, the Board of Directors shall take into account such report on interests which all directors and executives shall have a duty to submit in accordance with the Board of Directors' policy requiring directors and executives to report their personal interests in order to disclose such information to the Chairman of the Board of Directors and the Audit Committee Chairman.

## 2) Subcommittees' meetings

### 2.1 Audit Committee

The Audit Committee shall regularly meet at least every quarter with the Company's 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. In 2013, the Audit Committee convened four meetings and there was one meeting with the auditor without the Management.

### 2.2 Nomination and Remuneration Committee

In 2013, the Nomination and Remuneration Committee convened one meeting 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 2013 and bonus for 2012 for submission to the 2013 Annual Ordinary General Meeting of Shareholders for approval and consideration of remuneration for the Managing Director in accordance with the results of performance evaluation for submission to the Board of Directors for approval. According to the improved operational practices in November 2013 in accordance with the good corporate governance principles for listed companies 2012, the Company determines the number of the Nomination and Remuneration Committee's meetings to be at least twice a year, which shall commence in 2014 onwards.

### 2.3 Corporate Governance and Risk Management Committee

In 2013, the Corporate Governance and Risk Management Committee convened two meetings for following up and evaluating the results of performance in compliance with the good corporate governance principles and considering the risk management plan of the Company.

Moreover, after consideration of the Company's compliance with the good corporate governance principles, comprising five categories, in accordance with the best practices in the "good corporate governance principles for listed companies 2012", the Board of Directors deemed it appropriate to improve the operational practices in line with the corporate governance policy for the listed company under the guidelines of the Stock Exchange of Thailand, whereby the Corporate Governance and Risk Management Committee shall meet at least once every quarter, which shall commenced in 2014 onwards.

### 2.4 Executive Board

The Executive Board schedules to meet on every third Wednesday of each month. In 2013, there were a total of 12 meetings, 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. Most of the directors attended all meetings, except when they were engaged in urgent business.



## 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. The Board of Directors and subcommittees are required to conduct self-assessment at least once a year, including assessment of the performance in accordance with the Company's code of business ethics. In addition, the Managing Director's performance shall be assessed by the Board of Directors at least once a year in accordance with the rules as specified by the Nomination and Remuneration Committee. Furthermore, the Board of Directors determines to review topics of assessment to ensure appropriateness and conformity to roles, duties and responsibilities of the Board of Directors.

In 2013, 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 opinions of most of directors can be summarized as follows:

- (1) Structure and Qualifications of the Board of Directors: The structure and qualifications of the Board of Directors are proper and 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 appoints another four subcommittees, namely:
  - (1) the Audit Committee with the duties 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 the duties 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, including appropriate and competitive remuneration to retain competent directors;
  - (3) the Corporate Governance and Risk Management Committee with the duties to establish policies and directions of operations in respect of the good corporate governance of the Company, code of business ethics, including risk management; and
  - (4) the Executive Board with the duties 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: 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 interests arises from any connected transactions and transactions which may have a conflict of interests. 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 : 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:** 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:** 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 the Management's performance of duties does not meet the operational plans and forecast budget.
- 6) **Self-Development of Directors and Development of Executives :** 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 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, listens to 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 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, taking into consideration the Corporate KPIs used in the annual assessment of performance in order for the Board of Directors' approval.

## 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 under the Corporate KPIs 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 2013 appears in Remuneration of Directors and Executives on pages 69 to 71.

## 9. Development of Directors and Executives

### 1) Directors and Executives Training

The Board of Directors has a policy to support and facilitate training and learning for its directors and executives to ensure their continued improvement and performance, both internal and external training courses. All directors must attend training for understanding of performance of their duties in the capacity as directors.

The Board of Directors and the high level executives realize the significance of their 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 (RCP), Audit Committee Program, Role of Compensation Committee (RCC) (as per Information of Company Executives on pages 145 to 151).

In this regard, the Company also send directors to regularly participate in various training courses as organized by the IOD. In 2013, Professor Suphachai Phisitvanich, the Corporate Governance and Risk Management Committee Chairman, participated in the Chairman Forum 2/2013: Roles of the Chairman of the Board of Directors in Promoting the Code of Business Ethics, as organized by the IOD.

### 2) Orientation for New Directors

The Board of Directors determines the operational practices for the Company to arrange for orientation for newly-appointed directors and have the Management provide documents or briefing for the new directors to understand the business and performance of duties as directors. The Board of Directors assigns the Managing Director, the Company Secretary and the Managing Director Office to have the duty to arrange for orientation for newly-appointed directors by convening a meeting with the relevant directors and/or executives and/or officers for clarification and answer to questions. In 2013, a new director was appointed, whereby the Company followed the operational practices by briefing the Company's information as well as preparing documents and summary information for the new director, such as, information relating to the Company, listed company director's handbook, the good corporate governance principles, code of business 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 a 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 prepares and reports on succession plan for the positions of Managing Director and the high level executives 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 for succession in the absence of the Managing Director or executives in the key positions to perform duty.

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 retirement, 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. As at 31 December 2013, the ratio of the executives at the General Manager level and higher through internal nominations represented 83 percent.



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 with rotation to other related work units 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.

## 9.2 The Board of Directors' Structure

The Board of Directors' structure comprises the Board of Directors and other four subcommittees, namely, the Audit Committee, the Corporate Governance and Risk Management Committee, the Nomination and Remuneration Committee, and the Executive Board, with the Managing Director as the top executive of the Management Team, totaling 18 persons.

Details of such four subcommittees, their powers and duties as well as the nomination procedures are in accordance with their respective charters, as follows:

### 9.2.1 Board of Directors

1.	Dr. Virabongsa Ramangkura	Chairman of the Board of Directors
2.	Prof. Suphachai Phisitvanich	Director
3.	Gen. Sampao Choosri	Director
4.	Dr. Annop Tanlamai	Director
5.	Mr. Plew Trivisvavet	Director
6.	Mr. Supong Chayutsahakij	Director
7.	M.L. Prasobchai Kasemsant	Director
8.	Mr. Panit Dunnvatanachit	Director
9.	Miss Arisara Dharamadhaj	Director
10.	Mrs. Vallapa Assakul	Director
11.	Mr. Sudthisak Wattanavinid <sup>(1)</sup>	Director
12.	Mrs. Payao Marittanaporn	Director

Remark : <sup>(1)</sup> Mr. Sudthisak Wattanavinid was appointed on 26 February 2014 to replace Mr. Chavalit Wathanakul who resigned on 1 October 2013.



## 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 yearend 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 Chairman of the Board of Directors' Authorities and Duties

1. Monitoring the administration by the Management.
2. Providing suggestions for the business operations through the Executive Board and the Managing Director on a regular basis without interference in the routine works under the responsibility of the Management. The Chairman of the Board of Directors also plays an important role in making decisions on the Company's policies.
3. Jointly considering and setting out the business goals with the Management.
4. Having a duty to preside over both the Board of Directors' meetings and the shareholders' meetings to ensure the efficiency and effectiveness in such meetings, by encouraging all directors to participate in each meeting and independently provide opinions.
5. Ensuring their strict compliance with the good corporate governance principles and taking into account the shareholders' rights.

### 9.2.2 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, whereby the General Manager of the Internal Audit Office shall serve as secretary to the Audit Committee. As at 31 December 2013, the Audit Committee comprises three independent directors as listed below:

- |    |   |                          |                        |
|----|---|--------------------------|------------------------|
| 1. | Prof. Suphachai Phisitvanich <sup>(1)</sup> | Audit Committee Chairman | (Independent Director) |
| 2. | Gen. Sampao Choosri                         | Audit Committee Member   | (Independent Director) |
| 3. | Dr. Annop Tanlamai                          | Audit Committee Member   | (Independent Director) |

**Remark :** <sup>(1)</sup> Prof. Suphachai Phisitvanich serves as Audit Committee member with the knowledge in the field of accounting and finance.

## 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 a conflict of interests;
  - (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. Supervising and monitoring the internal audit tasks by reviewing missions, scope of works, independence and development plan and provision of internal audit personnel training to catch up with the business changes and develop themselves on a continual basis, in order to accommodate the direction of the Company's operations and international standards, including consideration and approval of annual internal audit plans.
8. Performing any other activities as assigned by the Board of Directors to independently provide opinions and suggestions in line with the requirements and the Audit Committee's best practices of the Stock Exchange of Thailand.
9. In performing duties of the Audit Committee, should it find or there be any doubt as to whether or not the following transactions or actions may have a material impact on the Company's financial position and operational results, the Audit Committee shall report on such finding to the Board of Directors in order to improve and rectify the same within the time as the Audit Committee deems appropriate:
  - (a) Any transactions giving rise to a conflict of interests;
  - (b) Corruption or unusual occurrence or material fault in the internal audit system;
  - (c) Violation of the securities and exchange law, requirements of the Stock Exchange or laws related to the Company's business.



### 9.2.3 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 2013, 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       | Nomination and Remuneration Committee Member   | (Independent Director) |
| 4. | Mr. Supong Chayutsahakij | Nomination and Remuneration Committee Member   |                        |

#### 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.

### 9.2.4 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 2013, 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           | Corporate Governance and Risk Management Committee Member   | (Independent Director) |
| 4. | Mr. Supong Chayutsahakij     | Corporate Governance and Risk Management Committee Member   |                        |

#### 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 risks in order to deal with risks to stay at an acceptable level to ensure compliance with the risk management policy of the Company.
6. Reporting on risks and operations for minimizing risks to the Board of Directors.
7. Proceeding with other matters as assigned by the Board of Directors.

#### 9.2.5 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 2013, the Executive Board comprises five executive directors as listed below:

- |                    |               |                                      |
|--------------------|---------------|--------------------------------------|
| 1. Mr. Plew        | Trivisvavet   | Chairman of the Executive Board      |
| 2. Mr. Spong       | Chayutsahakij | Vice Chairman of the Executive Board |
| 3. M.L. Prasobchai | Kasemsant     | Executive Director                   |
| 4. Mrs. Vallapa    | Assakul       | Executive Director                   |
| 5. 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 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.

#### The Managing Director's Authority and Duties

The Board of Directors determines the Managing Director's authority and duties as follows:

1. Controlling and managing main business of the Company.
2. Monitoring all activities of the Company to ensure compliance with resolutions and policies as assigned and suggested by the Board of Directors.
3. Having power to approve any juristic act binding upon the Company in an amount of not exceeding Baht Two Million per act.

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.

## 9.3 Nomination of Directors and Top Executives

### (1) Nomination of Independent Directors

The Nomination and Remuneration Committee shall nominate directors who are qualified in terms of useful skills and experience for the Company and meet the qualifications of independent director by the definition of the Company's independent director, as follows:

1. 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 (not exceeding one percent).
2. 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.
3. 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.
4. 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:
  - (1) 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.
  - (2) 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.
5. 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.
6. Not having any other characteristics preventing him/her from giving an independent opinion.

### (2) Nomination of Directors and High Level Executives

#### (2.1) Nomination of Directors

##### (2.1.1) Criteria

The Nomination and Remuneration Committee shall consider nominating persons to be appointed as directors to replace those directors who vacate office, both resignation prior to the end of term and retirement by rotation, in accordance with the following criteria:

1. Having qualifications in compliance with the Public Limited Companies Act, the Securities and Exchange Act, rules of the Securities and Exchange Commission and rules of the Stock Exchange of Thailand.
2. Having knowledge, ability and experience in a variety of fields which will be beneficial and add value to the Company.
3. Having characteristics supporting and promoting the corporate governance to create value to the Company, such as, independence, willingness to share opinions, initiative, performance of duties with responsibility, due care, integrity and full-time contribution, etc.
4. In case of a director who retires by rotation, the Nomination and Remuneration Committee shall consider from his past records whether he performed duties as director with due care, integrity and full-time contribution.

The Nomination and Remuneration Committee shall nominate such qualified persons to the Board of Directors for consideration for submission to the shareholders meeting for appointment as directors.

#### (2.1.2) Nomination Procedures

The Board of Directors sets out the procedures for nomination of directors, whereby the Nomination and Remuneration Committee shall proceed in accordance with the following procedures:

1. Nominating qualified candidates to fill the vacancy.
2. Considering qualifications of the director who represents the Expressway Authority of Thailand in accordance with the conditions as specified in the Concession Agreement.
3. Considering qualifications of candidates nominated by minor shareholders according to the Company's policy to allow shareholders to propose their nominations in advance (if any).
4. Proposing the nominations to the Board of Directors for consideration and appointment (in case of interim vacancy).
5. Considering proposing the nominations to the Board of Directors for consideration and approval for submission to the annual ordinary general meeting of shareholders for appointment.

Pursuant to the Articles of Association, at every annual general meeting, one-third of the number of directors shall vacate their office. If the number of directors is not a multiple of three, then the number nearest to one-third must retire from office. Therefore, the directors shall have a term of three years, whereby a retiring director may be re-elected. In this regard, the Company does not fix the number of terms of holding office as director or the number of other listed companies where the directors will hold office as director, but considers the suitability of appointment of directors who are due to retire by rotation to resume office.

Pursuant to the Articles of Association, the criteria and procedures for appointment of directorship by shareholders are as follows:

1. One shareholder shall have one vote for every one share held by that shareholder;
2. When electing directors, the casting of votes shall be made to elect directors on an individual basis. However, in the casting of votes on an individual basis, each such person elected by the shareholders shall receive votes from shareholders according to the total number of shares held by each shareholder under 1. and no shareholder can allot his or her votes to any person in any number.
3. When electing directors on an individual basis, persons receiving the most votes are those who are elected to be directors, in descending order, to the number of directors who are to be elected. If there is a tie for the last to be elected and this exceeds the said number of directors, the election shall be drawn by lots.

#### (2.2) Nomination of Managing Director and Executives

1. An executive in the position of Managing Director shall be nominated by the Nomination and Remuneration Committee which 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.
2. As for any executives at the level of General Manager or higher, the Managing Director would propose the nominations to the Executive Board for consideration and appointment.

## 9.4 Supervision of Operations of the Subsidiary and Associated Company

The Company has the governance mechanism in respect of management and operations of its Subsidiary and associated company, as follows:

- (1) The Board of Directors shall consider sending the Company's representatives to serve as directors in other companies according to its shareholding percentage. The directors who are the Company's representatives shall have power, duties and responsibilities in establishing the significant policies. In this regard, the Board of Directors shall consider and establish policies for the directors who are the Company's representatives to vote on various key items of the Subsidiary or associated company.

- (2) Structure of the Board of Directors of Northern Bangkok Expressway Company Limited as Subsidiary has been specified to comprise:
- Seven directors who are members of the Executive Board of the Company;
  - One director who is representative from the Expressway Authority of Thailand;
  - One Managing Director of the Subsidiary.
- (3) Governance mechanism of the Subsidiary regarding connected transactions and acquisition or disposition of assets
- As for transactions with related persons and acquisition or disposition of assets, the Company has managed the Subsidiary to amend its articles of association regarding execution of transactions in accordance with the rules on disclosure and connected transactions. The directors who are the Company's representatives shall supervise to ensure the Subsidiary's strict compliance with such rules. In this regard, the details of each such transaction shall be submitted to the Board of Directors for consideration in accordance with the rules.
- (4) The Company requires the Subsidiary to regularly review its internal control system to ensure adequacy and appropriateness on a yearly basis, whereby the Company's Internal Audit Office shall regularly review and follow up its compliance with the internal control system, which shall be specified in the annual audit plan.

## 9.5 Control of Inside Information Usage

The Company determines its written control of inside information usage in accordance with the good corporate governance principles, as follows:

1) Policy and monitoring of directors and executives

The Company shall keep directors, executives informed of the Office of the Securities and Exchange Commission's applicable notifications requiring directors and executives to have a duty to report on every change in their securities holding to the Office of the Securities and Exchange Commission pursuant to Section 59 within three days from the date of such change in securities holding. The Company Secretary shall be informed thereof to keep records of such change. In this regard, the directors and executives shall acknowledge and strictly comply with the policies and relevant laws regarding inside information usage.

2) Measures relating to care for inside information

- (1) Not using inside information for personal interests or others.
- (2) Determining and restricting persons who are authorized to access inside information, whereby the authorized persons shall not disclose such information to other persons until such information has been disclosed to the public in accordance with various regulations.
- (3) Disclosing such information which has a material effect on the operations via the Stock Exchange of Thailand's channel prior to disclosure to any specific groups of investors.
- (4) Insiders should refrain from trading securities or should wait until the public has been informed of such information with a reasonable period of time to study such information.
- (5) Determining an quiet period for Investor Relations or submission of questions relating to operational results in the near future to analysts and investors for one week prior to disclosure of financial statements.

3) Storage and prevention of inside information usage

- (1) 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 and regulations of the Company prohibit staff from disclosing the Company's confidential information to any third parties or abusing their positions for personal gains or others. Any violation is deemed a disciplinary misconduct. In addition, this obligation has been specified as an important condition in new employment agreements, whereby staff shall keep confidential information relating to the Company's business 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 confidential information relating to the Company's business refers to financial information, marketing plan or business plan, wages, etc.
- (2) The Company has 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 computer system, provided password must be changed every three months.
  - (3) The Company prohibits executives who have access to inside information from taking any actions contrary to Section 241 of the Securities and Exchange Act, including relevant rules and regulations.

## 9.6 Remuneration for Auditor

The Audit Committee and the Management shall jointly consider the qualifications of the auditor in respect of the reliability, independence, knowledge and experience in audit services, advice on accounting standards and certification of the financial statements in a timely manner, and shall then propose this matter to the Board of Directors for submission to the annual ordinary general meeting of shareholders to consider approving the appointment of auditor.

The proposed auditor shall have neither relationship with nor interest in the Company or its Subsidiary, executives, major shareholders or their related persons.

### 1. Remuneration for auditor

#### (1) Audit fee

In the accounting period of 2013, the Company and its Subsidiary paid the audit fee of Baht 1,382,000 to Ernst & Young Office Limited, representing an increase by Baht 41,000 from the previous year or 3.06 percent. However, when compared to the average audit fees of other listed companies in the same sector, the Company's audit fee was reasonable.

#### (2) Non - audit fee

In the accounting period of 2013, the Company and its Subsidiary have no other service from Ernst & Young Office Limited or regarding business with the proposed auditor and Ernst & Young Office.

## 9.7 Compliance with Good Corporate Governance Principles

The Company has fully complied with the good corporate governance principles for listed companies 2012, except the following matters:

### 1. Determination of the number of terms of holding of office as director and independent director

The Company does not clearly determine any number of terms of holding of office as director. In regard to the determination of a term of consecutive holding of office as independent director of not exceeding nine years, the Board of Directors considers and deems that the appointment of independent directors to resume office as directors will be useful for the Company and shareholders since the directors consecutively holding such office will have knowledge and experience in the Company's business operations, thereby maximizing its value to shareholders.

### 2. Determination of the number of companies where each director will hold directorship

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 is of the view that all directors devote their time to regularly attend meetings. However, in 2013, none of the Company's directors hold office as directors in more than five listed companies.

## 10. Corporate Social Responsibility

### Business Philosophy of Bangkok Expressway Public Company Limited

Thailand's recent development resulted in Bangkok's economic and social growth. Such rapid growth gave rise to traffic problems which intensified and hindered the national development. The government sector envisioned the significance of the transportation system as a firm foundation for the national development, and as such, the private sector was then invited to participate in such basic infrastructure development projects.

Bangkok Expressway Public Company Limited is determined to play a part in alleviating the traffic problems. With our knowledge and expertise in the expressway construction and operation, the Company was then entrusted by the government sector to enter into contracts with the Expressway Authority of Thailand for the construction of the Si Rat Expressway and the Udon Rattaya Expressway.

Based on the Company's determination to participate in basic infrastructure system development in respect of transportation in support of Thailand's national development to ensure its economic and social growth, the Company is extremely proud of such opportunity from the government sector, and is well-prepared to implement the large-scale and high value expressway construction projects. The Company conducted an assessment of risks in such matters relevant to stakeholders which may affect the business operations in the initial stage, as follows:

1. **Construction Risk** : Investments in the construction of the expressway system projects, which are large-sized construction projects, require high investments and may be affected by several uncontrollable external factors, such as, problems relating to shortage of labor and construction materials, labor wages, contractor's capabilities, environment, engineering, including natural disasters. Such problems may delay the construction or affect the entire or partial system. In this connection, the variable economic conditions in the future are one of those problems which would result in cost overrun and may affect the Company's operations accordingly.
2. **Financing Risk** : Given that these projects require high investments, it is thus necessary to seek financing for the projects from financial institutions, in respect of which the Company has adopted such policy in its capacity as a good borrower by means of compliance with the agreements to build up its creditability, or else the Company would be at risk of having its loan agreements rejected by financial institutions. Another risk from financing is a risk from exchange rate fluctuation.
3. **Toll Revenue Risk** : The source of revenue is based on traffic volume and toll rates. Toll revisions are subject to the provisions of the agreements and government approval, and as such, should the toll rates not be revised at the rates and within the schedule specified in the agreements, the Company's operations, including its debt serviceability to financial institutions, may be affected.
4. **Government Policy Risk** : At such time, the government had a policy to invite the private sector to participate in implementation of public infrastructure system projects, therefore, any changes in policies, laws or regulations by the government may affect the Company's operations. Moreover, in the absence of any authority directly in charge of the national road transportation development policy in Thailand, it is likely that new projects initiated by other agencies may compete with the Company's projects.
5. **Risk from Protest by Society and Community** : The construction of large-scale projects adjacent to communities in the heart of the city usually gives rise to certain impact on society and nearby communities, such as, environmental impact from construction, land expropriation, etc. Without proper understanding and a clear corporate social responsibility policy, the projects may be affected by social protests, and if so, the achievement of the project may be at risk.

According to the foregoing business risk factors, together with its commitment to development of Thailand's transportation system to alleviate the traffic problems, the Company carefully sets out its operational policies to become the leading expressway service company to facilitate public transport, with management systems based on the good corporate governance principles and corporate social responsibility, to ensure the Expressway users improved quality of life on the path to happiness and sustainability.

In light of the Company's commitment to development of the national transportation system to alleviate the traffic problems, and potential risks to its operations, the corporate social and environmental responsibility has always been of great importance to the Company and an abiding principle to which the Company adheres in its business operations. It is clearly evident from the Company's vision and missions towards creating the "Path to Happiness" by formulating the Expressway network in Bangkok and its vicinities. The Company is well-equipped to invest in projects pertaining to expressways, connecting roads and other infrastructure projects of the government on the public private participation (PPP) basis to upgrade the quality of life and develop Thai society towards sustainable growth. In addition, the Company is determined to provide quality and safe Expressway services, with due care and taking into account impact on stakeholders, economy, society and environment. The Company has adhered to the fair practice and business ethics in every step of its work procedures, as well as developing and promoting innovations in terms of efficiency, effectiveness and value added to the business and all parties concerned. The Company is socially responsible in its operations to build up a good impression to the service users and society as a whole.

It is a clear policy of the Company to be responsible for rights of all groups of stakeholders, i.e., shareholders, staff and executives of the Company and its Subsidiary, customers, business partners, lenders, counterparties, competitors, society as well as communities and schools located near the Expressways, including government sector and relevant authorities.

The Company organizes various activities, e.g., conferences, seminars, visits, public hearings, study and surveys on demands and satisfactions, to promote good relationships between the Company and stakeholders. Such regular activities are aimed at making their interests and concerns heard for further improvement of the Company's operations. This goes further from a plan for developing connections with stakeholders to a mechanism that promotes their participation, including submission of information to the Company's executives, in the consideration of the Company's corporate strategy in the following year.

Moreover, the stakeholders may directly contact or submit complaints to the Company's directors or the Company Secretary at telephone number 0 2641 4611 or by e-mail to [companysecretary@becl.co.th](mailto:companysecretary@becl.co.th). As the stakeholders supports are well recognized to help develop the competitiveness and generate returns to the Company, which will secure a long-term success, the Board of Directors has incorporated in the corporate governance policy that the Company shall take care of stakeholders according to their rights under applicable laws and shall refrain from taking any acts in violation of their rights, in which case, any stakeholders sustaining damage from violation of rights shall be compensated; and that the Company's operations shall take into account human rights.

It is apparent that the Company's operations take care of all groups of stakeholders by way of monitoring, audit and assessment of potential impact, both positive and negative, for the purpose of planning for work improvement. Significant guidelines and standards adopted for the Company's practices and disclosure are the Stock Exchange of Thailand's guidelines for social responsible business, including international standards for social and environmental responsibility, e.g., ISO 14001, etc. In the future, the Company plans to improve its practices and disclosure to meet international principles, e.g., Global Reporting Initiative: GRI, in order for the Company's corporate social responsibility to be internationally recognized.

To achieve its goals, the Company has set out practical guidelines for corporate social responsibility to cover the entire Path to Happiness for the Company and its Subsidiary, as follows:

1. Covering the current and potential impact, both positive and negative, on major stakeholders;
2. Taking into account the process of the Company's business operations.

The Company determines the scope of its corporate social responsibility in three dimensions as follows:

1. The Source of Happiness focuses on staff treatment, development and care in terms of the quality of life, competency, morality and ethics, active participation in both internal and external process to deliver the best quality of service to service users under normal and emergency situations.
2. The Path to Happiness focuses on ensuring safety from construction to maintenance, including fair and reciprocal treatment of business partners as well as creating innovations in support of convenient and safe service with social and environmental responsibility throughout the whole process.
3. The Happy Society focuses on acting as a good and responsible citizen for the communities along the route so as to develop a good quality of life and contribute to society at large.

The scope of such responsibility is aimed at establishing the sustainable "Path to Happiness" to society.

## BECL along the Path to Happiness

All through the path from the construction and operation of the Si Rat Expressway and the Udon Rattthaya, to the construction of the new Expressway, namely, the Si Ra - Outer Ring Road Expressway, the Company is committed to providing Expressway services with convenience, rapidity and safety, to the utmost satisfaction and impression of motorists, as the sustainable Path to Happiness. Practical guidelines for corporate social responsibility in three dimensions along the path are as follows:

1. **The Source of Happiness** is aimed at developing accountability, competency and skills of staff on the ethical principles, the quality of service for motorists' convenience and safety as well as sustainable growth. The Company focuses on staff development by way of continuing improvement, enhancement and development of competency of the Company's staff.

### Staff Competency Development

The Company arranges for development of staff both in main and supporting lines of work, particularly staff in main line of work directly related to services on the Expressways, where quality and safety are compulsory, in order to achieve its goal of the excellent service to the utmost satisfaction and impression of motorists on the Expressways. The Company formulates specific training courses by specialists, both in theory and in practice, for staff in the main line, so that staff shall have skills and ability to use equipment and devices for specific tasks, i.e., rescue operation, traffic management, toll collection and maintenance of the system and carriageway. The staff development is considered as the Company's primary work plan, continuing from preceding years, to enhance knowledge and skills for the delivery of the Expressway services to facilitate the convenient and safe transportation. As a result, the Company's staff shall perform well in collaboration with EXAT's personnel both under normal and emergency situations. It is important to ensure staff's responsibility beyond their normal functions, and improve their skills in collaboration with other authorities to the best interests of service users.

### Rescue Operation and Traffic Management

#### Rescue operation drills in case of serious accidents on the Expressways

The Company, in association with EXAT, carries out rescue operation drills in case of serious accidents on the Expressways, so as to be well prepared for rescue operation and assistance in case of serious accidents, e.g., leakage of hazardous or chemical substances on the Expressways, fire fighting and handling of injured motorists from accidents, both in theory and in practice. The drills are regularly carried out every year so as to be able to handle the situations forthwith and resume the normal Expressway services as soon as possible.

### Safety Training

The Company organizes safety training every year, e.g., engine repair, so that staff will become familiar with engine systems and new technologies for small and large vehicles. Staff will learn about car care and repair, including different types of engines of motorist's vehicles on the Expressways, and then will be able to provide proper assistance, as opposed to causing damage to motorist's vehicles. In addition, staff also attend training relating to provision of safe and proper first aids to injured motorists.

### Training on Use of Rescue Operation Vehicles on the Expressways

In case any objects accidentally fall off a truck and scatter on the Expressway, the rescue operation staff will use a crane lorry to lift those objects off the road surface to promptly open the Expressway for traffic. Although such accident may not occur very often, the Company conducts training on use of the rescue operation vehicles every three months so as to enable the rescue operation staff to efficiently and rapidly perform their functions, in order to avoid another accident.



### **Traffic Volunteer Training**

The Company promotes participation and support in traffic management, whereby EXAT and Expressway Police Station 2 officers are responsible for traffic management on the Expressways in compliance with the provisions of the Road Traffic Act. In order to ensure collaboration and in the interests of the Expressway user's safety, the Company also participates in traffic volunteer training organized by the Bangkok Metropolitan Administration and the Royal Thai Police. Training covers both theoretical and practical knowledge, e.g., traffic control signals, traffic hand signals, traffic signs, manners in provision of services to the Expressway users, etc.

### **On The Job Training**

All rescue operation staff shall review work procedures every time before attending to their operation, and shall make preparations and check equipment on rescue operation vehicles, to ensure rapid, precise and proper service to the Expressway users. On the job training is conducted by the Company's executives, twice a year, and three groups each, during the middle and the end of each year.

### **New Staff Orientation**

New rescue operation staff will attend three-month training prior to actual performance on the Expressways. The training will start from theory and during the initial stage of each actual performance, new rescue operation staff will be accompanied by mentors, who are rescue operation specialists.

### **Service Mind Training**

The Company is well aware of the significance of communications in order to deliver the best services to the Expressway users. Therefore, a training program titled "Change a Complaint to a Smile", which involves how to make a good impression on service, e.g., talking style, body language, manners and patience, to ensure motorist's satisfaction and impression.

### **Toll Revenue Operation**

The Company's personnel in charge of toll revenue operation will be responsible to ensure that tolls are correctly, transparently and timely collected, in collaboration with the government sector, namely, EXAT, which has the duty to collect tolls from the Expressway users. The Company provides internal on the job training regarding role and responsibilities of toll collection controllers, particularly that tolls must be collected timely, the inspection of the counting of vehicles and collection records must be correct and exact. In addition, the condition of toll collection equipment must be checked to be ready for full-time service and to ensure the correctness of toll collection, which will help assure the Company's steady revenue streams and equally protect the interests of shareholders and stakeholders. Toll collection controllers will also attend overseas study visits on toll collection systems.

Good relationships with government sector (EXAT) are built and maintained by creating teamwork environment and participation in quarterly joint meetings between the Company's staff and EXATs personnel. Such relationships are based on generosity which results in efficient performance to the Expressway users' satisfaction.

### **Structure Maintenance Operation**

The maintenance of the Expressway structure is a prime responsibility to ensure that the Expressways will be ready and safe for service. Bangkok Expressway Public Company Limited is internationally recognized as the leading company specializing in the inspection and maintenance of the Segmental Box Girder structures, and carries out regular inspection, monitoring and surveillance all year round. As for staff responsible for this task, the Company provides training for new staff and recruits new graduates in the applicable fields, e.g., civil engineering, vocational certificate or high vocational certificate in construction. This is to make sure that such personnel are knowledgeable and skilled according to their job description. Furthermore, all staff will attend training for skill improvement, e.g., on the job training, to familiarize themselves with know how relating to construction of an elevated expressway project, which is standard training for foreman and inspectors. After completion of the theoretical training, staff will be assigned to fieldwork operation, to be always accompanied by high level supervisor, as mentor. For existing staff, other than the on the job training, the Company also assigns them to attend training each year conducted by leading institutions to learn new technologies, for example:

- The Engineering Institute of Thailand Under H.M. The King's Patronage, e.g., Earthquake Standards : Design of Earthquake Resistant Structures;
- Thailand Concrete Association, knowledge about concrete as key element to construction work;
- Construction-related computer software, e.g., Auto CAD, Access;
- Overseas study visits for knowledge development, including technology and maintenance process benchmarking with other countries;
- Exchange of knowledge with overseas leading expressway companies which are recognized worldwide;
- Study visits for Intelligent Traffic System (ITS), new technologies and modern information systems.

In addition to staff competency development training in various matters with an aim to deliver the efficient services and to ensure the Expressway user's utmost satisfaction, the Company adheres to the fair treatment of staff in order to maintain competent staff with the Company. Staff with high competency and skills in their work performance will be eligible for career advancement based on clear promotion rules according to their respective career paths, which shall be reviewed yearly. Moreover, the Company also adopts individual development plan, particularly personnel at the level of supervisors or higher, and the Performance Management System (PMS) subject to key performance indicators (KPIs) in order to ensure concrete evaluation results. Such evaluation also takes into account staff competency and conduct, which will be instrumental in retaining qualified and competent staff as well as in developing staff core competency in five areas as follows:

1. Learning and self-development to ensure continuing development of a learning organization;
2. Focus on ethics to promote the compliance with the good corporate governance principles;
3. Focus on quality and safety in order to provide services to Expressway users to reach their destinations with convenience, rapidity and safety in accordance with the Company's policy;
4. Provision of services to internal/external customers by ensuring good quality of services to the satisfaction of internal customers in the work process, and ensuring good quality of services to the satisfaction of Expressway users and EXAT, as the contractual party to the Concession Agreement of the Company;
5. Result-based management in order to identify key success indicators and set out achievable work plans.

## Work and Life Balance

The Company is well aware of the significant of appropriate remuneration based on industrial benchmarking. The Company promotes a participatory work environment and teamwork as well as organizes the workplace on the occupational safety and health basis. As for staff in main line who works shifts 24 hours, the Company provides bedroom for resting, shower rooms, personal lockers, including retro-reflective uniforms, raincoats, helmets to all staff, as well as safety equipment as appropriate to the nature of their work.

Staff are encouraged to demonstrate their participation and competency, as they are considered as valuable resources, and are assured of their innate skills, and as a result, they will feel proud and committed to providing quality services and continuously improving their performance. The Company has been organizing such activities to this end using a bottom-up approach as a key and universal instrument, which are conducted by working groups at department level and corporate level, as follows:

- 5S Activity started on March 10, 2000 on the clear, convenient, clean, sanitary and self-discipline basis for the development of both work and life.
- Suggestion System started on June 26, 2001 to stimulate staff at all levels, particularly operational staff, to share useful ideas for improvement of works under staffs responsibility.
- QCC Activity started on November 18, 2000 on the P-D-C-A basis in order to develop a preventive culture of usage of data, facts and statistics in support of work improvement.

- These fundamental activities resulted in the Company's continued work improvement to successfully maintain consecutive certifications of ISO 9001: Quality Management System, and ISO 14001: Environment Management System, since the initial certifications on August 22, 2001 and November 11, 2001, respectively.

As a result of the Company's staff treatment as described above, staff have developed a strong bond of loyalty between them and the organization, put their creative energy into work, efficiently pushed the organization forward, and readily delivered the best services to service users.

2. **On the Path to Happiness**, the Expressway users are just like an Expressway family and the heart of the Company's operations. The Company is ready to deliver and improve the Expressway services to ensure the efficiency of rapid and safe transportation, uplift the quality of life and environment, and play a role in developing Thai society. The Company appreciates such innovations which will help minimize impact of the Company's operations on society, environment and stakeholders. Therefore, the Company operates at full capacity from construction to repair and maintenance of the Expressways to stand ready for service to users to ensure their convenience and safety both under normal and emergency situations. This is to fulfill the Company's committed responsibility for its services to customers or the Expressway users.

**2.1 Construction of Expressways :** The Company adopted the Segmental Box Girder technology which is internationally recognized and meets the AASHTO (American Association of State Highway Transportation Officials) standards, and which was considered a sophisticated technology at such time. As a result, the Company was able to minimize impact on at-grade traffic and dust and noise pollution during the construction. The construction was completed according to planned without any protests from society and nearby communities. The Expressways are safe, meet standards and effectively respond to the transportation needs.

**2.2 Maintenance of Expressways :** The Company carries out regular inspection and maintenance of the main structures of the Expressways, under the independent consulting engineer's supervision and quality assessment of the Expressways. The Expressways are in a stable condition, meet standards and safety requirements, and the Expressway users are able to enjoy convenient, rapid and safe transportation to their destinations.

**2.3 Expressway Services :** The Expressways, by physical characteristics, mostly are elevated and linked as a network with a total length of 256.1 kilometers, comprising seven routes in public service, namely, Chalerm Mahanakorn (First Stage) Expressway; Si Rat (Second Stage) Expressway; Udon Rattaya Expressway (Bang Pa-in Pak Kret); Uttara Phimuk Expressway (Don Muang Tollway); Chalongrat Expressway; Burapha Withi Expressway; and Kanchanaphisek Expressway; the Expressways have become the effective strategic routes for sending aids to disaster victims, transporting equipment and supplies, and travelling by both public and private sectors, during the occurrence of any event or disaster which may impede the at-grade roads. Those events in the past have perfectly confirmed the strategic route status. Therefore, the Company, in its capacity as the operator of the Si Rat Expressway and the Udon Rattaya Expressway, sets out practical guidelines for dealing with unusual occurrences, so as to make the Expressways available for service under emergency situations and return to normal as soon as possible.

Under normal situations, both during rush and non-rush hours, the Company is ready to deliver the Expressway services to users to reach their destinations comfortably and safely via our Expressways, as follows:

1. The Company's communications staff in the Control Center monitor traffic condition on the Expressways and provide travelling information to users. The CCTV surveillance systems are installed on the Expressways, along with radio-communications systems through the Control Center working 24 hours in close collaboration with other relevant authorities. The Company's rescue operation teams are patrolling the Expressways at all times, and therefore, they are ready to instantly assist service users in any incident on the Expressways. In addition, the teams also coordinate with police officers on duty on the Expressways and at-grade roads in order to facilitate traffic management 24 hours. The traffic condition on the Expressways are viewable by at-grade police officers from the video signals connected with the Company's CCTVs.

2. The automatic toll collection system or Easy Pass is implemented by the Company's collaboration with the government sector beyond the terms of the Concession Agreement, with the intention to improve services and minimize environmental impact from traffic congestion. This system has helped save travelling time and fuels for service users, protect the environment, minimize pollution at the toll plazas, reduce fuel consumption, and improve the quality of life.
3. With respect to safety innovations, the Company sets up a dedicated unit responsible for research and development (R&D) to regularly improve safety of the Expressways by means of road safety audits. The audit results are used for the Expressway improvements for greater safety, e.g., safety equipment at risk areas based on statistical records of accidents. According to such statistics, gore areas are relatively accident-prone. Physical risks are taken into consideration to classify risk levels, as follows:
  1. Low-risk areas are intersections and off-ramps in parallel to mainline, e.g., Phaholyothin off-ramp, Bang Sue off-ramp, Ratchadaphisek off-ramp, because when a car accident takes place, cars will not fall off to at-grade road.
  2. Medium-risk areas are V-shape roads.
  3. High-risk areas are Y-shape roads, where cars are likely to fall off to at-grade road should an accident take place.

According to the study for accident prevention and reduction with a view to preventing cars from falling off to at-grade roads, the properties of protective materials must be unbreakable when hit, otherwise, it may give rise to consequential impact on the vehicles that follow. Furthermore, such equipment must first be tested with actual impact to see whether or not it is capable of minimizing the impact, so as to prevent cars from sliding and falling off to the ground or from sliding and crashing the car that follows. The Company has thus made improvements in such risk areas by level. In a low-risk area, speed limit and reduce speed signs are installed before reaching the risk area. In a medium-risk area, speed limit and reduce speed signs are installed before reaching the risk area, provided that these signs are equipped with flashing light to alert motorists ahead of time. Flashing light is installed on top of the median of the diverge nose, which will be visible to motorists, with flexible guide posts installed to help lessen impact and minimize car damage, and a cushion tank made of polyethylene (PE).

In high-risk areas, crash cushions are installed at three locations, namely, Khlong Prapa 1 off-ramp, Phyathai Interchange, and Bangkhlo Interchange. The Company installed crash cushion at every gore area to soften impact from accident, installed cold plastic materials in red color to alert motorists of high-risk area ahead in order to reduce speed, and painted road strips to prevent accidents on the Expressways.

The Company conducted further study on impact of several factors on traffic and prepared traffic simulation to study the feasibility of improved physical characteristics in front of toll plazas, on- and off-ramps, in order to alleviate environmental impact, preserve national energy and save travelling time.

#### **Under emergency situations or disaster occurrences**

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

Due to the flood crisis in 2011, several toll plazas of the Udon Ratthaya Expressway of the Subsidiary were affected by such disaster. The Company has 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. As a result of its management of 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, the damage which occurred to the Subsidiary could be minimized.

### **Political unrest**

There was no political unrest in 2013 like the political rally in 2010, which caused an unrest in various locations of Bangkok and adjacent provinces and affected the at-grade traffic, and as a result, motorists avoided such roads where the rally took place or refrained from leaving home during the unrest period. In order to minimize such impact, the Company arranges for an emergency backup plan in response to possible occurrences. The emergency backup plan involves 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.

**During special long holidays** such as Songkran Festival, New Year's day, the Company, in association with EXAT, organizes safe travelling programs during long holidays. Service units are set up on the Expressways to provide a free initial car checkup, including drinking water and refreshing towels as refreshments for long travelling which will help reducing accident rates.

Since the Company's business is a unique service which requires high investments for its operations, creditability can be built on the Company's fair treatment of its traders and financial sponsors, which is considered a key success factor to the Company's delivery of the quality services to motorists, even during a crisis. The Company therefore sets out its practices for traders as follows:

### **Fair Business Operations**

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 in terms of 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 the work procedures regarding procurement in accordance with the requirements of ISO 9001 Quality Management System, based on the practices as follows:

#### **(1) Procedures and measures against unfair competition**

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 for management and monitoring system to ensure the full compliance with 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 its competitors.
9. Refraining from making a serious accusation against traders without reasonable grounds.

- (2) The Company sets out guidelines for recognition of and respect for intellectual property of traders as well as protection of such rights, as follows:
  1. Staff are prohibited from using any information, documents, computer applications, software, books, articles, video tapes, audio records, and works of any other persons in a manner that infringes their intellectual property, regardless of whether such rights are reserved by the owners or rightful beneficiaries of such works.
  2. All staff shall have the duty to maintain the Company's intellectual property works and shall not use or allow any third parties to use the Company's intellectual property without permission.
  3. Any discovery or invention for improvement by staff during their employment with the Company, which is related to or effective on or connected with the Company's business in anyway, shall be treated as the Company's property and must be promptly disclosed to the Company.
- (3) The Company deals with the supply chain in strict compliance with international standards, ISO 9001 Quality Management System, and ISO 14001 Environment Management System, by way of providing education and close monitoring and audits to ensure that the supply chain of traders in business association with the Company is concerned for environmental impact, in the interests of the sustainability of their mutual business alliance.
- (4) Financial sponsors, namely, lenders, shareholders, creditors : The Company strictly complies with contracts and its obligations, maintains the financial discipline, and should there be any event which may affect its compliance with contracts and obligations, the Company shall call for a meeting for conclusion in a manner which will not affect the contracts and mutual obligations.

**3. The Happy Society** refers to the communities adjacent to the Expressways, which are the Company's neighbors, and as such, the Company shall ensure that its business operations will not affect the quality of life and environment. In doing so, the Company regularly surveys the communities nearby the rights of way according to plan, and inspects the condition of the Expressways and surrounding areas of the rights of way, which may affect the nearby communities and residents, to see if there is any impact or difficulty caused to them. In case of improvement of the Expressway or any construction which may affect the nearby communities, the Company will coordinate with its contractors to exercise due care to the best of their ability. In this respect, the Company also sets out standard work procedures, including requirement of equipment to prevent any impact or pollution. In addition, the Company conducts a press relations to provide project details and contact information for submission of any complaints. Any complaints submitted to the Company will be forwarded to the responsible unit under the high level executives' supervision for fact-finding and urgently carrying out any initial remedial actions. Then, causes of such complaints and related facts shall be identified for the purpose of considering corrective and preventive measures and rectifying various consequences in order to prevent any possible difficulty to the nearby communities.

In order for guidelines for environmental concerns to be clear, measurable and acceptable, the Company applies ISO 14001: Environment Management System under the following environment policy:

- 1) Giving priority to pollution prevention and control through the operation and maintenance of the Expressways in compliance with international standards, taking into account environmental impact on service users, staff and communities;
- 2) Raising staff awareness and promote the efficient use of energy and natural resources;
- 3) Complying with the environment-related laws and other regulations;
- 4) Reviewing objectives and goals for continued improvement of the environment management system;
- 5) Communicating the environment policy to the public and all parties concerned.

In addition, the Company appoints an energy conservation workgroup to promote awareness of energy conservation and efficient use of energy. The Company acknowledges its duty, as part of the global community, to preserve natural resources and build up staff awareness of natural resource preservation. In 2008, the Company appointed the energy conservation workgroup with the objectives and scope of duties and responsibilities as follows:

## 1. Objectives

To ensure that the Company's environment management is efficient and demonstrates its corporate social responsibility (CSR).

## 2. Duties and responsibilities

1. Conducting study and procedures for energy saving without compromising the efficiency of the Company's business operations and the staffs quality of life;
2. Identifying and assessing environmental issues from use of energy and preparing the environment work plan under the work procedures of ISO 14001:2004 Environment Management System;
3. Conducting activities and training for staff awareness of energy conservation;
4. Preparing and regularly reviewing the energy conservation manual to be in line with the environment policy;
5. Monitoring the results of such activities according to planned;
6. Incorporating the accomplished guidelines as part of the routine operations and promote the sustainable energy conservation.

The energy conservation workgroup also appointed sub-workgroups, namely, public relations team, electric energy team, fossil energy team, alternative energy team, and monitoring team.

With the firm commitment to energy conservation, the Company received local and regional awards as follows:

1. Thailand Energy Awards 2007 for the Company's management and staff's participation in setting out policies, components of the workgroup, goals, training/study visits, staff learning, campaigns and monitoring process;
2. ASEAN Energy Awards 2007, in which the Company was selected as Thailand's representative in the ASEAN contest for ASEAN Best Practices for Energy Management in Building and Industry Competition, in Singapore, whereby the Company was granted an outstanding award.

## Business operations affecting the corporate social responsibility

In 2013, the Company and its Subsidiary operated business in compliance with the laws and applicable rules and regulations without committing any offense or violation to the laws which may affect the Company's corporate social responsibility.

## Corporate Social and Environmental Contribution Activities

The Company realizes the significance of the coexistence with society, particularly participation in development of communities adjacent to the Expressways. As such, the Company initiated the projects for development of the quality of life of the communities in respect of education and recreations through the social activities as follows:

1. BECL Grants Scholarships to Adjacent Schools, an activity which was yearly organized, by granting scholarships to underprivileged students with the good academic records, including funds for school development for educational purposes to schools adjacent to the Si Rat Expressway and the Udon Rattaya Expressway.
2. The Company organized activities which supported the outdoor learning experience for youths residing nearby the Expressways for direct experience learning; encouraged children to learn new things thoroughly and clearly to ensure their understanding and ability to efficiently apply the knowledge in the future, such as, Learning Sufficiency Economy with Expressway, by bringing students adjacent to the Expressways to visit the rice farming demonstration in order to appreciate the value of Thai rice and to raise their awareness in relation to sufficiency economy.

Children's Day with Expressway : Children of the Expressway's neighboring villagers, including nearby schools, were invited to enjoy learning and entertaining activities, thereby facilitating a fun outdoor learning experience for children.

Moreover, the Company continued to contribute to society in all aspects by organizing social activities under the "BECL Elevates the Quality of Life and the Environment" concept, a part of sharing happiness to society, as follows:

## **Good Family Relationships**

### **“Expressway Invites Moms & Kids to Strengthen Relationships with Love in Prachin Buri”**

On the occasion of the National Mother’s Day, as a special family day, the Company played a part in strengthening family relationships via “Expressway Invites Moms & Kids to Strengthen Relationships with Love in Prachin Buri”, by bringing a total of 46 Expressway users from 15 families to visit Prachin Buri Province, the most glorious city in the ancient Dhavaravati era; pay homage to the Aphai Than Buddha image; appreciate four styles of astonishing architecture and arts at Wat Kaew Phichit; learn how to use Thai herbs at Abhaibhubejhr Thai Herbal Medicine Museum; taste delicious cuisine in Prachin Buri Province, guaranteed by Mae Choice Nang Ram chef; and appreciate the beauty of flowers of various species at Dasada Gallery. The Company also organized the “Me & Mom” Made activity for hugging and expressing love to moms, together with lovely jasmine garlands, as gifts to their moms in a loving and warm atmosphere for all families.

### **“Expressway Invites Dads & Kids to Strengthen Relationships, with Bicycle Riding in the Park and Good Deeds for Nature, in Khung Bang Kachao, Samut Prakan”**

The Company continues to promote the activities that strengthen family relationships, including environmental preservation. On the occasion of the National Father’s Day, the Company organized the Dads & Kids to Strengthen Relationships, with “Bicycle Riding in the Park and Good Deeds for Nature” activity, by bringing a total of 41 executives and the Expressway users from 14 families to jointly plant 20 trees to enlarge green zone and raise the awareness of environmental preservation, at Sri Nakhon Khuean Khan Park, Khung Bang Kachao, Samut Prakan Province. This Park is a protected area reserved as central park under the royal initiative of His Majesty the King, and serves as the source of clean and fresh air for Bangkok, also known as one of Asia’s best urban oasis. Moreover, executives and the Expressway users then rode bicycles, breathed some fresh air, learnt about various kinds of plants from local guides, and tasted delicious cuisine at Pha Chumchon Mueang Suan Pha Ket Nom Khiao, and went shopping agricultural produces at Talat Bang Nam Phueng as the last stop. Furthermore, their children created and painted cards using natural materials, together with lovely jasmine garlands, as gifts to their dads, bringing about love and warmth in the families.

## **Awareness of Environmental Preservation**

### **“Expressway Promotes Environmental Preservation” No. 6**

The environmental preservation is of great importance to everyone. The Company organized a campaign for staff awareness of environmental preservation under the activity titled “Expressway Promotes Environmental Preservation No. 6”. A group of executives and staff participated in releasing 8,500 sea basses into the sea at Sirinart Rajini Ecosystem Learning Center, Amphoe Pran Buri, Prachuap Khiri Khan Province, and releasing 1,000 blue crab breeders at The Sirindhorn International Environmental Park, Amphoe Cha Am, Phetchaburi Province. Moreover, we jointly planted 85 land seedlings and 400 mangrove seedlings to restore land and mangrove forests.

### **“Plantation of Vetiver Grass under the Royal Initiative of His Majesty the King”**

According to the royal initiative of His Majesty the King “living barriers for natural conservation” to prevent soil degradation and erosion by vetiver grass plantation, the Company followed such royal initiative by bringing a group of executives and staff to jointly plant 20,000 vetiver grass on the inbound shoulders of the Udon Rattaya Expressway, Chiang Rak Section.

### **“Shareholder Relations’ Good Deeds for Nature”**

The great flood in 2011 caused a great loss of green zones. The Company wished to restore those lost green zones, and then organized the “Shareholders Relations’ Good Deeds for Nature Nos. 1 and 2” activity, by bringing a total of 30 shareholders, together with a group of executives and staff, to jointly plant 300 “Silva Manso” trees at Phutthamonthon Park, Nakhon Pathom Province, including the group of staff planted such trees in 2012, bringing up the grand total 877 Silva Manso trees, to restore the sustainable green shelter back to the nature. This was also a good opportunity for the shareholders and executives to meet and exchange their opinions, which would help strengthen good relationships.



## **Moral and Ethical Awareness for Corporate Social Responsibility**

### **“Hearing the Dharma with Expressway”**

The Company believes that the promotion of staff’s moral and ethical awareness will pave the sustainable way to corporate social responsibility. The Company then continuously organized three activities titled “Hearing the Dharma with Expressway”, in which a group of executives and staff participated in hearing the Dharma in order to properly apply such teaching to their current lifestyle and work environment, at Wat Suan Kaew, Nonthaburi Province, Wat Phra Ram 9 Kanjanaphisek, and Bangkok Expressway Public Company Limited. Moreover, the executives and staff donated computer equipment, cameras and office desks to Wat Suan Kaew for usage.

### **“Robe Offering at Dhammasathan Sang Chan Sang Dhamma in Uthai Thani”**

Religion is a spiritual anchor for all those determined to make good deeds and adhere to morality and ethics. The Company wished to promote the religion to carry on its role in Thai society, and thus organized a robe offering ceremony at Dhammasathan “Sang Chan Sang Dhamma in Uthai Thani” to encourage staff to make good deeds, perform their works by adhering to morality and ethics, in the interests of a sustainable corporate social responsibility.

### **“Granting Scholarships to Buddhist Novices”**

Other than the educational support for youths, the Company also promotes Buddhist novices’ education to ensure Buddhism’s lasting presence in Thai society. The “Granting Scholarships to Buddhist Novices” activity was thus organized to have its executives and staff jointly donate brand new and second-hand items and equipment to the Buddhist Novice Support Foundation under the Patronage of the Buddhist Supreme Patriarch, Wat Phra Ram 9 Kanjanaphisek, to liquidate those donated items in support of construction of School of Wisdom (Novice and Child Training Center) and Dhammasathan in Phetchaburi Province.

### **“Blood Donation”**

The Company took part in the great giving under the “Give Blood Give Life” program, by organizing two blood donation activities, in association with Vajira Phayabal Hospital, on 7 May and 9 August 2013 at Bangkok Expressway Public Company Limited, with staff’s active participation.

## **Good Relationships with Related Authorities**

The cooperation for provision of good services to meet the most satisfaction of the Expressway users is regarded as key goal of the three collaborating authorities, namely, staff of EXAT, police officers of the Expressway Police Station 2, and BECL’s staff. To strengthen relationships among them in order to ensure unity and maximum efficiency of the services, the Company then organized activities, as follows:

### **“Watch Movie with 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 the Company’s staff to watch the movie “Oz The Great And Powerful 3D” at Major Cineplex, Ratchayothin. All family members had a good time and enjoyed the games and the 3D movie.

### **“BECL Grants Cars and Motorcycles to the Expressway Authority of Thailand and the Expressway Police Station 2”**

The Company is committed to taking care of and promoting the performance 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 and motorcycles to the Expressway Authority of Thailand and the Expressway Police Station 2 for use on the Si Rat Expressway to facilitate the convenient travelling and maximum safety of the Expressway users.

### **Promotion of Youth Learning**

Education represents a key foundation for youths' sustainable development of knowledge, thoughts and values in order to become decent and quality citizens of society. The Company then continues to encourage and support youth education through various activities as follows:

#### **“BECL Grants Scholarships to Staffs 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 seventh year.

#### **“BECL Grants Scholarships to Children of EXAT Clubs Members”**

The Company, in association with EXAT Club, granted scholarships to children of 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 2s 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 Restores Ban Hin Laem School and Grants Books to Students”**

In addition to the promotion and development of education in the nearby communities, the Company also envisions the significance of improvement of quality and access to education of remote communities. The Company donated money to restore Ban Hin Laem School, Amphoe Thong Pha Phum, Kanchanaburi Province, and books to the library of Ban Hin Laem School, to encourage students reading and enlarge their learning exposures.

### **Support for Outdoor Learning Experience**

The Company realizes that learning is not restricted only in classroom, and outdoor experience is an opportunity for children to personally and directly learn from experience. Such experience would help them understand various things clearly and comprehensively, and apply the knowledge in the future. The Company thus organized outdoor learning experience activities as follows:

#### **“Expressway Invites Children to Sing”**

The Company organized volunteer activities by its music club and staff through music jam, as well as recreational activities and lunch meals to children at Rajawadee Home on 22 June 2013 and the Foundation for the Better Life of Children on 16 November 2013. Children had a good time and enjoyed the activities, whereby this opened an opportunity for staff to express love, care and share happiness with those children in a lovely and warm atmosphere.

#### **“Audio Library for Young Blinds”**

The Company acknowledges that reading will bring about sustainable knowledge. The Company then supported and took part in the Audio Library for Young Blinds project, as organized by Nation Broadcasting Corporation Public Company Limited and the Foundation for the Blind in Thailand under the Royal Patronage of H.M. the Queen, in order to assist and share knowledge to youths with visual disability, by means of audio book recording, which will be organized as audio library for children.

### **Support for Other Social Activities**

#### **“Granting Parts and Equipment from Expressway to Prostheses Foundation”**

Prostheses Foundation of H.R.H. the Princess Mother was established to produce prostheses for underprivileged persons who have no legs, free of charge, regardless of nationality or religion. As such, the Company did take part therein by granting functional and used aluminum expressway parts and equipment to Prostheses Foundation of H.R.H. the Princess Mother, by Police Major General Dr. Chalermpong Komarakul Na Nakhon, member of the Foundation Committee, for use in production of prostheses.

### **“Rice for the King”**

The Company has truly appreciated the royal grace of His Majesty the King for the philosophy and transfer of rice knowledge to farmers for applied use with success. In honor of His Majesty the King on the auspicious occasion of his 86<sup>th</sup> birthday anniversary in 2013, the Company participated in supporting the “Rice for the King” project, and sponsoring 2,000 bags of specially selected 100% Organic Jasmine Rice (1 kg.), part of the proceeds would be provided to His Majesty the King for the royal contribution to The Chaipattana Foundation and Thai Rice Foundation under the Royal Patronage.

## **Anti-Corruption Policy**

The Company sets out measures, based on both discipline and laws, against corruption. According to discipline, the fact-finding shall be conducted by a committee comprising representatives from the human resources department, from the department of the offender and from other units. The Managing Director is authorized to consider imposing disciplinary actions in case of written warning and termination of employment. Should the misconduct constitute an embezzlement, a legal action shall be undertaken to protect the Company's interests. Guidelines under this policy are as follows:

1. No business dealings shall be entered into with any organization or unit which is involved in a corruption.
2. Disciplinary and legal actions shall be imposed and instituted against such staff who are involved in a corruption.

### **Additional Anti-Corruption Practices**

The Company intends to operate its business with transparency without involvement with any corruption, in accordance with the good corporate governance principles. All directors, executives and staff shall perform their duties with integrity, due care, prudence and in the best interests of the Company and fairness to stakeholders, as well as free from corruption, both internal and external.

1. The Company and its Subsidiary set out policy and measures for anti-corruption and prevention of payment or acceptance of bribery, including any actions contrary to morality and customary practices, which shall be written in the corporate governance policy, the Company's code of business ethics, and the work rules and regulations, for compliance by all directors, executives and staff.
2. The Company is aware of business risks from both internal and external factors which may affect its operations. The Company therefore sets out a systematic risk management, monitoring and measures to continuously minimize risks. The Corporate Governance and Risk Management Committee was thus appointed to consider the policy level while the Management shall have the duty to supervise the overall risk management process and perform the day-to-day operation on behalf of the Corporate Governance and Risk Management Committee. Such duties include monitoring, evaluation and preparation of risk management report at the department level for submission to the Board of Directors for information. Moreover, the risk management manual and plan are prepared as operational guidelines, including risk monitoring, evaluation and review in line with the internal and external circumstances. All work units shall also prepare emergency plans for any emergency situation so as to be ready to resolve problems forthwith.
3. In order to comply with the written anti-corruption policy, the Company also builds up recognition of anti-corruption practices in the organization by way of training, both physical and psychological approach, to develop positive attitude. The Company believes that decency originates from inside out, e.g., Hearing the Dharma with Expressway, which has been continuously organized by the Company throughout 2013.
4. The Company surveys the compliance with the code of business ethics yearly for the executives to review their conduct in accordance with the code of business ethics.
5. The Company sets out such misconduct relating to fraud and corruption as serious disciplinary misconduct, and any violation shall be subject to severe disciplinary actions up to termination of employment without prior warning. The details of such misconduct are described as follows:
  - (1) Disclosure of the Company's confidential information to any third parties;
  - (2) Breach of duty and/or fraudulent acts towards the Company, including a conspiracy with others to do so;
  - (3) Abuse of position for personal interests or others;
  - (4) Acceptance of undue consideration in relation to assigned tasks;
  - (5) Expression of impolite manners or use of aggressive, threatening, insulting words or causing bodily injury to supervisors, including visitors.

# 11. Internal Control and Risk Management

## 11.1 Internal Control

The 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. The Internal Audit Office, which directly reports to the Audit Committee, performs the duty to audit the work operation system in various department's of the Company as per the annual audit plan approved by the Audit Committee to ensure each departments efficient and effective performance of work and optimized use of its 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 stakeholders. 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 2013, the Audit Committee convened four meetings, whereby the Management 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 2013 financial statements for an independent inquiry of the audit plan and various issues found during the audit.

## 11.2 Risk Management

The Board of Directors has realized the significance of using the risk management system in the administration by assigning the Corporate Governance and Risk Management Committee to supervise and review the Company's overall risks, risk management strategy and risk alert system, in order to deal with such risks to stay at an acceptable level in line with the Company's policy on risk management. 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 adequacy 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 on a quarterly basis by the Internal Audit Office and reported to the Management and the Corporate Governance and Risk Management Committee for acknowledgement and further report to the Board of Directors. The significant risk factors and management are described in Risk Factors on pages 42 to 49.

- 11.3 In the Board of Directors' Meeting No. 1/2014 which was held on 26 February 2014, the Board of Directors has evaluated the adequacy of the internal control system based on the assessment report of the Audit Committee in various aspects, comprising five components, i.e., control environment, risk assessment, control measures, information and communication system, follow-up system, along with the report on the results of risk management of the Corporate Governance and Risk Management Committee. It was 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 accurate and reliable in accordance with the generally accepted accounting standards and the financial reporting standards. The Company's business operation was in accordance with the law on securities and exchange and other applicable laws.



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

The Head of the Internal Audit Unit is Miss Vasana Wattananukulchai, General Manager of Internal Audit Office. The Audit Committee is of the view that Miss Vasana Wattananukulchai is qualified to efficiently perform duties as the Head of the Internal Audit Unit. The appointment, removal and transfer of a person holding an office as Head of the Internal Audit Unit shall be subject to the Audit Committee's approval as per details on page 153.

The Head of the Compliance Unit is Mrs. Ngamnit Kanokgarnjanar, Assistant Managing Director: Compliance Unit, who shall be responsible for compliance matters in cooperation with Managing Director Office, and with close coordination with the Company Secretary as per details on page 154.

## 12. Related Transactions

### 12.1 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 related transactions, 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 transactions or the transactions which may have conflict of interest, to ensure accuracy and completeness.

In respect of connected transactions with general commercial terms which the Company and its Subsidiary have or may have in the future, the Company 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.

### 12.2 Related Transactions of the Company and the Subsidiary with Persons who May Have Conflict of Interest for 2013 and 2012

- 1. Legal Entity which May Have Conflict of Interest : CH. Karnchang Public Company Limited**
- Relationship :
- The company is the major shareholder of the Company representing 15.15 percent of the paid-up capital as at 12 September 2013.
  - 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.
  - 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.

Transactions with the Company

1.1 Advance Payment and Fee for Management of the Si Rat - Outer Ring Road Expressway Project

Transaction	Details	
	Consolidated Financial Statement as at 31 December 2013	Consolidated Financial Statement as at 31 December 2012
Transaction Value (Baht)		
Advance Payment	2,031,750,000	2,250,000,000
Project Management Fee	2,497,500,000	-
Transaction Description	<ul style="list-style-type: none"> <li>- On 14 September 2012, the Company engaged CH. Karnchang Public Company Limited as Project Manager of the Si Rat - Outer Ring Road Expressway Project, in the total value of Baht 22,500 Million, with a construction period of not exceeding 48 months, commencing on 15 December 2012.</li> </ul>	
Opinions of the Audit Committee on Necessity/Justification of Transaction	<ul style="list-style-type: none"> <li>- CH. Karnchang Public Company Limited has expertise, experience and know-how in the Segment Box Girder construction methodology in accordance with the terms of reference of the Si Rat - Outer Ring Road Expressway Project, together with experience in administering the lump sum turnkey contracts for the Company with good quality of work and low maintenance costs as well as construction completion according to schedule and within the fixed budget; and its strategic investment partnership with the Company which would assure its responsibility and commitment for the successful operation of the Project.</li> </ul>	

1.2 Inspection and Repair of the Structure of the Si Rat Expressway, No. 3, Phase 1

Transaction	Details	
	Consolidated Financial Statement as at 31 December 2013	Consolidated Financial Statement as at 31 December 2012
Transaction Value (Baht)	51,315,184	35,472,226
Transaction Description	<ul style="list-style-type: none"> <li>- On 17 September 2012, 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. 3, Phase 1, in the total value of Baht 86,787,410, with a contract term of 10 months from the date of the contract signing.</li> </ul>	
Opinions of the Audit Committee on Necessity/Justification of Transaction	<ul style="list-style-type: none"> <li>- The price of the work is reasonable and lower than the price 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 work properly and is well-prepared to promptly start the work.</li> </ul>	

1.3 Inspection and Repair of the Structure of the Si Rat Expressway, No. 3, Phase 2

Transaction	Details	
	Consolidated Financial Statement as at 31 December 2013	Consolidated Financial Statement as at 31 December 2012
Transaction Value (Baht)	15,544,581	-
Transaction Description	<ul style="list-style-type: none"> <li>- On 1 September 2013, 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. 3, Phase 2, in the total value of Baht 67,238,525, with a contract term of 12 months from the date of the contract signing.</li> </ul>	
Opinions of the Audit Committee on Necessity/Justification of Transaction	<ul style="list-style-type: none"> <li>- The price of the work is reasonable and lower than the price 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 work properly and is well-prepared to promptly start the work.</li> </ul>	

Transactions with the Subsidiary

1.4 Inspection and Repair of the Structure of the Udon Rattaya Expressway

Transaction	Details	
	Consolidated Financial Statement as at 31 December 2013	Consolidated Financial Statement as at 31 December 2012
Transaction Value (Baht)	-	14,185,388
Transaction Description	<ul style="list-style-type: none"> <li>- On 6 January 2012, the Subsidiary executed a contract engaging CH. Karnchang Public Company Limited to carry out the inspection and repair of the structure of the Udon Rattaya Expressway, in the total value of Baht 14,185,388, with a contract term of 6 months from the date of the contract signing.</li> </ul>	
Opinions of the Audit Committee on Necessity/Justification of Transaction	<ul style="list-style-type: none"> <li>- The price of the work is reasonable and lower than the price 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 work properly and is well-prepared to promptly start the work.</li> </ul>	

1.5 Improvement of the Damaged Structure of the Udon Rattaya Expressway due to the Flood Crisis

Transaction	Details	
	Consolidated Financial Statement as at 31 December 2013	Consolidated Financial Statement as at 31 December 2012
Transaction Value (Baht)	3,900,282	-
Transaction Description	<ul style="list-style-type: none"> <li>- On 31 October 2012, the Subsidiary executed a contract engaging CH. Karnchang Public Company Limited to carry out the improvement of the damaged structure of the Udon Rattaya Expressway due to the flood crisis, in the total value of Baht 3,900,282, which shall be completed and delivered within 30 June 2013.</li> </ul>	
Opinions of the Audit Committee on Necessity/Justification of Transaction	<ul style="list-style-type: none"> <li>- The price of the work is reasonable and lower than the price 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 work properly and is well-prepared to promptly start the work.</li> </ul>	

1.6 Office Space Rental

Transaction	Details	
	Consolidated Financial Statement as at 31 December 2013	Consolidated Financial Statement as at 31 December 2012
Transaction Value (Baht)	120,000	120,000
Transaction Description	<ul style="list-style-type: none"> <li>- 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.</li> </ul>	
Opinions of the Audit Committee on Necessity/Justification of Transaction	<ul style="list-style-type: none"> <li>- 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.</li> </ul>	

**2. Legal Entity which : SouthEast Asia Energy Limited**

**May Have Conflict of Interest**

- Relationship :
- The Company holds shares in SouthEast Asia Energy Limited representing 16.67 percent of its registered capital. During 2012, the Company sold all of its shares in SouthEast Asia Energy Limited, as well as its commitment to provide financial support to SouthEast Asia Energy Limited and Nam Ngum 2 Power Company Limited, to CK Power Public Company Limited.
  - 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 in the Company representing 15.15 percent of the paid-up capital as at 12 September 2013, and during 2011, CH. Karnchang Public Company Limited sold all of its shares in SouthEast Asia Energy Limited.
  - 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.
  - Mr. Plew Trivisvavet 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, is the spouse of Mr. Prasert Marittanaporn, Director of SouthEast Asia Energy Limited.

Transactions with the Company

2.1 Loan and Interest Receivable

Transaction	Details	
	Consolidated Financial Statement as at 31 December 2013	Consolidated Financial Statement as at 31 December 2012
Transaction Value (Baht)	-	42,738,596
Transaction Description	<ul style="list-style-type: none"> <li>- 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. In this regard, SouthEast Asia Energy Limited already made the repayment in full, together with interest, in March 2013.</li> </ul>	
Opinions of the Audit Committee on Necessity/Justification of Transaction	<ul style="list-style-type: none"> <li>- 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.</li> <li>- 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.</li> </ul>	



2.2 Provision of the Financial Support in the Form of Cash Deficiency Support (CDS), which has already been transferred to CK Power Public Company Limited.

Transaction	Details	
	Consolidated Financial Statement as at 31 December 2013	Consolidated Financial Statement as at 31 December 2012
Transaction Value (Baht)	-	-
Transaction Description	<ul style="list-style-type: none"> <li>- 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. Currently, such obligations have been transferred to CK Power Public Company Limited along with sale of all shares held by the Company in SouthEast Asia Energy Limited.</li> </ul>	
Opinions of the Audit Committee on Necessity/Justification of Transaction	<ul style="list-style-type: none"> <li>- The amount of the financial support is based on reasonable calculation and is under the shareholding proportion.</li> </ul>	

3. Legal Entity which : CK Power Public Company Limited  
May Have Conflict of Interest

Relationship : - The Company holds shares in CK Power Public Company Limited representing 23.22 percent of its registered capital.

- The Company and CK Power Public Company Limited have CH. Karnchang Public Company Limited as their common major shareholder, whereby CH. Karnchang Public Company Limited holds shares in the Company representing 15.15 percent of the paid-up capital as at 12 September 2013 and CH. Karnchang Public Company Limited holds shares representing 32.18 percent of CK Power Public Company Limited's registered capital.

3.1 Gain on Sales of Shares in SouthEast Asia Energy Limited

Transaction	Details	
	Consolidated Financial Statement as at 31 December 2013	Consolidated Financial Statement as at 31 December 2012
Transaction Value (Baht)	-	1,156,181,250
Transaction Description	<ul style="list-style-type: none"> <li>- On 10 May 2012, the Company sold all of its 110.1 million shares in SouthEast Asia Energy Limited to CK Power Public Company Limited, at the price of Baht 25 per share, with gain on sales of shares in the Consolidated Statement of Income in the amount of Baht 1,156 Million (net of the unrealized gain in respect of the Company's shareholding in CK Power Public Company Limited in the amount of Baht 496 Million).</li> </ul>	
Opinions of the Audit Committee on Necessity/Justification of Transaction	<ul style="list-style-type: none"> <li>- 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.</li> </ul>	

### 3.2 Management Income

Transaction	Details	
	Consolidated Financial Statement as at 31 December 2013	Consolidated Financial Statement as at 31 December 2012
Transaction Value (Baht)	-	287,000
Transaction Description	- On 15 October 2012, the Company signed an accounting and financial management agreement, in the amount of Baht 287,000, for a period from 15 October 2012 to 31 December 2012.	
Opinions of the Audit Committee on Necessity/Justification of Transaction	- This connected transaction is considered an ordinary course of business, with the general commercial terms	

#### 4. Legal Entity which : CH. Karnchang-Tokyu Construction Co., Ltd.

##### May Have Conflict of Interest

##### Relationship

- : - The Company and CH. Karnchang-Tokyu Construction Co., Ltd. have CH. Karnchang Public Company Limited as their common major shareholder, whereby CH. Karnchang Public Company Limited holds shares in the Company representing 15.15 percent of the paid-up capital as at 12 September 2013 and CH. Karnchang Public Company Limited holds shares representing 55.00 percent of CH. Karnchang-Tokyu Construction Co., Ltd.'s registered capital.

##### Transaction with the Company

#### 4.1 Construction of Connecting Road between Sector D of the Si Rat Expressway and Chaturathit Road (Section C)

Transaction	Details	
	Consolidated Financial Statement as at 31 December 2013	Consolidated Financial Statement as at 31 December 2012
Transaction Value (Baht)	167,309,800	-
Transaction Description	- On 1 February 2013, the Company executed a contract engaging CH. Karnchang-Tokyu Construction Co., Ltd. to construct a connecting road between Sector D of the Si Rat Expressway and Chaturathit Road (Section C), in the total value of Baht 254,000,000, with a contract term of 16 months from the date of the contract signing.	
Opinions of the Audit Committee on Necessity/Justification of Transaction	- 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.	

## 13. Financial Highlights

### Summary of the Auditor's Report

Ernst & Young Office Limited, as the auditor for the Company and its Subsidiary, has audited the consolidated statements of financial position of Bangkok Expressway Public Company Limited and its Subsidiary as at 31 December 2013, and the consolidated statements of income, comprehensive income, changes in shareholder's equity, and cash flows for the year then ended, including a summary of significant accounting policies and other explanatory information, and has also audited the separate financial statements of Bangkok Expressway Public Company Limited for the same period. The auditor is of the opinion that 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 2013, their operational results and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

### 13.1 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 2013 in comparison with the operational results from the audited financial statements for the years ended 31 December 2012 and 2011.

(Unit: Baht)

Statements of financial position	2013		2012 (Restated)		2011 (Restated)	
	Amount	Percent	Amount	Percent	Amount	Percent
<b>Assets</b>						
<b>Current assets</b>						
Cash and cash equivalents	837,995,541	1.87	261,656,094	0.63	128,259,054	0.33
Current investments	774,541,118	1.73	2,937,978,113	7.10	3,014,319,406	7.80
Other receivables	-	-	30,912,257	0.07	94,000,000	0.24
Advance payment under service contract	9,620,484	0.02	9,749,139	0.02	5,729,368	0.01
Other current assets	53,979,947	0.12	55,411,588	0.14	69,671,303	0.18
<b>Total current assets</b>	<b>1,676,137,090</b>	<b>3.74</b>	<b>3,295,707,191</b>	<b>7.96</b>	<b>3,311,979,131</b>	<b>8.56</b>
<b>Non-current assets</b>						
Investments in associates	9,464,970,540	21.12	2,269,620,908	5.48	18,707,925	0.05
Other long-term investments	2,484,366,135	5.54	4,460,908,575	10.78	3,875,946,874	10.02
Long-term loans to and interest receivable from related companies	-	-	42,738,596	0.10	40,124,089	0.10
Investment properties	120,357,493	0.27	120,357,493	0.29	120,357,493	0.31
Building and equipment	127,809,748	0.29	250,282,701	0.60	263,700,420	0.68
Construction in process	2,901,838,672	6.47	25,786,093	0.06	-	-
Rights to operate completed expressway sectors	25,564,276,311	57.03	28,305,131,772	68.40	30,926,664,653	79.98
Intangible assets	34,344,631	0.08	39,483,799	0.10	41,652,525	0.11
Advance payment under expressway construction contract	2,031,750,000	4.53	2,250,000,000	5.44	-	-
Advance for compensation for site acquisition cost	317,070,000	0.71	177,180,000	0.43	-	-
Deferred financial fee	-	-	60,496,185	0.15	-	-
Deferred tax assets	67,359,676	0.15	67,322,715	0.16	62,589,543	0.16
Other non-current assets	35,051,859	0.07	19,219,622	0.05	7,814,645	0.03
<b>Total non-current assets</b>	<b>43,149,195,065</b>	<b>96.26</b>	<b>38,088,528,459</b>	<b>92.04</b>	<b>35,357,558,167</b>	<b>91.44</b>
<b>Total assets</b>	<b>44,825,332,155</b>	<b>100.00</b>	<b>41,384,235,650</b>	<b>100.00</b>	<b>38,669,537,298</b>	<b>100.00</b>

Statements of financial position (continued)	2013		2012 (Restated)		2011 (Restated)	
	Amount	Percent	Amount	Percent	Amount	Percent
<b>Liabilities and shareholders' equity</b>						
<b>Current liabilities</b>						
Trade and other payables	939,189,671	2.10	227,320,702	0.55	195,509,895	0.51
Payable from purchase of investment - due within 1 year	400,000,000	0.89	-	-	-	-
Current portion of long-term loans	810,323,512	1.81	1,996,000,000	4.82	1,142,790,000	2.96
Current portion of debentures	2,700,000,000	6.02	5,100,000,000	12.32	1,895,000,000	4.90
Income tax payable	203,546,236	0.45	150,776,958	0.36	182,660,977	0.47
Other current liabilities	221,341,132	0.50	248,982,733	0.61	341,332,273	0.86
<b>Total current liabilities</b>	<b>5,274,400,551</b>	<b>11.77</b>	<b>7,723,080,393</b>	<b>18.66</b>	<b>3,757,293,145</b>	<b>9.70</b>
<b>Non-current liabilities</b>						
Payable from purchase of investment - due over 1 year	313,695,000	0.70	-	-	-	-
Provision for compensation for site acquisition cost	-	-	-	-	75,740,000	0.20
Long-term loans, net of current portion	336,568,859	0.75	810,323,512	1.96	2,806,323,512	7.26
Debentures, net of current portion	15,386,250,596	34.32	11,096,624,703	26.81	13,200,000,000	34.14
Provision for long-term employee benefits	113,752,334	0.25	86,008,478	0.21	76,203,308	0.20
Deferred tax liabilities	559,473,560	1.25	620,591,001	1.50	624,804,941	1.62
<b>Total non-current liabilities</b>	<b>16,709,740,349</b>	<b>32.27</b>	<b>12,613,547,694</b>	<b>30.48</b>	<b>16,783,071,761</b>	<b>43.42</b>
<b>Total liabilities</b>	<b>21,984,140,900</b>	<b>49.04</b>	<b>20,336,628,087</b>	<b>49.14</b>	<b>20,540,364,906</b>	<b>53.12</b>
<b>Shareholders' equity</b>						
Registered capital	8,000,000,000	17.85	8,000,000,000	19.33	8,000,000,000	20.69
Issued and paid-up capital	7,700,000,000	17.18	7,700,000,000	18.61	7,700,000,000	19.91
Premium on ordinary shares	4,848,492,969	10.82	4,848,492,969	11.72	4,848,492,969	12.54
Retained earnings						
Appropriated - statutory reserve	800,000,000	1.78	800,000,000	1.93	800,000,000	2.07
Unappropriated	9,797,864,435	21.86	6,186,051,679	14.95	4,941,804,112	12.78
Other components of shareholders' equity	(322,881,644)	-0.72	1,508,489,979	3.64	(172,330,688)	-0.45
Equity attributable to shareholders of the Company	22,823,475,760	50.92	21,043,034,627	50.85	18,117,966,393	46.85
Non-controlling interests of the subsidiary	17,715,495	0.04	4,572,936	0.01	11,205,999	0.03
<b>Total shareholders' equity</b>	<b>22,841,191,255</b>	<b>50.96</b>	<b>21,047,607,563</b>	<b>50.86</b>	<b>18,129,172,392</b>	<b>46.88</b>
<b>Total liabilities and shareholders' equity</b>	<b>44,825,332,155</b>	<b>100.00</b>	<b>41,384,235,650</b>	<b>100.00</b>	<b>38,669,537,298</b>	<b>100.00</b>



Income statements	2013		2012 (Restated)		2011 (Restated)	
	Amount	Percent	Amount	Percent	Amount	Percent
<b>Revenues</b>						
Toll revenue	8,039,909,679	71.06	7,732,222,618	83.82	7,308,190,551	95.51
Other income						
Interest income	49,284,638	0.44	58,849,981	0.64	62,677,441	0.82
Dividend income	-	-	173,312,500	1.88	129,062,500	1.69
Gain on investments	308,968,887	2.73	1,197,520,734	12.98	16,064,535	0.21
Gain on fair value adjustment of investment from changing status of investment	2,808,340,500	24.82	-	-	-	-
Others	107,421,913	0.95	62,412,573	0.68	135,796,178	1.77
<b>Total revenues</b>	<b>11,313,925,617</b>	<b>100.00</b>	<b>9,224,318,406</b>	<b>100.00</b>	<b>7,651,791,205</b>	<b>100.00</b>
<b>Expenses</b>						
Amortization of rights to operate completed expressway sectors	(2,752,578,966)	-24.33	(2,735,674,982)	-29.66	(2,515,329,075)	-32.87
Provision for compensation for site acquisition cost	(1,060,110,000)	-9.37	(947,080,000)	-10.27	(842,020,000)	-11.00
Selling expenses	(1,148,066,085)	-10.15	(1,142,891,340)	-12.39	(1,035,567,817)	-13.54
Administrative expenses	(621,346,210)	-5.49	(564,327,153)	-6.11	(472,297,396)	-6.17
Loss on write-off of fixed assets	(103,012,196)	-0.91	-	-	-	-
<b>Total expenses</b>	<b>(5,685,113,457)</b>	<b>-50.25</b>	<b>(5,389,973,475)</b>	<b>-58.43</b>	<b>(4,865,214,288)</b>	<b>-63.58</b>
<b>Profit before share of profit from investments in associates, finance cost and income tax expenses</b>	<b>5,628,812,160</b>	<b>49.75</b>	<b>3,834,344,931</b>	<b>41.57</b>	<b>2,786,576,917</b>	<b>36.42</b>
Share of profit from investments in associates	400,610,330	3.54	16,419,233	0.18	8,666,714	0.11
<b>Profit before finance cost and income tax expenses</b>	<b>6,029,422,490</b>	<b>53.29</b>	<b>3,850,764,164</b>	<b>41.75</b>	<b>2,795,243,631</b>	<b>36.53</b>
Finance cost	(800,702,429)	-7.08	(828,902,000)	-8.99	(896,443,228)	-11.72
<b>Profit before income tax expenses</b>	<b>5,228,720,061</b>	<b>46.21</b>	<b>3,021,862,164</b>	<b>32.76</b>	<b>1,898,800,403</b>	<b>24.81</b>
Income tax expenses	(380,652,751)	-3.36	(767,847,660)	-8.32	(509,050,977)	-6.65
<b>Profit for the year</b>	<b>4,848,067,310</b>	<b>42.85</b>	<b>2,254,014,504</b>	<b>24.44</b>	<b>1,389,749,426</b>	<b>18.16</b>
<b>Profit attributable to:</b>						
Equity holders of the Company	4,834,924,751	42.73	2,260,647,567	24.51	1,407,753,967	18.40
Non-controlling interests of the Company	13,142,559	0.12	(6,633,063)	-0.07	(18,004,541)	-0.24
	<b>4,848,067,310</b>	<b>42.85</b>	<b>2,254,014,504</b>	<b>24.44</b>	<b>1,389,749,426</b>	<b>18.16</b>
<b>Earnings per share</b>						
Basic earnings per share						
Profit attributable to equity holders of the Company	6.28		2.94		1.83	

(Unit : Baht)

Statements of comprehensive income	2013		2012 (Restated)		2011 (Restated)	
	Amount	Percent	Amount	Percent	Amount	Percent
<b>Profit for the year</b>	4,848,067,310	42.85	2,254,014,504	24.44	1,389,749,426	18.16
<b>Other comprehensive income:</b>						
Gain (loss) on changes in value of available-for-sale investments	438,094,089	3.87	1,680,820,667	18.22	(614,503,804)	-8.03
Reversal of gain on change in value of available-for-sale investment due to transfer of investment from other long-term investment to investment in associate	(2,236,778,000)	-19.77	-	-	-	-
Unrealized loss from cash flow hedges of associate, net of income tax	(32,687,712)	-0.29	-	-	-	-
Actuarial loss, net of income tax	(6,511,995)	-0.05	-	-	-	-
<b>Other comprehensive income for the year</b>	(1,837,883,618)	-16.24	1,680,820,667	18.22	(614,503,804)	-8.03
<b>Total comprehensive income for the year</b>	3,010,183,692	26.61	3,934,835,171	42.66	775,245,622	10.13
<b>Total comprehensive income attributable to:</b>						
Equity holders of the Company	2,997,041,133	26.49	3,941,468,234	42.73	793,250,163	10.37
Non-controlling interests of the subsidiary	13,142,559	0.12	(6,633,063)	-0.07	(18,004,541)	-0.24
	3,010,183,692	26.61	3,934,835,171	42.66	775,245,622	10.13

Statements of cash flows	2013	2012	2011
<b>Cash flows from operating activities</b>			
Profit before tax	5,228,720,061	3,021,862,164	1,898,800,403
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:			
Depreciation and amortization	2,823,947,212	2,804,721,597	2,575,485,437
Gain on investments	(308,968,887)	(1,197,520,734)	(16,064,535)
Gain on fair value adjustment of investment from changing status of investment	(2,808,340,500)	-	-
Gain on sales of investment properties	-	-	(106,736,368)
Loss (gain) on sales and write-off of fixed assets	101,315,887	(5,403,339)	83,175,343
Provision for compensation for site acquisition	1,060,110,000	947,080,000	842,020,000
Provision for long-term employee benefits	21,399,961	11,640,070	10,514,754
Share of profit from investments in associates	(400,610,330)	(16,419,233)	(8,666,714)
Interest income	(49,284,638)	(58,849,981)	(62,677,441)
Dividend income	-	(173,312,500)	(129,062,500)
Interest expenses	757,339,166	801,126,453	873,254,530
Income from operating activities before changes in operating assets and liabilities	6,425,627,932	6,134,924,497	5,960,042,909
Decrease (increase) in operating assets			
Other receivables	30,912,257	63,087,743	(94,000,000)
Other current assets	4,670,993	(7,995,865)	10,154,995
Other non-current assets	(414,826)	(2,553,596)	(612,748)
Increase (decrease) in operating liabilities			
Trade and other payables	46,419,563	7,998,224	(11,230,865)
Other current liabilities	(29,221,457)	(94,184,440)	12,573,373
Cash paid for compensation for site acquisition cost	(1,200,000,000)	(1,200,000,000)	(1,200,000,000)
Net cash flows from operating activities	5,277,994,462	4,901,276,563	4,676,927,664
Cash received for interest income	31,222,824	40,577,957	1,369,752
Cash paid for corporate income tax	(391,487,748)	(818,481,296)	(647,369,072)
<b>Net cash flows from operating activities</b>	<b>4,917,729,538</b>	<b>4,123,373,224</b>	<b>4,030,928,344</b>

Statement of cash flows (continued)	2013	2012	2011
<b>Cash flows from investing activities</b>			
Decrease (increase) in current investments	2,223,093,504	148,722,649	(1,041,314,233)
Cash paid for purchases of investments in associates	(2,600,000,000)	(2,730,000,000)	(42,000,000)
Cash received from sales of investment in associate	261,560,273	-	12,000,000
Cash received from sales of long-term investments	159,235,058	2,788,954,594	-
Increase in other long-term investments	(1,143,223,538)	(72,450,000)	(104,455,115)
Cash received from long-term loans to related companies	31,250,000	-	-
Cash received from interest income	30,109,207	39,704,765	31,608,458
Cash received from dividend income	444,207,500	173,312,500	129,062,500
Cash received from sales of investment properties	-	-	155,666,875
Cash received from sales of equipment	1,819,197	5,460,981	7,126,339
Purchase of equipment	(44,514,959)	(48,575,312)	(70,541,458)
Cash paid for expressway construction	(2,042,479,105)	(2,394,788,509)	(48,501,915)
Increase in intangible assets	(2,376,251)	(4,942,500)	(39,044,323)
<b>Net cash flows used in investing activities</b>	<b>(2,681,319,114)</b>	<b>(2,094,600,832)</b>	<b>(1,010,392,872)</b>
<b>Cash flows from financing activities</b>			
Cash received from issuance of debentures	7,000,000,000	3,000,000,000	2,900,000,000
Cash paid for redemption of debentures	(5,100,000,000)	(1,895,000,000)	(2,900,000,000)
Cash received from long-term loans	400,000,000	-	-
Cash paid for long-term loans	(1,996,000,000)	(1,142,790,000)	(1,081,664,088)
Cash paid for financial fee	(13,309,061)	(63,871,482)	-
Cash paid for interest expenses	(734,161,916)	(777,313,870)	(871,586,288)
Cash paid for dividend	(1,216,600,000)	(1,016,400,000)	(1,039,500,000)
<b>Net cash flows used in financing activities</b>	<b>(1,660,070,977)</b>	<b>(1,895,375,352)</b>	<b>(2,992,750,376)</b>
<b>Net increase in cash and cash equivalents</b>	<b>576,339,447</b>	<b>133,397,040</b>	<b>27,785,096</b>
Cash and cash equivalents at beginning of year	261,656,094	128,259,054	100,473,958
<b>Cash and cash equivalents at end of year</b>	<b>837,995,541</b>	<b>261,656,094</b>	<b>128,259,054</b>



## 13.2 Financial Ratios of Financial Statements

	Unit	2013	2012 (Restated)	2011 (Restated)
<b>LIQUIDITY RATIO</b>				
1. Liquidity Ratio	Times	0.32	0.43	0.88
2. Quick Ratio	Times	0.31	0.41	0.84
3. Cash Flow Ratio	Times	0.75	0.83	0.82
4. Accounts Payable Turnover	Times	N.A.	N.A.	N.A.
5. Average Debt Servicing Period	Day	N.A.	N.A.	N.A.
<b>PROFITABILITY RATIO</b>				
6. Gross Profit Margin	%	65.76	64.62	65.58
7. Cash to Profitability Ratio	%	240.03	211.15	243.65
8. Net Profit Margin	%	42.73	24.51	18.40
9. Return on Equity	%	22.04	11.54	7.58
<b>EFFICIENCY RATIO</b>				
10. Return on Total Assets	%	11.22	5.65	3.56
11. Return on Fixed Assets	%	28.17	16.87	12.21
12. Assets Turnover	Times	0.26	0.23	0.19
<b>FINANCIAL POLICY RATIO</b>				
13. Debt to Equity Ratio	Times	0.96	0.97	1.13
14. Interest Coverage Ratio	Times	11.62	8.28	6.14
15. Obligation Serviceability Ratio	Times	0.77	1.34	1.55
16. Net Debt to EBITDA	Times	3.40	2.59	3.25
<b>Per Share DATA</b>				
17. Book Value per Share	Baht	29.64	27.33	23.53
18. Net Earnings per Share	Baht	6.28	2.94	1.83
19. Dividend per Share	Baht	1.60	1.50	1.30

### Remarks:

- 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.
- 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 cost of sales represented the amortization 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.
- Payment of dividends for 2013 is at the discretion of the 2014 Annual Ordinary General Meeting of Shareholders on 23 April 2014. However, the Company made payment of interim dividends at the rate of Baht 0.70 per share in September 2013.

## 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 2013 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

## 14. Management Discussion and Analysis

### Operational Results

In 2013, the Company had the net profit attributable to equity holders in the amount of Baht 4,835 Million, representing an increase from the previous year by Baht 2,575 Million or 113.94 percent, mainly from the purchase of the additional shares in Thai Tap Water Supply Public Company Limited (TTW) which lead to the change in accounting record from long-term investment to investment in associated company. As a result, there was a gain on fair value adjustment from changing status of investment in the amount of Baht 2,808 Million, and the record of share of profit from investment in TTW amounting to Baht 348 Million. Moreover, the co-sale of the initial public offering (IPO) of CK Power Public Company Limited (CKP) which generated gain on sales of investment before tax amounting to Baht 274 Million. However, in the previous year, the Company had extraordinary item from gain on sale of investment before tax in SouthEast Asia Energy Limited (SEAN) amounting to Baht 1,156 Million.

However, the total traffic volume in 2013 increased from the previous year by average 11,000 trips per day or 1.40 percent, even though, there were the political gathering in the fourth quarter of the year 2013, the revision of toll rates and the decreased in number of tourists. Toll revenue increased from the previous year by 3.98 percent which is more than the increased in traffic volume resulting from the revision of toll rates.

The expenses, excluding finance cost, decreased from the previous year by Baht 92 Million or 1.49 percent from the decrease in cash expenses amounting to Baht 325 Million, whereas, the non-cash expenses increased amounting to Baht 233 Million. Finance cost decreased from the previous year by Baht 28 Million due to the principle repayment and the issuance of debentures with lower interest rate during the year.

For the construction of Si Rat-Outer Ring Road Expressway Project, the Company had policy to manage risk from construction cost overrun by entering into an engagement agreement with the contractor on the Fixed Cost Lump Sum Turnkey basis. As of December 2013, the construction in process was at the rate of 12.31 percent which was earlier than the plan by 1.21 percent and expected to be completed by the end of year 2016.

### Summary of Operational Results between 2013 and 2012

	2013	2012 (Restated)*	(Unit: Million Baht) Changes	
			Amount	%
Toll revenue	8,040	7,732	308	3.98
Gain on fair value adjustment of investment from				
changing status of investment	2,808	-	2,808	N/A
Gain on sale of investment in CKP / SEAN	274	1,156	(882)	-76.30
Other income	192	336	(144)	-42.86
Expenses (excluding finance cost)	6,066	6,158	(92)	-1.49
Finance cost	801	829	(28)	-3.38
Share of profit from investments in associates, net	401	17	384	2,258.82
Net profit attributable to the Company	4,835	2,260	2,575	113.94
Earnings per share attributable to the Company (Baht)	6.28	2.94	3.34	

\* According to the adoption of accounting standard No.12 Income Taxes

## Toll Revenue

In 2013, the Company and its Subsidiary had the toll revenue in the amount of Baht 8,040 Million, representing an increase from the previous year by Baht 308 Million or 3.98 percent according to the continued increase in traffic volume, a significant increase in volume of new vehicles registered in Bangkok including the urbanization nearby the expressway and the development of areas around the expressway routes, especially in the suburban expressways, thereby resulting in the rise of traffic volume to the Expressway system. Although there was the decrease in traffic volume in some routes in the fourth quarter of the year 2013 according to the political gathering and the decreased in number of tourists which affected to the traffic volume in some routes. However, the total traffic volume in 2013 increased from the previous year by average 11,000 trips per day or 1.40 percent. Comprising with the revision of toll rates on September 1, 2013 for the Si Rat Expressway, the toll rates increased for all classes of wheels which is classified in detail as the toll rates for 4 wheels-car and 6-10 wheels-car increased by Baht 5 and the toll rates for more than 10 wheels-car increased by Baht 10 for the urban expressway. The toll rates for suburban expressway only in Sector D increased by Baht 5 for 6-10 wheels-car and more than 10 wheels-car. The revision of toll rates on November 1, 2013 for the Udon Rattaya Expressway, the toll rates for 6-10 wheels-car increased by Baht 5 and more than 10 wheels-car increased by Baht 10. Thereby, resulting in the growth of toll revenue is higher than the growth of traffic volume.

The details of toll revenue are classified into routes as compared to the previous year as follows:

	2013	2012	(Unit: Million Baht)	
			Changes	
			Amount	%
<b>First Stage Expressway</b>	<b>2,564</b>	<b>2,464</b>	<b>100</b>	<b>4.06</b>
<b>Second Stage Expressway</b>				
Sector A (Rama IX- Ratchadapisek)	1,463	1,416	47	3.32
Sector B (Phayathai - Bangkhlo)	703	675	28	4.15
Sector C (Ratchadapisek- Chaeng Watthana)	867	851	16	1.88
Sector D (Rama IX - Srinagarindra)	1,393	1,342	51	3.80
<b>Total Second Stage Expressway</b>	<b>4,426</b>	<b>4,284</b>	<b>142</b>	<b>3.31</b>
<b>Bang Pa-in - Pak Kret Expressway</b>	<b>1,050</b>	<b>984</b>	<b>66</b>	<b>6.71</b>
<b>Grand Total</b>	<b>8,040</b>	<b>7,732</b>	<b>308</b>	<b>3.98</b>

## Other income

In 2013, the Company and its Subsidiary had other income in the amount of Baht 192 Million, representing a decrease from the previous year by Baht 144 Million or 42.86 percent, due to TTW has been changed to associated company at the beginning of the year. As stated in Accounting standard, the Company had to change the revenue recognition from dividend income which recorded in the previous year by Baht 173 Million to share of profit from investment in associate which recorded in this year by Baht 348 Million. Also, the subsidiary received insurance compensation from flood amounting to Baht 48 Million

## Expenses (excluding finance cost)

In 2013, the Company and its Subsidiary had the expenses (excluding finance cost) in the amount of Baht 6,066 Million, representing a decrease from the previous year by Baht 92 Million or 1.49 percent, which summarized as follows:



(Unit: Million Baht)

	2013	2012 (Restated)	Changes	
			Amount	%
Amortization of rights to operate completed expressway sectors	2,753	2,736	17	0.62
Provision for compensation for site acquisition cost	1,060	947	113	11.93
Selling expenses	1,148	1,143	5	0.44
Administrative expenses	621	564	57	10.11
Loss on write-off of fixed assets	103	-	103	N/A
Income tax expenses	381	768	(387)	-50.39
Total expenses	6,066	6,158	(92)	-1.49

1. Amortization of rights to operate completed expressway sectors was Baht 2,753 Million, representing an increase by Baht 17 Million or 0.62 percent according to the increased in traffic volume.

The amortisation of rights to operate completed expressway sectors is calculated as follows:

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

2. Provision for compensation for site acquisition cost was Baht 1,060 Million, representing an increase from the previous year by Baht 113 Million or 11.93 percent. This 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 1<sup>st</sup> of March and the 1<sup>st</sup> of September each year. In 2013, the Company was obliged to pay a compensation for site acquisition cost amounting to Baht 1,200 Million, and had already made payment to the Expressway Authority of Thailand.
3. Selling expenses were Baht 1,148 Million, representing an increase by Baht 5 Million or 0.44 percent, which mainly were repair and maintenance cost of the Expressways' structure based on maintenance schedule.
4. Administrative expenses were Baht 621 Million, representing an increase by Baht 57 Million or 10.11 percent, which mainly were office expenses that support for toll operation and consultant fee for the study of new project feasibility.
5. Loss on write-off of fixed assets was Baht 103 Million as the Company write-off net book value of Easy Pass to be an expense in this year. The reason was that the Expressway Authority of Thailand cancelled the deposits for Easy Pass. Therefore, according to the Accounting Standard, this cannot be defined as an asset of the Company. However, in the previous year, the Company had recorded Easy Pass as an asset and calculated the depreciation based on the useful live.
6. Income tax expenses were Baht 381 Million, representing a decrease by Baht 387 Million or 50.39 percent according to the applicable tax rate at 20 percent in this year but at 23 percent in 2012. Moreover, the Company had income tax expenses from sale of investment in SouthEast Asia Energy Limited (SEAN) amounting to Baht 380 Million in the previous year.

## Finance Cost

In 2013, the Company and its Subsidiary had the finance cost in the amount of Baht 801 Million, representing a decrease from the previous year by Baht 28 Million or 3.38 percent from the decrease in interest expense amounting to Baht 44 Million according to the principle repayment and the issuance of debentures with lower interest rate; whereas, the commitment fee relating to the Si Rat - Outer Ring Road Expressway Project which cannot capitalized in the construction cost as stated in Accounting Standard, was recorded as finance cost since September 2012.

## Share of profit from investments in associates

	2013	2012	(Unit: Million Baht)	
			Changes	
			Amount	%
Share of profit from investment in TTW	482	-	482	N/A
Less: Amortization of asset from				
Purchase Price Allocation	(134)	-	(134)	N/A
Share of profit from investment in TTW, net	348	-	348	N/A
Share of profit from investment in CKP	53	17	36	211.76
Total	401	17	384	2,258.82

In 2013, the Company and its Subsidiary had share of profit from investments in associates in the amount Baht 401 Million comprising of share of profit from investment in TTW in the amount of Baht 482 Million, deducted with amortization of asset from Purchase Price Allocation in the amount of Baht 134 Million according to Financial Reporting Standard No. 3 Business Combination, totaling share of profit from investment in TTW presented in income statement in the net amount of Baht 348 Million and share of profit from investment in CKP in the amount of Baht 53 Million.

## Financial Status

### Assets

Total assets of the Company and its Subsidiary as at December 31, 2013 amounted to Baht 44,825 Million, representing an increase from the end of the previous year by Baht 3,441 Million or 8.31 percent. The details of significant increases and decreases as compared to the end of the previous year are as follows:

	December 31, December 31,		(Unit: Million Baht)	
	2013	2012 (Restated)	Changes	
			Amount	%
Cash, cash equivalents, and current investments	1,613	3,200	(1,587)	-49.59
Investments in associates	9,465	2,270	7,195	316.96
Other long-term investments, net	2,484	4,461	(1,977)	-44.32
Long-term loans to and interest receivable				
from related companies	-	43	(43)	-100.00
Investment properties	120	120	-	-
Building and equipment, net	128	250	(122)	-48.80
Construction in process	2,902	26	2,876	11,061.54
Rights to operate completed expressway sectors, net	25,564	28,305	(2,741)	-9.68
Advance payment under expressway construction contract	2,032	2,250	(218)	-9.69
Deferred tax assets	67	67	-	-
Other	450	392	58	14.80
Total assets	44,825	41,384	3,441	8.31

1. Cash, cash equivalents, and current investments amounted to Baht 1,613 Million, representing a decrease from the end of the previous year by Baht 1,587 Million or 49.59 percent as a result of repayment.
2. Investments in associates amounted to Baht 9,465 Million, representing investments in CK Power Public Company Limited (CKP) and Thai Tap Water Supply Public Company Limited (TTW).

The details of investments in associates as at December 31, 2013 are as follow:-

(Unit: Million Baht)

	Proportion of Shareholding	Cost	Carrying amounts based on equity method		Changes	
			December 31	December 31	Amount	%
			2013	2012		
TTW	20.24%	7,259	7,157	-	7,157	N/A
CKP	23.22%	2,554	2,308	2,270	38	1.67
Total		9,813	9,465	2,270	7,195	316.96

- 2.1 TTW, a public company incorporated in manufacture and distribution of treated water. Investment in TTW was changed from “Other long-term investment” to “Investment in associated company” according to the purchase of 11% additional shares of TTW in February 2013. As a result of the purchase of such investment, the Company’s proportion of investment is 20.24%.
- 2.2 CKP, a holding company in manufacture and distribution of energy from various sources. In July 2013, the Company sold 20.60 million shares of CKP in the initial public offering (IPO). As a result, the Company’s proportion of investment decreased from 30% to 23.22%. The Company had gain on sale of investment and gain on deemed disposal of investment in associate totaling Baht 274 million.
3. Other long-term investments amounted to Baht 2,484 Million, representing investments in Bangkok Metro Public Company Limited (BMCL) and Xayaburi Power Company Limited (XPCL)

The details of long-term investments as at December 31, 2013 are as follows:

(Unit: Million Baht)

	Proportion of Shareholding	Cost	Fair Value		Changes	
			December 31	December 31	Amount	%
			2556	2555		
TTW	-	-	-	3,374	(3,374)	-100.00
BMCL	10.00%	2,340	2,050	940	1,110	118.09
XPCL	7.50%	434	434	147	287	195.24
Total		2,774	2,484	4,461	(1,977)	-44.32

- 3.1 Investment in TTW decreased from the end of the previous year by Baht 3,374 Million according to the change of investment in TTW to be associated company since February 2013.
- 3.2 Investment in BMCL increased from the end of the previous year by net of Baht 1,110 Million or 118.09 percent from the Company’s additional investments per its current shareholding of 10 percent amounting Baht 855 Million and the adjustment of the investment value according to the market price of the security. According to the increase in BMCL’s share capital from Baht 11,950 Million to Baht 20,500 Million at the end of 2013, the Company’s proportion of investment in BMCL is 10.00 percent.
- 3.3 Investment in XPCL increased from the end of the previous year by Baht 287 Million from the additional investment.

- Construction in process amounted to Baht 2,902 Million, representing the construction of the Si Rat - Outer Ring Road Expressway Project and the Connected Ramp between the Second Stage Expressway System (Sector D) and Chaturathit Road. The progress of the constructions are in accordance with the plan.
- Rights to operate completed expressway sectors amounted to Baht 25,564 Million, representing a decrease from the end of the previous year by Baht 2,741 Million or 9.68 percent because of the recording of amortization expenses in the statement of income based on the volume of vehicles using the Expressways.

## Liabilities

Total liabilities of the Company and its Subsidiary as at December 31, 2013 amounted to Baht 21,984 Million, representing an increase from the end of the previous year by Baht 1,648 Million or 8.10 percent. The details of significant increases and decreases as compared to the end of the previous year are as follows:

	December 31, December 31,		(Unit:Million Baht)	
	2013	2012 (Restated)	Changes Amount	%
Trade accounts payable and other current liabilities	1,160	476	684	143.70
Corporate income tax payable	204	151	53	35.10
Deferred tax liabilities	559	620	(61)	-9.84
Payable from purchase of investment	714	-	714	N/A
Long-term loans	1,147	2,806	(1,659)	-59.12
Debenture	18,086	16,197	1,889	11.66
Provision for long-term employee benefits	114	86	28	32.56
Total liabilities	21,984	20,336	1,648	8.10

- Trade accounts payable and other current liabilities amounted to Baht 1,160 Million, representing an increase by Baht 684 Million or 143.70 percent, mainly from the payment for the Si Rat - Outer Ring Road Expressway Project.
- Corporate income tax payable amounted to Baht 204 Million, representing a net increase by Baht 53 Million or 35.10 percent, from the recording of income tax payable during the year amounted to Baht 366 Million, meanwhile the payment of income tax for the last six-month of the year 2012 and the first six-month of the year 2013 amounted to Baht 151 Million and Baht 162 Million, respectively.
- Deferred tax liabilities as at December 31, 2013 amounted to Baht 559 Million, and as at December 31, 2012 amounted to Baht 620 Million, according to the adoption of accounting standard No.12 Income Taxes which is effective for fiscal years beginning on or after January 1, 2013. Therefore, the Company restated the prior year's financial statements, presented as comparative information as though the Company and its subsidiary had initially recognized the tax effects since the beginning.
- Payable from purchase of investment amounted to Baht 714 Million, representing accrued expense from purchase of an additional 439 Million ordinary shares of TTW from CH. Karnchang Public Company Limited at the price of Baht 3,314 Million. The Company made the payment of Baht 2,600 Million during the year, and the remaining is to be paid in 3 installments in every 6 months.
- Long-term loans amounted to Baht 1,147 Million, representing a net decrease by Baht 1,659 Million or 59.12 percent mainly from the repayment of loans in the ordinary course of the payment schedule in the amounted of Baht 2,059 Million and withdrawal of loan for the Si Rat - Outer Ring Road Expressway Project amounting to Baht 400 Million.
- Debentures amounted to Baht 18,086 Million, representing a net increase by Baht 1,889 Million or 11.66 percent, the Company issued Baht 7,000 Million debentures during the year 2013 with the details as follows:

<u>No.</u>	<u>Maturity</u>	<u>Amount</u>	<u>Interest Rate</u>
1/2013	3 years	Baht 2,000 Million	Fixed interest rate at 3.60 p.a.
1/2013	5 years	Baht 2,000 Million	Fixed interest rate at 4.03 p.a.
1/2013	7 years	Baht 1,000 Million	Fixed interest rate at 4.36 p.a.
2/2013	3 years	Baht 1,000 Million	Fixed interest rate at 3.60 p.a.
3/2013	5 years	Baht 1,000 Million	Fixed interest rate at 4.70 p.a.

The proceeds from the issuance of debentures are reserved for redemption of debentures that due in 2013 amounting Baht 5,100 Million and for construction payment for the Si Rat - Outer Ring Road Expressway Project.

As at December 31, 2013, long-term loans and debentures are classified by the maturity date which were presented based on the date shown in statement of financial position as follow:

(Unit: Million Baht)

	Fixed interest rates				Floating interest rate			Grand Total
	Within 1 year	1-5 years	Over 5 years	Total	Within 1 year	1-5 years	Total	
Long-term loans	810	-	-	810	-	400	400	1,210
Debentures	2,700	9,900	2,000	14,600	3,500	-	3,500	18,100
Total	3,510	9,900	2,000	15,410	3,500	400	3,900	19,310

### Shareholders' Equity

Total shareholders' equity of the Company and its Subsidiary as at December 31, 2013 amounted to Baht 22,841 Million, representing an increase from the end of the previous year by Baht 1,793 Million or 8.52 percent. The details of significant increases and decreases as compared to the end of the previous year are as follows:

(Unit: Million Baht)

	December 31, December 31,		Changes	
	2013	2012 (Restated)	Amount	%
Issued and paid-up share capital	7,700	7,700	-	-
Premium on ordinary shares	4,848	4,848	-	-
Other components of shareholders' equity	(323)	1,509	(1,832)	-121.40
Retained earnings	10,598	6,986	3,612	51.70
Non-controlling interests of the subsidiary	18	5	13	260.00
Total shareholders' equity	22,841	21,048	1,793	8.52

1. Other components of shareholders' equity were an adjustment of investment value in BMCL in accordance with the market prices and unrealized gain (loss) from cash flow hedges of associate.
2. Retained earnings increased from the net profit from operations for the year 2013 amounted to Baht 4,835 Million. However, it decreased from dividend payment amounted to Baht 1,217 Million which consisted of dividend payment for the operational results for the last six-month of the year 2012 on May 20, 2013 amounting to Baht 678 Million or Baht 0.88 per share and dividend payment for the operational results for the first six-month of the year 2013 on September 24, 2013 amounting to Baht 539 Million or Baht 0.70 per share, and decreased from change in estimation of provision for long-term employee benefits amounted to Baht 6 Million.



## Cash Flows

In 2013, the Company and its Subsidiary generated cash flows from operating activities amounting to Baht 4,917 Million, utilized cash of Baht 2,681 Million from investing activities due to (1) investment in associated company in the amount of Baht 2,600 Million, (2) investment in the Si Rat - Outer Ring Road Expressway Project and the Connected Ramp between the Second Stage Expressway System (Sector D) and Chaturathit Road in the amount of Baht 2,042 Million, (3) investment in long-term investments in the amount of Baht 1,143 Million, (4) acquisition of fixed assets in the net amount of Baht 45 Million, (5) withdrawal current investments in the amount of Baht 2,223 Million, (6) receipts of dividend and interest from investments in the amount of Baht 506 Million, (7) sales of investment in associate amounting to Baht 261 Million, and (8) sales of investment in other company amounting to Baht 159 Million.

The Company and its Subsidiary utilized cash of Baht 1,660 Million from financing activities due to (1) redemption of debentures amounting to Baht 5,100 Million, (2) repayment of long-term loans amounting to Baht 1,996 Million, (3) dividend payment amounting to Baht 1,217 Million, (4) interest payment and financial fee amounting to Baht 747 Million, (5) issuance of debentures amounting to Baht 7,000 Million, and (6) drawdown of long-term loan amounting to Baht 400 Million.

As at December 31, 2013, the Company and its Subsidiary had cash and cash equivalents amounting to Baht 838 Million, representing an increase from the end of the previous year by Baht 576 Million.

## Significant Financial Ratios\*

	Unit	2013	2012 (Restated)
Net Profit Margin	%	42.73	24.51
Return on Equity	%	22.04	11.54
Return on Total Assets	%	11.22	5.65
Interest Coverage	times	11.62	8.28
Debt to Equity (times)	times	0.96	0.97

In 2013, the Company had Net Profit Margin at 42.73 percent, Return on Equity at 22.04 percent and Return on Total Assets at 11.22 percent which had significant increase when compared to the previous year (2012). These were the result of the change in accounting record from long-term investment to investment in associated company which led to Company recognized the gain on fair value adjustment for the amount of Baht 2,808 Million. However, the profit from Company's normal operation was growth at the normal rate.

Principle repayment during the year together with the new debentures issuance at the lower interest rate had made Company's interest cost lower than the previous year. As a result, the Interest Coverage ratio was increased from 8.28 times in 2012 to 11.62 times in 2013. In addition, Debt to Equity ratio in 2013 was at 0.96 times which was around the same rate of the previous year.

\*The operational results were calculated based on the consolidated financial statements which consist of the operation of Expressway business, the manufacture and distribution of treated water business and Electricity production business. Therefore, there was no similar type of business in the industry that can be used as a benchmark for comparison.

## Information of Directors, Executives and Company Secretary (As at 31 December 2013)

Name-Surname Position Date of Appointment as Director	Age (Years)	Education/Training	Share- holding Ratio (%)	Family Relation- ship Among Executives	Work Experience for the Past 5 Years		
					Period	Position	Organization
1 Dr. Virabongsa Ramangkura Chairman of the Board of Directors (appointed on 27 May 1994)	70	<ul style="list-style-type: none"> <li>- Doctor of Law (Honorary) Webster University, St. Louis, USA</li> <li>- Ph.D. (Economics) University of Pennsylvania, USA</li> <li>- M.A. (Economics) University of Pennsylvania, USA</li> <li>- B.A. Political Science (First Class Honors) Chulalongkorn University</li> <li>- Diploma, The Joint State-Private Sector Course Class 1, National Defence College</li> <li>- Director Certification Program (DCP 43/2004) Thai Institute of Directors Association</li> </ul>	-	-	2008 - present 2006 - present 2005 - present 2004 - present  1995 - present May 2012 - Jul 2013 1996 - May 2012	<ul style="list-style-type: none"> <li>- Chairman of the Board of Directors</li> <li>- Chairman of the Board of Directors</li> <li>- Chairman of the Board of Directors</li> <li>- Audit Committee Member</li> <li>- President</li> <li>- Chairman of the Executive Board</li> <li>- Chairman of the Board of Directors</li> <li>- Director</li> </ul>	Nam Ngum 2 Power Company Limited SouthEast Asia Energy Limited  Finansa Public Company Limited  Polyplex (Thailand) Public Company Limited Thai-Lao Association Ministry of Foreign Affairs Double A (1991) Public Company Limited The Bank of Thailand  Bangkok Airways Public Company Limited
2 Prof. Suphachai Phisitvanich - Director (appointed on 19 Aug 1994) - Chairman of the Audit Committee (appointed on 22 Jun 1999) - Chairman of the Corporate Governance and Risk Management Committee (appointed on 28 Nov 2007)	73	<ul style="list-style-type: none"> <li>- Honorary Ph.D. (Accounting) Thammasat University</li> <li>- M.B.A. (Finance) Ohio State University, USA</li> <li>- B.A. (Accounting) Thammasat University</li> <li>- B.A. (Commerce) Thammasat University</li> <li>- Diploma, The Joint State-Private Sector Course Class 32, National Defence College</li> <li>- Director Certification Program (DCP 38/2003) Thai Institute of Directors Association</li> <li>- Board Performance Evaluation (2004) Thai Institute of Directors Association</li> <li>- The Role of the Chairman (RCP 13/2006) Thai Institute of Directors Association</li> </ul>	-	-	2010 - present  2009 - present 2007 - present  2004 - present  2006 - Dec 2013 2003 - May 2010	<ul style="list-style-type: none"> <li>- Chairman of the Board of Directors</li> <li>- Independent Director</li> <li>- Chairman of the Board of Directors</li> <li>- Chairman of the Board of Directors and Independent Director</li> <li>- Chairman of the Board of Directors</li> <li>- Chairman of the Board of Directors and Chairman of the Audit Committee</li> </ul>	AIRA Capital Company Limited  CP All Public Company Limited AIRA Securities Public Company Limited Samart I-Mobile Public Company Limited  Sena Saithong Company Limited  Matching Studio Public Company Limited
3 General Sampao Choosri - Director (appointed on 26 Feb 2004) - Audit Committee Member (appointed on 26 Feb 2004) - Chairman of the Nomination and Remuneration Committee (appointed on 28 Nov 2007) - Corporate Governance and Risk Management Committee Member (appointed on 28 Nov 2007)	72	<ul style="list-style-type: none"> <li>- Chulachomklao Royal Military Academy</li> <li>- Royal Military Academy (Saint Cyr), France</li> <li>- The Army Command and General Staff College Class 51</li> <li>- Diploma, The Joint State-Private Sector Course Class 6, National Defence College</li> <li>- Director Accreditation Program (DAP 15/2004) Thai Institute of Directors Association</li> </ul>	-	-	Jun 2013 - present 2012 - present  2001 - present  2006 - present	<ul style="list-style-type: none"> <li>- Chairman</li> <li>- Chairman of the Board of Directors</li> <li>- Chairman of the Board of Directors</li> <li>- Chief Advisor to the Company</li> </ul>	Mae Fah Luang University TIPS Co., Ltd.  Dhospaak Company Limited  Thai Agro Exchange Company Limited

## Information of Directors, Executives and Company Secretary (As at 31 December 2013)

Name-Surname Position Date of Appointment as Director	Age (Years)	Education/Training	Share- holding Ratio (%)	Family Relation- ship Among Executives	Work Experience for the Past 5 Years		
					Period	Position	Organization
4 Dr. Annop Tanlamai - Director (appointed on 14 Sep 2011) - Audit Committee Member (appointed on 14 Sep 2011) - Nomination and Remuneration Committee Member (appointed on 14 Sep 2011) - Corporate Governance and Risk Management Committee Member (appointed on 14 Sep 2011)	63	- 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 154/2011) Thai Institute of Directors Association	-	-	2012 - present	- Dean of College of Management	Mahidol University
					2012 - present	- Director and Chairman of the Audit Committee	MK Restaurant Co., Ltd.
					2011 - 2012	- Advisor for Master of Business Administration Program, Faculty of Commerce and Accountancy	Chulalongkorn University
					1988 - 2011	- Instructor for Department of Commerce Faculty of Commerce and Accountancy	Chulalongkorn University
					2007 - 2011	- Dean of Faculty of Commerce and Accountancy	Chulalongkorn University
5 Mr. Plew Trivisavet - Director (appointed on 27 May 1994) - Chairman of the Executive Board (appointed on 7 Apr 1994) - Nomination and Remuneration Committee Member (appointed on 27 Nov 2003) - Authorized Signatory Director (appointed on 27 May 1994)	68	- M.Sc. (Electrical Engineering) Osaka University, Japan - B.Sc. (Electrical Engineering) Osaka University, Japan - Diploma, The Joint State-Private Sector Course Class 6, National Defence College - Director Certification Program (DCP 50/2004) Thai Institute of Directors Association - Capital Market Academy Leader Program Class 4/2007, Capital Market Academy	-	-	2011 - present	- Director	CK Power Public Company Limited
					Aug 2012 - present	- Chairman of the Executive Board	
					2010 - present	- Director and Chairman of the Executive Board	Xayaburi Power Company Limited
					2009 - present	- Director	Thai Tap Water Supply Public Company Limited
					2006 - present	- Director and Chairman of the Executive Board	Nam Ngum 2 Power Company Limited
					2006 - present	- Director and Chairman of the Executive Board	SouthEast Asia Energy Limited
					2004 - present	- Chairman of the Board of Directors - Chairman of the Executive Committee and Nomination and Remuneration Committee Member	Bangkok Metro Public Company Limited
					1996 - present	- Chairman of the Board of Directors and Chairman of the Executive Board	Northern Bangkok Expressway Company Limited
					1994 - present	- Chairman of the Executive Board and Chief Executive Officer	CH. Karnchang Public Company Limited
6 Mr. Supong Chayutsahakij - Director (appointed on 27 May 1994) - Vice Chairman of the Executive Board (appointed on 30 Apr 2003) - Nomination and Remuneration Committee Member (appointed on 28 Nov 2007) - Corporate Governance and Risk Management Committee Member (appointed on 28 Nov 2007) - Authorized Signatory Director (appointed on 27 May 1994)	72	- 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 8/2001) Thai Institute of Directors Association - Audit Committee Program (ACP 17/2007) Thai Institute of Directors Association	-	-	2011 - present	- Director	CK Power Public Company Limited
					2009 - present	- Vice Chairman of the Board of Directors	Bangkok Metro Public Company Limited
					2002 - present	- Director and Executive Committee Member	
					2009 - present	- Chairman of the Board of Directors	Bangkok Metro Networks Company Limited
					2008 - present	- Director	SouthEast Asia Energy Limited
						- Director	Nam Ngum 2 Power Company Limited
					1996 - present	- Director and Executive Director	Northern Bangkok Expressway Company Limited
					2006 - present	- Chairman of the Institute - Director and Audit Committee Member	Thai-Nichi Institute of Technology Siam Steel International Public Company Limited
					2004 - 2009	- Chairman of the Board of Directors - Chairman of the Board of Directors	BMCL Network Limited Metro Mall Development Limited
						- Chairman of the Board of Directors	Triads Networks Company Limited

## Information of Directors, Executives and Company Secretary (As at 31 December 2013)

Name-Surname Position Date of Appointment as Director	Age (Years)	Education/Training	Share- holding Ratio (%)	Family Relation- ship Among Executives	Work Experience for the Past 5 Years		
					Period	Position	Organization
7 M.L. Prasobchai Kasemsant - Director (appointed on 27 May 1994) - Executive Director (appointed on 7 Apr 1994) - Authorized Signatory Director (appointed on 27 May 1994)	58	- M.S. (Civil Engineering) and M.S. (Operations Research) Stanford University, USA, 1979 - B.S. (Civil Engineering, Mathematics) Virginia Military Institute, Virginia, USA, 1976 - 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 - Diploma, The National Defence Course Class 50 National Defence College - Thailand Energy Academy Course for Management Class 3, 2013	-	-	Sep 2013 - present 1996 - present Oct 2012 - Sep 2013 Oct 2010 - Sep 2012 2009 - Sep 2010 2007 - 2009	- Chairman of the Defence Advisory Board - Director and Executive Director - Deputy Permanent Secretary - 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	Ministry of Defence Northern Bangkok Expressway Company Limited Ministry of Defence for Defence Ministry of Defence Ministry of Defence Ministry of Defence
8 Mr. Panit Dunnvatanachit - Director (appointed on 29 Apr 2003)	57	- 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 - Capital Market Academy Leader Program Class 14/2012, Capital Market Academy - Broadcasting Executive Forum, Class 1/2013 Office of the National Broadcasting and Telecommunications Commission	0.0035	-	2006 - present 2003 - present 2000 - present 1994 - present 2003 - 2012 2000 - 2010	- Director - Director and Executive Director - Executive Vice President - Director - Executive Director - Director and Member of the Executive Committee	Thai Yamaha Motor Co., Ltd. Northern Bangkok Expressway Company Limited Bangkok Bank Public Company Limited Krungthep Engineering Consultants Co., Ltd. Bangkok Expressway Public Company Limited CBNP (Thailand) Limited
9 Miss Arisara Dharamadhaj - Director (appointed on 5 Apr 2006)	56	- M.B.A., Roosevelt University, USA - Bachelor of Economics (Second Class Honors) University of the Thai Chamber of Commerce - Diploma, The Joint State Private Sector Course Class 24, National Defence College - Director Certification Program (DCP 75/2006) Thai Institute of Directors Association	-	-	2012 - present present 2005 - Sep 2012 2006 - 2010 2006 - 2010	- First Executive Vice President- Managing Director Government and State Enterprise Relations Group - Director - Executive Vice President Director Corporate Banking Group 2 Corporate Banking Group 1 - Executive Director - Director and Executive Director	Krung Thai Bank Public Company Limited Krung Thai Asset Management Public Company Limited Krung Thai Bank Public Company Limited Bangkok Expressway Public Company Limited Northern Bangkok Expressway Company Limited

## Information of Directors, Executives and Company Secretary (As at 31 December 2013)

Name-Surname Position Date of Appointment as Director	Age (Years)	Education/Training	Share- holding Ratio (%)	Family Relation- ship Among Executives	Work Experience for the Past 5 Years		
					Period	Position	Organization
10 Mrs. Vallapa Assakul - Director - Executive Director (appointed on 24 Feb 2010)	64	- 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	-	-	Oct 2013 - present 2012 - present 2010 - present  2010 - present 2009 - present  2012 - present 2009 - present  2008 - present 2006 - present  2008 - present	- Director - Director - Director and Executive Director  - Director - Independent Director  - Chairman of the Risk Committee - Risk Management Committee Member - Audit Committee Member - Director and Chairman of the Nomination and Remuneration Committee - Director	Ocean Property Co., Ltd. Vinythai Public Company Limited Northern Bangkok Expressway Company Limited Siam Estate Co., Ltd. Bangkok Metro Public Company Limited  Ocean Life Insurance Company Limited   Amphan Co., Ltd.
11 Mr. Sudthasak Wattananid * - Director (appointed on 26 Feb 2014)	54	- Master of Public Administration Dhurakij Pundit University - Bachelor of Laws, Ramkhamhaeng University	-	-	26 Feb 2014 - present  2012 - present  2011 - 2012	- Director  - Director of Legal Department Acting Deputy Governor for Law & Land Acquisition - Director of Legal Department	Northern Bangkok Expressway Company Limited Expressway Authority of Thailand
12 Mrs. Payao Marittanaporn - Director - Executive Director - Managing Director - Authorized Signatory Director (appointed on 1 Jan 2007)  - Role of the Compensation Committee	56	- 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  (RCC 9/2009) Thai Institute of Directors Association - Capital Market Academy Leader Program, Class 11/2010, Capital Market Academy	-	-	present  2011 - present 2007 - present  2004 - present	- Director - Nomination and Remuneration - Risk Management Committee Member - Director - Acting Managing Director  - Director and Executive Director	Thai Tap Water Supply Public Company Limited   Xayaburi Power Company Limited Northern Bangkok Expressway Company Limited
13 Mr. Sanguan Kunatinun - Assistant Managing Director (Engineering)	52	- M.B.A. Thammasat University - Bachelor of Engineering Chulalongkorn University - Director Certification Program (DCP 101/2008) Thai Institute of Directors Association	-	-	2006 - present	- Assistant Managing Director (Engineering)	Bangkok Expressway Public Company Limited

Remark: \* Appointed on 26 February 2014 to replace Mr. Chavalit Wathanakul who resigned from office since 1 October 2013.



## Information of Directors, Executives and Company Secretary (As at 31 December 2013)

Name-Surname Position Date of Appointment as Director	Age (Years)	Education/Training	Share- holding Ratio (%)	Family Relation- ship Among Executives	Work Experience for the Past 5 Years		
					Period	Position	Organization
14 Mrs. Sudruthai Prommart - Assistant Managing Director (Operation)	50	- 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	- Assistant Managing Director (Operation)	Bangkok Expressway Public Company Limited
15 Mrs. Ngamnit Kanokgarinjanar - Assistant Managing Director (Compliance Unit)	58	- 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 - Financial Statements for Directors Program (FSD 4/2009) Thai Institute of Directors Association - Company Secretary Program (CSP 48/2012) Thai Institute of Directors Association - Company Reporting Program (CRP 4/2012) Thai Institute of Directors Association	-	-	2012 - present 2007 - 2011	- Assistant Managing Director (Compliance Unit) - Assistant Managing Director (Administration)	Bangkok Expressway Public Company Limited
16 Mr. Phakpoom Thaweewittayarat - Assistant Managing Director (Administration) - Company Secretary	47	- 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	-	-	2012 - present 2008 - present Sep 2011 - Dec 2011 2008 - Aug 2011	- Assistant Managing Director (Administration) - Company Secretary - Senior General Manager of Administration Division - Senior General Manager of Managing Director Office	Bangkok Expressway Public Company Limited
17 Miss Panan Tosuwanthaworn - Assistant Managing Director (Finance)	46	- Master of Accountancy Thammasat University - Bachelor of Accountancy Thammasat University - Director Certification Program (DCP 158/2012) Thai Institute of Directors Association	-	-	2012 - present 2008 - 2011 2006 - 2007	- Assistant Managing Director (Finance) - Senior General Manager of Finance Division - General Manager of Finance Division	Bangkok Expressway Public Company Limited

## Information of Directors, Executives and Company Secretary (As at 31 December 2013)

Name-Surname Position Date of Appointment as Director	Age (Years)	Education/Training	Share- holding Ratio (%)	Family Relation- ship Among Executives	Work Experience for the Past 5 Years		
					Period	Position	Organization
18 Mr. Chatree Techatassanasoontorn * - Assistant Managing Director (Business Development)	40	- Master of Science in Finance University of Memphis, USA - Bachelor of Business Administration (Finance) Thammasat University	-	-	Aug 2013 - present  2005 - 2013	- Assistant Managing Director (Business Development) - Senior General Manager of Financial Markets - General Manager of Financial Markets - Assistant General Manager of Financial Markets	Bangkok Expressway Public Company Limited Standard Chartered Bank (Thai) Public Company Limited
19 Mrs. Wattana Sittiwitayaporn - Senior General Manager Construction Division	50	- M.B.A. Thammasat University - Bachelor of Accountancy Thammasat University	-	-	2012 - present  2008 - 2011	- Senior General Manager of Construction Division - General Manager of Planning and Development Division	Bangkok Expressway Public Company Limited
20 Mrs. Supattra Bumnetphan ** - Senior General Manager Toll Collection Division	52	- Master of Public Administration (First Class Honors) The National Institute of Development Administration - Bachelor of Political Science Chiang Mai University	-	-	Jan 2014 - present  2009 - 2013	- Senior General Manager of Toll Collection Division - General Manager of Toll Revenue Division	Bangkok Expressway Public Company Limited
21 Mr. Phaisan Lertsalaluck - General Manager Traffic Division	50	- Master's Degree in Energy Technology King Mongkut's University of Technology Thonburi - Bachelor of Engineering King Mongkut's University of Technology Thonburi	-	-	2007 - present	- General Manager of Traffic Division	Bangkok Expressway Public Company Limited
22 Miss Vasana Wattananukulchai - General Manager Internal Audit Office	52	- M.B.A. The National Institute of Development Administration - Bachelor of Accountancy Bangkok University	-	-	2008 - present	- General Manager of Internal Audit Office	Bangkok Expressway Public Company Limited
23 Mr. Omsyn Pibulwarangkur ** - General Manager Administration Division	52	- M.B.A. (Honors) The National Institute of Development Administration - Master of Information Engineering NIGATA University, Japan - Bachelor of Engineering King Mongkut's Institute of Technology Ladkrabang	-	-	Jan 2014 - present  2008 - 2013	- General Manager of Administration Division - General Manager of Maintenance Division	Bangkok Expressway Public Company Limited
24 Mr. Chalermkiat Sakonwisansak ** - General Manager Maintenance Division	51	- Bachelor of Engineering Rajamangala University of Technology	-	-	Jan 2014 - present  2009 - 2013	- General Manager of Maintenance Division - Deputy General Manager of Maintenance Division	Bangkok Expressway Public Company Limited
25 Miss Phenporn Kittiyopars ** - General Manager Information Technology Office	47	- Master of Information Technology Management The National Institute of Development Administration - Bachelor of Science (Statistics) Silpakorn University	-	-	Jan 2014 - present  2012 - 2013  2008 - 2011	- General Manager of Information Technology Office - Deputy General Manager of Information Technology Division - Deputy General Manager of Planning and Development Division	Bangkok Expressway Public Company Limited
26 Mr. Rungsak Luengrattanasak ** - General Manager Engineering Division	41	- M.S. (Computer Engineering and Management) Assumption University - Bachelor of Engineering (Electrical) King Mongkut's Institute of Technology Ladkrabang	-	-	Jan 2014 - present  2010 - 2013  2008 - 2009	- General Manager of Engineering Division - Deputy General Manager of Maintenance Division - Senior Manager of System Engineering Department	Bangkok Expressway Public Company Limited

Remarks: \* Appointed on 1 August 2013.  
\*\* Appointed on 1 January 2014.

## Information of Directors, Executives and Company Secretary (As at 31 December 2013)

Name-Surname Position Date of Appointment as Director	Age (Years)	Education/Training	Share- holding Ratio (%)	Family Relation- ship Among Executives	Work Experience for the Past 5 Years		
					Period	Position	Organization
27 Mrs. Manatsavee Subchavaroj ** - General Manager Managing Director Office	47	- Master of Laws (LL.M. in International Business Legal Studies) University of Exeter, UK - Bachelor of Laws Chulalongkorn University - Company Secretary Program (CSP 5/2004) Thai Institute of Directors Association - Effective Minutes Taking (EMT 4/2006) Thai Institute of Directors Association	-	-	Jan 2014 - present  2012 - 2013  2005 - 2011	- General Manager of Managing Director Office - Deputy General Manager of Managing Director Office - Senior Manager of Legal & Compliance Department	Bangkok Expressway Public Company Limited
28 Mrs. Suttida Sukhanindr ** - General Manager Finance Division	40	- M.B.A. Assumption University - Bachelor of Economics Chulalongkorn University - Fundamental Practice for Corporate Secretary (FPCS 23/2011) Thai Listed Companies Association	-	-	Jan 2014 - present  2012 - 2013  2007 - 2011	- General Manager of Finance Division - Deputy General Manager of Business Development Division - Senior Manager of Investor Relations Department	Bangkok Expressway Public Company Limited
29 Mr. Kitti Aphornrat ** - General Manager Business Development Division	45	- M.B.A (Finance) Chulalongkorn University - Bachelor of Business Administration Program in Marketing Chulalongkorn University	-	-	Jan 2014 - present  2012 - 2013  Sep 2011 - Dec 2011  2008 - Aug 2011	- General Manager of Business Development Division - Deputy General Manager of Finance Division - Senior Manager of Finance Department - Senior Manager of Planning Department	Bangkok Expressway Public Company Limited

Remark: \* Appointed on 1 January 2014.

## Information of Directors Holding Positions in the Subsidiary, Associated Company and Related Companies

Name of Director	Company	Subsidiary	Associated Company	Related Companies		
		Northern Bangkok Ltd.	Thai Tap Water Supply Plc.	Bangkok Metro Plc.	CK Power Plc.	Xayaburi Power Ltd.
1. Dr. Virabongsa Ramangkura	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. Mr. Sudthisak Wattanavinid *	/	/	-	-	-	-
8. Mrs. Payao Marittanaporn **	/, //	/, //	/	-	-	/

### Remarks :

- / = Director; X = Chairman of the Board of Directors; // = Executive Director
- Related company shall refer to the definition of a legal entity of parties who may have a conflict of interest as per the Notification of the Securities and Exchange Commission No. GorJor. 40/2540.
- \* Appointed as director effective from 26 February 2014 to replace Mr. Chavalit Wathanakul who resigned from office on 1 October 2013.
- \*\* Appointed as director of Thai Tap Water Supply Public Company Limited on 30 January 2013.

## Information of Directors in the Subsidiary

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

### Remarks :

- / = Director; X = Chairman of the Board of Directors; // = Executive Director
- Subsidiary shall refer to material subsidiary, namely, having revenue exceeding 10 percent of total revenue as per the consolidated income statement of the most recent accounting year.
- \*\*\* Appointed as director effective from 26 February 2014 to replace Mr. Chavalit Wathanakul who resigned from office on 1 October 2013.

## Details Relating to Head of the Internal Audit Unit and Head of the Compliance Unit

### 1. Head of the Internal Audit Unit

Name-Surname	Miss Vasana Wattananukulchai
Position	General Manager Internal Audit Office
Education	<ul style="list-style-type: none"> <li>- M.B.A The National Institute of Development Administration</li> <li>- Bachelor of Accountancy Bangkok University</li> </ul>
Work Experience	2008 - Present     - General Manager of Internal Audit Office 2006 - 2007       - General Manager of Toll Revenue Division
Related Training	<ul style="list-style-type: none"> <li>- Internal Auditing</li> <li>- IFRS 2011</li> <li>- Business Continuity Management (BCM)</li> <li>- Integrated Management ISO 9001 : 2008 and ISO 14001 : 2004</li> <li>- Risk Management ISO 31000 : 2009</li> <li>- Compliance Audit</li> <li>- Internal Control for Financial Reporting: Business Value-Added Strategy</li> <li>- Going from Good to Great in IT Governance and Outsourcing</li> </ul>
Duties and Responsibilities	1. Internal audit work 1.1 Preparing the annual internal audit plan; 1.2 Supervising the review of performance, adequacy and appropriateness of the internal control system of the Company's work systems for compliance with the plan; 1.3 Concluding the results of review, together with observations and suggestions for improvement for the audited works, as well as following up the suggested improvement; 1.4 Reporting on the audit results to the Management and the Audit Committee. 2. Works in support of the Audit Committee 2.1 Reviewing the annual and quarterly financial statements; 2.2 Preparing information in support of the selection and nomination of the Company's auditor; 2.3 Reviewing the disclosure of information to ensure compliance with the rules and regulations and the good corporate governance principles; 2.4 Coordinating and organizing the Audit Committees meetings. 3. Works in support of corporate risk management 3.1 Coordinating all internal work units to prepare and review the annual emergency and risk management plans as well as compiling the results thereof as the overall emergency and risk management plans; 3.2 Quarterly following up and concluding the results of risk management from all relevant work units for presentation to the Management and the Corporate Governance and Risk Management Committee on a quarterly basis; 3.3 Coordinating and organizing the Corporate Governance and Risk Management Committee's meetings. 4. Works on quality and environmental management system activity Following up the results of system audit by the monitoring subcommittee and external certification agencies. 5. Other works as assigned by the Audit Committee

Remark: Any appointment, removal and transfer of Head of the Internal Audit Unit shall be subject to the power of the Audit Committee.



## 2. Head of the Compliance Unit

Name-Surname	Mrs. Ngamnit Kanokgarnjanar
Position	Assistant Managing Director Compliance Unit
Education	<ul style="list-style-type: none"> <li>- M.B.A The National Institute of Development Administration</li> <li>- B.A. (Economics) Thammasat University</li> </ul>
Work Experience	<p>Jan. 2012 - Present      - Assistant Managing Director: Compliance Unit</p> <p>2007 - 2011                - Assistant Managing Director: Administration</p> <p>2003 - 2007                - General Manager of Administration Division</p>
Related Training	<ul style="list-style-type: none"> <li>- M.B.A The National Institute of Development Administration</li> <li>- B.A. (Economics) Thammasat University</li> <li>- Director Certification Program (DCP 113/2009) Thai Institute of Directors Association</li> <li>- Financial Statements for Directors (FSD 4/2009) Thai Institute of Directors Association</li> <li>- Company Secretary Program (CSP 48/2012) Thai Institute of Directors Association</li> <li>- Company Reporting Program (CRP 4/2012) Thai Institute of Directors Association</li> </ul>
Duties and Responsibilities	<ol style="list-style-type: none"> <li>1. Determining the scope of the good corporate governance in line with the Company's structure in comparison with international practices or principles;</li> <li>2. Reviewing the appropriateness and adequacy of the Company's good corporate governance policy and code of ethics, as well as their revisions to meet the international practices for good corporate governance;</li> <li>3. Reviewing with the Management as to compliance with the good corporate governance principles as specified by the Company for disclosure in the Annual Report;</li> <li>4. Conducting the procedures for evaluation of performance of the Board of Directors, the Managing Director, as well as concluding the results for presentation to the Board of Directors;</li> <li>5. Providing suggestions for preparation of the Company's corporate governance development plan in compliance with the good corporate governance principles;</li> <li>6. Providing advice and suggestions on the good corporate governance practices to the Board of Directors;</li> <li>7. Performing any other functions as assigned by the Managing Director.</li> </ol>

# Independent Auditor's Report

To the shareholders of Bangkok Expressway Public Company Limited

I have audited the accompanying consolidated financial statements of Bangkok Expressway Public Company Limited and its subsidiary, which comprise the consolidated statements of financial position as at 31 December 2013, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Bangkok Expressway Public Company Limited for the same period.

## Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## 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 2013, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

## Emphasis of matter

I draw attention to Note 4 to the financial statements regarding the change in accounting policy due to the adoption of Thai Accounting Standard 12 Income Taxes. The Company has restated the consolidated and separate financial statements for the year ended 31 December 2012, presented herein as comparative information, to reflect the adjustments resulting from such change. The Company has also presented the consolidated and separate statements of financial position as at 1 January 2012 as comparative information, using the newly adopted accounting policy for income taxes. My opinion is not qualified in respect of this matter.



**Sophon Permsirivallop**

Certified Public Accountant (Thailand) No. 3182

EY Office Limited

(Formerly known as Ernst & Young Office Limited)

Bangkok: 26 February 2014

# Statements of financial position

Bangkok Expressway Public Company Limited and its subsidiary  
As at 31 December 2013

(Unit: Baht)

	Note	Consolidated financial statements			Separate financial statements		
		31 December 2013	31 December 2012	1 January 2012	31 December 2013	31 December 2012	1 January 2012
			(Restated)			(Restated)	
<b>Assets</b>							
<b>Current assets</b>							
Cash and cash equivalents	7, 8	837,995,541	261,656,094	128,259,054	815,998,784	222,998,013	113,035,677
Current investments	9	774,541,118	2,937,978,113	3,014,319,406	771,447,606	2,935,102,213	2,936,230,423
Other receivables	8, 10	-	30,912,257	94,000,000	3,210,000	3,142,590	2,675,000
Advance payment under service contract	8	9,620,484	9,749,139	5,729,368	9,620,484	9,749,139	5,729,638
Other current assets	8	53,979,947	55,411,588	69,671,303	44,230,948	48,418,406	59,045,361
<b>Total current assets</b>		<b>1,676,137,090</b>	<b>3,295,707,191</b>	<b>3,311,979,131</b>	<b>1,644,507,822</b>	<b>3,219,410,361</b>	<b>3,116,716,099</b>
<b>Non-current assets</b>							
Investments in associates	8, 12	9,464,970,540	2,269,620,908	18,707,925	7,004,979,490	2,760,000,000	30,000,000
Other long-term investments	8, 13	2,484,366,135	4,460,908,575	3,875,946,874	2,484,366,135	4,460,908,575	3,875,946,874
Long-term loans to and interest receivable							
from related companies	8	-	42,738,596	40,124,089	8,155,496,436	8,769,235,032	9,300,312,604
Investment properties	14	120,357,493	120,357,493	120,357,493	120,357,493	120,357,493	120,357,493
Building and equipment	15	127,809,748	250,282,701	263,700,420	126,785,796	249,166,416	262,491,551
Construction in process	16	2,901,838,672	25,786,093	-	2,901,838,672	25,786,093	-
Rights to operate completed expressway sectors	17	25,564,276,311	28,305,131,772	30,926,664,653	17,294,947,167	19,543,302,716	21,779,908,567
Intangible assets	18	34,344,631	39,483,799	41,652,525	34,344,631	39,483,799	41,652,525
Advance payment under expressway construction contract	8	2,031,750,000	2,250,000,000	-	2,031,750,000	2,250,000,000	-
Advance for compensation for site acquisition cost	22, 32.1	317,070,000	177,180,000	-	317,070,000	177,180,000	-
Deferred financial fee	20	-	60,496,185	-	-	60,496,185	-
Deferred tax assets	27	67,359,676	67,322,715	62,589,543	-	-	-
Other non-current assets		35,051,859	19,219,622	7,814,645	22,043,911	8,003,342	4,609,202
<b>Total non-current assets</b>		<b>43,149,195,065</b>	<b>38,088,528,459</b>	<b>35,357,558,167</b>	<b>40,493,979,731</b>	<b>38,463,919,651</b>	<b>35,415,278,816</b>
<b>Total assets</b>		<b>44,825,332,155</b>	<b>41,384,235,650</b>	<b>38,669,537,298</b>	<b>42,138,487,553</b>	<b>41,683,330,012</b>	<b>38,531,994,915</b>

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 2013

(Unit: Baht)

Note	Consolidated financial statements			Separate financial statements		
	31 December 2013	31 December 2012	1 January 2012	31 December 2013	31 December 2012	1 January 2012
		(Restated)			(Restated)	
<b>Liabilities and shareholders' equity</b>						
<b>Current liabilities</b>						
Trade and other payables	8, 19	939,189,671	227,320,702	195,509,895	903,859,510	219,333,748
Payable from purchase of investment - due within 1 year	8, 12.2	400,000,000	-	-	400,000,000	-
Current portion of long-term loans	8, 20	810,323,512	1,996,000,000	1,142,790,000	810,323,512	1,996,000,000
Current portion of debentures	21	2,700,000,000	5,100,000,000	1,895,000,000	2,700,000,000	5,100,000,000
Income tax payable		203,546,236	150,776,958	182,660,977	203,546,236	150,776,958
<b>Other current liabilities</b>						
Retention guarantees	8	124,346,154	56,919,452	64,015,877	121,409,692	55,211,339
Deposits for Easy Pass		-	21,293	157,150,609	-	21,293
Others		96,994,978	192,041,988	120,165,787	88,944,297	162,827,959
<b>Total current liabilities</b>		<b>5,274,400,551</b>	<b>7,723,080,393</b>	<b>3,757,293,145</b>	<b>5,228,083,247</b>	<b>7,684,171,297</b>
<b>Non-current liabilities</b>						
Payable from purchase of investment - due over 1 year	8, 12.2	313,695,000	-	-	313,695,000	-
Provision for compensation for site acquisition cost	22, 32.1	-	-	75,740,000	-	-
Long-term loans, net of current portion	8, 20	336,568,859	810,323,512	2,806,323,512	336,568,859	810,323,512
Debentures, net of current portion	21	15,386,250,596	11,096,624,703	13,200,000,000	15,386,250,596	11,096,624,703
Provision for long-term employee benefits	23	113,752,334	86,008,478	76,203,308	113,752,334	86,008,478
Deferred tax liabilities	27	559,473,560	620,591,001	624,804,941	559,473,560	620,591,001
<b>Total non-current liabilities</b>		<b>16,709,740,349</b>	<b>12,613,547,694</b>	<b>16,783,071,761</b>	<b>16,709,740,349</b>	<b>12,613,547,694</b>
<b>Total liabilities</b>		<b>21,984,140,900</b>	<b>20,336,628,087</b>	<b>20,540,364,906</b>	<b>21,937,823,596</b>	<b>20,297,718,991</b>
<b>Shareholders' equity</b>						
<b>Share capital</b>						
<b>Registered</b>						
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	8,000,000,000
<b>Issued and paid-up</b>						
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	7,700,000,000
Premium on ordinary shares		4,848,492,969	4,848,492,969	4,848,492,969	4,848,492,969	4,848,492,969
<b>Retained earnings</b>						
Appropriated - statutory reserve	24	800,000,000	800,000,000	800,000,000	800,000,000	800,000,000
Unappropriated		9,797,864,435	6,186,051,679	4,941,804,112	7,142,364,920	6,528,628,073
Other components of shareholders' equity		(322,881,644)	1,508,489,979	(172,330,688)	(290,193,932)	1,508,489,979
Equity attributable to shareholders of the Company		22,823,475,760	21,043,034,627	18,117,966,393	20,200,663,957	21,385,611,021
Non-controlling interests of the subsidiary		17,715,495	4,572,936	11,205,999	-	-
<b>Total shareholders' equity</b>		<b>22,841,191,255</b>	<b>21,047,607,563</b>	<b>18,129,172,392</b>	<b>20,200,663,957</b>	<b>21,385,611,021</b>
<b>Total liabilities and shareholders' equity</b>		<b>44,825,332,155</b>	<b>41,384,235,650</b>	<b>38,669,537,298</b>	<b>42,138,487,553</b>	<b>41,683,330,012</b>

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

## Income statements

Bangkok Expressway Public Company Limited and its subsidiary  
For the year ended 31 December 2013

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
			(Restated)		(Restated)
<b>Revenues</b>					
Toll revenue	26	8,039,909,679	7,732,222,618	6,990,322,371	6,747,831,630
Other income					
Interest income	8	49,284,638	58,849,981	345,085,821	363,511,961
Dividend income	8, 12.3	-	173,312,500	444,207,500	173,312,500
Gain on investments	8, 12.1	308,968,887	1,197,520,734	89,803,313	1,691,708,276
Gain on fair value adjustment of investment from changing status of investment	12.2	2,808,340,500	-	-	-
Others	8	107,421,913	62,412,573	95,558,753	63,540,152
<b>Total revenues</b>		<b>11,313,925,617</b>	<b>9,224,318,406</b>	<b>7,964,977,758</b>	<b>9,039,904,519</b>
<b>Expenses</b>					
Amortisation of rights to operate completed expressway sectors	17	(2,752,578,966)	(2,735,674,982)	(2,251,679,665)	(2,236,605,851)
Provision for compensation for site acquisition cost	22	(1,060,110,000)	(947,080,000)	(1,060,110,000)	(947,080,000)
Selling expenses	8	(1,148,066,085)	(1,142,891,340)	(940,259,507)	(970,050,901)
Administrative expenses	8	(621,346,210)	(564,327,153)	(594,699,235)	(540,393,685)
Loss on write-off of fixed assets		(103,012,196)	-	(103,012,196)	-
Loss on impairment of investment		-	-	-	(29,999,999)
<b>Total expenses</b>		<b>(5,685,113,457)</b>	<b>(5,389,973,475)</b>	<b>(4,949,760,603)</b>	<b>(4,724,130,436)</b>
<b>Profit before share of profit from investments in associates, finance cost and income tax expenses</b>		<b>5,628,812,160</b>	<b>3,834,344,931</b>	<b>3,015,217,155</b>	<b>4,315,774,083</b>
Share of profit from investments in associates	12.3	400,610,330	16,419,233	-	-
<b>Profit before finance cost and income tax expenses</b>		<b>6,029,422,490</b>	<b>3,850,764,164</b>	<b>3,015,217,155</b>	<b>4,315,774,083</b>
Finance cost	8	(800,702,429)	(828,902,000)	(797,678,602)	(825,879,038)
<b>Profit before income tax expenses</b>		<b>5,228,720,061</b>	<b>3,021,862,164</b>	<b>2,217,538,553</b>	<b>3,489,895,045</b>
Income tax expenses	27	(380,652,751)	(767,847,660)	(380,689,711)	(772,580,832)
<b>Profit for the year</b>		<b>4,848,067,310</b>	<b>2,254,014,504</b>	<b>1,836,848,842</b>	<b>2,717,314,213</b>
<b>Profit attributable to:</b>					
Equity holders of the Company		4,834,924,751	2,260,647,567	1,836,848,842	2,717,314,213
Non-controlling interests of the Company		13,142,559	(6,633,063)		
		<b>4,848,067,310</b>	<b>2,254,014,504</b>		
<b>Earnings per share</b>	28				
Basic earnings per share					
Profit attributable to equity holders of the Company		6.28	2.94	2.39	3.53

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 year ended 31 December 2013

Unit: Baht)

Note	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
		(Restated)		(Restated)
<b>Profit for the year</b>	4,848,067,310	2,254,014,504	1,836,848,842	2,717,314,213
<b>Other comprehensive income:</b>				
Gain on changes in value of available-for-sale investments	438,094,089	1,680,820,667	438,094,089	1,680,820,667
Reversal of gain on change in value of available-for-sale investment due to transfer of investment from other long-term investment to investment in associate	12.2 (2,236,778,000)	-	(2,236,778,000)	-
Unrealised loss from cash flow hedges of associate, net of income tax	(32,687,712)	-	-	-
Actuarial loss, net of income tax	23 (6,511,995)	-	(6,511,995)	-
<b>Other comprehensive income for the year</b>	(1,837,883,618)	1,680,820,667	(1,805,195,906)	1,680,820,667
<b>Total comprehensive income for the year</b>	3,010,183,692	3,934,835,171	31,652,936	4,398,134,880
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	2,997,041,133	3,941,468,234	31,652,936	4,398,134,880
Non-controlling interests of the subsidiary	13,142,559	(6,633,063)		
	3,010,183,692	3,934,835,171		

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

# Statement of changes in shareholders' equity

Bangkok Expressway Public Company Limited and its subsidiary

For the year ended 31 December 2013

(Unit: Baht)

## Balance as at 31 December 2011

### - as previously reported

Cumulative effect of change in accounting  
policy for deferred tax (Note 4)

## Balance as at 31 December 2011

### - as restated

Dividend paid (Note 31)

Total comprehensive income for the year  
(restated)

## Balance as at 31 December 2012

### - as restated

## Balance as at 31 December 2012

### - as previously reported

Cumulative effect of change in accounting  
policy for deferred tax (Note 4)

## Balance as at 31 December 2012

### - as restated

Dividend paid (Note 31)

Total comprehensive income for the year

## Balance as at 31 December 2013

Consolidated financial statements									
Equity attributable to the shareholders of the Company								Equity attributable to non-controlling interests of the subsidiary	Total shareholders' equity
Issued and paid-up share capital	Premium on ordinary shares			Other components of shareholders' equity			Total equity attributable to shareholders of the Company		
				Other comprehensive income		Total other components of shareholders' equity			
		Retained earnings		Surplus (deficit) on changes in value of available-for-sale investments	Unrealised loss from cash flow hedges				
		Appropriated statutory reserve	Unappropriated						
7,700,000,000	4,848,492,969	800,000,000	5,533,230,050	(172,330,688)	-	(172,330,688)	18,709,392,331	(18,004,541)	18,691,387,790
-	-	-	(591,425,938)	-	-	-	(591,425,938)	29,210,540	(562,215,398)
7,700,000,000	4,848,492,969	800,000,000	4,941,804,112	(172,330,688)	-	(172,330,688)	18,117,966,393	11,205,999	18,129,172,392
-	-	-	(1,016,400,000)	-	-	-	(1,016,400,000)	-	(1,016,400,000)
-	-	-	2,260,647,567	1,680,820,667	-	1,680,820,667	3,941,468,234	(6,633,063)	3,934,835,171
7,700,000,000	4,848,492,969	800,000,000	6,186,051,679	1,508,489,979	-	1,508,489,979	21,043,034,627	4,572,936	21,047,607,563
7,700,000,000	4,848,492,969	800,000,000	6,770,739,476	1,508,489,979	-	1,508,489,979	21,627,722,424	(26,846,575)	21,600,875,849
-	-	-	(584,687,797)	-	-	-	(584,687,797)	31,419,511	(553,268,286)
7,700,000,000	4,848,492,969	800,000,000	6,186,051,679	1,508,489,979	-	1,508,489,979	21,043,034,627	4,572,936	21,047,607,563
-	-	-	(1,216,600,000)	-	-	-	(1,216,600,000)	-	(1,216,600,000)
-	-	-	4,828,412,756	(1,798,683,911)	(32,687,712)	(1,831,371,623)	2,997,041,133	13,142,559	3,010,183,692
7,700,000,000	4,848,492,969	800,000,000	9,797,864,435	(290,193,932)	(32,687,712)	(322,881,644)	22,823,475,760	17,715,495	22,841,191,255

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

# Statement of changes in shareholders' equity (continued)

Bangkok Expressway Public Company Limited and its subsidiary

For the year ended 31 December 2013

(Unit: Baht)

## Separate financial statements

	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Other components of shareholders' equity	Total shareholders' equity
			Appropriated statutory reserve	Unappropriated	Other comprehensive income	
					Surplus (deficit) on changes in value of available-for-sale investments	
<b>Balance as at 31 December 2011 - as previously reported</b>	7,700,000,000	4,848,492,969	800,000,000	5,452,518,801	(172,330,688)	18,628,681,082
Cumulative effect of change in accounting policy for deferred tax (Note 4)	-	-	-	(624,804,941)	-	(624,804,941)
<b>Balance as at 31 December 2011 - as restated</b>	7,700,000,000	4,848,492,969	800,000,000	4,827,713,860	(172,330,688)	18,003,876,141
Dividend paid (Note 31)	-	-	-	(1,016,400,000)	-	(1,016,400,000)
Total comprehensive income for the year (restated)	-	-	-	2,717,314,213	1,680,820,667	4,398,134,880
<b>Balance as at 31 December 2012 - as restated</b>	7,700,000,000	4,848,492,969	800,000,000	6,528,628,073	1,508,489,979	21,385,611,021
<b>Balance as at 31 December 2012 - as previously reported</b>	7,700,000,000	4,848,492,969	800,000,000	7,149,219,074	1,508,489,979	22,006,202,022
Cumulative effect of change in accounting policy for deferred tax (Note 4)	-	-	-	(620,591,001)	-	(620,591,001)
<b>Balance as at 31 December 2012 - as restated</b>	7,700,000,000	4,848,492,969	800,000,000	6,528,628,073	1,508,489,979	21,385,611,021
Dividend paid (Note 31)	-	-	-	(1,216,600,000)	-	(1,216,600,000)
Total comprehensive income for the year	-	-	-	1,830,336,847	(1,798,683,911)	31,652,936
<b>Balance as at 31 December 2013</b>	7,700,000,000	4,848,492,969	800,000,000	7,142,364,920	(290,193,932)	20,200,663,957

# Statements of cash flows

Bangkok Expressway Public Company Limited and its subsidiary

For the year ended 31 December 2013

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<b>Cash flows from operating activities</b>				
Profit before tax	5,228,720,061	3,021,862,164	2,217,538,553	3,489,895,045
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	2,823,947,212	2,804,721,597	2,322,955,583	2,305,559,886
Gain on investments	(308,968,887)	(1,197,520,734)	(89,803,313)	(1,691,708,276)
Gain on fair value adjustment of investment from changing status of investment	(2,808,340,500)	-	-	-
Loss (gain) on sales and write-off of fixed assets	101,315,887	(5,403,339)	101,315,882	(5,403,342)
Provision for compensation for site acquisition cost	1,060,110,000	947,080,000	1,060,110,000	947,080,000
Provision for long-term employee benefits	21,399,961	11,640,070	21,399,961	11,640,070
Share of profit from investments in associates	(400,610,330)	(16,419,233)	-	-
Loss on impairment of investment	-	-	-	29,999,999
Interest income	(49,284,638)	(58,849,981)	(345,085,821)	(363,511,961)
Dividend income	-	(173,312,500)	(444,207,500)	(173,312,500)
Interest expenses	757,339,166	801,126,453	757,339,166	801,126,453
Income from operating activities before changes in operating assets and liabilities	6,425,627,932	6,134,924,497	5,601,562,511	5,351,365,374
Decrease (increase) in operating assets				
Other receivables	30,912,257	63,087,743	(67,410)	(467,590)
Other current assets	4,670,993	(7,995,865)	4,786,945	(13,408,644)
Other non-current assets	(414,826)	(2,553,596)	(414,858)	(2,553,596)
Increase (decrease) in operating liabilities				
Trade and other payables	46,419,563	7,998,224	19,076,356	3,082,989
Other current liabilities	(29,221,457)	(94,184,440)	(7,304,797)	(115,932,169)
Cash paid for compensation for site acquisition cost	(1,200,000,000)	(1,200,000,000)	(1,200,000,000)	(1,200,000,000)
Net cash flows from operating activities	5,277,994,462	4,901,276,563	4,417,638,747	4,022,086,364
Cash received for interest income	31,222,824	40,577,957	31,193,295	40,341,595
Cash paid for corporate income tax	(391,487,748)	(818,481,296)	(389,037,876)	(808,678,791)
<b>Net cash flows from operating activities</b>	<b>4,917,729,538</b>	<b>4,123,373,224</b>	<b>4,059,794,166</b>	<b>3,253,749,168</b>

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 year ended 31 December 2013

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<b>Cash flows from investing activities</b>				
Decrease in current investments	2,223,093,504	148,722,649	2,222,460,066	72,190,857
Increase in investment in subsidiary	-	-	-	(29,999,999)
Cash paid for purchases of investments in associates (Note 12)	(2,600,000,000)	(2,730,000,000)	(2,600,000,000)	(2,730,000,000)
Cash received from sales of investment in associate	261,560,273	-	261,560,273	-
Cash received from sales of long-term investments	159,235,058	2,788,954,594	159,235,058	2,788,954,594
Increase in other long-term investments	(1,143,223,538)	(72,450,000)	(1,143,223,538)	(72,450,000)
Cash received from long-term loans to related companies	31,250,000	-	503,923,800	410,588,800
Cash received from interest income	30,109,207	39,704,765	424,266,151	467,695,008
Cash received from dividend income	444,207,500	173,312,500	444,207,500	173,312,500
Cash received from sales of equipment	1,819,197	5,460,981	1,819,197	5,460,981
Purchase of equipment	(44,514,959)	(48,575,312)	(44,514,959)	(48,575,312)
Cash paid for expressway construction	(2,042,479,105)	(2,394,788,509)	(2,034,079,715)	(2,280,646,409)
Increase in intangible assets	(2,376,251)	(4,942,500)	(2,376,251)	(4,942,500)
<b>Net cash flows used in investing activities</b>	<b>(2,681,319,114)</b>	<b>(2,094,600,832)</b>	<b>(1,806,722,418)</b>	<b>(1,248,411,480)</b>
<b>Cash flows from financing activities</b>				
Cash received from issuance of debentures	7,000,000,000	3,000,000,000	7,000,000,000	3,000,000,000
Cash paid for redemption of debentures	(5,100,000,000)	(1,895,000,000)	(5,100,000,000)	(1,895,000,000)
Cash received from long-term loans	400,000,000	-	400,000,000	-
Cash paid for long-term loans	(1,996,000,000)	(1,142,790,000)	(1,996,000,000)	(1,142,790,000)
Cash paid for financial fee	(13,309,061)	(63,871,482)	(13,309,061)	(63,871,482)
Cash paid for interest expenses	(734,161,916)	(777,313,870)	(734,161,916)	(777,313,870)
Cash paid for dividend	(1,216,600,000)	(1,016,400,000)	(1,216,600,000)	(1,016,400,000)
<b>Net cash flows used in financing activities</b>	<b>(1,660,070,977)</b>	<b>(1,895,375,352)</b>	<b>(1,660,070,977)</b>	<b>(1,895,375,352)</b>
<b>Net increase in cash and cash equivalents</b>	<b>576,339,447</b>	<b>133,397,040</b>	<b>593,000,771</b>	<b>109,962,336</b>
Cash and cash equivalents at beginning of year	261,656,094	128,259,054	222,998,013	113,035,677
<b>Cash and cash equivalents at end of year</b>	<b>837,995,541</b>	<b>261,656,094</b>	<b>815,998,784</b>	<b>222,998,013</b>
<b>Supplemental cash flows information</b>				
Non-cash items consist of:				
Unrealised gain on changes in value of available-for-sale investments	438,094,089	1,680,820,667	438,094,089	1,680,820,667
Transfer of construction in process to completed expressway	11,723,505	114,142,100	3,324,116	-
Transfer withholding tax deducted at source over 1 year to non-current assets	9,802,550	8,010,838	-	-
Payable from purchase of investment in associate	713,695,000	-	713,695,000	-
Payable from expressway construction	640,543,936	-	640,543,936	-

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



# Notes to consolidated financial statements

For the year ended 31 December 2013

## 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 Si Rat Expressway (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 the Agreement for the Extension of the Second Stage Expressway, Sector D, for a period of 30 years commencing on 17 April 1997. 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 (Rama IX - Ratchadapisek), Sector B (Phayathai - Bangkhlo), Sector C (Ratchadapisek - Chaeng Watthana) and Sector D (Rama IX - Srinagarindra).

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

### 1.2 Revision of toll rates

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 State Expressway System (Sector D) every five years. On 2 August 2013, 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 2013. The Company is currently proceeding with its right opposition and seeking for compensation based on the agreements.

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 2 August 2013, 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 2013. The subsidiary is currently proceeding with its right opposition and seeking for compensation based on the agreement.

### 1.3 Investment in the Si Rat - Outer Ring Road Expressway Project

On 25 April 2012, the 2012 Annual General Meeting of the Company’s shareholders approved the investment in the Si Rat - Outer Ring Road Expressway Project. In addition, the meeting approved the engagement of CH. Karnchang Public Company Limited as project manager for construction of such project.

On 14 September 2012, the Company entered into a concession agreement in respect of the investment, design, construction, management, operation and maintenance of the Si Rat - Outer Ring Road Expressway Project with the Expressway Authority of Thailand (EXAT), with a concession period of 30 years and a construction period of not more than 48 months from the date stipulated by EXAT in the Notice to Proceed.

On the same date, the Company entered into an agreement to engage CH. Karnchang Public Company Limited as project manager in respect of the construction of the Si Rat - Outer Ring Road Expressway Project, with a contract value of Baht 22,500 million. The Company also entered into a credit facility agreement for the project with a group of lenders, granting facilities of Baht 10,000 million.

## 2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai financial reporting 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	
			2013 %	2012 %
Northern Bangkok Expressway Company Limited	Operation and management of Bang Pa-In - Pakkret Expressway	Thailand	46.67	46.67

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 2013 and 2012, the Company invested in 320 million shares of the subsidiary company, represented 53.33% of the subsidiarys 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. New accounting standards

Below is a summary of accounting standards that became effective in the current accounting year and those that will become effective in the future.

### (a) Accounting standards that became effective in the current accounting year

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

Financial Reporting Standard:

TFRS 8

Operating Segments

Accounting Standard Interpretations:

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

Accounting Treatment Guidance for Transfers of Financial Assets

These accounting standards, financial reporting standard, accounting standard interpretations and accounting treatment guidance do not have any significant impact on the financial statements, except for the following accounting standard.

## TAS 12 Income Taxes

This accounting standard requires an entity to identify temporary differences between the carrying amount of an asset or liability in the statement of financial position and its tax base and recognise the tax effects as deferred tax assets or liabilities subjecting to certain recognition criteria. The Company and its subsidiary have changed this accounting policy in this current period and restated the prior year's financial statements, presented as comparative information, as though the Company and its subsidiary had initially recognised the tax effects as deferred tax assets or liabilities. The cumulative effect of this change in accounting policy has been presented in Note 4 to the financial statements.

### (b) Accounting standards that will become effective in the future

		<u>Effective date</u>
Accounting Standards:		
TAS 1 (revised 2012)	Presentation of Financial Statements	1 January 2014
TAS 7 (revised 2012)	Statement of Cash Flows	1 January 2014
TAS 12 (revised 2012)	Income Taxes	1 January 2014
TAS 17 (revised 2012)	Leases	1 January 2014
TAS 18 (revised 2012)	Revenue	1 January 2014
TAS 19 (revised 2012)	Employee Benefits	1 January 2014
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates	1 January 2014
TAS 24 (revised 2012)	Related Party Disclosures	1 January 2014
TAS 28 (revised 2012)	Investments in Associates	1 January 2014
TAS 31 (revised 2012)	Interests in Joint Ventures	1 January 2014
TAS 34 (revised 2012)	Interim Financial Reporting	1 January 2014
TAS 36 (revised 2012)	Impairment of Assets	1 January 2014
TAS 38 (revised 2012)	Intangible Assets	1 January 2014
Financial Reporting Standards:		
TFRS 2 (revised 2012)	Share-based Payment	1 January 2014
TFRS 3 (revised 2012)	Business Combinations	1 January 2014
TFRS 4	Insurance Contracts	1 January 2016
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations	1 January 2014
TFRS 8 (revised 2012)	Operating Segments	1 January 2014
Accounting Standard Interpretations:		
TSIC 15	Operating Leases - Incentives	1 January 2014
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	1 January 2014
TSIC 29	Service Concession Arrangements: Disclosures	1 January 2014
TSIC 32	Intangible Assets - Web Site Costs	1 January 2014

Financial Reporting Standard Interpretations:

TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 January 2014
TFRIC 4	Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 January 2014
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies	1 January 2014
TFRIC 10	Interim Financial Reporting and Impairment	1 January 2014
TFRIC 12	Service Concession Arrangements	1 January 2014
TFRIC 13	Customer Loyalty Programmes	1 January 2014
TFRIC 17	Distributions of Non-cash Assets to Owners	1 January 2014
TFRIC 18	Transfers of Assets from Customers	1 January 2014

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

#### TFRIC 12 Service Concession Arrangements

This TFRIC gives guidance on the accounting by operators for recognising and measuring the obligations and related rights in public-to-private service concession arrangement. The operators shall recognise the consideration received or receivable at its fair value to be rights to a financial asset or to an intangible asset, depending on the conditions of service concession arrangement. The management of the Company is evaluating the first-year impact to the financial statements of the financial reporting standard interpretation and has yet to reach a conclusion.

## 4. Cumulative effect of changes in accounting policies due to the adoption of new accounting standard

During the current year, the Company and its subsidiary made the changes described in Note 3 to the financial statements to its significant accounting policies, as a result of the adoption of Thai Accounting Standard 12 Income Taxes. 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 statements of financial position and the statements of comprehensive income are summarised below.

(Unit: Thousand Baht)

Statements of financial position	Consolidated financial statements			Separate financial statements		
	31 December 2013	31 December 2012	1 January 2012	31 December 2013	31 December 2012	1 January 2012
Increase in deferred tax assets	67,360	67,323	62,589	-	-	-
Increase in deferred tax liabilities	559,473	620,591	624,805	559,473	620,591	624,805
Increase in non-controlling interests of the subsidiary	31,437	31,419	29,210	-	-	-
Decrease in unappropriated retained earnings	523,550	584,687	591,426	559,473	620,591	624,805

(Unit: Thousand Baht)

Income statements	For the year ended 31 December			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Decrease in income tax expenses	(61,155)	(8,947)	(61,118)	(4,214)
Increase in profit attributable to non-controlling interest of the subsidiary	18	2,209	-	-
Increase in profit attributable to equity holders of the Company	61,137	6,738	61,118	4,214
Increase in basic earnings per share (Baht)	0.079	0.009	0.079	0.005

## 5. Significant accounting policies

### 5.1 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.

### 5.2 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.

### 5.3 Investments

- 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.
- 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.
- 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.
- 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).
- Investment in associated company is accounted for in the consolidated financial statements using the equity method.
- 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.



#### 5.4 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.

#### 5.5 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 - 5 years
Easy Pass	7 years
Vehicles	5 - 16 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.

#### 5.6 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

#### 5.7 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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## 5.8 Deferred financial fees

Financial expenses related to borrowings that are typically incurred on or before signing facility agreements and before the actual draw down of the loans are recorded as deferred financial fees. Deferred financial fees is presented as a deduction against the related loan account and amortised proportionately to the amount of the loan facility already drawn over the term of the loans.

The amortisation of deferred financial fees is capitalised as part of the cost of the respective assets until to get ready for their intended use.

## 5.9 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.

## 5.10 Impairment of assets

At the end of each reporting period, the Company performs impairment reviews in respect of the investments, investment 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.

## 5.11 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 funds 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 other comprehensive income.

The defined benefits liability comprises the present value of the defined benefit obligation less unrecognised past service cost and unrecognised actuarial gains or losses.

#### **5.12 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.

#### **5.13 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.

#### **5.14 Income tax**

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

##### **Current tax**

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

##### **Deferred tax**

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

#### **5.15 Derivatives - Interest rate swap contracts**

The net amount of interest to be received from or paid to the counterparty under an interest rate swap contract is recognised as income or expenses on an accrual basis.

## 5.16 Hedge accounting - Cash flow hedges

An associate applies hedge accounting in order to hedge the foreign exchange exposure on a certain portion of its forecasted revenue from sales of electricity in USD currency. Where the revenues from sales of electricity are designated as the hedged item and long-term loans in USD are the hedging instrument. The associate has recorded such transactions using cash flow hedge accounting.

The effective portion of the change in the fair value of the cash flow hedging instrument is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised in profit or loss. Gains or losses accumulated in other comprehensive income are then transferred to profit or loss in the period when the hedged items affect profit or loss.

## 6. Significant accounting judgments and estimates

The preparation of financial statements in conformity with financial reporting standards 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 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.

## 7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Cash	6,685	6,545	5,400	5,300
Bank deposits	831,311	255,111	810,599	217,698
Total	837,996	261,656	815,999	222,998

As at 31 December 2013, bank deposits in saving accounts and current accounts carried interests between 0.50% and 3.07% per annum (2012: between 0.63% and 3.21% per annum).

## 8. 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: Million Baht)

	Consolidated financial statements		Separate financial statements		Pricing policy
	2013	2012	2013	2012	
<b>Transactions with subsidiary</b>					
Interest income from long-term loans Northern Bangkok Expressway Company Limited	-	-	296	305	At the rates of 4.12% - 4.32% per annum (2012: 2.63% - 4.37% per annum)
Management income Northern Bangkok Expressway Company Limited	-	-	36	32	
<b>Transactions with associates</b>					
Dividend income Thai Tap Water Supply Public Company Limited	-	-	444	-	807,650,000 shares of Baht 0.55 each
Gain on sales of investment in SouthEast Asia Energy Limited CK Power Public Company Limited	-	1,156	-	1,652	
					Stated in the agreement and compared to the amounts as estimated by independent consultant



	Consolidated financial statements		Separate financial statements		Pricing policy
	2013	2012	2013	2012	
<b>Transactions with related companies</b>					
Dividend income					
Thai Tap Water Supply Public Company Limited	-	173	-	173	368,750,000 shares of Baht 0.47 each
Interest income on long-term loans					
SouthEast Asia Energy Limited	1	3	1	3	At the rate of MLR+1% per annum
Purchase of investment in Thai Tap Water Supply Public Company Limited					
CH. Karnchang Public Company Limited)	3,314	-	3,314	-	438.9 million shares of Baht 7.55 each
Second Stage Expressway maintenance expenses					
CH. Karnchang Public Company Limited)	67	50	67	35	Stated in the agreement and compared to the amounts as estimated by independent consultant
Cost incurred under expressway construction contracts					
CH Karnchang Public Company Limited	2,501	-	2,498	-	Contracted price
CH. Kanchang-Tokyu Construction Company Limited	167	-	167	-	Contracted price
Total	2,668	-	2,665	-	
Financial arrangement fee					
Krungthai Bank Public Company Limited	12	12	10	10	Baht 9.5 million and 2.5 million per annum
Financial fee					
Krungthai Bank Public Company Limited	1	22	1	22	Baht 1.2 million per annum (2012: at the rate of 0.5% of loan facility and Baht 1.2 million per annum)
Bangkok Bank Public Company Limited	1	22	1	22	Baht 1.2 million per annum (2012: at the rate of 0.5% of loan facility and Baht 1.2 million per annum)
Finansa Securities Limited	-	10	-	10	Contracted price
Total	2	54	2	54	
Debenture issuing cost					
Krungthai Bank Public Company Limited	8	3	8	3	At the rate of 0.15% of debenture value
Interest payment on long-term loans					
Krungthai Bank Public Company Limited	32	46	32	46	At the rates of 4.00%, MLR-2.525% and 6M FDR+2% per annum (2012: 3.75% and 4.00% per annum)
Bangkok Bank Public Company Limited	26	33	26	33	
Total	58	79	58	79	
Payment for additional share subscription					
Xayaburi Power Company Limited	287	72	287	72	43,125,000 shares of Baht 6.65 each (2012: Baht 1.68 each)

The balances of the accounts as at 31 December 2013 and 2012 between the Company and those related companies are as follows:

(Unit: Thousand Baht)

	Relationship	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
<b>Cash and cash equivalents</b>					
Krungthai Bank Public Company Limited*	*The Company's director has authority in bank	123,084	96,456	105,149	83,882
Bangkok Bank Public Company Limited*		33	32	33	32
Total		123,117	96,488	105,182	83,914
<b>Other receivable</b>					
Northern Bangkok Expressway Company Limited	Subsidiary	-	-	3,210	2,836
CK Power Public Company Limited	Associate	-	307	-	307
		-	307	3,210	3,143
<b>Advance payment under service contract</b>					
CH. Karnchang Public Company Limited	Common directors	7,754	9,352	7,754	9,352
<b>Prepaid expenses (shown under other current assets)</b>					
Krungthai Bank Public Company Limited*	*The Company's director has authority in bank	5,234	5,234	2,929	2,929
<b>Investments in associates</b>					
CK Power Public Company Limited	Associate	2,308,451	2,269,621	2,554,000	2,760,000
Thai Tap Water Supply Public Company Limited	Associate	7,156,520	-	4,450,979	-
Total		9,464,971	2,269,621	7,004,979	2,760,000
<b>Other long-term investments</b>					
Bangkok Metro Public Company Limited	Common directors	2,050,135	939,396	2,050,135	939,396
Thai Tap Water Supply Public Company Limited	Common directors	-	3,374,063	-	3,374,063
Xayaburi Power Company Limited	Common directors	434,231	147,450	434,231	147,450
Total		2,484,366	4,460,909	2,484,366	4,460,909
<b>Long-term loans to and interest receivable from related companies</b>					
Northern Bangkok Expressway Company Limited	Subsidiary	-	-	8,155,496	8,726,496
SouthEast Asia Energy Limited	Common directors	-	42,739	-	42,739
Total		-	42,739	8,155,496	8,769,235
<b>Advance payment under construction contract</b>					
CH. Karnchang Public Company Limited	Common directors	2,031,750	2,250,000	2,031,750	2,250,000
<b>Trade and other payables</b>					
CH. Karnchang Public Company Limited	Common directors	611,288	11,041	611,278	11,031
CH. Karnchang-Tokyu Construction Company Limited	Common directors	17,155	-	17,155	-
Thai Tap Water Supply Public Company Limited	Common directors	-	4	-	4
Construction Material Supply Company Limited	Common directors	-	390	-	390
Total		628,443	11,435	628,433	11,425

(Unit: Thousand Baht)

	Relationship	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
<b>Retention guarantees</b>					
CH. Karnchang Public Company Limited	Common directors	71,051	8,713	70,147	8,004
CH. Karnchang-Tokyu Construction Company Limited	Common directors	7,729	574	7,729	574
Construction Material Supply Company Limited	Common directors	57	34	41	18
Total		78,836	9,321	77,916	8,596
<b>Payable from purchase of investment - due within and over 1 year</b>					
CH. Karnchang Public Company Limited	Common directors	713,695	-	713,695	-
<b>Long-term loans and current portion of long-term loans</b>					
Krungthai Bank Public Company Limited*	*The Company's director has authority in bank	446,126	965,465	446,126	965,465
Bangkok Bank Public Company Limited*		373,128	710,229	373,128	710,229
Total		819,254	1,675,694	819,254	1,675,694

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
<b>Long-term loans and current portion of long-term loans</b>		
Balance as at 1 January 2013	1,675,694	4.00% per annum
Add: Drawdown during the year	340,000	MLR-2.525% and 6M FDR+2% per annum
Less: Payment during the year	(1,196,440)	
Balance as at 31 December 2013	819,254	4.00%, MLR-2.525% and 6M FDR+2% per annum

During the year 2013, movements of long-term loans to and interest receivable from related companies were as follow:

(Unit: Thousand Baht)

	Consolidated financial statements				
	1 January 2013	Increase during the year	Decrease during the year	31 December 2013	Interest rate
SouthEast Asia Energy Limited					
Long-term loans	31,250	-	(31,250)	-	MLR+1% per annum
Interest receivable	11,489	417	(11,906)	-	
Total	42,739	417	(43,156)	-	

(Unit: Thousand Baht)

	Separate financial statements				
	1 January 2013	Increase during the year	Decrease during the year	31 December 2013	Interest rate
Northern Bangkok Expressway Company Limited					
Long-term loans	7,223,469	-	(472,674)	6,750,795	4.12% to 4.32% per annum
Interest receivable	1,503,027	295,831	(394,157)	1,404,701	
Total	8,726,496	295,831	(866,831)	8,155,496	
SouthEast Asia Energy Limited					
Long-term loans	31,250	-	(31,250)	-	MLR+1% per annum
Interest receivable	11,489	417	(11,906)	-	
Total	42,739	417	(43,156)	-	
Grand total	8,769,235	296,248	(909,987)	8,155,496	

On 4 September 2007, the Company entered into Loan Agreement, 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. The Company received the loan repayment together with its in March 2013.

#### Directors and management's benefits

During the years ended 31 December 2013 and 2012, the Company and its subsidiary had employee benefit expenses of their directors and management as below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Short-term employee benefits	96,473	85,183	95,703	84,303
Post-employment benefits	3,495	4,512	3,495	4,512
Total	99,968	89,695	99,198	88,815

## 9. Current investments

(Unit: Thousand Baht)

	Consolidated financial statements				Separate financial statements			
	2013		2012		2013		2012	
	Cost	Fair value	Cost	Fair value	Cost	Fair value	Cost	Fair value
Fixed deposit	-	-	200,000	200,000	-	-	200,000	200,000
Unit trusts	632,529	644,541	2,091,346	2,137,114	629,436	641,448	2,088,470	2,134,238
Bills of exchange	130,000	130,000	600,864	600,864	130,000	130,000	600,864	600,864
	762,529	774,541	2,892,210	2,937,978	759,436	771,448	2,889,334	2,935,102

## 10. Other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
<b>Other receivable - unrelated party</b>				
Receivable from damages	-	30,605	-	-
<b>Other receivable - related party</b>				
Accrued income	-	307	3,210	3,143
Total other receivable	-	30,912	3,210	3,143

## 11. Investments in subsidiary

These 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	
	2013	2012	2013	2012	2013 %	2012 %	2013	2012
Northern Bangkok Expressway Company Limited	6,000	6,000	5,250	5,250	46.67	46.67	2,450	2,450
Less: Allowance for impairment of investment							(2,450)	(2,450)
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 December 2012, the subsidiary called up an additional 1% of the value of the 300 million shares held by the Company (par value of Baht 10 each), a total of Baht 30 million. The Company made payment of this share subscription on 13 December 2012, the Company's proportion of investment increased from 46.36% to 46.67% of its paid-up share capital.

As at 31 December 2013 and 2012, the Company invested in 320 million shares the subsidiary, represented 53.33% of the subsidiary's shares issued of 600 million shares.

The assets of the subsidiary 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 is able to make withdrawals from deposit at banks and trading of current investments for use as regular operating expenses.



## 12. Investments in associates

### 12.1 Details of associates

(Unit: Million Baht)

Company's name	Nature of business	Incorporated country	Consolidated financial statements					
			Proportion of shareholding		Cost		Carrying amounts based on equity method	
			31 December 2013 %	31 December 2012 %	31 December 2013	31 December 2012	31 December 2013	31 December 2012
CK Power Public Company Limited	Holding company	Thailand	23.22	30	2,554	2,760	2,308	2,270
Thai Tap Water Supply Public Company Limited (Note 12.2)	Manufacture and distribution of treated water	Thailand	20.24	-	7,259	-	7,157	-
					9,813	2,760	9,465	2,270

(Unit: Million Baht)

Company's name	Nature of business	Incorporated country	Separate financial statements			
			Proportion of shareholding		Cost	
			31 December 2013 %	31 December 2012 %	31 December 2013	31 December 2012
CK Power Public Company Limited	Holding company	Thailand	23.22	30	2,554	2,760
Thai Tap Water Supply Public Company Limited (Note 12.2)	Manufacture and distribution of treated water	Thailand	20.24	-	4,451	-
					7,005	2,760

#### CK Power Public Company Limited (Formerly known as “CK Power Company Limited”)

In May 2012, the Company agreed to provide sponsor support to CK Power Limited, whereby it will provide financial support to a subsidiary of CK Power Limited in proportion to its shareholding, or a total of not more than 154 million, should the subsidiary be unable to comply with its obligations under the Financing Documents or default on loan repayment.

In November 2012, the Extraordinary General Meeting of the shareholders of CK Power Company Limited passed a resolution to decrease its registered share capital from Baht 9,200 million to Baht 3,067 million, though the cancelation of 613 million ordinary shares with a par value of Baht 10 each. The reduction in capital is to be returned to the shareholders in proportion to their shareholding. The associate registered the capital decrease with the Ministry of Commerce in January 2013 and the Company received payment from such reduction of capital in proportion to its shareholding, amounting to Baht 1,840 million, in February 2013.

In February 2013, the Extraordinary General Meeting of CK Power Company Limited passed the following resolutions.

- Approved the increase of registered share capital from Baht 3,067 million to Baht 4,600 million through the issuance of 153 million shares with a par value of Baht 10 each, to be offered to the existing shareholders in proportion to their shareholdings, at a price of Baht 40 per share.
- Approve a change of the value of the ordinary shares from Baht 10 per share (460 million shares) to Baht 5 per share (920 million shares).

- c) Approved the change of the Company's status from a company limited to a public company limited, and the listing of its shares on the Stock Exchange of Thailand.
- d) Approved the increase of its registered capital from Baht 4,600 million to Baht 5,500 million, through the issuance of 180 million shares with a par value of Baht 5 each to be reserved for the initial public offering.

In July 2013, the Stock Exchange of Thailand ("SET") approved a listing of the ordinary shares of CK Power Public Company Limited. This company launched an IPO of 220 million shares, consisting of 180 million additional ordinary shares and 40 million existing ordinary shares at Baht 13 per share. The Company sold 20.6 million ordinary shares of such company at Baht 13 per share, or a total of Baht 268 million. As a result, its shareholding in this associate decreased from 30% to 23.22%. Accordingly, the Company recorded gain on sales of investment in associate of Baht 92 million in the consolidated income statements in the year 2013 (Separate financial statements: Baht 56 million) and also recorded gain on deemed disposal of investment in associate of Baht 182 million in the consolidated income statements in the year 2013, under the caption of "Gain on investments".

A 3-year silent period was imposed on the 175.6 million shares of the associate held by the Company as from the initial trading date of the shares on the SET, although the Company may gradually allocate the shares for sale beginning one year after the initial trading date under the Regulations of the Stock Exchange of Thailand.

## 12.2 Additional investment during the current year

### Thai Tap Water Supply Public Company Limited

During the current year, the Company additionally acquired 438.9 million ordinary shares of Thai Tap Water Supply Public Company Limited, equivalent to 11.00% of its register capital, with the purchase price of Baht 7.55 per share or a total of Baht 3,314 million. The Company paid Baht 2,200 million when received the shares. The remaining of the purchase price would be breakdown into 5 installments; 1st - 4th installments of Baht 200 million each would be payable in April 2013, October 2013, April 2014 and October 2014, respectively. And the remaining, 5th installment, would be payable in April 2015. As a result, the Company holds totaling 20.24% shareholding in that company and changes its status to become an associated company. The Company realised gain from the remeasurement of its previously held shareholding to fair value in the consolidated statement of income by Baht 2,808 million, under the caption "Gain on fair value adjustment of investment from changing status of investment", and reversed gain on change in value of available-for-sale investments due to transfer of investment from other long-term investments to investments in associate amounting to Baht 2,237 million in the statements of comprehensive income.

Details of the fair values and their book values of identifiable assets and liabilities of Thai Tap Water Public Company Limited at acquisition date are as follow:

(Unit: Thousand Baht)

Assets	Fair value	Book value
Cash and cash equivalents	2,676,865	2,676,865
Current investments	3,096,568	3,096,568
Trade and other receivables	452,063	452,063
Other long-term investments	200,000	200,000
Investment in associate	2,771,313	2,771,313
Property, plant and equipment	6,978,262	8,869,866
Rights to produce and sell treated water and treat waste water	24,397,360	6,496,923
Other assets	106,795	106,795
<b>Total assets</b>	<b>40,679,226</b>	<b>24,670,393</b>

(Unit: Thousand Baht)

Liabilities	Fair value	Book value
Trade and other payables	110,123	110,123
Other current liabilities	381,936	381,936
Long-term loans	6,430,000	6,430,000
Debentures	6,990,471	6,990,471
Provision for long-term employee benefits	14,780	14,780
Income tax liability from entity acquisition	3,201,767	-
<b>Total liabilities</b>	<b>17,129,077</b>	<b>13,927,310</b>
<b>Net asset value</b>	<b>23,550,149</b>	<b>10,743,083</b>
<b>Net asset attributable to Company's investment</b>	<b>4,766,550</b>	
<b>Excess of investment cost over net asset value</b>	<b>2,492,770</b>	
<b>Cost of investment in associate (consolidated financial statement)</b>	<b>7,259,320</b>	

### 12.3 Share of profit/loss and dividend received

During the years, the Company has recognised its share of profit/loss from investments in associates in the consolidated financial statements and dividend income in the separate financial statements as follows:

(Unit: Million Baht)

Company's name	Consolidated financial statements		Separate financial statements	
	Share of profit from investments in associates during the year		Dividend received during the year	
	2013	2012	2013	2012
CK Power Public Company Limited	53	16	-	-
Thai Tap Water Supply Public Company Limited	348	-	444	-
<b>Total</b>	<b>401</b>	<b>16</b>	<b>444</b>	<b>-</b>

### 12.4 Fair value investments in listed associates

In respect of investments in associates that are listed companies on the Stock Exchange of Thailand, their fair values are as follows:

(Unit: Million Baht)

Company's name	Fair values as at 31 December	
	2013	2012
CK Power Public Company Limited	3,014	N/A*
Thai Tap Water Supply Public Company Limited	8,077	-
<b>Total</b>	<b>11,091</b>	<b>-</b>

\* Not yet listing on the Stock Exchange of Thailand

## 12.5 Summarised financial information of associates

Financial information of the associated companies is summarised below.

(Unit: Million Baht)

Company's name	Paid-up capital as at 31 December		Total assets as at 31 December		Total liabilities as at 31 December		Total revenues for the year ended 31 December		Profit for the year ended 31 December	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
CK Power Public Company Limited	5,500	9,200	50,482	45,154	25,055	22,881	5,633	2,578	229	55
Thai Tap Water Supply Public Company Limited	3,990	3,990	24,525	24,672	13,514	14,011	5,790	5,273	2,596	2,355

## 13. 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	
			31 December 2013	31 December 2012	31 December 2013	31 December 2012	31 December 2013 %	31 December 2012 %	31 December 2013	31 December 2012	31 December 2013	31 December 2012
<u>Investment in marketable equity securities</u>												
Bangkok Metro Public Company Limited	MRT concession	Thailand	20,500	11,950	20,500	11,950	10.00	11.23	2,340	1,668	2,050	940
Unrealised loss on changes in value of investment									(290)	(728)		
									2,050	940		
Thai Tap Water Supply Public Company Limited (Note 12.2)	Manufacture and distribution of treated water	Thailand	-	3,990	-	3,990	-	9.24	-	1,137	-	3,374
Unrealised gain on changes in value of investment									-	2,237		
									-	3,374		
<u>Other investments</u>												
Xayaburi Power Company Limited	Manufacture and distribution of electricity	Lao	26,861	16,250	5,790	1,966	7.50	7.50	434	147	-	-
Other long-term investments - net									2,484	4,461		

### **Bangkok Metro Public Company Limited**

During the current year, the Company sold 146.9 million shares of Bangkok Metro Public Company Limited and recorded losses on sales of investment of Baht 25 million in the income statements. As a result of the sale of such investment, the Company's proportion of the investment decreased from 11.23% to 10.00%.

In December 2013, Bangkok Metro Public Company Limited registered the increase of its share capital from Baht 11,950 million to Baht 20,500 million through the issuance of 8,550 million new ordinary shares with a per value of Baht 1 each (the Company's portion of 855 million shares). The Company already paid for the additional share subscription of Baht 855 million in December 2013.

The 220 million ordinary shares of Bangkok Metro Public Company Limited held by the Company have been pledged to secure of long-term loans of such company.

### **Xayaburi Power Company Limited**

During the current year, Xayaburi Power Company Limited called up an additional 66.5% of the unpaid portion of 43.1 million shares held by the Company (par value of Baht 10 each), or a total of Baht 287 million. The Company had already made payments for those share subscriptions.

In June 2013, Xayaburi Power Company Limited registered the increase of its share capital from Baht 16,250 million to Baht 26,861 million through the issuance of 1,061 million new ordinary shares with a par value of Baht 10 each (the Company's portion of 79.6 million shares). As at 31 December 2013, such company had yet called up the additional share subscription.

In December 2013 and January 2014, Xayaburi Power Company Limited additionally called up 8.3% of 43.1 million shares held by the Company (par value of Baht 10 each), or a total of Baht 36 million. The Company made payments for those share subscriptions in January and February 2014.

The 121.9 million ordinary shares of Xayaburi Power Company Limited have been pledged to secure of long-term loans of such company.

## **14. Investment properties**

The fair value of the investment properties as determined based on valuations performed by an accredited independent valuer and reported in November 2013, was Baht 300 million.

The Company has pledged investment properties amounting to Baht 120 million (2012: Baht 120 million) as collateral against credit facilities granted by group of lenders.



## 15. Building and equipment

(Unit: Thousand Baht)

	Consolidated financial statements					
	Building and construction improvement	Furniture and fixture	Tools, instruments and equipment	Vehicles	Easy Pass	Total
<b>Cost</b>						
1 January 2012	25,306	6,387	42,038	262,791	172,048	508,570
Acquisitions	5,334	245	5,444	29,602	7,950	48,575
Transfer in (out)	(461)	224	237	-	-	-
Disposals	-	(32)	(2,549)	(37,408)	-	(39,989)
Write-off	-	(64)	(2,253)	-	-	(2,317)
31 December 2012	30,179	6,760	42,917	254,985	179,998	514,839
Acquisitions	3,583	970	9,611	30,350	-	44,514
Transfer in (out)	(152)	55	97	-	-	-
Disposals	-	(20)	(3,198)	(9,605)	(155)	(12,978)
Write-off	-	(25)	(173)	-	(179,843)	(180,041)
31 December 2012	33,610	7,740	49,254	275,730	-	366,334
<b>Accumulated depreciation</b>						
1 January 2012	12,046	4,854	32,863	169,473	25,634	244,870
Depreciation for the year	4,079	527	4,176	27,575	25,578	61,935
Accumulated depreciation for disposals	-	(32)	(2,493)	(37,408)	-	(39,933)
Accumulated depreciation for write-off	-	(62)	(2,254)	-	-	(2,316)
31 December 2012	16,125	5,287	32,292	159,640	51,212	264,556
Depreciation for the year	4,559	635	5,407	27,567	25,684	63,852
Accumulated depreciation for disposals	-	(17)	(3,186)	(9,605)	(65)	(12,873)
Accumulated depreciation for write-off	-	(25)	(155)	-	(76,831)	(77,011)
31 December 2013	20,684	5,880	34,358	177,602	-	238,524
<b>Net book value</b>						
1 January 2012	13,260	1,533	9,175	93,318	146,414	263,700
31 December 2012	14,054	1,473	10,625	95,345	128,786	250,283
31 December 2013	12,926	1,860	14,896	98,128	-	127,810
<b>Depreciation for the year (included in selling and administrative expenses)</b>						
2012						61,935
2013						63,852

(Unit: Thousand Baht)

	Separate financial statements					
	Building and construction improvement	Furniture and fixture	Tools, instruments and equipment	Vehicles	Easy Pass	Total
<b>Cost</b>						
1 January 2012	25,271	6,325	41,003	260,548	172,048	505,195
Acquisitions	5,334	245	5,444	29,602	7,950	48,575
Transfer in (out)	(461)	224	237	-	-	-
Disposals	-	(32)	(2,549)	(37,408)	-	(39,989)
Write-off	-	(64)	(2,209)	-	-	(2,273)
31 December 2012	30,144	6,698	41,926	252,742	179,998	511,508
Acquisitions	3,583	970	9,611	30,350	-	44,514
Transfer in (out)	(152)	55	97	-	-	-
Disposals	-	(20)	(3,198)	(9,605)	(155)	(12,978)
Write-off	-	(25)	(97)	-	(179,843)	(179,965)
31 December 2012	33,610	7,678	48,339	273,487	-	363,079
<b>Accumulated depreciation</b>						
1 January 2012	12,011	4,792	31,828	168,438	25,634	242,703
Depreciation for the year	4,079	527	4,176	27,482	25,578	61,842
Accumulated depreciation for disposals	-	(32)	(2,493)	(37,408)	-	(39,933)
Accumulated depreciation for write-off	-	(62)	(2,208)	-	-	(2,270)
31 December 2012	16,090	5,225	31,303	158,512	51,212	262,342
Depreciation for the year	4,559	635	5,407	27,475	25,684	63,760
Accumulated depreciation for disposals	-	(17)	(3,186)	(9,605)	(65)	(12,873)
Accumulated depreciation for write-off	-	(25)	(80)	-	(76,831)	(76,936)
31 December 2013	20,649	5,818	33,444	176,382	-	236,293
<b>Net book value</b>						
1 January 2012	13,260	1,533	9,175	92,110	146,414	262,492
31 December 2012	14,054	1,473	10,623	94,230	128,786	249,166
31 December 2013	12,926	1,860	14,895	97,105	-	126,786
<b>Depreciation for the year (included in selling and administrative expenses)</b>						
2012						61,842
2013						63,760

As at 31 December 2013, the Company and its subsidiary have certain of plant and equipment which have been fully depreciated but are still in use. The original cost, before deducting accumulated depreciation, of those assets amounted to Baht 132 million (2012: Baht 120 million) and the Company only amounted to Baht 130 million (2012: Baht 118 million).

## 16. Construction in process

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2012	-	-
Addition during the year	139,928	25,786
Transfer to rights to operate completed expressway sectors	(114,142)	-
Balance as at 31 December 2012	25,786	25,786
Addition during the year	2,887,776	2,879,377
Transfer to rights to operate completed expressway sectors	(11,723)	(3,324)
Balance as at 31 December 2013	2,901,839	2,901,839

## 17. Rights to operate completed expressway sectors

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
<b>Cost</b>		
1 January 2012	61,199,498	48,482,881
Transfer from construction in process	114,142	-
31 December 2012	61,313,640	48,482,881
Transfer from construction in process	11,723	3,324
31 December 2013	61,325,363	48,486,205
<b>Accumulated amortisation of rights to operate completed expressway sectors</b>		
1 January 2012	30,272,833	26,702,973
Amortisation for the year	2,735,675	2,236,606
31 December 2012	33,008,508	28,939,579
Amortisation for the year	2,752,579	2,251,679
31 December 2013	35,761,087	31,191,258
<b>Net book value</b>		
1 January 2012	30,926,665	21,779,908
31 December 2012	28,305,132	19,543,302
31 December 2013	25,564,276	17,294,947
<b>Amortisation expenses included in the income statements for the year</b>		
2012	2,735,675	2,236,606
2013	2,752,579	2,251,679

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.

## 18. Intangible assets

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

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	2013	2012
Cost	51,986	47,043
Additions	2,376	4,943
	54,362	51,986
Less: Accumulated amortisation	(20,017)	(12,502)
Net book value	34,345	39,484
Amortisation expenses included in the income statements for the year	7,515	7,112

## 19. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Trade payables - related parties	628,443	11,435	628,433	11,425
Trade payables - unrelated parties	113,068	43,112	77,748	35,135
Accrued interest	197,679	172,773	197,679	172,773
Total trade and other payables	939,190	227,320	903,860	219,333

## 20. Long-term loans

(Unit: Thousand Baht)

	Credit (Million Baht)	Objective	Interest rate	Period of repayment	Consolidated and separate financial statements	
					Balance	
					as at 31 December	
					2013	2012
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	669,202	2,332,533
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	108,632	387,142

(Unit: Thousand Baht)

	Credit (Million Baht)	Objective	Interest rate	Period of repayment	Consolidated and separate financial statements	
					Balance as at 31 December	
					2013	2012
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	32,489	86,649
Tranche Gor	5,750	For the construction of expressway system (Drew down on 13 February 2013)	MLR-2.525% p.a.	Within September 2027	230,000	-
Tranche Khor	4,250	For the construction of expressway system (Drew down on 13 February 2013)	6M FDR+2% p.a.	Within September 2027	170,000	-
Total	45,886				1,210,323	2,806,324
Less: Current portion for long-term loans					(810,324)	(1,996,000)
Less: Deferred financial fee					(63,430)	-
Long-term loans, net of current portion					336,569	810,324
Deferred financial fee for undrawn down loan					-	60,496

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 years ended 31 December 2013 and 2012 are summarised below.

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	2013	2012
Balance at beginning of year	2,806,323	3,949,114
Add: Drawdown during the year	400,000	-
Less: Repayment during the year	(1,996,000)	(1,142,791)
Balance at end of year	1,210,323	2,806,323

Under the loan agreements, 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 payable to the agents of the lenders (2012: Baht 2.4 million).



On 14 September 2012, the Company entered into a loan agreement with group of lenders in respect of the investment, design, construction, management, operation and maintenance of the Si Rat - Outer Ring Road Expressway Project, granting facilities of Baht 10,000 million. The facilities comprise of Tranche Gor of Baht 5,750 million, which is subject to interest at MLR+2.525% per annum, and Tranche Khor of Baht 4,250 million, which is subject to interest at the fixed deposit rate plus 2% per annum. The final payment of principal is to be made within September 2027. The Company drew down such facilities amounting to Baht 400 million on 13 February 2013.

As at 31 December 2013, the long-term credit facilities and overdraft credit facilities of the Company which have not yet been drawn down amounted to Baht 9,600 million and Baht 120 million, respectively (2012: 10,000 million and Baht 120 million respectively).

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.

## 21. Debentures

Debentures as at 31 December 2013 and 2012 have the following details:

Type of debenture	Term	Interest rate	Maturity date	Consolidated and separate financial statements			
				Number of debentures (Units)		Amount (Thousand Baht)	
				31 December 2013	31 December 2012	31 December 2013	31 December 2012
Unsubordinated, unsecured, registered debentures, with debentureholders' representative							
- No. 1/2550							
- 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 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
- No. 1/2552	4 years	4.25% p.a.	11 September 2013	-	1,000,000	-	1,000,000
- No. 2/2552	3 years 6 months	4.10% p.a.	15 March 2013	-	1,000,000	-	1,000,000
- No. 3/2552	5 years 5 months	MLR-3% p.a.	30 May 2015	2,000,000	2,000,000	2,000,000	2,000,000
- No. 1/2553	3 years 3 months	6M FDR+1.33%	3 June 2013	-	1,000,000	-	1,000,000
- No. 2/2553	3 years 2 months	6M FDR+1.33%	17 May 2013	-	1,000,000	-	1,000,000
- No. 3/2553	7 years	6M FDR+1.65%	31 March 2017	1,500,000	1,500,000	1,500,000	1,500,000
- No. 1/2554							
- Tranche I	3 years	3.70% p.a.	29 April 2014	1,000,000	1,000,000	1,000,000	1,000,000
- Tranche II	10 years	4.72% p.a.	29 April 2021	1,000,000	1,000,000	1,000,000	1,000,000
- No 2/2554	7 years	4.60% p.a.	29 December 2018	900,000	900,000	900,000	900,000
- No 1/2555	3 years	4.12% p.a.	28 March 2015	1,000,000	1,000,000	1,000,000	1,000,000
- No 2/2555	4 years	4.08% p.a.	10 October 2016	2,000,000	2,000,000	2,000,000	2,000,000
- No 1/2556							
- Tranche I	3 years	3.60% p.a.	6 March 2016	2,000,000	-	2,000,000	-
- Tranche II	5 years	4.03% p.a.	6 March 2018	2,000,000	-	2,000,000	-
- Tranche III	7 years	4.36% p.a.	6 March 2020	1,000,000	-	1,000,000	-
- No 2/2556	3 years	3.60% p.a.	12 March 2016	1,000,000	-	1,000,000	-
- No 3/2556	5 years	4.70% p.a.	7 November 2018	1,000,000	-	1,000,000	-
Total				18,100,000	16,200,000	18,100,000	16,200,000
Less: Current portion of debentures						(2,700,000)	(5,100,000)
Less: Deferred financial fee of debentures						(13,749)	(3,375)
Debentures, net of current portion						15,386,251	11,096,625

Movements in the debentures account during the year ended 31 December 2013 and 2012 are summarised below.

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	2013	2012
Balance at beginning of year	16,200,000	15,095,000
Add: Issuance of debentures during the year	7,000,000	3,000,000
Less: Redemption of debentures during the year	(5,100,000)	(1,895,000)
Balance at end of year	18,100,000	16,200,000

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.

The Company entered into interest rate swap contract in order to hedge against interest rate risk associated with the debenture No. 2/2555, under which the interest rates are swapped from 4.08% fixed interest rate to float interest rate of MLR-3.3% per annum.

## 22. Provision (advance) for compensation for site acquisition costs

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	2013	2012
Provision (advance) for compensation for site acquisition costs at beginning of year	(177,180)	75,740
Increase during the year	1,060,110	947,080
Utilised	(1,200,000)	(1,200,000)
Advance for compensation for site acquisition costs at end of year	(317,070)	(177,180)

## 23. Provision for long-term employee benefits

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

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	2013	2012
Provision for long-term employee benefits at beginning of year	86,008	76,203
Current service cost	17,233	8,211
Interest cost	4,167	3,429
Benefits paid during the year	(168)	(1,835)
Actuarial loss	6,512	-
Provision for long-term employee benefits at end of year	113,752	86,008

Long-term employee benefit expenses included in the profit or loss was as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	2013	2012
Current service cost	11,468	8,211
Interest cost	4,167	3,429
Post service cost	5,765	-
<b>Total expenses recognised in profit or loss</b>	<b>21,400</b>	<b>11,640</b>
Line items under which such expenses are included in profit or loss		
Selling expenses	11,010	5,606
Administrative expenses	10,390	6,034

The cumulative amount of actuarial losses recognised in other comprehensive income and taken as part of retained earnings of the Company and its subsidiary as at 31 December 2013 amounted to Baht 7 million (The Company only: Baht 7 million).

Principal actuarial assumptions at the valuation date were as follows:

	Consolidated and separate financial statements	
	2013 (% p.a.)	2012 (% p.a.)
Discount rate	4.24	4.5
Future salary increase rate	7.5	7.0
Staff turnover rate (depending on age of employee)	3.0 - 6.0	1.0 - 10.0

Amounts of defined benefit obligation and experience adjustments on the obligation for the current and previous four periods are as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	Defined benefit obligation	Experience adjustments on the obligation
Year 2013	113,752	2,694
Year 2012	86,008	-
Year 2011	76,203	-
Year 2010	65,689	-
Year 2009	56,190	-

## 24. 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. At present, the statutory reserve has fully been set aside.

## 25. Expenses by nature

Significant expenses by nature are as follow:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Depreciation and amortisation	2,823,947	2,804,722	2,322,956	2,305,560
Provision for compensation for site acquisition cost	1,060,110	947,080	1,060,110	947,080
Salary, wages and other employee benefits for EXAT's staff	583,360	589,250	469,159	475,353
Salary, wages and other employee benefits for the Company's staff	478,049	439,004	478,049	439,004
Expenses with respect to facilitation and safety on expressway	480,295	477,332	367,517	403,375

## 26. 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.

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.

## 27. Income tax

Income tax expenses for the years ended 31 December 2013 and 2012 are made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012 (Restated)	2013	2012 (Restated)
<b>Current income tax:</b>				
Current income tax charge	442,270	775,214	442,270	775,214
Adjustment in respect of current income tax of previous year	(463)	1,581	(463)	1,581
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(61,154)	(8,947)	(61,117)	(4,214)
<b>Income tax expense reported in the income statements</b>	<b>380,653</b>	<b>767,848</b>	<b>380,690</b>	<b>772,581</b>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2013 and 2012 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Deferred tax relating to unrealised loss from cash flow hedges of associate	(8,172)	-	-	-
Deferred tax relating to actuarial loss	(1,628)	-	(1,628)	-
	(9,800)	-	(1,628)	-



Reconciliations between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 December 2013 and 2012 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012 (Restated)	2013	2012 (Restated)
Accounting profit before tax	5,228,720	3,021,862	2,217,539	3,489,895
Applicable tax rate	20%	23%	20%	23%
Accounting profit before tax multiplied by applicable tax rate	1,045,744	695,028	443,508	802,676
Adjustment in respect of current income tax of previous year	(463)	1,581	(463)	1,581
Effects of:				
Tax - exempt revenues	(62,507)	(39,862)	(62,507)	(39,862)
Loss (gain) on investments	(602,406)	102,986	-	-
Non-deductible expenses	1,387	12,361	1,387	12,361
Additional expense deductions allowed	(270)	(338)	(270)	(338)
Others	(832)	(3,908)	(965)	(3,837)
Total	(664,628)	71,239	(62,355)	(31,676)
Income tax expenses reported in the income statements	380,653	767,848	380,690	772,581

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	31 December 2013	31 December 2012 (Restated)	1 January 2012	31 December 2013	31 December 2012 (Restated)	1 January 2012
<b>Deferred tax assets (liabilities)</b>						
Accrued bonus	6,215	4,878	-	5,234	3,934	-
Allowance for asset impairment	20,602	-	-	20,602	-	-
Provision for long-term employee benefits	22,751	16,835	15,296	22,751	16,835	15,296
Provision (advance) for compensation for site acquisition cost	(63,414)	(35,436)	17,420	(63,414)	(35,436)	17,420
Unused tax loss	66,379	66,379	62,590	-	-	-
Accumulated amortisation - Rights to operate completed expressway sectors	(542,245)	(596,798)	(656,084)	(542,245)	(596,798)	(656,084)
Unrealised gain from revaluation of investments	(2,402)	(9,126)	(1,437)	(2,402)	(9,126)	(1,437)
Deferred tax liabilities - net	(492,114)	(553,268)	(562,215)	(559,474)	(620,591)	(624,805)
<b>Presented in the statements of financial position as follows:</b>						
Deferred tax assets	67,360	67,323	62,590	-	-	-
Deferred tax liabilities	(559,474)	(620,591)	(624,805)	(559,474)	(620,591)	(624,805)
Deferred tax liabilities - net	(492,114)	(553,268)	(562,215)	(559,474)	(620,591)	(624,805)

## 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.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012 (Restated)	2013	2012 (Restated)
Profit for the year (Thousand Baht)	4,834,925	2,260,648	1,836,849	2,717,314
Weighted average number of ordinary shares (Thousand shares)	770,000	770,000	770,000	770,000
Earnings per share (Baht/share)	6.28	2.94	2.39	3.53

## 29. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The Company and its subsidiary are principally engaged in the construction and management of expressway system. Their operations are carried on only in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment and geographical 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 2013, the Company contributed Baht 23 million (2012: Baht 21 million) to the fund.

## 31. Dividend

Dividend declared for the year ended 31 December 2013 and 2012 consisted of the following:

Dividend	Approved by	Total dividend (Million Baht)	Dividend per share (Baht)	Paid on
For the operating results of the period July to December 2012	Annual General Meeting of the shareholders on 24 April 2013	678	0.88	20 May 2013
For the operating results of the period January to June 2013	Meeting of the Board of Directors on 28 August 2013	539	0.70	24 September 2013
<b>Total dividend for the year 2013</b>		1,217	1.58	
For the operating results of the period July to December 2011	Annual General Meeting of the shareholders on 25 April 2012	539	0.70	18 May 2012
For the operating results of the period January to June 2012	Meeting of the Board of Directors on 5 September 2012	477	0.62	28 September 2012
<b>Total dividend for the year 2012</b>		1,016	1.32	

## 32. Commitments

### 32.1 Compensation for site acquisition cost

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 2013, the Company has a commitment of compensation for site acquisition cost of Baht 8,916 million (2012: Baht 10,116 million). The Company made payment for such compensation that exceeded the liability recorded in the accounts by Baht 317 million, and presented this as non-current assets in the statement of financial position (2012: Baht 177 million).

### 32.2 Other commitments

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Commitments in respect of the uncalled portion of investments				
Northern Bangkok Expressway Company Limited	750	750	750	750
Xayaburi Power Company Limited	1,580	1,071	1,580	1,071
Commitments in respect of undertaking to provide equity contribution to CK Power Public Company Limited (as detailed in Note 12.1)	154	154	154	154
Commitments in respect of various service contracts				
Project management agreement for the Si Rat - Outer Ring Road Expressway Project	17,971	20,250	17,971	20,250
Construction service agreement in respect of expressway connection bridge	87	-	87	-
Inspection and improvement of expressway structure from flood damage	-	22	-	-
Installation of electronic toll collectors and repairment of cash toll collectors	17	4	17	4

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Inspection, replacement and improvement agreements of expressway	43	42	43	42
Purchase of equipment and other service contracts	270	41	268	39
Other commitments				
Bank guarantee	514	511	514	511

### 33. The disputes with Expressway Authority of Thailand (EXAT)

Currently, the Company and the subsidiary had a total of 14 disputes with EXAT, which were referred to the Arbitral Tribunal in accordance with the dispute settlement procedures under the Agreements and in the Administrative Court, 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 28,179.8 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, 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 should be deemed as the Priority Component Opening Date, and the Company would then be entitled to receive the toll revenue sharing, but EXAT just commenced sharing the toll revenue with the Company 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 was the Priority Component Opening Date, from which EXAT was obliged under the Agreement to commence sharing the toll revenue with the Company onwards.

On 9 July 2001, the Company then referred such dispute to the Arbitral Tribunal 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, and 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.

On 13 September 2013, the Central Administrative Court adjudged to dismiss EXAT’s petition requesting the Court to revoke the arbitral award and adjudged to enforce the Company’s petition by 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, with interest under the Agreement calculated from 13 November 1992 up to 30 June 2001, amounting to Baht 1,856.8 million, including the interest calculated from 1 July 2001 up to the date on which the Company submitted the petition to the Court, namely, 19 October 2011, amounting to Baht 1,189.7 million, thereby bringing a total of the toll revenue sharing together with interest to Baht 5,021.1 million, to the Company, as well as requiring EXAT to pay the default interest on the principal until the payment would be made in full to the Company, whereby EXAT shall make such payment in full within 60 days from the date on which the case is final.

On 11 October 2013, EXAT lodged an appeal against the Central Administrative Courts judgment with the Supreme Administrative Court. At present, the Company is preparing its answer to the appeal for submission to the Supreme Administrative Court.

### 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 Engineers letter certifying the effect upon the subsidiary.

On 20 December 2004, the subsidiary then referred such dispute to the Arbitral Tribunal for 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.

Subsequently, 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.

On 3 May 2013, the Central Administrative Court adjudged to dismiss EXAT's petition requesting the Court to revoke the arbitral award and the Central Administrative Court also issued a judgment to enforce compliance with the arbitral award, thereby requiring EXAT to compensate for revenue reduced from that estimated to the subsidiary for the year 1999 in the amount of Baht 730.8 million and for the year 2000 in the amount of Baht 1,059.2 million together with interest until the said payment would be made in full.

On 31 May 2013, EXAT lodged an appeal against the Central Administrative Courts judgment in both cases with the Supreme Administrative Court. The Supreme Administrative Court then issued an order accepting EXAT's appeal in both cases. In this regard, the subsidiary already submitted its answer to EXAT's appeal in both cases to the Supreme Administrative Court on 18 October 2013.

### 33.1.3 Issuance of variation orders by EXAT

EXAT issued additional variation orders for certain construction work of the Si Rat Expressway and confirmed that EXAT would be responsible for such costs as actually incurred by such variation orders. The Independent Certification Engineer subsequently issued a letter certifying the additional costs in the total amount of Baht 238 million (excluding interest). EXAT refused to make such payment as certified by the Independent Certification Engineer.

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 the date of submission of the statement of claim in the amount of Baht 173.4 million, thereby bringing the principal with interest to a total of Baht 382.5 million.

On 20 December 2013, the Arbitral Tribunal unanimously rendered its award requiring EXAT to pay the construction costs and expenses as per such variation orders in the total amount of the principal with interest of Baht 382.5 million, including the interest on the principal in the amount of Baht 209.1 million, calculated from the day following the date of submission of the statement of claim until the said payment would be made in full to the Company.

In this regard, the Company may, within three years, submit a petition to the court of competent jurisdiction requesting the court to enforce the arbitral award; while EXAT may submit a petition for revocation of the arbitral award to the court of competent jurisdiction within 90 days from the date of receipt of the copy of the arbitral award.

### 33.1.4 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 calculation of the tolls to be revised, and as such, EXAT issued the toll rate notification which did not increase the toll rates as proposed by the Company.

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. Subsequently, 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 changing the total damages claimed by the Company against EXAT, together with interest up to 31 March 2008, to the total amount of Baht 4,368 million.

The Company had a total of five witnesses testify. At present, it is pending the hearings for examination of witnesses of EXAT.

#### 33.1.5 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 calculation of the tolls to be revised, and as such, EXAT issued the toll rate notification which did not increase the toll rates as proposed by the Company.

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 total amount of Baht 1,048.2 million.

On 31 October 2013, the Company submitted a statement to the Thai Arbitration Institute, requesting the consideration for scheduling a meeting of both disputing parties for appointment of the Chairman of the Arbitral Tribunal, determination of disputed issues, burden of proof, and arbitration proceedings.

#### 33.1.6 Revision of toll rates of the Chalerm Mahanakorn Expressway and the Si Rat Expressway for the year 2008

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 calculation of the tolls to be revised, and as such, EXAT issued the toll rate notification which did not increase the toll rates as proposed by the Company.

On 13 June 2013, the Company submitted the statement of claim to the Thai Arbitration Institute, demanding EXAT to compensate the Company for damages, together with interest calculated up to 31 May 2013, in the total amount of Baht 9,091.8 million, and interest shall be calculated on the principal of the damages in the amount of Baht 7,909.6 million calculated from 1 June 2013 onwards until EXAT would compensate the Company for such damages, together with interest in full; and also demanding EXAT to compensate for damages from 1 June 2013 onwards until EXAT would adjust and apply the toll rates in accordance with the rates as proposed by the Company under the Agreement, together with interest on the principal of such damages.

On 16 October 2013, EXAT submitted its statement of defense to the Thai Arbitration Institute.

On 12 December 2013, the Arbitral Tribunal scheduled the first meeting of both disputing parties for mediation or determination of the arbitration proceedings. Both disputing parties agreed to conduct the mediation and the arbitration proceedings in parallel.

#### 33.1.7 Revision of toll rates of Sector D of the Si Rat Expressway for the year 2008

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 calculation of the tolls to be revised, and as such, EXAT issued the toll rate notification which did not increase the toll rates as proposed by the Company.

On 28 June 2013, the Company submitted the statement of claim to the Thai Arbitration Institute, demanding EXAT to compensate the Company for damages, together with interest calculated up to 31 May 2013, in the total amount of Baht 4,062.8 million, and interest shall be calculated on the principal of the damages in the amount of Baht 3,557.8 million from 1 June 2013 onwards until EXAT would compensate the Company for the principal of such damages, together with interest in full; and also demanding EXAT to compensate for damages from 1 June 2013 onwards until EXAT would adjust and apply the toll rates in accordance with the rates as proposed by the Company under the Agreement, together with interest on the principal of such damages. In this regard, EXAT submitted its statement of defense to the Thai Arbitration Institute on 21 November 2013.

### 33.1.8 Revision of toll rates of Udon Ratthaya 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 calculation of the tolls to be revised, and as such, EXAT issued the toll rate notification which did not increase the toll rates as proposed by the subsidiary.

On 22 October 2013, the subsidiary submitted the statement of claim to the Thai Arbitration Institute, demanding EXAT to compensate the subsidiary for damages, together with interest, in the total amount of Baht 908.7 million, and interest shall be calculated on a daily basis on the principal of the damages in the amount of Baht 561.9 million from the day following the date of submission of the statement of claim until EXAT would compensate the subsidiary for the principal of such damages, together with interest in full.

At present, it is awaiting EXAT's submission of its statement of defense to the Thai Arbitration Institute.

## 33.2 Disputes submitted by EXAT claiming for damages

EXAT referred six disputes to the Arbitral Tribunal requiring the Company and its subsidiary to be held liable for costs, 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. The Arbitral Tribunal rendered its arbitral award on two disputes, as follows:

### 33.2.1 Additional construction work

On 25 September 2009, the Arbitral Tribunal issued its arbitral award requiring the Company to reimburse EXAT for the amount advanced by EXAT for mitigation of damage for complainants, in the amount of 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. Subsequently, on 22 February 2012, EXAT submitted a petition requesting compliance with the arbitral award to the Central Administrative Court as another case.

The Central Administrative Court scheduled a hearing of its judgment on 28 August 2013, whereby the Court was of the view that there was no ground for the Court to revoke the arbitral award, and as such, the Company's petition was dismissed. Having considered the current facts, the Company deemed it appropriate not to lodge an appeal against the Central Administrative Court's judgment with the Supreme Administrative Court.

As for the case where EXAT submitted the petition requesting compliance with the arbitral award, the Central Administrative Court scheduled 8 November 2013 to be the fact inquiry termination date. At present, it is pending the Courts scheduling of the first hearing.

### 33.2.2 Cost of arrangements of the entrance - exit and resolution of complaints

On 23 January 2014, the Arbitral Tribunal issued its arbitral award ruling that EXAT may not exercise a right of claim demanding the Company to pay the cost of arrangements of the entrance - exit and the cost of road construction, together with drainage and free flow drains, totaling Baht 404,728.82, therefore dismissed EXAT's claims and requests.

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

## 34. 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 plaintiffs' claim. Subsequently, on 8 November 2007, the plaintiff filed an appeal with the Appeal Court. The Appeal Court rendered its judgment on 24 April 2012 requiring EXAT and the Company to jointly compensate the plaintiff in a total amount of Baht 2.3 million, with interest at the rate of 7.5% per annum, from 21 May 2005 onwards until the payment would be made in full. In this regard, the Company, EXAT and the plaintiff lodged their respective appeals with the Supreme Court. At present, the case is pending the Supreme Court's consideration.

However, the Company's management believed that there would be no material impact upon the Company; therefore, 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, accounts receivable, 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 financial institutions, long-term loans and debentures which are subject to interest. The Company entered into interest rate swap contract to manage its interest rate risk associated with a Baht 2,000 million debenture. Details of long-term loans and debentures are set out in Notes 20 and Note 21, respectively.

As at 31 December 2013 and 2012, 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: -

(Unit: Million Baht)

	Consolidated financial statements						
	As at 31 December 2013						
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1-5 years	Over 5 years				
<b>Financial assets</b>							
Cash and cash equivalents	655	-	-	177	6	838	Note 7
Current investments	130	-	-	645	-	775	2.02 - 3.64
Other long-term investments	-	-	-	-	2,484	2,484	-
	785	-	-	822	2,490	4,097	
<b>Financial liabilities</b>							
Trade and other payables	-	-	-	-	939	939	-
Long-term loans	810	-	-	400	-	1,210	Note 20
Debentures	2,700	9,900	2,000	3,500	-	18,100	Note 21
	3,510	9,900	2,000	3,900	939	20,249	

(Unit: Million Baht)

	Consolidated financial statements						
	As at 31 December 2012						
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1-5 years	Over 5 years				
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	255	7	262	Note 7
Current investments	200	-	-	2,738	-	2,938	2.38 - 3.69
Other receivables	-	-	-	-	31	31	-
Long-term loans and interest receivable from related companies	-	-	-	31	12	43	Note 8
Other long-term investments	-	-	-	-	4,461	4,461	-
	200	-	-	3,024	4,511	7,735	
<b>Financial liabilities</b>							
Trade and other payables	-	-	-	-	227	227	-
Long-term loans	1,996	810	-	-	-	2,806	Note 20
Debentures	3,100	3,700	1,900	7,497	-	16,197	Note 21
	5,096	4,510	1,900	7,497	227	19,230	

(Unit: Million Baht)

	Separate financial statements						
	As at 31 December 2013						
	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1-5 years	Over 5 years				
<b>Financial assets</b>							
Cash and cash equivalents	655	-	-	156	5	816	Note 7
Current investments	130	-	-	641	-	771	2.02 - 3.64
Other receivables	-	-	-	-	3	3	-
Long-term loans and interest receivable from related companies	-	-	-	6,751	1,404	8,155	Note 8
Other long-term investments	-	-	-	-	2,484	2,484	-
	785	-	-	7,548	3,896	12,229	
<b>Financial liabilities</b>							
Trade and other payables	-	-	-	-	904	904	-
Long-term loans	810	-	-	400	-	1,210	Note 20
Debentures	2,700	9,900	2,000	3,500	-	18,100	Note 21
	3,510	9,900	2,000	3,900	904	20,214	

(Unit: Million Baht)

	Separate financial statements						
	As at 31 December 2012						
	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1-5 years	Over 5 years				
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	218	5	223	Note 7
Current investments	200	-	-	2,735	-	2,935	2.38 - 3.69
Other receivables	-	-	-	-	3	3	-
Long-term loans and interest receivable from related companies	-	-	-	7,255	1,514	8,769	Note 8
Other long-term investments	-	-	-	-	4,461	4,461	-
	200	-	-	10,208	5,983	16,391	
<b>Financial liabilities</b>							
Trade and other payables	-	-	-	-	219	219	-
Long-term loans	1,996	810	-	-	-	2,806	Note 20
Debentures	3,100	3,700	1,900	7,497	-	16,197	Note 21
	5,096	4,510	1,900	7,497	219	19,222	

### 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 2013, 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 2013, 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 arms 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 2013.

(Unit: Million Baht)

	31 December 2013		31 December 2012	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
Cash and cash equivalents	838	838	262	262
Current investments	775	775	2,938	2,938
Other receivable	-	-	31	31
Long-term loans and interest receivable from related companies	-	-	43	43
Other long-term investments	2,484	2,472	4,461	4,447
<b>Financial liabilities</b>				
Trade and other payables	939	939	227	227
Long-term loans	1,210	1,210	2,806	2,709
Debentures	18,100	18,195	16,197	16,324

The estimated fair value of the derivatives is as follows:

(Unit: Million Baht)

	Gain (loss)	
	Fair value as at 31 December	
	2013	2012
<b>Derivatives</b>		
Interest rate swap contract	16	2

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 equivalents, accounts receivable and accounts payable, their carrying amounts in the statement of financial position approximate their fair value.
- For debts and equity securities, fair value is generally derived from quote market prices, or based on generally accepted pricing models when no market price is available.
- 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.
- For derivatives, their fair value is generally derived from quoted market prices, or based on generally accepted pricing models when no market price is available.

## 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 and 2.5:1, respectively (2012: 2.5:1 and 2.5:1, respectively).

No changes were made in the objectives, policies or processes during the years ended 31 December 2013 and 2012.

## 37. Events after the reporting period

On 26 February 2014, the meeting of the Board of Directors passed a resolution to propose a dividend payment for the year 2013 of Baht 1.60 per share to the Annual General Meeting of the Company's shareholders for their approval. The Company paid an interim dividend of Baht 0.70 per share on 24 September 2013 and will pay a final dividend of Baht 0.90 per share within May 2014. The payment of the final dividend is dependent on an approval being granted by the shareholders.

## 38. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 26 February 2014.



