

Bangkok Expressway Public Company Limited

Annual Report 2014



A Little
smile in a Big City

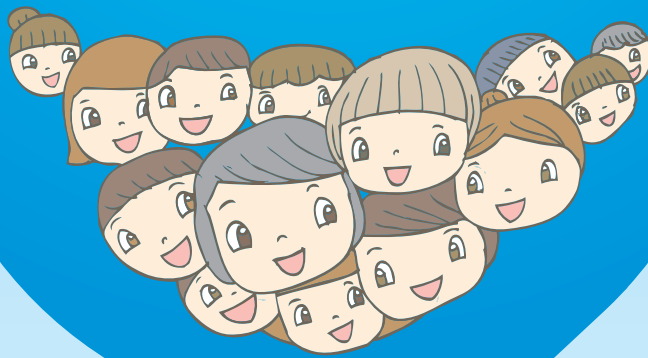


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A Little
smile
in a Big City



Bangkok has grown rapidly, but the big city still has a smile because Thai people are kind and friendly. We always smile at each other.

Bangkok Expressway is proudly
being part of making a little smile
in this big city forever.



Financial Summary

Financial Summary Consolidated Financial Statement of BECL & its Subsidiary Company

Unit : Million Baht

Financial Highlights

For the years ended December 31

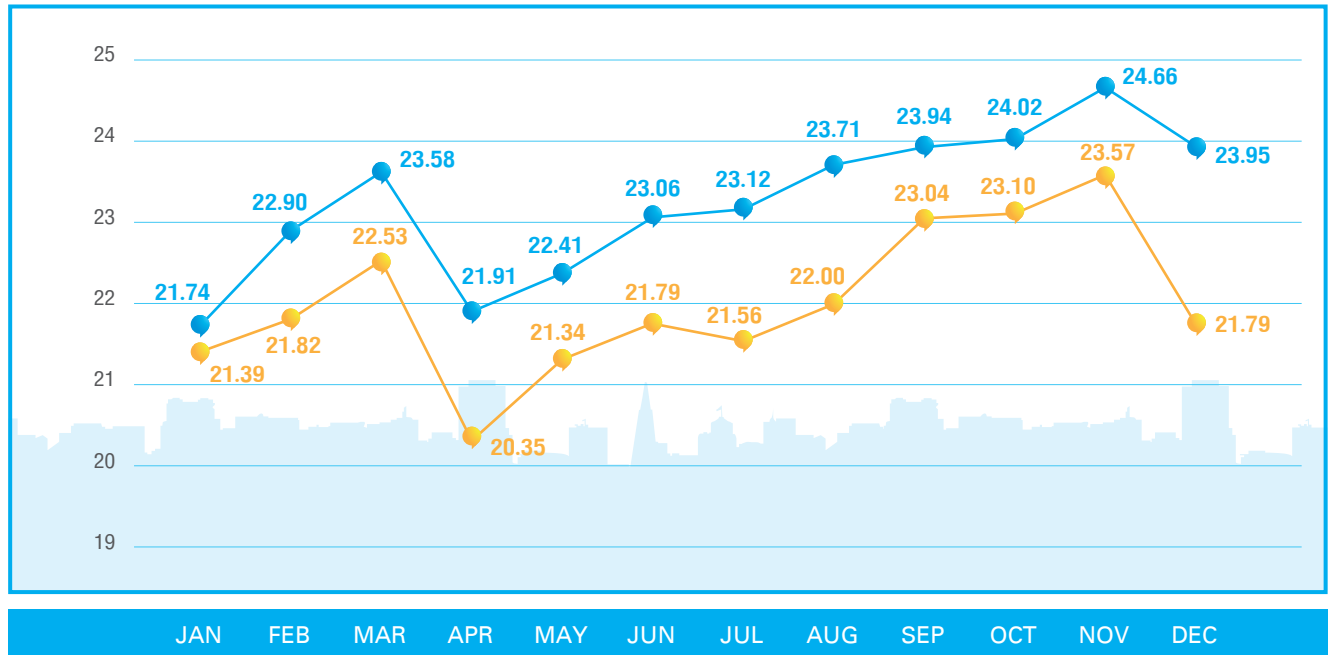
Consolidated financial statements	2014	2013 (Restated)
Total assets	55,276	47,052
Total liabilities	33,637	29,044
Shareholders' equity	21,639	18,008
Toll revenue	8,485	8,040
Total revenues	9,154	11,314
Gross profit	5,784	5,287
Net profit attributable to the Company	3,206	5,147

Financial Ratios

Items	2014	2013 (Restated)
Net profit margin (%)	35.61	27.65
Return on equity (%)	16.44	13.85
Return on total assets (%)	6.37	5.16
Book value per share (Baht)	28.01	23.36
Share issued and paid-up (Million shares)	770	770

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

(Million Baht / Day)

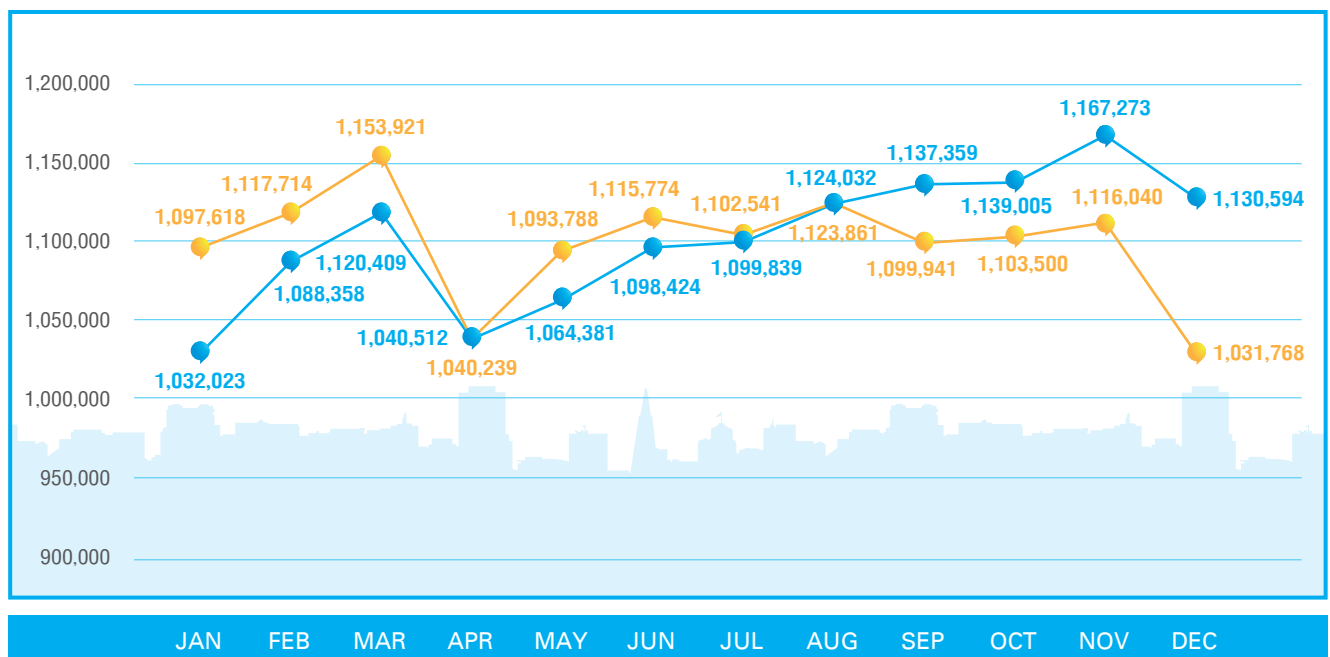


● AVG Daily Toll Revenue 2014 : **23.25** Million Baht / Day

● AVG Daily Toll Revenue 2013 : **22.03** Million Baht / Day

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

(Trips / Day)



● AVG Daily Traffic 2014 : **1,103,562** Trips / Day

● AVG Daily Traffic 2013 : **1,099,651** 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, are committed to fulfill our intention of helping resolve traffic problems in Bangkok and its surrounding provinces. We also improve the efficiency of our services to deliver impressive and safe services to the Expressway users. We have been operating our business on the basis of good corporate governance and corporate social responsibility to the extent that we received an Outstanding Corporate Social Responsibility Award and a CSR Recognition for 2014 from the Stock Exchange of Thailand, as well as a “Very Good” CG Scoring from the Thai Institute of Directors Association. These awards will energize us to continue with our dedicated operations with quality and further development.

With regard to our anti-corruption policy, our business operations are transparent without involvement in any corruption in compliance with the good corporate governance policy. Currently, we are under a self-assessment for certification of membership in Thailand’s Private Sector Collective Action Coalition Against Corruption.

In 2014, we opened the connecting road between the Si Rat Expressway, Asoke - Srinagarindra Section, and Chaturathit Road, Section C, around Asoke 3 Toll Plaza extension, a project collaboratively initiated among BECL, the Expressway Authority of Thailand and the Bangkok Metropolitan Administration, to help alleviate the congested traffic during rush hour on the outbound routes in the East of Bangkok and to make it more convenient in the traveling to Suvarnabhumi Airport. Following the opening of such road, the traffic volume is rising continuously. Currently, an average daily traffic volume is 11,030 trips per day. In respect of the project for expansion of the Expressway network to the West of Bangkok, the Si Rat - Outer Ring Road Expressway Project is under construction and progresses as planned, i.e., 45.62 percent at the end of 2014. We expect to open this Expressway for service in 2016.

In the interest of financial management in 2014, we issued and offered Baht 4,000 Million debentures, with maturity dates of three years and five years, to repay the existing matured debentures and to finance the Si Rat - Outer Ring Road Expressway Project. Such offering of the debentures was successful and widely accepted by investors.



The operational results of BECL and our Subsidiary for 2014 showed the net profit of Baht 3,206 Million and the net profit under the separate financial statements amounted to Baht 3,165 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 2014 at the rate of Baht 1.70 per share. During the year, the Board of Directors resolved to approve an interim dividend payment from the operational results of the first half of the year to the shareholders at the rate of Baht 0.80 per share, thereby bringing the total dividend for 2014 to Baht 2.50 per share.

We would like to extend our thanks to all stakeholders for your 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 ethics, integrity and transparency in our business operations, including compliance with the good corporate governance principles with corporate social responsibility in order to deliver a sustainable Path to Happiness.

(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 specializes in accounting and finance, General Sampao Choosri and Dr. Annop Tanlamai, with the General Manager of Internal Audit Office as secretary.

The Audit Committee has performed its duties within the scope, duties and responsibilities as assigned by the Board of Directors which are in line with the requirements of the Stock Exchange of Thailand. In 2014, 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 the essence in the preparation of the financial statements and the annual audit plan.

The key performance of duties of the Audit Committee in the year 2014 may be summarized as follows:

1. Review of Financial Report: The Audit Committee has reviewed the 2014 annual and quarterly financial statements of the Company and its Subsidiary, 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 shareholders or information users for making an investment decision.

2. Review of Effectiveness 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 of the internal controls, 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, and realizing the significance of the internal control of the information system, as examined and monitored by both internal auditors and the auditor.

3. Supervision of Internal Audit: The Audit Committee has reviewed and approved the annual internal audit plan and scope of work, considered the audit report, monitored the corrections under the audit report, and provided suggestions in the improvement regarding the audit performance, to ensure appropriate and effective audit system, as well as

considered internal auditor development plan to keep pace with changes in business, along with ongoing self-improvement in the direction of the organization's business operations and the international standards.

4. Review of Good Corporate Governance: 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 obligations which may arise from agreements executed with third parties, and found that the Company has duly and properly complied with the relevant laws and requirements in a timely manner.

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

6. Consideration for Appointment of the Auditor and Auditing Fee: The Audit Committee has the duties to nominate, re-elect, and terminate the engagement of the auditor. It 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 EY Office Limited is independent, and has knowledge and experience regarding the audit, provision of advice on the accounting standards, certification of the financial statements in a timely manner, and has concluded 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 EY Office Limited as the auditor for 2015, with the remuneration in an amount not exceeding Baht 1,130,000 per year.

7. Preparation for Participation in Private Sector Collective Action Coalition Against Corruption: The Audit Committee has assigned the Management and the Internal Audit Office to conduct a study in detail and to prepare a self-evaluation in accordance with the self-evaluation form regarding anti-corruption measures, and assigned the responsible persons to receive training in Anti-Corruption: The Practical Guide program, as organized by Thai Institute of Directors Association, to ensure readiness in the participation in such program.

In summary, the Audit Committee has fully performed its duties as specified in the Audit Committee's Charter as approved by the Board of Directors, by using sufficient knowledge, abilities, prudence and independence in providing opinions and suggestions for the fair benefit of all interested parties. It is of the view that the Company's report on financial information and operations is correct in compliance with the generally accepted accounting standards and the financial reporting standards, that the risk management is sufficient, with effective and proper internal control system and internal audit, and that the business operations comply with the good corporate governance principles, as well as comply 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 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

- Honorary Doctorate (Civil Engineering), Kasetsart University
- Honorary Doctorate of Sciences (Engineering), Thai-Nichi Institute of Technology
- 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 Member
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), Phranakhon Rajabhat University
- Master of Political Science (Politics and Government), Sukhothai Thammathirat Open 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) and M.S. (Operations Research), Stanford University, USA
- B.S. (Civil Engineering, Mathematics), Virginia Military Institute, Virginia, USA
- Energy Literacy for the world, Thailand Energy Academy
- 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



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
- Director Accreditation Program (DAP), Thai Institute of Directors Association



Mrs. Payao Marittanaporn

Director
Executive Director
Managing Director
Authorized Signatory Director

Academic Achievement

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

Management Team



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| 1. Mrs. Payao Marittanaporn
Managing Director | 2. Mr. Sanguan Kunatinun
Deputy Managing Director
Engineering | 3. Mrs. Sudruthai Prommart
Deputy Managing Director
Operation |
| 4. Mrs. Ngamnit Kanokgarnjanar
Deputy Managing Director
Administration | 5. Miss Panan Tosuwanthaworn
Deputy Managing Director
Finance | 6. Mr. Phakpoom Thaweewittayarut
Deputy Managing Director
Administration and Company Secretary |
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|---|--|---|
| 7. Mr. Chatree Techatassanasoonthorn
Assistant Managing Director
Business Development Unit | 8. Miss Walainut Trivisvavet
Assistant Managing Director
Finance Unit | 9. Mrs. Wattana Sittiwaitayaporn
Assistant Managing Director
Construction Project Unit |
| 10. Mrs. Supattra Bumnetphan
Assistant Managing Director
Toll Revenue Unit | 11. Mr. Phaisan Lertsalaluck
Assistant Managing Director
Traffic Unit | 12. Mr. Omsyn Pibulwarangkur
Assistant Managing Director
Administration Unit |
| 13. Mr. Rungsak Luengrattanamas
Assistant Managing Director
Maintenance Unit | 14. Mrs. Manatsavee Subchavaroj
Assistant Managing Director
Compliance Unit | 15. Mrs. Suttida Sukhanindr
Assistant Managing Director
Finance Unit |
| 16. Mr. Kittti Aphonrat
Assistant Managing Director
Business Development Unit | | |



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17. Miss Vasana Wattananukulchai

General Manager
Internal Audit Office

18. Mr. Chalermkiat Sakonwisansak

General Manager
Maintenance Division

19. Miss Phenporn Kittiyopars

General Manager
Information Technology Office

20. Mrs. Suporn Nakruchata-amorn

General Manager
Toll Revenue Division

21. Mr. Kitti Phuabanditkul

General Manager
General Administration Division

22. Mrs. Pauranee Kanittanon

General Manager
Managing Director Office

23. Miss Piyanut Saringkhan

General Manager
Finance Division

24. Miss Saranya Lertjiraprasert

General Manager
Accounting Division

25. Mr. Prapan Aimjhai

General Manager
Traffic Division

26. Mr. Apichat Khamkongkhun

General Manager
Construction Division

Corporate Social Responsibility

The Company continued to contribute to society in all aspects by organizing social activities every year under the **"BECL Elevates the Quality of Life and the Environment"** concept, apart of sharing happiness to society, as follows:

Good Family Relationships



"Expressway Invites Moms & Kids to Strengthen Relationships with Love in Ang Thong"

On the occasion of 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 Ang Thong". A total of 44 Expressway users from 15 families were invited to visit the historical city and experience the lifestyle of villagers of Mueang Ang Thong, an important city since the Ayutthaya era, where glorious Buddhism religious places are located, such as, Wat Khun Inthapramun and Wat Tha Sutthawat; and taste delicious cuisine, guaranteed by Mae Choice Nang Ram. The Company also organized the "Painting Love for Mom" activity in which dads, moms, and children enjoyed painting dolls, as a special time 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, at Ban Bang Sadet Court Doll Center, a project in response to Queen Sirikit's initiative to create careers for people.

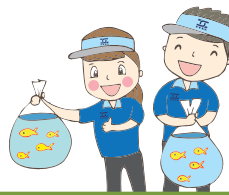


"Expressway Invites Dads & Kids to Strengthen Relationships with Visiting Farm, Khlong Suan 100-Year Old Market, in Chachoengsao"



The Company regularly holds activities to strengthen family relationships, and on the occasion of National Father's Day, the Company organized the "Expressway Invites Dads & Kids to Strengthen Relationships with Visiting Farm, Khlong Suan 100-Year Old Market, in Chachoengsao" activity. A total of 41 Expressway users from 14 families were invited to visit the organic dairy buffalo farm and enjoy DIY activity: making pizza and Murrah buffalo milk ice cream. They also enjoyed and experienced the riverside way of life of villagers at Two-Province Market or "Khlong Suan 100-Year Old Market". Moreover, the Company organized a "Hugging Dad & Saying I Love You to Your Dad" activity to strengthen the family relationships in a loving and warm atmosphere.





Awareness of Environmental Preservation



"Expressway Promotes Environmental Preservation No. 7"

Environmental preservation is of great importance to everyone. The Company continued to organize a campaign for staff awareness of natural and environmental preservation under the activity titled "Expressway Promotes Environmental Preservation No. 7". Groups of executives and staff, totaling three batches, participated in studying His Majesty the King's royal activities in relation to development ideas and theories at the Chang Hua Man Project under the Royal Initiative of His Majesty the King, Amphoe Tha Yang, Phetchaburi Province.

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 organized an activity entitled "Hearing the Dharma with Expressway", in which a group of executives and staff participated in hearing the Dharma on the subjects of "Self-Conduct based on Dharma" by Phra Kru Dhammadhon Khanchit Khunwaro, Assistant Abbot of Wat Nyanavesakavanand "Dharma Conducive to Happiness" by Phra Panyanantamuni, Abbot of Wat Panyanantaram, Amphoe Khlong Luang, Pathum Thani Province, in order to properly apply such teaching to their current lifestyle and work environment.



"Blood Donation"

The Company took a major part in the "Give Blood Give Life" program, by organizing three blood donation activities, in association with the Thai Red Cross Society and Vajira Payabab Hospital, on 14 May 2014, 14 August 2014 and 3 December 2014 at Bangkok Expressway Public Company Limited, with active participation of management and staff.

Good Relationships with Related Authorities

The cooperation for provision of good services to meet the utmost satisfaction of the Expressway users is regarded as a 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 organized activities, as follows:



"Good Relationships with EXAT"

The Company brought a group of 60 executives and staff of the Toll Collection Division of EXAT and the Toll Revenue Division of the Company to participate in an activity of planting trees to restore nature, as well as eco-cycling to see and enjoy the Sri Nakhon Khuean Khan Park and Botanical Garden, Khung Bangkachao, Samut Prakan Province, which was reserved as Bangkok's urban park in response to His Majesty the King's initiative, and regarded as a top-ranking oasis of Asia, to strengthen the good relationships between both agencies.

"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 "TARZAN 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 EXAT 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 granted cars and motorcycles to EXAT 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 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 for higher education.





"BECL Grants Scholarships to Adjacent Schools"

The company organized the "BECL Grants Scholarships to Adjacent Schools" activity, by granting scholarships to underprivileged students with good academic records, including funds for school development for educational purposes to 10 schools adjacent to the Si Rat Expressway and the Udon Raththaya Expressway.



"BECL Grants Scholarships to Children of EXAT's staff"

The Company in association with the Expressway Authority of Thailand and the EXAT Club, granted scholarships to children of EXAT's staff who are 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 the Expressway Police Station 2's police officers, who collaborate with the Company in ensuring convenience and safety of the Expressway users.



"BECL Sponsors Library and Books for Hill Tribe Children"



The Company, in association with Toys For Thailand Foundation, which was founded to improve the quality of life of hill tribe people in Thailand, both realize the significance of arrangements to improve the quality and education in remote communities, dedicated a library and books, including educational aids and toys to students of Ban Pratu Mueang School, Amphoe Khun Yuam, Mae Hong Son Province, to encourage students' reading and enlarge their learning exposures.



Support for Outdoor Learning Experience

The Company realizes that learning is not restricted only to classroom, and outdoor experience is an opportunity for children to personally and directly learn from experience. Such experience will 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:



"Audio Library for Young Blinds"

The Company acknowledges that reading will bring about sustainable knowledge. The Company supported and took part in the Audio Library for Young Blinds project, for the second year in a row, 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 disabilities, by means of audio book recording, which will be organized as an audio library for children. Management and staff of the Company volunteered to participate in such audio book recording.



"BECL Invites Smart Kids to Pursue Future Career"

The Company organized the National Children's Day activity "BECL Invites Smart Kids to Pursue Future Career". Children had a good time and enjoyed the on-stage activities which encouraged creative thinking about their dream careers, with participation by a number of children of the Company's staff and children of the Expressway Police Station 2's police officers, students from the adjacent schools, including neighbors.

BECL Invites Youths to Learn Thai Textile Weaving Crafts"

As Her Majesty Queen Sirikit has performed her royal duties, which are of benefit to Thai people, to support people to have occupations and earn sufficient income, and most importantly, to work in their hometowns and stay with their families instead of relocating to big cities, "The Foundation of the Promotion of Supplementary Occupations and Related Techniques of Her Majesty Queen Sirikit of Thailand" and the "Queen Sirikit Museum of Textiles" were then initiated to serve as education centers for the history of Thai garments and textiles, and concurrently serve as galleries for gathering and collecting Thai textiles and royal apparels. The Company took part in continuing such determination of Her Majesty the Queen, by organizing a "BECL Invites Youths to Learn Thai Textile Weaving Crafts" activity to promote youths' learning of folk wisdom relating to textile handicrafts and youths' awareness of Thai arts and culture. A group of 52 teachers and elementary students (grades 4-6) from Ban Chiang RakNoi School adjacent to the right of way participated in a Revue of Queen Sirikit Museum of Textiles program, and enjoyed an exhibition of Her Majesty Queen Sirikit's royal apparels at Queen Sirikit Museum of Textiles.



"BECL Invites Youths to Learn from Exhibitions at Museum Siam: Discovery Museum"

The Company jointly supports youths' learning of Thai history and patriotic-awareness by organizing a program entitled "BECL Invites Youths to Learn from Exhibitions", bringing a group of 57 teachers and elementary students (grade 5) from Wat Thassanaroon Soontarikaram School adjacent to the right of way to visit exhibitions on Thai history and Thai culture in various styles at Museum Siam: Discovery Museum.



Support for Other Social Activities



"BECL Supports "Lankilaphat" Project under H.M. the King's Initiative"

As His Majesty the King and Her Majesty the Queen have always expressed a concern for the well-being of their people in all aspects, by giving priority to development of personnel and communities to ensure their people are in better physical and mental health, the Office of H.M. Principal Private Secretary, in its capacity as secretary to His Majesty the King and the royal family members, one of whose missions is to be committed to performing works under the royal initiative in respect of improvement of the quality of people's life, and in response to this royal initiative, initiated a project for construction of people's playgrounds named "Lankilaphat", literally meaning a "Sport Field for Growth", to promote a variety of recreational activities, sports, community development, and other social and public activities, focusing on sustainable quality of life of people and communities, to carry on such royal initiative.

The Company took part in fulfilling such royal initiative by sponsoring and serving as member of the administration committee and subcommittee of the "Lankilaphat" project, starting with two pilot projects, namely, Lankilaphat 1 in Khlong Chan Housing Community, Bang Kapi District, and Lankilaphat 2 under the Urupong Expressway, Ratchathewi District. There will be sport fields and recreational areas for villagers and nearby communities once construction is completed.



"Singing with BECL"

The Company organized volunteer activities by its music club and staff through music jam, as well as recreational activities and lunch meals for Ban Bang Khae Social Welfare Development Center for Older Persons. The elderly had a good time and enjoyed the activities, and the BECL family expressed love, care and shared happy moments with those elderly in a lovely and warm atmosphere. This Singing with BECL was organized by the Company's sponsored music club.



"Granting Parts and Equipment from Expressway to Prostheses Foundation"

The 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. The Company continued to support such foundation for the second year by making a donation and granting functional and used aluminum expressway parts and equipment to the Prostheses Foundation of H.R.H. the Princess Mother.



First Class Services

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

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

1. Communications and Facilities

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

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

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

- **Emergency Telephones (ETS)**

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

- **Variable Message Sign (VMS)**

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

- **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 Expressway, 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.

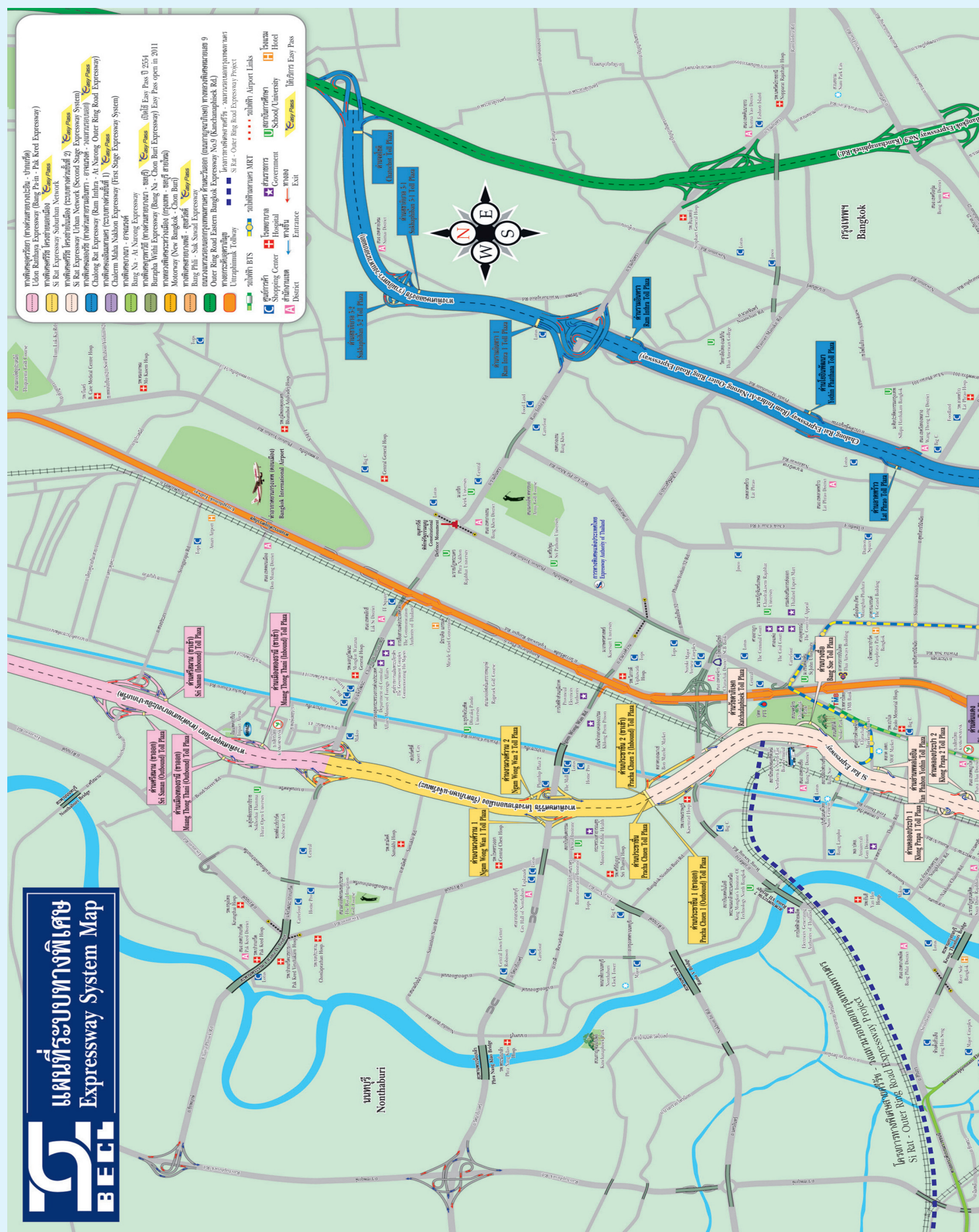
Chemical Powder Cost

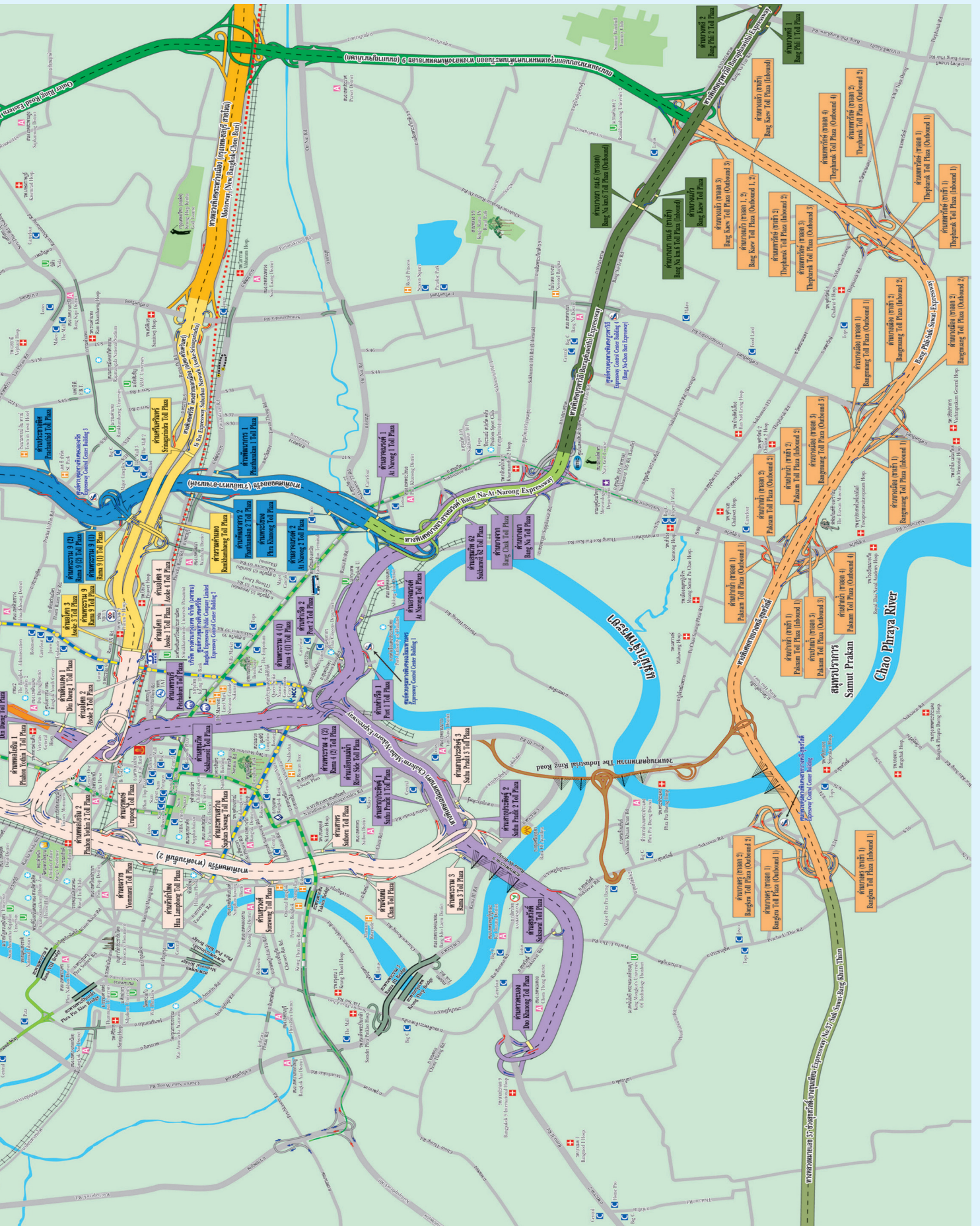
Should any vehicle encounter any problem causing oil to leak onto the road, it is necessary for the staff to apply chemical powder to clean up such oil spill for the safety of other motorists. The rate of chemical powder will be charged for the actual use.

Useful Telephone Numbers

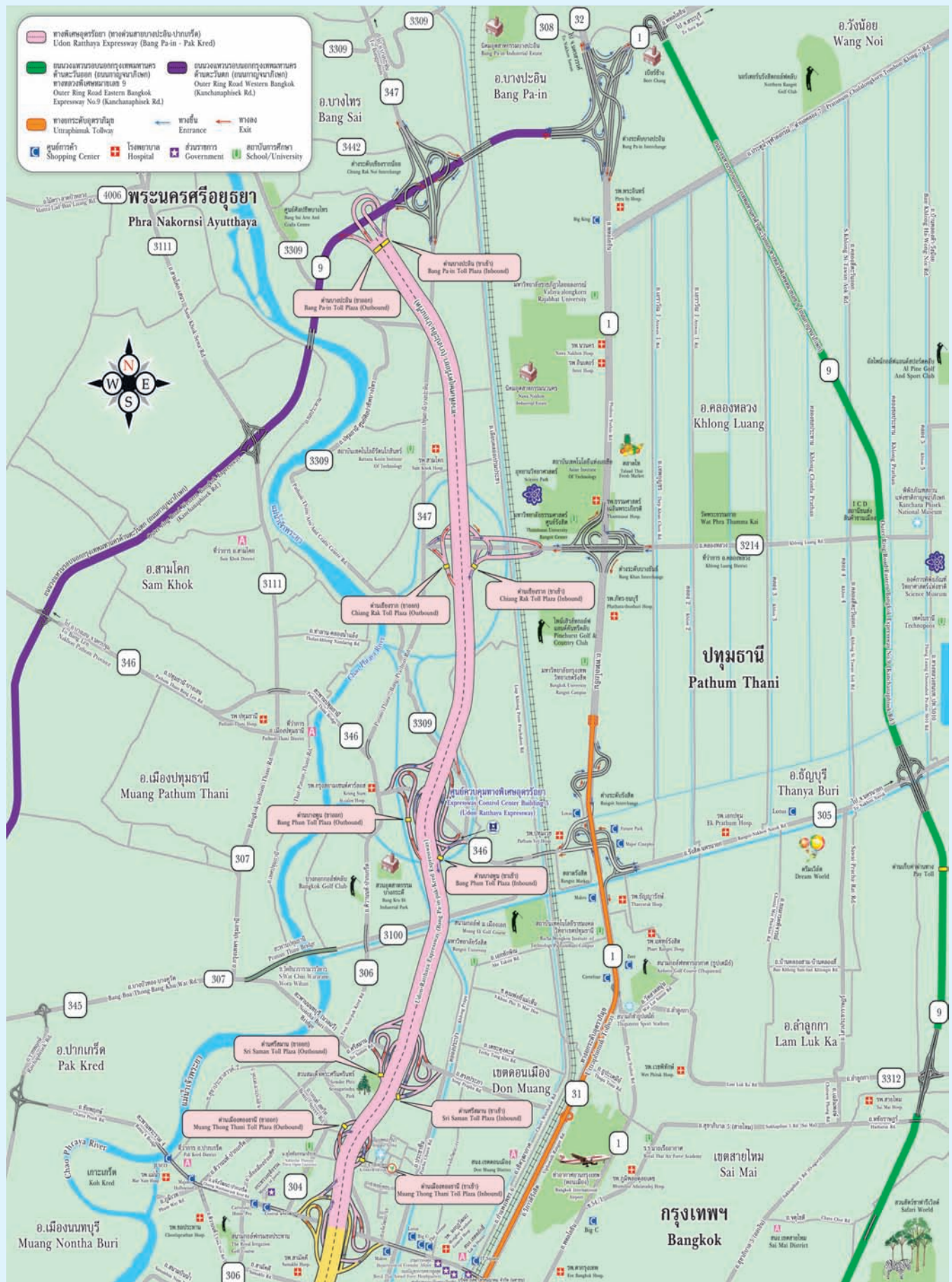
Accident / Breakdown Car / Traffic Information	Tel.	1543 / 0 2664 6400
Chalerm Mahanakorn Expressway Control Center	Tel. / Fax.	0 2240 0709
Si Rat Expressway Control Center	Tel.	0 2664 6400 / 0 2641 4611 ext. 7007 0 2248 7574-6
	Fax.	0 2247 1994
Chalong Rat Expressway Control Center	Tel.	0 2319 9730-9 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 (Bang Phli Suk Sawat)	Tel.	0 2442 0876-7
	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 5682-3
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





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 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 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 Ratthaya Expressway (Bang Pa-in - Pak Kret Expressway) for a period of 30 years from 27 September 1996. The Udon Ratthaya 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 Chalmern 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 Chalmern 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), 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 commenced construction on 15 December 2012, with 45.62 percent completed as at 31 December 2014 according to plan.

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

The Board of Directors regularly reviewed the Company's vision and mission. During the previous year, the Board of Directors approved the policy and formulated vision and mission as follows:

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 Si Rat Expressway Project linked to the M.R.T. Chaloem Ratchamongkhon Line 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, namely, the M.R.T. Chaloem Ratchamongkhon Line, the Si Rat Expressway and the Udon Raththaya Expressway, has reached nearly 1.1 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, safety in driving 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 formulated the main action plans in 2014 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 studied and made preparations for successful negotiation with the Expressway Authority of Thailand for an extension of the Second Stage Expressway Project Agreement;
3. The Company conducted the feasibility study and made preparations for investment in the expressway and connecting road projects, including infrastructure projects under the government's policy to allow the private sector to jointly invest (PPP);
4. The Company cooperated with the Expressway Authority of Thailand 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 the Expressway Authority of Thailand 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 communicated its commitment to quality services to the public by paying attention to impacts on stakeholders, economy, society and environment and focusing on morality, ethics and codes of conduct in every step of its operating procedures. The Company also developed and supported innovations that create efficiency, effectiveness and value added for the Company and related persons along with the corporate social responsibility 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.

In 2014, the Company, in association with EXAT and Bangkok Metropolitan Administration (BMA), constructed a connecting road between Sector D of the Si Rat Expressway and Chaturathit Road, Section C, which is an elevated road throughout the project alignment, covering a total distance of approximately 560 meters, starting at the exit from Chaturathit Road. The Toll Plaza is equipped with two lanes for manual toll collection (MTC) and two lanes for electronic toll collection (ETC) or Easy Pass. This project is connecting to Sector D of the Si Rat Expressway to help release the congested traffic and to facilitate motorists' traveling to the Suvarnabhumi Airport. The construction commenced in February 2013, and it opened for service on 2 May 2014. It can help considerably alleviate the traffic on Chaturathit Road and Rama IX Road.

Significant Changes in 2014

1. The Company accelerated construction to open the connecting road between Sector D of the Si Rat Expressway and Chaturathit Road, Section C, on 2 May 2014 ahead of schedule by one month, to alleviate the congested traffic and facilitate motorists' traveling from Chaturathit Road, New Petchburi Road or City Airport Terminal, wishing to travel to the Suvarnabhumi Airport by use of the road connecting with Sector D of the Si Rat Expressway around Asoke 3 Toll Plaza. This would be more convenient and save the commute time for motorists. In December 2014, the average daily volume of traffic using service of the Asoke 3 Toll Plaza extension was 10,659 trips/day.
2. In July 2014, the Company executed an agreement amending the existing Credit Facility Agreement with three lending banks, namely, Krung Thai Bank Public Company Limited, Bangkok Bank Public Company Limited and The Siam Commercial Bank Public Company Limited, and applied for an additional credit facility of Baht 1,000 Million.
3. The Company additionally issued debentures in February 2014, with maturity dates of three years, in the amount of Baht 3,000 Million, at the fixed interest rate of 3.59 percent per annum, and five years, in the amount of Baht 1,000 Million, at the fixed interest rate of 4.35 percent per annum, to repay the existing matured debentures in 2014 and finance the construction cost of the Si Rat - Outer Ring Road Expressway Project.
4. In October 2014, the Company convened a meeting of five series of debenture holders to seek approval of the amendment of provisions regarding rights and duties of the debenture issuer and debenture holders to solve the problem on impacts from accounting arrangements in compliance with Financial Reporting Standard No. 12: Service Concession Arrangements, namely, the net debt to EBITDA ratio was requested to be revised from not exceeding 4.5 times to not exceeding 6.0 times; and the provision regarding creation of security for accommodating the operation of the Si Rat - Outer Ring Road Expressway Project, in respect of which the meetings of five series of debenture holders resolved to approve such amendments as requested by the Company.
5. The political demonstrations had an effect on the traffic volume in the first half of 2014. However, after the end of such situation, the traffic volume continued to revive in the second half of the year, and as such, the average traffic volume in 2014 was slightly higher than in the previous year.
6. In October 2014, SGS (Thailand) Limited, a certification body in respect of the quality systems, conducted a recertification audit of ISO 14001:2004 Environmental Management System and a surveillance audit of ISO 9001:2008 Quality Management System. As a result, it was of the view that the Company continued to maintain ISO 14001:2004 Environmental Management System, and the certification was thus renewed for another three years. As for the ISO 9001:2008 Quality Management System, no issue inconsistent with the requirements was found.
7. The Company received an Outstanding Corporate Social Responsibility Award for 2014 and a CSR Recognition for 2014.
8. In May 2014, TRIS Rating Co., Ltd., a credit rating agency in Thailand, reviewed and continued to affirm "A" rating for the Company and maintained "A" rating for the Company's debt instruments.

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

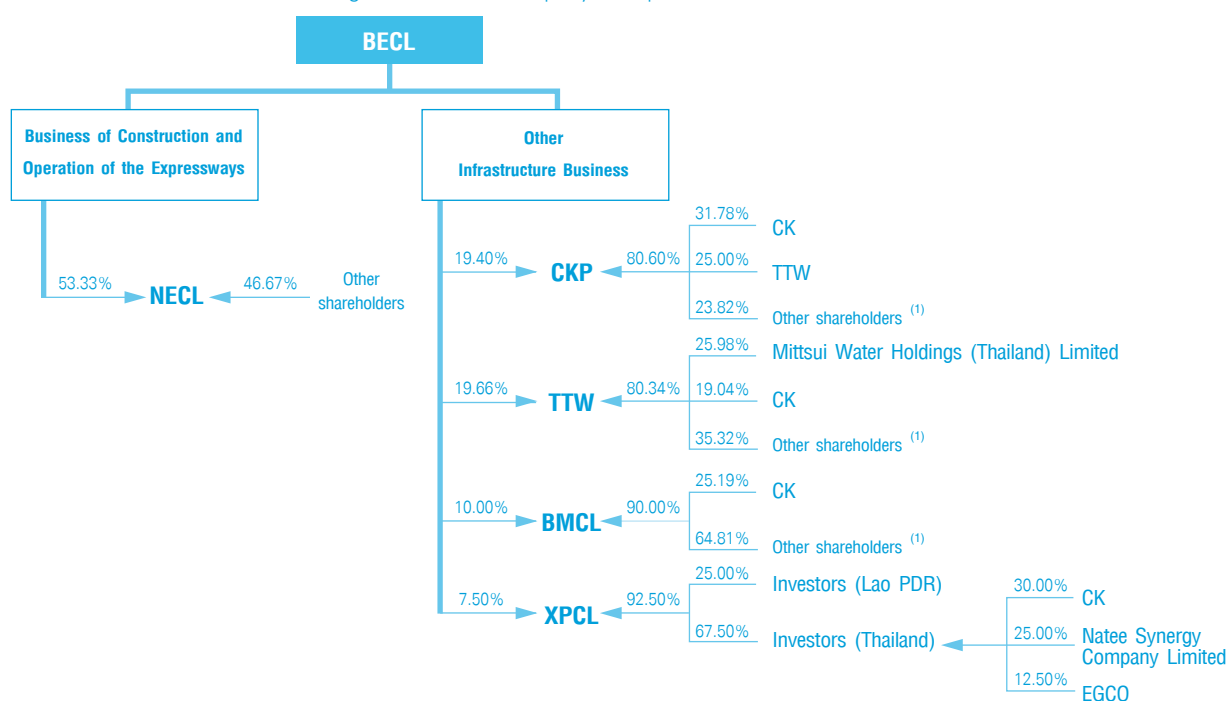
The Company has a policy to invest in the infrastructure business or businesses supporting the operations of the Company and to open up opportunities and generate returns in the long run for the Company. The Company then made investments as at 31 December 2014 as follows:

- 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	19.40%	2,134
TTW Public Company Limited (formerly Thai Tap Water Supply Public Company Limited)	Tap water production and distribution	3,990	3,990	19.66%	4,323
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	9,325	7.50%	699

- Chart of Shareholding Structure of Company Group as at 31 December 2014



Remark : ⁽¹⁾ Shareholders as listed in www.set.or.th

1.4.3 Shareholding Structure in Northern Bangkok Expressway Company Limited (Subsidiary) (as at 31 December 2014)

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 Ratthaya 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	Expressway Authority of Thailand
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	Bangkok Expressway Public Company Limited
3. Udon Ratthaya Expressway (Bang Pa - in - Pak Kret)	32.0	Northern Bangkok Expressway Company Limited
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	Expressway Authority of Thailand
6. Burapha Withi Expressway (Bang Na - Chonburi)	55.0	Expressway Authority of Thailand
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	Expressway Authority of Thailand
8. Si Rat - Outer Ring Road Expressway (project under construction)	16.7	Bangkok Expressway Public Company Limited
Total length	272.8	

2.1.1 Revenue Structure

Comparison of Revenue of the Company and the Subsidiary in 2012 - 2014:

Description	Operated by	2014		2013		2012	
		Million Baht	%	Million Baht	%	Million Baht	%
Urban Expressway							
Chalerm Mahanakorn Expressway (First Stage Expressway)	EXAT	2,702	29.52	2,564	22.66	2,464	26.71
Si Rat Expressway (Second Stage Expressway, Sector A)	Company	1,557	17.00	1,463	12.93	1,415	15.34
Si Rat Expressway (Second Stage Expressway, Sector B)	Company	742	8.11	703	6.22	675	7.32
Total		5,001	54.63	4,730	41.81	4,554	49.37
Suburban Expressway							
Si Rat Expressway (Second Stage Expressway, Sector C)	Company	899	9.82	867	7.66	851	9.23
Si Rat Expressway (Second Stage Expressway, Sector D)	Company	1,452	15.86	1,393	12.31	1,343	14.56
Udon Ratthaya Expressway (Bang Pa-in - Pak Kret Expressway)	Subsidiary	1,133	12.38	1,050	9.28	984	10.66
Total		3,484	38.06	3,310	29.25	3,178	34.45
Total toll revenue		8,485	92.69	8,040	71.06	7,732	83.82
Other income							
Gain on adjustment of fair value of investment from changing status of investment		-	-	2,808	24.82	-	-
Gain on investments		537	5.87	309	2.37	1,198	12.99
Others ⁽¹⁾		132	1.44	157	1.39	294	3.19
Total revenues		9,154	100.00	11,314	100.00	9,224	100.00

Remarks : ⁽¹⁾ Others comprise 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
Chalerm Mahanakorn					
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
Si Rat					
Sector A: Rama 9 - Ratchadapisek	Urban	12.4	2 Sep 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 Sep 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
Udon Rattaya					
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
Chalerm Mahanakorn Expressway (First Stage Expressway)	50	75	110
Except:			
At Narong 1 Toll Plaza (to Bang Na)	40*	65*	100*
Si Rat Expressway (Second Stage Expressway)	50	75	110
Except:			
Srinagarindra / Ramkhamhaeng Toll Plazas	25	55	75
Rama 9 / 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)			
Si Rat - Outer Ring Road Expressway	50**	80**	115**
Udon Ratthaya Expressway	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 2015.

** 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 2015.

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 EXAT's 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 2014 may be divided into four-wheeled vehicles; six-wheeled to ten-wheeled vehicles; and more than ten-wheeled vehicles, which accounted for 97.93 percent, 1.79 percent and 0.28 percent, respectively. The traffic volume during 1 January to 31 December 2014 using the Expressways may be described by areas as follows:

Expressway System	Average Traffic Volume (trips/day)	%
1. Chalem Mahanakorn Expressway (First Stage Expressway) ⁽¹⁾ (Bang Na - Din Daeng - Dao Khanong)	364,508	22.12
2. Si Rat Expressway (Second Stage Expressway)		
2.1 Urban Network (Prachachuen - Phayathai - Bangkhlo - Asoke)	318,308	19.32
2.2 Suburban Network (Prachachuen - Chaeng Watthana and Asoke - Srinagarindra)	350,585	21.27
3. Udon Rattaya Expressway (Bang Pa-in - Pak Kret)	70,161	4.26
4. Chalong Rat Expressway (Ramindra - At Narong and Ramindra - Outer Ring Road) ⁽¹⁾	189,411	11.49
5. Burapha Withi Expressway (Bang Na - Chonburi) ⁽¹⁾	142,350	8.64
6. Kanjanapisek Expressway (Bang Pli - Suksawad) ⁽¹⁾ and Highway No. 37 (Suksawad - Bang Khun Thien Section)	212,576	12.90
Total Traffic Volume	1,647,899	100.00

Remark : ⁽¹⁾ 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 Chalem Mahanakorn Expressway and the Si Rat Expressway, as well as the Chalong Rat Expressway (Ramindra - At Narong) which cover the areas from the North to the South and from the West to the East of Bangkok. Motorists may use the Expressway to connect to the Burapha Withi Expressway (Bang Na - Chonburi), and the Chalem Mahanakorn 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 hour, 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 this regard, the Company has carried out the construction of the Asoke 3 Toll Plaza extension to connect between Sector D of the Si Rat Expressway (Asoke - Srinagarindra) and Section C of Chaturathit Road. As a result, there are four more toll booths at Asoke 3 Toll Plaza, two of which are for electronic toll collection and the other two are for manual toll collection to accommodate vehicles coming from Section C of Chaturathit Road. The toll collection rates are fixed at Baht 25 / 55 / 75 per trip for four-wheeled vehicles / six-wheeled vehicles and more than ten-wheeled vehicles, respectively. This will alleviate the traffic problem and allow motorists coming from the Victory Monument, Sri Ayutthaya Road, Ratchaprarop Road, Phetchaburi Road and Din Daeng Road to avoid traffic congestion during rush hour by using Chaturathit Road to enter the Si Rat Expressway for further traveling to Suvarnabhumi Airport, Motorway or to pass through the Chalong Rat Expressway to exit at Lat Phrao Road and Ram Inthra Road conveniently and rapidly. The Company, together with EXAT and BMA, has officially launched this extension for service on 2 May 2014.

In addition, EXAT has improved the on- and off-ramps of the Chalem Mahanakorn Expressway (First Stage Expressway) and the old railway around At Narong Interchange (At Narong 3) as an alternative route for motorists coming from Old Railway Road and Sanphawut Road, as well as to mitigate the traffic problem in adjacent areas. The Ministry of Transport and EXAT have officially launched the on- and off-ramps of the Chalem Mahanakorn Expressway and the old railway around At Narong Interchange on 8 October 2014, which is called At Narong 3 Toll Plaza for toll collection at the rates of Baht 50 / 75 / 110 per trip for four-wheeled vehicles / six-wheeled vehicles and more than ten-wheeled vehicles, respectively.

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. For example, 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 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., At Narong 1 Toll Plaza (from the Chalong Rat Expressway to enter the Chalem Mahanakorn Expressway around Bang Na), which the Company, together with EXAT, has provided discount throughout 2014 and the discount has been extended until 31 December 2015, as well as the Udon Ratthaya Expressway at Muang Thong Thani Toll Plaza, where the discount has been extended until 31 December 2015.

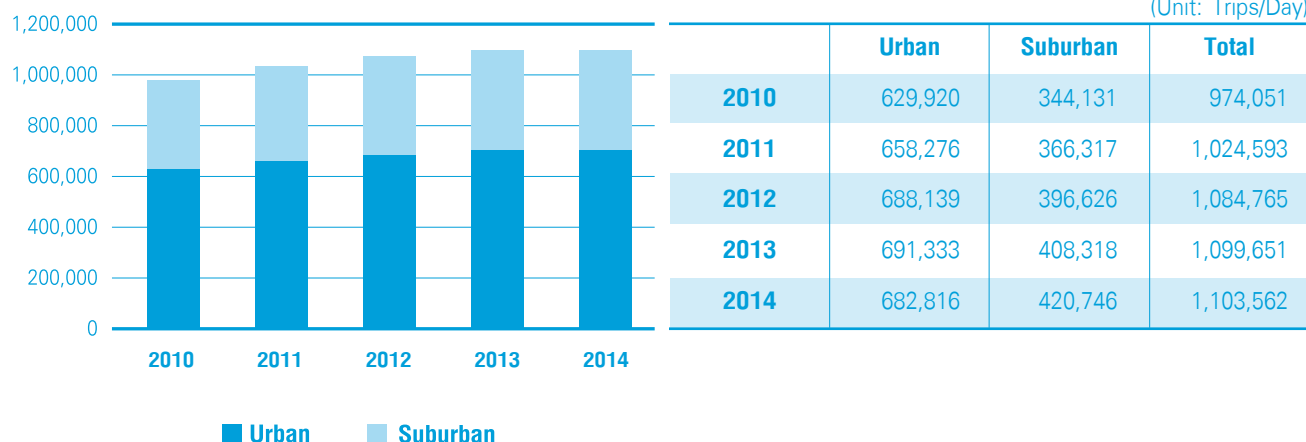
3) Distribution Channels (Place)

1. Traffic volume in the Chalerms Mahanakorn Expressway (First Stage Expressway), the Si Rat Expressway (Second Stage Expressway) and the Udon Ratthaya Expressway (Bang Pa-in - Pak Kret Expressway) in 2014 may be categorized by urban and suburban, which equals 62:38.

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)



2. Payment of Tolls

2.1 Users of the Chalerms Mahanakorn Expressway and the Si Rat Expressway may choose to use the Expressway services from various on- and off-ramps covering major areas in Bangkok throughout the total distance of 65.6 kilometers, both urban and suburban. Expressway users shall pay tolls at the on-ramps of toll plazas, totaling 48 locations, 18 toll plazas of the Chalerms Mahanakorn Expressway (e.g., Din Daeng, Bang Na, Dao Khanong, Sukhumvit, Rama 4 Toll Plazas, etc.) and 30 toll plazas of the Si Rat Expressway (e.g., Asoke, Rama 9, Srinagarindra, Yommaraj, Surawong, Hua Lamphong, Khlong Prapa, Yan Phahon Yothin, Prachachuen, Rama 3, etc.). Users may pay tolls in two channels, in cash, or via the Electronic Toll Collection system (Easy Pass).

2.2 Users of the Udon Ratthaya 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 hour, as well as accommodating the increasing traffic volume in the future. In this regard, EXAT has launched the Electronic Toll Collection system (Easy Pass) for service on 31 January 2010 for the Chalerms Mahanakorn Expressway (First Stage Expressway), the Chalong Rat Expressway (Ramindra - At Narong - Outer Bangkok Ring Road) and Kanjanapisek Expressway (Bang Pli - Suksawad), and on 25 July 2010 for the Si Rat Expressway (Second Stage Expressway). The Easy Pass service then covers all Expressway networks, as a result, in December 2014, the average volume of vehicles using Easy Pass on working days for the Chalerms Mahanakorn Expressway and the Si Rat Expressway is approximately 397,184 trips per day, representing 35.49 percent of the four-wheeled vehicles. In addition, the introduction of Easy Pass also enhances the efficiency of the toll collection during rush hour, 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. Furthermore,

the Company continuously and regularly cooperates with EXAT to enhance the efficiency of the toll collection during rush hour. 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 2014, the Company provided discount at the connection from the Chalong Rat Expressway to the Chalerm 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 Year's Festival, the Company also holds activities promoting the use of the Expressways for motorists by cooperating with EXAT to distribute souvenirs to motorists, including arranging for motorist service points, 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. 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, as well as social media (www.facebook.com/bangkokexpressway), including Si Rat bimonthly newsletters as a medium for sharing information and news between the Company and motorists, and 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.

2.2.2 Industrial Outlook and Competition

In 2014, Thailand sustained an economic slowdown in all industrial sectors, and as a result, the economic growth rate was low, which also affected the automotive industrial operators, despite their continued marketing campaigns. The number of new cars registered in 2014 dropped by 30 percent from the previous year, which affected the traffic volume using the Expressways. According to the information of the Department of Land Transport, in 2014, the number of new cars registered (all types) in Bangkok area is 425,033 vehicles, which is less than 610,174 vehicles in 2013, thereby bringing the cumulative number of cars in Bangkok to a total of 5,296,164 vehicles. Despite the declining number of new cars from the previous year, upon 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 2014, the average speed of cars running on the roads throughout Bangkok during rush hour is 15.8 kilometers per hour in the morning, and 23.3 kilometers per hour in the evening. (Sources: Post Today Newspaper, 15 May 2014 Issue, Matichon Newspaper, 14 May 2014 Issue, and Daily News Newspaper, 2 January 2015 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 upon 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 and the Subsidiary are always environmentally aware. In the construction of the Expressways, the Company and the Subsidiary 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.

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 2014, 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.

The Company has conducted a study and test on the use of LED technology to replace the existing lighting on roads and around toll plazas. Should such project succeed, it would help save energy substantially.

With respect to the safety 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

2.4.1 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 2014, the construction progressed 45.62 percent as planned. It is expected to be opened for service in 2016.

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 and effective 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. The Board of Directors has appointed the Corporate Governance and Risk Management Committee for policy-level consideration on the adequacy and appropriateness, with the Management to supervise the overall risk management process of the organization and responsible for routine work instead of the Corporate Governance and Risk Management Committee, 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 2014, 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 57 to 62, 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 60 to 61), 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 Chalm Mahanakorn Expressway, the Si Rat Expressway and the Udon Rattaya Expressway in 2014 was 1,103,521 trips per day, representing an increase from 1,099,651 trips per day of the previous year or 0.35 percent. In the first half of 2014, the traffic volume was affected by political rallies which continued from 2013, and in the second half of the year, the traffic volume increased as usual, and as a result, the overall traffic volume using the Expressways thus slightly increased from the previous year. The average daily toll revenue in 2014 was Baht 23.249 Million per day which increased from the average of Baht 22.026 Million per day of the previous year, representing an increase of 5.54 percent which was more than the growth rate of the traffic volume as a result of the increased toll rates of the Chalm Mahanakorn Expressway and the Si Rat Expressway, effective on 1 September 2013, and the Udon Rattaya Expressway, effective on 1 November 2013.

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, according to the continued monitoring, the traffic volume of Sector D of the Si Rat 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. The Company believes that in the future, more passengers will get off at Makkasan Terminal Station or City Airport Terminal (CAT), where Asoke 2 Toll Plaza of the Si Rat Expressway could serve to accommodate the traffic volume from such project to conveniently and rapidly arrive at Bangkok downtown and other areas. In addition, the opening of a connecting road between Sector D of the Si Rat Expressway and Sector C of Chaturathit Road in May 2014 at Asoke 3 Toll Plaza could accommodate the traffic volume heading eastbound, and the traffic volume has continued to increase.

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 24,284 Million as at 31 December 2014 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 2014 comprises approximately 74.06 percent for loans at fixed interest rates and approximately 25.94 percent for loans at floating interest rate. Should the interest rate increase by 0.50 percent, the Company's interest expenses would increase by merely Baht 32 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 2014, the Subsidiary had accumulated loss amounting to Baht 4,986 Million and the outstanding liabilities and loans from its parent company amounting to Baht 7,538 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 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.

In 2014, the Subsidiary derived an operating profit due to the increased volume of vehicles using the Expressways, including the revision of toll rates for six-wheeled to ten-wheeled vehicles and more than ten-wheeled vehicles, and its decreased finance cost.

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 4 September 2013, the Mass Rapid Transit Authority of Thailand (MRTA) executed an agreement for engagement of BMCL to invest in the M&E Systems and supply rolling stock and operate the MRT Purple Line Project (Bang Yai - Bang Sue Section). 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 2014, the Company holds 10.00 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 2014, 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 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 Bang khenchai 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 Bang pa-in Cogeneration Limited (BIC), a company investing in the cogeneration power plant.

CKP was listed on the Stock Exchange of Thailand on 18 July 2013. CKP made a public offering of 220 million 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, and as such, CKP is considered the Company’s associated company.

As at 31 December 2014, the Company holds 19.40 percent of shares in CKP.

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 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 2014, the construction progressed 45.62 percent, as compared to 45.10 percent per the construction plan, or representing 0.52 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 2014, the Company has made a loan drawdown of Baht 1,800 Million and issued Baht 5,000 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 Rattaya Expressway to be in line with the inspection by JMI Pacific Co., Ltd., a designing company with expertise in structural inspection. The monitoring, surveillance and maintenance were conducted to ensure that there would be no impact on the use of the Expressways. With respect to the toll collection system, and the communication and traffic control systems which are important to 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, along with the existing manual toll collection system. 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 manual toll collection equipment, 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 using the Easy Pass lanes increased accordingly from 1.5 hundred thousand trips per day in 2010 to more than 4.5 hundred thousand trips per day in 2013. The Central System has been designed to support the data transmission up to merely 2.5 hundred thousand trips 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 mid-2014, 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 arranged for an emergency backup plan in response to any violence and impact of the protest on the Expressway service, involving 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 9 - 10 October 2014, SGS (Thailand) Limited, a certification body in respect of the Quality Management System and the Environmental Management System, has conducted a surveillance audit for ISO 9001:2008 Quality Management System and a recertification audit of ISO 14001:2004 Environmental Management System. As a result, the auditor from SGS (Thailand) Limited was of the view that the Company continued to maintain ISO 9001:2008 Quality Management System, and for the 14001:2004 Environmental 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 2014
Si Rat Expressway, Sectors A, B and C	10,470
Si Rat Expressway, Sector D	4,895
Udon Ratthaya Expressway	7,782
Total	23,147

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 2014, 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 Chalmr 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 2014, the Subsidiary called for share payment of 75 percent of the increased registered capital of Baht 3,000 Million. As at 31 December 2014, the Subsidiary had 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. On 4 September 2013, BMCL executed the Agreement for the MRT Purple Line Project, which will connect the MRT Blue Line at Bang Sue Station, which is currently operated by BMCL, for a concession period of 30 years from the execution date of the Agreement. At present, BMCL is in the process of procurement of additional M&E Systems, which is expected to complete in 2016.

The Company, as a shareholder, sent one representative to be a member of the board of directors of BMCL. As at 31 December 2014, the Company held a total of 2,050.13 million shares in BMCL or representing 10.00 percent of its registered capital.

3. TTW Public Company Limited ("TTW") (formerly, Thai Tap Water Supply Public Company Limited)

The Company invested in TTW 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 on the Stock Exchange of Thailand on 22 May 2008. In addition, since 2011, TTW invested in the energy business by holding 25 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.

In 2014, the Company received dividend from TTW in a total amount of Baht 525 Million, which was recorded as income in the Company's separate financial statements and recognized a share of profit from TTW, net of amortization of intangible assets due to the allocation of the acquisition price, in the amount of Baht 448 Million in the consolidated statement of income. At present, the Company, as a shareholder, sent one representative to be a member of the board of directors of TTW. As at 31 December 2014, the Company held a total of 784.39 million shares in TTW or representing 19.66 percent of its registered capital.

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 2014, 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 Bang pa-in Cogeneration Limited. The benefits to be derived by the Company shall be in the form of dividend from investment. In 2014, the Company recognized a share of profit from CKP in the amount of Baht 98 Million. At present, the Company, as a shareholder, sent one representative to be a member of the board of directors of CKP. As at 31 December 2014, the Company held a total of 213.23 million shares in CKP or representing 19.40 percent of its registered capital.

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 2014, the Company holds shares in XPCL, representing 7.50 percent of its registered capital. The Company, 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 2014
Building and construction improvement	8.11
Furniture and fixture	1.23
Tools, instruments and equipment	12.02
Vehicles	112.59
Total	133.95

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 2014
Vehicles	0.93
Total	0.93

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 EXAT, 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 2014 was Baht 10,744 Million. The construction progressed 45.62 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 2014. Such land has been used to secure credit facilities extended by the group of lenders.

5. Legal Disputes

5.1 The disputes with Expressway Authority of Thailand (EXAT)

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. In 2014, there were two disputes which had been settled, with the settlement amount in dispute of approximately Baht 6.8 million, and as a result, there was a total of 12 disputes as at 31 December 2014. The essence of each dispute was as follows:

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

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

The Company completed the construction of the “Priority Component” of the Si Rat Expressway on 13 November 1992, in respect of which the Agreement specified that the date on which the Construction Completion takes place in respect of the Priority Component 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 arbitral 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 dismissed EXAT’s counterclaim requiring the Company to compensate for such toll revenue in the amount of Baht 15,575.4 million. In this regard, EXAT subsequently 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, together with interest, 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 Court’s judgment with the Supreme Administrative Court. At present, it is pending the Supreme Administrative Court’s consideration.

2. Competing road with the Udon Raththaya Expressway

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

Given that the Government granted permission for construction of the Extension of the Don Muang Tollway Project, from the National Memorial to Rangsit Section, which constituted a competing road under the Agreement, and affected the financial position of the subsidiary, the subsidiary therefore demanded EXAT to compensate for such effect as per the Independent Certification Engineer’s letter certifying the effect upon the subsidiary.

On 20 December 2004, the subsidiary then referred such dispute to the Arbitral Tribunal for an arbitral 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.

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 the projection 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 Court's judgment in both cases with the Supreme Administrative Court. 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 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 arbitral 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.

On 17 January 2014, the Company issued a letter to EXAT requiring compliance with the arbitral award. On 4 February 2014, EXAT issued a letter refusing to comply with the arbitral award because the arbitral award was illegitimate.

On 26 March 2014, EXAT submitted a petition to the Central Administrative Court requesting the Court to revoke the arbitral award.

The Company was required to submit its additional answer, together with evidence, to the Central Administrative Court on 5 February 2015.

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 awaiting the Thai Arbitration Institute's coordination for rescheduling the hearing for examination of EXAT's last witness.

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.

The Thai Arbitration Institute scheduled the first hearing for examination of witnesses of the Company to be held on 11 February 2015.

At present, it is in the process of both disputing parties' submission of their respective written statements of witnesses.

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

The subsidiary requested to revise the toll rates under the Bang Pa-in - Pak Kret Expressway Agreement which stipulates that the toll rates shall be revised every five year interval. In this regard, EXAT and the subsidiary had different opinions in respect of the 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.

On 23 June 2014, the subsidiary submitted a letter of appointment of its arbitrator. At present, the case is pending EXAT's submission of a letter of appointment of its arbitrator. EXAT would be required to submit the letter of appointment of its arbitrator to the Thai Arbitration Institute by 4 February 2015.

7. 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 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.

At present, the case is awaiting the Arbitral Tribunal to schedule the meeting date.

8. 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.

On 16 June 2014, the Company submitted a letter of appointment of its arbitrator. At present, the case is pending EXAT's submission of a letter of appointment of its arbitrator. EXAT would be required to submit the letter of appointment of its arbitrator to the Thai Arbitration Institute by 13 February 2015.

5.1.2 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, in the total amount of Baht 15.8 million, which the Company and its subsidiary were of the view that such costs claimed by EXAT were not within their scope of responsibility under the Agreements. In this regard, the Arbitral Tribunal rendered its arbitral awards on four disputes, two disputes of which were referred by EXAT to the Administrative Court, while the other two were concluded, as follows:

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 rendered its judgment revoking 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 3 February 2015 as the first hearing date.

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 0.4 million, therefore dismissed EXAT's claims and requests.

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

On 10 September 2014, the Company submitted its answer to EXAT's petition for revocation of the arbitral award to the Central Administrative Court.

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

3. Cost of operations of the Si Rat Expressway for the years 2000 - 2004

On 14 May 2014, the Arbitral Tribunal rendered its arbitral award to dismiss EXAT's statement of claim, whereby the Company was not required to be responsible for cost of operations for EXAT, since EXAT did not comply with the Agreement, as well as the procedures as agreed upon in the meetings with the Company.

EXAT was required to exercise its legal right to submit a petition for revocation of the arbitral award by 31 August 2014, which EXAT did not submit such petition for revocation of the arbitral award within the specified time, the dispute was thus concluded.

4. Cost of operations of the Udon Rathaya Expressway for the years 2000 - 2004

On 14 May 2014, the Arbitral Tribunal rendered its arbitral award to dismiss EXAT's statement of claim, whereby the subsidiary was not required to be responsible for cost of operations for EXAT, since EXAT did not comply with the Agreement, as well as the procedures as agreed upon in the meetings with the subsidiary.

EXAT was required to exercise its legal right to submit a petition for revocation of the arbitral award by 31 August 2014, which EXAT did not submit such petition for revocation of the arbitral award within the specified time, the dispute was thus concluded.

However, given that all of the remaining cases are not yet final and the Company's management believed that there would be no material impact upon the Company, the Company therefore did not record such entries in the financial statements.

5.2 Lawsuit

The expressway user sued the Expressway Authority of Thailand (EXAT) and the Company 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 claim. Subsequently, on 8 November 2007, the plaintiff filed an appeal with the Appeal Court. The Appeal Court read 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.

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, Bangkok Subdistrict, Huai Kwang 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
Website :	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 Raththaya 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 :	TTW 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 :	19.66 percent
Telephone :	0 2811 7526
Fax :	0 2420 6064
Website :	www.ttwplc.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
Website : www.bangkokmetro.co.th

Company Issuing Securities : **CK Power Public Company Limited (“CKP”)**
Business Operation : **Holding Company**
Head Office : 587, Viriyathavorn Building, 19th 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 : 19.40 percent
Telephone : 0 2691 9720-2
Fax : 0 2691 9723
Website : www.ckpower.co.th

(3) Reference

Securities Registrar : **Thailand Securities Depository Company Limited**
 62 The Stock Exchange of Thailand Building
 4th and 7th Floors, Rachadapisek Road
 Klongtoey Subdistrict
 Klongtoey District, Bangkok 10110
 Telephone : 0 2229 2800
 Fax : 0 2359 1262-3
 Capital Market Academy Building
 2/7 Moo 4 (North Park Project)
 Vibhavadi Rangsit Road
 Thungsonghong Subdistrict, Laksi District
 Bangkok 10210
 Telephone : 0 2596 9000
 Fax : 0 2832 4994-6

Auditor : **EY Office Limited (formerly, Ernst & Young Office Limited)**
 193/136-137 Lake Rajada Office Complex, 33rd Floor
 New Rajadapisek Road
 Klongtoey District, Bangkok 10110
 Telephone : 0 2264 0777 / 0 2661 9190
 Fax : 0 2264 0789-90

Legal Advisor : **The Legists Ltd.**
 990 Abdulrahim Place, 9th Floor
 Rama IV Road, Silom Subdistrict
 Bangrak District, Bangkok 10500
 Telephone : 0 2636 1111
 Fax : 0 2636 0000

Financial Advisor : **Advisory Plus Company Limited**
 1550 Thanapoom Tower, 10th Floor
 New Petchburi Road, Makkasan Subdistrict
 Ratchathewi District, Bangkok 10400
 Telephone : 0 2652 7858-64
 Fax : 0 2652 7867

Regularly Contacted Financial Institutions :

Krung Thai Bank Public Company Limited
 10 Sukhumvit Road, Klongtoey Subdistrict
 Klongtoey District, Bangkok 10110
 Telephone : 0 2208 7334
 Fax : 0 2256 8147

Bangkok Bank Public Company Limited
 333 Silom Road, Bangrak Subdistrict
 Bangrak District, Bangkok 10500
 Telephone : 0 2626 5042
 Fax : 0 2626 4959

Siam Commercial Bank Public Company Limited
 9 Ratchadaphisek Road, Chatuchak Subdistrict
 Chatuchak District, Bangkok 10900
 Telephone : 0 2544 7645
 Fax : 0 2937 7645

TMB Bank Public Company Limited
 3000 Phaholyothin Road, Chatuchak Subdistrict
 Chatuchak District, Bangkok 10900
 Telephone : 0 2299 1217
 Fax : 0 2299 2611

Bank of Ayudhya Public Company Limited
 1222 Rama III Road, Bang Phongphang Subdistrict,
 Yan Nawa District, Bangkok 10120
 Telephone : 0 2296 4575

KASIKORNBANK Public Company Limited
 1 Rat Burana Road, Rat Burana Subdistrict
 Rat Burana District, Bangkok 10140
 Telephone : 0 2470 6217

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 30 December 2014, the Company's 80,830,047 ordinary shares were used as underlying securities for issuance of Non-Voting Depositary Receipt or NVDR, representing 10.50 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.

7.2 Shareholders

7.2.1 List of Major Shareholders

As at 11 September 2014, 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 Public Company Limited	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	78,665,882	10.22
3. THE BANK OF NEW YORK (NOMINEES) LIMITED	60,149,912	7.81
4. Bangkok Bank Public Company Limited	53,795,390	6.99
5. Bangkok Life Assurance Public Company Limited	38,541,800	5.01
6. Krung Thai Bank Public Company Limited	38,500,550	5.00
7. Mr. Min Tieworn	22,500,000	2.92
8. STATE STREET BANK EUROPE LIMITED	22,411,734	2.91
9. HSBC (SINGAPORE) NOMINEES PTE LTD	14,407,400	1.87
10. United Overseas Bank (Thai) Public Company Limited	11,391,470	1.48
11. THE BANK OF NEW YORK MELLON	10,182,000	1.32
12. STATE STREET BANK AND TRUST COMPANY	9,987,033	1.30
13. NORTRUST NOMINEES LTD.	9,471,600	1.23
14. Social Security Office (2 cases)	9,449,700	1.23
15. CHASE NOMINEES LIMITED	9,228,100	1.20
16. AIA Company Limited - AIA D-PLUS	9,135,000	1.19
17. AIA Company Limited - APEX	7,405,700	0.96
18. CHASE NOMINEES LIMITED 1	6,095,300	0.79
19. EAST FOURTEEN LIMITED - DIMENSIONAL EMER MKTS VALUE FD	5,613,100	0.73
20. Mr. Chuwit Chitsakul	5,282,000	0.69
21. CHASE NOMINEES LIMITED 50	5,092,600	0.66
22. TOKYU CONSTRUCTION COMPANY LIMITED	4,551,150	0.59

Shareholders	Shareholding	
	Number of Shares	% of total number of shares
23. NORBAX INC.,82	4,469,400	0.58
24. Wattanasophonpanich Co., Ltd.	3,998,800	0.52
Total	568,246,311	73.81
Others	201,753,689	26.19
Grand Total	770,000,000	100.00

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

Shareholdings of the Company's Directors and Executives

As at 11 September 2014, which is the latest date the share register book was closed, one director held shares in the Company, as follows:

Name	Shareholding	
	Number of shares	% of total number of shares
1. Mr. Panit Dunnvatanachit	27,000	0.0035

Remark : Other directors and executives did not hold any shares in the Company as at the beginning and the end of the year, without any trading during the year.

7.2.2 The Company's Free Float Percentage: According to the report on shareholding distribution of strategic shareholders as at the closing date of the share register book for suspension of share transfer on 13 March 2014, as submitted to the Stock Exchange of Thailand by the Company, the percentage of the non-strategic shareholders was 68.63 percent of all issued and paid-up shares.

7.3 Issuance of Other Securities

7.3.1 Long-Term Loans

In 2014, the Company executed the Amendment Agreement to the existing Credit Facility Agreement for an additional credit facility of Baht 1,000 Million, at the interest rate equal to MLR-2.525 percent and 6M FDR+ 2.66875 percent per annum. As at 31 December 2014, the Company's long-term loans amounted to Baht 1,084 Million. The loan repayment is scheduled to be made in full in July 2019. The long-term loans for the Si Rat - Outer Ring Road Expressway Project amounted to Baht 1,800 Million, at the interest rate of MLR-2.525 percent and 6M FDR+2 percent per annum.

7.3.2 Debentures

In 2014, the Company issued additional debentures in February 2014, comprising Baht 3,000 Million debentures, with a maturity of 3 years at the fixed interest rate of 3.59 percent per annum; and Baht 1,000 Million debentures, with a maturity of 5 years at the fixed interest rate of 4.35 percent per annum. The proceeds from the issuance of such debentures were used for repayment of the existing debentures due in 2014 and payment of the construction costs under the Project Management Agreement for the Si Rat - Outer Ring Road Expressway Project. As at 31 December 2014, the Company's outstanding debentures amounted to Baht 19,400 Million, as per the following details:

Details of Debentures	Debentures No. 3/2009	Debentures No. 3/2010	Debentures No. 1/2011 Series 2	Debentures No. 2/2011
Debenture Symbol	BECL155A	BECL173A	BECL214A	BECL18DA
Total Value of Debentures	Baht 2,000 Million	Baht 1,500 Million	Baht 1,000 Million	Baht 900 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	1,500,000 units	1,000,000 units	900,000 units
Par Value per Unit	Baht 1,000	Baht 1,000	Baht 1,000	Baht 1,000
Interest Rate per annum	MLR - 3.00%	6m FDR + 1.65%	4.72%	4.60%
Maturity	5 years 5 months 2 Days	7 years	10 years	7 years
Issue Date of Debentures	28 December 2009	31 March 2010	29 April 2011	29 December 2011
Maturity Date	30 May 2015	31 March 2017	29 April 2021	29 December 2018
Registrar	SCB	SCB	TMB	TMB
Early Redemption Right	-None-			
Repayment of Principal	The issuer of debentures shall repay the principal in full on the maturity date.			
Rating	-	-	A	-

Details of Debentures	Debentures No. 1/2012	Debentures No. 2/2012	Debentures No. 1/2013 Series 1	Debentures No. 1/2013 Series 2
Debenture Symbol	BECL153A	BECL160A	BECL163A	BECL183A
Total Value of Debentures	Baht 1,000 Million	Baht 2,000 Million	Baht 2,000 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	2,000,000 units	2,000,000 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	4.12%	4.08%	3.60%	4.03%
Maturity	3 years	4 years	3 years	5 years
Issue Date of Debentures	28 March 2012	10 October 2012	6 March 2013	6 March 2013
Maturity Date	28 March 2015	10 October 2016	6 March 2016	6 March 2018
Registrar	SCB	TMB	TMB	TMB
Early Redemption Right	-None-			
Repayment of Principal	The issuer of debentures shall repay the principal in full on the maturity date.			
Rating	A	A	A	A

Debentures (continued)

Details of Debentures	Debentures No. 1/2013 Series 3	Debentures No. 2/2013	Debentures No. 3/2013	Debentures No. 1/2014 Series 1	Debentures No. 1/2014 Series 2
Debenture Symbol	BECL203A	BECL163B	BECL18NA	BECL172NA	BECL192NA
Total Value of Debentures	Baht 1,000 Million	Baht 1,000 Million	Baht 1,000 Million	Baht 3,000 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	Unsubordinated and unsecured debentures bearing names of the holders without a debenture holder representative
Number of Debentures	1,000,000 units	1,000,000 units	1,000,000 units	3,000,000 units	1,000,000 units
Par Value per Unit	Baht 1,000	Baht 1,000	Baht 1,000	Baht 1,000	Baht 1,000
Interest Rate per annum	4.36%	3.60%	4.70%	3.59%	4.35%
Maturity	7 years	3 years	5 years	3 years	5 years
Issue Date of Debentures	6 March 2013	12 March 2013	7 November 2013	27 February 2014	27 February 2014
Maturity Date	6 March 2020	12 March 2016	7 November 2018	27 February 2017	27 February 2019
Registrar	TMB	TMB	TMB	TMB	TMB
Early Redemption Right	-None-				
Repayment of Principal	The issuer of debentures shall repay the principal in full on the maturity date.				
Rating		A	A	A	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. However, pursuant to the conditions of the Credit Facility Agreement, at present, the Company will be able to pay dividend to shareholders in the event that its debt service coverage ratio or DSCR on the date of dividend payment is not less than 1.20 and must not be less than 1.0 after the dividend payment.

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 shareholders' meeting.

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	
			Separate Financial Statements	Consolidated Financial Statements	Separate Financial Statements	Consolidated Financial Statement
2010						
- First half	424	0.55	881	823	48	51
- Second half	577	0.75	1,020	980	57	59
Total in 2010	1,001	1.30	1,901	1,803	53	56
2011						
- First half	462	0.60	812	794	57	58
- Second half	539	0.70	568	614	95	88
Total in 2011	1,001	1.30	1,380	1,408	73	71
2012						
- First half	477	0.62	1,993	1,466	24	33
- Second half	678	0.88	724	794	94	85
Total in 2012	1,155	1.50	2,717 ⁽¹⁾	2,260 ⁽²⁾	43	51
2013 (Restated)						
- First half	539	0.70	1,061	3,810	51	14
- Second half	693	0.90	1,088	1,337	64	52
Total in 2013	1,232	1.60	2,149	5,147 ⁽³⁾	57	24
2014						
- First half	616	0.80	1,358	1,363	45	45
- Second half	1,309 ⁽⁴⁾	1.70 ⁽⁴⁾	1,807	1,843	72	71
Total in 2014	1,925	2.50	3,165	3,206	61	60

Remarks : ⁽¹⁾ This is divided into normal operating profit amounting to Baht 1,445 Million and gain on sales of investment in SEAN, net of tax, amounting to Baht 1,272 Million.

⁽²⁾ This is divided into normal operating profit amounting to Baht 1,484 Million and gain on sales of investment in SEAN, net of tax, amounting to Baht 776 Million.

⁽³⁾ This is divided into normal operating profit amounting to Baht 2,339 Million and gain on fair value adjustment of investment from changing status of investments in TTW in the amount of Baht 2,808 Million, which represents an accounting profit and non-cash item.

⁽⁴⁾ This is included in the Agenda for the 2015 Annual Ordinary General Meeting of Shareholders on 2 April 2015.

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 2014, 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	20	6/6
2. Prof. Suphachai Phisitvanich	Director Audit Committee Chairman Corporate Governance and Risk Management Committee Chairman	Independent Director	20	5/6
3. Gen. Sampao Choosri	Director Audit Committee Member Nomination and Remuneration Committee Chairman Corporate Governance and Risk Management Committee Member	Independent Director	10	6/6
4. Dr. Annop Tanlamai	Director Audit Committee Member Nomination and Remuneration Committee Member Corporate Governance and Risk Management Committee Member	Independent Director	3	6/6
5. Mr. Plew Trivisvavet	Director Chairman of the Executive Board Nomination and Remuneration Committee Member	Executive Director	20	6/6
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	20	5/6
7. M.L. Prasobchai Kasemsant	Director Executive Director	Executive Director	20	6/6
8. Mr. Panit Dunnvatanachit	Director	Non-Executive Director	11	6/6

Name-Surname	Position	Category	Number of Years of Directorship	Attendances/ Number of Board of Directors' Meetings
9. Miss Arisara Dharamadhaj	Director	Non-Executive Director	8	6/6
10. Mrs. Vallapa Assakul	Director Executive Director	Executive Director	4	6/6
11. Mr. Sudthisak Wattanavinid ⁽¹⁾	Director	Non-Executive Director	1	3/5
12. Mrs. Payao Marittanaporn	Director Executive Director Managing Director	Executive Director	7	6/6

Remark : The directors' profiles appear on pages 160 to 163.

⁽¹⁾ Mr. Sudthisak Wattanavinid was appointed in the Board of Directors' Meeting No. 1/2014 on 26 February 2014 to replace Mr. Chavalit Wathanakul who resigned on 1 October 2013.

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. Spong 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 2014 comprises 26 persons (information of executives appears on pages 163 to 167) as listed below:

- | | | |
|-------------------|----------------------|---|
| 1. Mrs. Payao | Marittanaporn | Managing Director |
| 2. Mr. Sanguan | Kunatinun | Deputy Managing Director: Engineering ⁽¹⁾ |
| 3. Mrs. Sudruthai | Prommart | Deputy Managing Director: Operation ⁽¹⁾ |
| 4. Mrs. Ngamnit | Kanokgarnjanar | Deputy Managing Director: Administration ⁽¹⁾ |
| 5. Mr. Phakpoom | Thaweewittayarut | Deputy Managing Director: Administration ⁽¹⁾ |
| 6. Miss Panan | Tosuwanthaworn | Deputy Managing Director: Finance ⁽¹⁾ |
| 7. Mr. Chatree | Techatassanasoontorn | Assistant Managing Director: Business Development Unit |
| 8. Miss Walainut | Trivisvavet | Assistant Managing Director: Finance Unit ⁽²⁾ |
| 9. Mrs. Wattana | Sittiwattayaporn | Assistant Managing Director: Construction Project Unit ⁽¹⁾ |
| 10. Mrs. Supattra | Bumnetphan | Assistant Managing Director: Toll Revenue Unit and
Acting General Manager of Toll Collection Division ⁽¹⁾ |
| 11. Mr. Phaisan | Lertsalaluck | Assistant Managing Director: Traffic Unit ⁽¹⁾ |
| 12. Mr. Omsyn | Pibulwarangkur | Assistant Managing Director: Administration Unit ⁽¹⁾ |

13. Mr. Rungsak	Luengrattanas	Assistant Managing Director: Maintenance Unit ⁽¹⁾ and Acting General Manager of Engineering Division
14. Mrs. Manatsavee	Subchavaroj	Assistant Managing Director: Compliance Unit ⁽¹⁾
15. Mrs. Suttida	Sukhanindr	Assistant Managing Director: Finance Unit ⁽¹⁾
16. Mr. Kitt	Aphonrat	Assistant Managing Director: Business Development Unit ⁽¹⁾ and Acting General Manager of Business Development Division
17. Miss Vasana	Wattananukulchai	General Manager of Internal Audit Office
18. Mr. Chalermkiat	Sakonwisansak	General Manager of Maintenance Division
19. Miss Phenporn	Kittiyopars	General Manager of Information Technology Office
20. Mrs. Suporn	Nakruchata-amorn	General Manager of Toll Revenue Division ⁽¹⁾
21. Mr. Kitt	Phuabanditkul	General Manager of General Administration Division ⁽³⁾
22. Mrs. Pauranee	Kanittanon	General Manager of Managing Director Office ⁽³⁾
23. Miss Piyanut	Saringkhan	General Manager of Finance Division ⁽³⁾
24. Miss Saranya	Lertjiraprasert	General Manager of Accounting Division ⁽³⁾
25. Mr. Prapan	Aimjhai	General Manager of Traffic Division ⁽³⁾
26. Mr. Apichat	Khamkongkhun	General Manager of Construction Division ⁽³⁾

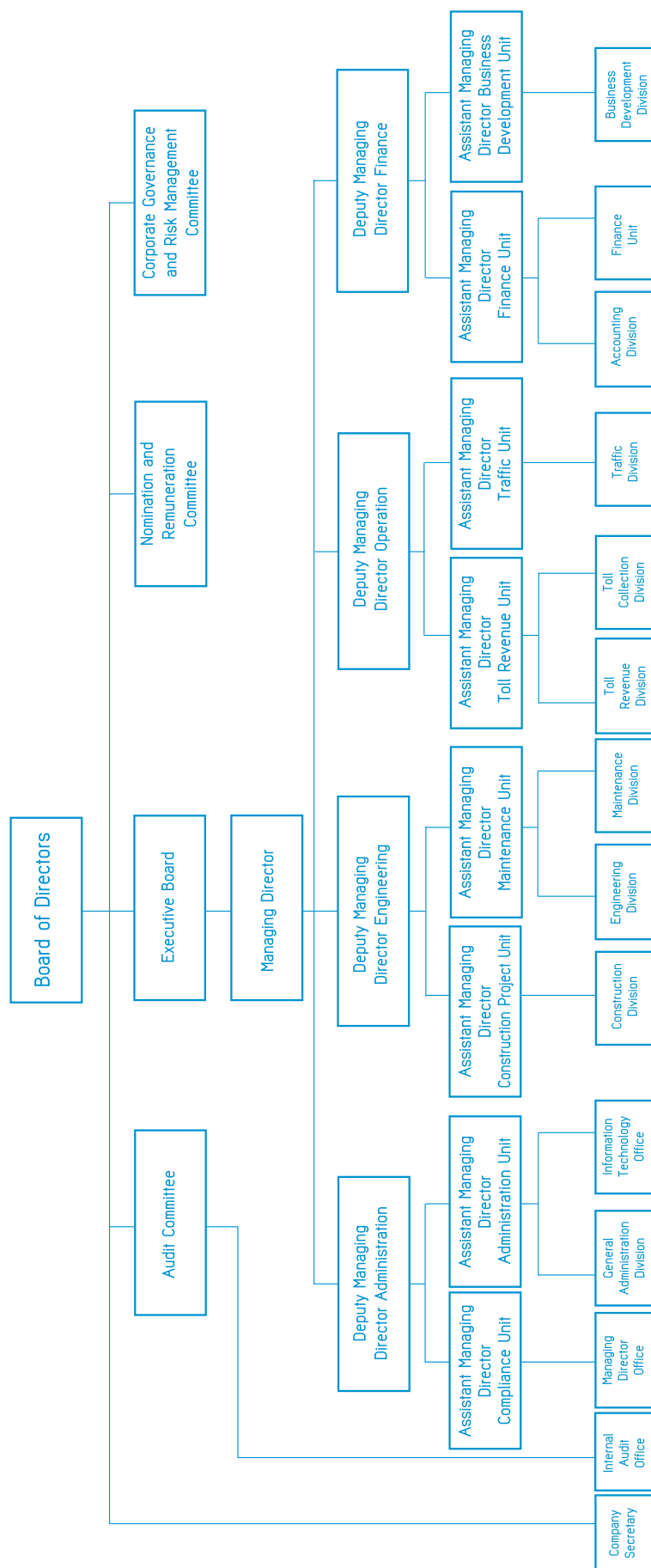
Remarks : Executives No. 1-6 refer to the definition of “executive” of the Office of the Securities Exchange and Commission.

⁽¹⁾ As promoted on 1 October 2014

⁽²⁾ As appointed on 20 March 2014

⁽³⁾ As appointed on 1 October 2014

8.2.2 Management Structure of the Company



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 2014, 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	Dunnavatanachit	Director
5. Mrs. Vallapa	Assakul	Director
6. Mr. Sudthisak	Wattanavinid	Director
7. Mrs. Payao	Marittanaporn	Director

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 164), 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. 026414611 or sending questions via email to companysecretary@becl.co.th.
6. Promoting provision of training in various courses and providing information useful for performance of duties of new directors.
7. Proceeding with other matters as assigned by the Board of Directors.

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 2014, 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 2014 amounted to Baht 26,270,274, which was in line with the resolution of the 2014 Annual Ordinary General Meeting of Shareholders which approved the remuneration for directors in an amount not exceeding Baht 27,800,000 as bonus for directors in 2013 in an amount not exceeding Baht 12,300,000 and remuneration for directors for 2014 in an amount not exceeding Baht 15,500,000.

Unit : Baht

Name of Director	Position	Remuneration for Directors for 2014						Bonus for 2013
		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	2,200,000	-	-	-	-	2,200,000	1,600,000
2. Prof. Suphachai Phisitvanich	Director Audit Committee Chairman Corporate Governance and Risk Management Committee Chairman	550,000	-	500,000	-	300,000	1,350,000	1,400,000
3. Gen. Sampao Choosri	Director Audit Committee Member Nomination and Remuneration Committee Chairman Corporate Governance and Risk Management Committee Member	600,000	-	300,000	250,000	200,000	1,350,000	1,200,000
4. Dr. Annop Tanlamai	Director Audit Committee Member Nomination and Remuneration Committee Member Corporate Governance and Risk Management Committee Member	600,000	-	300,000	150,000	200,000	1,250,000	950,000
5. Mr. Plew Trivisvavet	Director Chairman of the Executive Board Nomination and Remuneration Committee Member	600,000	1,000,000	-	150,000	-	1,750,000	1,600,000
6. Mr. Supong Chayutsahakij	Director Vice Chairman of the Executive Board Corporate Governance and Risk Management Committee Member Nomination and Remuneration Committee Member	550,000	500,000	-	150,000	200,000	1,400,000	1,350,000

Name of Director	Position	Remuneration for Directors for 2014						Bonus for 2013
		Board of Directors	Executive Board	Audit Committee	Nomination & Remuneration Committee	Corporate Governance and Risk Management Committee	Total	
7. M.L. Prasobchai Kasemsant	Director Executive Director	600,000	500,000	-	-	-	1,100,000	950,000
8. Mr. Panit Dunnvatanachit	Director	600,000	-	-	-	-	600,000	450,000
9. Miss Arisara Dharamadhaj	Director	600,000	-	-	-	-	600,000	450,000
10. Mrs. Vallapa Assakul	Director Executive Director	600,000	450,000	-	-	-	1,050,000	950,000
11. Mr. Sudthisak Wattanavinid ⁽¹⁾	Director	403,973	-	-	-	-	403,973	-
12. Mrs. Payao Marittanaporn	Director Executive Director Managing Director	600,000	500,000	-	-	-	1,100,000	950,000
13. Mr. Chavalit Wathanakul ⁽²⁾	Director	-	-	-	-	-	-	266,301
Total		8,503,973	2,950,000	1,100,000	700,000	900,000	14,153,973	12,116,301
Amount approved by shareholders							15,500,000	12,300,000

Remarks : ⁽¹⁾ Mr. Sudthisak Wattanavinid has served as a director since 26 February 2014.

⁽²⁾ Mr. Chavalit Wathanakul served as a director since 27 February 2013 and resigned on 1 October 2013.

(1.2) In 2014, 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 2014, amounted to Baht 2,259,658.

(1.3) In 2014, the Company paid remuneration comprising salary and bonus for executives from the level of the Managing Director downwards to General Manager, a total of 26* persons, amounting to Baht 99,526,520.

(2) Other remuneration

(2.1) Other remuneration for directors

- None -

(2.2) Other remuneration for executives

The Company establishes a provident fund, which represents long-term remuneration upon termination of employment with the Company or upon retirement, whereby executives pay savings at the rate of 5-10 percent of his/her salary according to service years and the Company pays contributions at the same rate to the fund. In 2014, the Company made contributions to the provident fund for 26* executives in the amount of Baht 5,417,380.

The contribution rate paid by the Company was in accordance with the resolution of the Board of Directors' Meeting, taking into consideration the Company's profitability and the Company's operational results.

Remarks : * In October 2014, the Company underwent its corporate restructuring, and appointed additional executives at the level of the General Manager.

8.5 Personnel

8.5.1 Number of Staff

As at 31 December 2014, the Company has a total of 679 staff, comprising personnel in two main functions, namely, Operation comprising Toll Revenue Division, Toll Collection Division, and Traffic Division; and Engineering comprising Construction Division, Engineering Division, and Maintenance Division, representing 78.06 percent of all staff, personnel in the supporting functions, namely, Administration and Finance, representing 21.94 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.

In 2014, the Company improved the quality of its staff's work performance, by launching a Lean Office Management program, to apply a variety of tools, methods and activities under the LEAN Management guidelines with an aim to eliminate waste occurring in the operating procedures such as waiting, over processing, waste/defect, and motion. In this regard, various work units set out the respective improvement guidelines under the Lean guidelines, totaling 19 work processes, for example, how to reduce time to rescue broken vehicles on the expressways, management of short-term investment from daily toll revenue, inspection of impacts from requests for utilization of the right of way from various agencies, etc., which could save time and cost in the Company's operations. The Lean program will be subject to regular improvement.

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.

The Executive Board considers adjusting wages on a yearly basis by taking into account the Company's operational results through the Competency KPIs and its payment coverage ratio.

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 setting out a policy to require each work unit to set out measures and practices 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 Staff's Life

The Company realizes the significance of life quality of staff, including motorists and the society around the Expressway routes, and then sets out a policy on hygienic workplaces and routes by applying 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 recertification audit of ISO 14001:2004 Environmental Management System Certificate by SGS (Thailand) Limited 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.

7) Anti-Corruption in Operating Procedures

The Company designs its operating procedures on the basis of independent check and balance and adopts the SAP system to inspect every step of the operating procedures, including prevention of any potential unusual practices in the procedures.

The SAP system comprises sourcing and procurement, maintenance, inventory, accounting and finance modules, all of which are integrated in one system, to inspect every step of the operating procedures and cross-platform processing, including financial data tracking, which help prevent corruption efficiently.

9. Corporate Governance

9.1 Corporate Governance Policy

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

1. Shareholders' Rights

Encouraging shareholders to exercise their fundamental rights and taking care of shareholders beyond their rights as specified by law without any actions in violation of or depriving shareholders of their rights.

2. Equitable Treatment of Shareholders

Supervising and monitoring all shareholders to be equally treated according to their fundamental rights, laying down measures to prevent inside information usage for advancing personal interests or the interests of 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 which deprive stakeholders of their rights as well as establishing compensation measures in case any stakeholder sustains 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 of the Company.

4. Disclosure and Transparency

All activities are undertaken with transparency and are open for inspection with sufficient information disclosure to all relevant parties as well as monitoring to ensure that disclosure of material information relating to the Company, both financial and non-financial information, will be made correctly, completely, timely and transparently through an easy access with equality and reliability.

5. The Board of Directors' Responsibilities

The Board of Directors must 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. 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. As a result of the Stock Exchange's updated Principles of Corporate Governance for Listed Companies 2012 in line with the rules of ASEAN CG Scorecard, the Board of Directors has then reviewed its practices in accordance with the Company's good corporate governance principles, and the Company has also prepared good corporate governance guidelines for compliance.

The Company has adhered to 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 corporate governance. In 2014, the Company's assessment results by the regulatory units and awards from various organizations and agencies were as follows:

- 1) The Company received a “Very Good” rating in the assessment of the corporate governance of Thai listed companies for 2014 from the Thai Institute of Directors Association.
- 2) The Company was rated as one of the Top 50 Public Listed Companies in Thailand according to the result of the survey of corporate governance practices of Thai Listed Companies under the ASEAN CG Scorecard for 2013/2014 conducted by the Thai Institute of Directors Association.
- 3) The Company received an “Excellent and Role Model Company” rating in the assessment of the quality of the 2014 Annual Ordinary General Meeting of Shareholders conducted by the Thai Investors Association.
- 4) The Company received an outstanding award for corporate social responsibility for 2014 and received a CSR Recognition 2014 award from the Stock Exchange of Thailand and Money & Banking Magazine.

The Company’s adherence to the Principles of Good Corporate Governance for Listed Companies 2012 in accordance with the best practices of the Stock Exchange of Thailand (the “Stock Exchange”) 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 which deprive 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 provided with other information in support of their consideration of each agenda item in due course in accordance with the practices of the Stock Exchange, 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 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 must encourage 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 must be protected, whereby the Company must not take any actions in violation of or which deprive 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 auditors and determination of audit fee, including voting on any important matters of the Company.

In case it is inconvenient for any shareholder to attend meetings in person, the Company prepares proxy forms to facilitate shareholders’ voting, and nominates one independent director who may be appointed as proxy of shareholders for exercising the right to attend meetings and vote on each agenda item by proxy.

1.2 Shareholders’ opportunity to study the Company’s information memoranda

Notices of meetings which have detailed explanations of and reasons in support of each agenda item, date, time, place, including details relating to the documents or evidence in support of participation in meetings, are prepared by the Company both in Thai and English versions for the benefit of foreign shareholders. The Company posts notices of meetings on the Company’s website 30 days in advance. For the 2014 Annual Ordinary General Meeting of Shareholders on 23 April 2014, the notice was displayed from 21 March 2014. In addition, notices of meetings must be sent to Thailand Securities Depository Company Limited, as the Company’s share registrar, for delivery to shareholders 14 days prior to meeting dates, i.e., 8 April 2014, so as to allow shareholders to have time to consider the details of each agenda item. Furthermore, shareholders’ meetings must 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 in meetings, so that shareholders have the opportunity to study information in support of their consideration of each agenda item.

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 do not fall on any long holidays or public holidays; and an appropriate meeting time which is not be too early in the morning or too late in the evening. Meetings are held at venues which are 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. In 2014, the Company convened one shareholders' meeting, namely, the 2014 Annual Ordinary General Meeting of Shareholders on 23 April 2014, at 14:00 hours, at Ballroom, Queen Sirikit National Convention Center, No. 60 New Rachadapisek Road, Klongtoey, Bangkok, so that shareholders could travel there using the MRT service.

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 the procedures for submission of questions in advance on its website at www.becl.co.th. Shareholders may send questions via the Company's website or e-mail address : 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, Bangkok Subdistrict, Huai Kwang 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 a proxy to attend meetings.

2) Conduct of Shareholders' Meetings

The Company's reception staff facilitates shareholders' participation in meetings and provides information to shareholders both before and after meetings as well as serves 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 barcodes 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 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 2014, 11 out of 12 directors attended the 2014 Annual Ordinary General Meeting of Shareholders, and the 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 have one vote for each share held by them. Normally, a majority of votes of shareholders who attend the meeting and cast votes is applicable. Agenda items on determination of remuneration for directors must be passed by not less than two-thirds of all votes of the shareholders who attend the meeting. As for other issues, votes are in accordance with the Articles of Association, laws and relevant regulations. Agenda items for acknowledgement require no resolution.

2.4 Vote counting or examination in shareholders' meetings

The Company uses the barcode system to record and display voting results. A legal advisor and at least two independent persons as shareholders' representatives 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 introduces the examiners of vote counting to the meetings for recording in the 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'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 facilitate the collection of voting cards in the meeting room. To ensure transparency, the Company has its legal advisor and the shareholders' representative serve as witness in the counting of votes.
2. In case shareholders appointing their proxies have clearly voted for, against or abstained from voting on the respective agenda items, the Company collects and records such votes for computer processing in advance. The legal advisor and the shareholders' representatives examine the counting of votes by proxy, in which case, no voting cards are 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 that the Board of Directors has sufficient time to clarify or answer shareholders' questions, the Company collects only the voting cards of the shareholders attending the meeting in person and intending to vote against or abstain from voting.
4. For the agenda item on appointment of directors in respect of which the shareholders may vote on an individual basis, the Company collects the voting cards from all shareholders attending the meeting to ensure 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 encourages 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 matters other 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 on its website in addition to the disclosure to the Stock Exchange 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 are made available for all shareholders' information on the Company's website after the minutes have been delivered to the Stock Exchange 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, and 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, and promulgates measures to prevent inside information usage for advancing personal interests or the interests of others which may cause damage to shareholders as a whole.

1) Provision of Information prior to Shareholders' Meetings

The Board of Directors ensures 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 in accordance with the rules on disclosure, and such notice is posted on the Company's website on the following business day; ensures 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 one month prior to the meeting date. The Board of Directors also ensures 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 items to the shareholders' meeting and to nominate qualified candidates for appointment as directors via the Company's website. Shareholders may exercise such rights one month prior to the end of each accounting year for the purpose of the Company's annual ordinary general meeting of shareholders, a procedure that started with 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's website, including relevant rules on the Company's website. In this regard, the Board of Directors considers incorporating agenda items proposed by shareholders as appropriate. As for the candidates nominated for appointment as directors, the Management proposes such names to the Nomination and Remuneration Committee for further submission to the Board of Directors and the shareholders' meeting.

The shareholders' meeting proceeds in accordance with the order of the agenda as specified in the notice of the meeting and may not add any agenda item to the meeting without prior notice to shareholders, so that shareholders have the opportunity to study information in support of consideration of each agenda item.

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 of such guidelines for compliance. In this regard, the Company has established measures to prevent inside information usage to advance the interests of directors and executives by informing all persons of their roles and duties to report their own securities holdings, and those of 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 Office of the Securities and Exchange Commission ("SEC") 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, and 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 imposes a duty on its directors and executives to report on their personal interests and disclose their holdings of directorships or executive positions in other legal entities, and their shareholdings in other legal entities in excess of 25 percent of total voting shares and this obligation applies to both reporters and their related persons. This is to ensure that the Board of Directors has 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 keeps such reports on interests of directors and executives, and provides 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 gives 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 takes 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 Transactions on Arm's 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 transaction 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 and the SEC;
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, the Company must comply with the rules and regulations of the Stock Exchange, as follows:

1. The Company must 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 the price is not available, the Company must 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 must require an independent price appraiser's opinion for price comparison with respect to material related transactions, to ensure that 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; as well as transactions of a size beyond the Management's scope of power, may be executed by the Company subject to approval of the Board of Directors' meeting, in which the interested director or high level executive may not participate in the consideration and approval of such transaction;
5. The Company must disclose information on transactions in accordance with the rules as specified by the SEC;
6. The execution of connected transactions must 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 stakeholder 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 requires the Company to 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 stakeholder sustains 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 to realizing the significance of 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 responses 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 to allow the Expressway users to visit the operation and management of the Expressways under the Company's concession.

1.2 Business counter party: The Company strictly discharges its obligations under the Agreements with EXAT in the capacity as contractual party, and fairly treats its business counter party on the basis of equitable treatment, without any barrier, special right or discrimination. The Company also complies with conditions, rules, regulations, mutual practices, 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 operations 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 relationships 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 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 directors and/or staff to accept any benefits from traders.
7. Evaluating traders on a yearly basis and informing them of the 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 confidential information dishonestly or improperly, such as, bribing directors and staff of its competitors.
9. Refraining from making a serious accusation against traders without reasonable grounds.

1.4 Lenders/Debenture Holders: The Company strictly complies with the conditions of its 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 refrains from breaching 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 must 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, or acceptance of any fraudulent benefits, 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 SEC and strictly complies with policies, objectives and resolutions of the shareholders' 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 a 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, including the occupational safety and health, 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 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 rewards, on the basis of staff's knowledge, capacities and qualifications.
5. Maintaining 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. In 2014, the Company's work-related accident statistics involved two accidents on the Expressway with zero staff casualties.
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 2014, the Company arranged for staff to attend training averaging 26.38 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 non discrimination, provision of equitable opportunity for employment of female labor, disabled persons, underprivileged persons, youths, the elderly, and acceptance of staff's 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 beliefs, whereby the Company supervises staff to ensure that they 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 takes account of 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 support to various community activities.

2) Anti-Corruption Policy

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 inducing 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 gain or for gains of 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 have a duty to maintain the Company's intellectual property works and may 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, must 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 to 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, Huai Kwang 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 appoints or authorizes 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 processes and screens such facts and then considers proposing appropriate steps and actions for handling such complaints.

3. Measures

The authorized working group proposes 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 reports on the results to the stakeholders who submitted 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 are protected in accordance with the following criteria:

1. The complainants or those who provide cooperation in the investigation of facts may choose to keep their identities undisclosed, in case such disclosure may jeopardize their safety or cause any damage.
2. In case their identity is disclosed, the Company will report on developments of the fact finding.
3. The Company may 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 may 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 jeopardize safety, appropriate protection measures must be implemented.
5. Those who sustain damage will 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, proposes 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 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 an annual survey of wages and remuneration, in comparison with other organizations, as well as continuing support for development via quality activities.

Objectives: Staff should 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 that it must minimize any impacts on at-grade traffic, and keep dust and noise problems during construction to a minimum. As such, the Company utilizes the state-of-the-art technology available at such time and complies with AASHTO safety standards.

Objectives: The construction must 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 must 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 EXAT, 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 has installed a 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 must be prevented for the Expressway users to rest assured of their safety, in addition to convenience and rapidity, over at-grade roads.

(4) Continued service improvement: The Company has formed a work unit responsible for research and development, comprising engineers and consultants with expertise in the field of transportation and traffic engineering to conduct studies on improvement of the physical characteristics and inspection of 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 must be initiated for the Company to continuously develop and improve the services in terms of convenience, rapidity and safety.

3. Contractual parties/traders: EXAT, 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 are reasonable as 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 educating and practicing through appropriate activities, in line with the policy and budget approved by the Board of Directors. The Company puts in place 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 seeks to 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 will receive opportunities from society and trust from the government sector to continue its infrastructure service business.

6) Risk Management Policy

The Board of Directors believes in the significance of the Enterprise wide Risk Management (ERM) in the management systems and major operations which are important to efficiently and effectively achieve 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 an 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 for 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 inconsistent 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, so that the Company's business operations will be transparent and open for inspection with sufficient information disclosure equally to all parties concerned. The Managing Director has 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 SEC and the Stock Exchange.

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 has established the Investor Relations unit to represent the Company in communicating information useful to shareholders, debenture holders, investors, securities analysts, mass media, and relevant parties. The Company has also been a member of Thai IR Club since 2005, and set up an Investor Relations unit for communication purposes, and a dedicated team is ready to provide information and news to investors and securities analysts and mass media, make appointments, as well as coordinate with shareholders, debenture holders, and investors to ensure sufficient and equal access to appropriate information without any discriminatory treatment of any specific group. Interested investors may contact the Investor Relations Department, at 0 2641 4611 Ext. 6200 or 6221 and 6222. Investors who find it inconvenient to visit the Company's Office No. 238/7, Asoke-Dindaeng Road, Bangkapi 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.

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 investors' questions so that they would be personally aware of opinions and requirements of Thai and foreign investors. The Managing Director, the Deputy Managing Directors, 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 for 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 as the authorized person to disclose such information to the Stock Exchange and answer questions from 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 party or abusing their positions for personal gains or for the gains of 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 for the gains of 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 for the interests of others.

The Company's disclosure of information to staff must 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, for 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 ensures that the Company's disclosure of material information follows the specified policy and requirements. The disclosure is prepared both in Thai and in English and is made available via the Stock Exchange's channel and on the Company's website at www.becl.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. This information and news are made available in support of decision-making by investors and relevant parties, together with monthly corporate presentations to investors, which are updated on the 10th day of the following month, so as to be regularly and timely available to all investors on the website. Users of such information 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, 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 reports, the Board of Directors prepares 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 147.

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

In 2014, the Company organized Company Visits and Conference Calls, and Press Interviews, as well as participated in local and international Roadshows organized by various institutions for foreign investors, as follows:

- “dbTISCO Access Thailand Services Sectors Corporate Day” organized by Deutsche TISCO Investment Advisory Co., Ltd.;
- “J.P. Morgan Asia Rising Dragons 2014” Roadshow organized by J.P. Morgan in Singapore;
- “SET Road Show in Hong Kong” organized by the SET, in association with BNP Paribas Securities Services in Hong Kong;
- “Thailand Focus 2014” Roadshow organized by the Stock Exchange of Thailand, Phatra Securities Company Limited and Bank of America Merrill Lynch;
- Roadshow : dbAccess Thai Tourism, Transport & Healthcare Corporate Day organized by Deutsche TISCO Investment Advisory Co., Ltd.

The foregoing events were 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 Opportunity Day event organized by the Stock Exchange 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 to allow 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 2014 for further improvement. The survey revealed that the provision of service in such Investor Relations activities was satisfactory to 94.00 percent of those surveyed.

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 SEC, in regard to other executives along with staff who are authorized to access the Company's material information which may influence securities price movements, 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, 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 monitors and supervises 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 create wealth for shareholders based on the good corporate governance principles. The Board of Directors monitors and supervises management to ensure that the strategies have been applied to the business for sustainable growth.

The Board of Directors complies with the best practices of the Stock Exchange 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. The Company has four independent directors, which represents one-third of all directors. In addition, one director as EXAT's representative who has experience in the Company's core business is a non-executive director.
- 1.2 The Board of Directors includes four independent directors, the number as required by the SEC, who are able to independently provide opinions on the Management Team's performance. The Company also determines qualifications of "independent directors" stricter than the minimum requirements of the SEC and the Stock Exchange.
- 1.3 Directors have a term of office of three years, and the retiring directors may be re-elected. At every annual ordinary general meeting of shareholders, one-third of the number of directors vacate their offices 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 may 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 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 directorships 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 operations 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. The Board of Directors has determined duties and responsibilities of each subcommittee as detailed on pages 109 to 112.

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 experience in various fields, and has independence 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 is 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. The code of business ethics prescribes 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 ethical conduct. In the past, all directors, executives and staff have been informed of and well understood 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 transaction which may involve a conflict of interest, interested directors may not attend nor vote on such matter at the meeting.

- 5) In respect of risk management, the Board of Directors follows up and acknowledges risk management plan of the Company from the Management's report on operational results in each Board of Directors' meeting and from the Report of the Corporate Governance and Risk Management Committee.

In addition, the Company requires that its code of business ethics 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 annual survey on compliance with the Company's code of business ethics for directors, executives and staff which they must sign to signify their responsibility for compliance with the Company's code of business ethics, the Company has continuously supported training on corporate governance on a yearly basis for high and middle level executives, so as to enhance their knowledge, understanding, visions, and good attitudes towards the Company's management in compliance with good corporate governance principles to build leadership and ensure succession to the management, including performance of duties and direction of corporate with morality and ethics.

The Board of Directors and executives adhere to the guidelines for good corporate governance 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 2014. In addition, the Board of Directors received 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 from the Thai Institute of Directors Association in association with the Stock Exchange 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 for 2014				
	Board of Directors	Executive Board	Audit Committee	Nomination and Remuneration Committee	Corporate Governance and Risk Management Committee
1. Dr. Virabongsa Ramangkura	6/6	-	-	-	-
2. Prof. Suphachai Phisitvanich	5/6	-	4/4	-	4/4
3. Gen. Sampao Choosri	6/6	-	4/4	2/2	4/4
4. Dr. Annop Tanlamai	6/6	-	4/4	2/2	4/4
5. Mr. Plew Trivisvavet	6/6	12/12	-	2/2	-
6. Mr. Supong Chayutsahakij	5/6	12/12	-	2/2	4/4
7. M.L. Prasobchai Kasemsant	6/6	12/12	-	-	-
8. Mr. Panit Dunnvatanachit	6/6	-	-	-	-
9. Miss Arisara Dharamadhaj	6/6	-	-	-	-
10. Mrs. Vallapa Assakul	6/6	10/12	-	-	-
11. Mr. Sudthisak Wattanavinid	3/5 ⁽¹⁾	-	-	-	-
12. Mrs. Payao Marittanaporn	6/6	12/12	-	-	-

Remark : ⁽¹⁾ Mr. Sudthisak Wattanavinid was appointed in the Board of Directors' Meeting No. 1/2014 on 26 February 2014 to replace Mr. Chavalit Wathanakul who resigned on 1 October 2013.

1) The Board of Directors' Meetings

The Company must give prior notice of the 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 their time to attend the meetings. Pursuant to the Articles of Association, the Board of Directors must meet every three months; a quorum consists of not less than 60 percent of the total number of directors; and every director must attend not less than 75 percent of the total number of the Board of Directors' meetings held each year. 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. The Executive Board meets every month in order to closely follow up performance of the Management.

According to the improved operational practices implemented in November 2013 in accordance with the Principles of Corporate Governance 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 operational results is required to be submitted to the Board of Directors for acknowledgement in the months when no meeting is held. This practice commenced in 2014.

The Managing Director Office delivers the notice of each meeting and agenda as clearly pre-determined 10 days prior to the meeting date and delivers the supporting documents at least five business days prior to the meeting date, so as to allow the Board to review the same prior to the meeting.

The agenda is determined by mutual discussion between the Chairman of the Board of Directors and the Managing Director. In 2014, nine directors attended the meetings, representing 100 percent of the total of six meetings, including one meeting among non-executive directors and without the Management, in order for the directors to independently discuss and exchange their opinions and to follow up the performance of the Management.

At every meeting, the Chairman of the Board of Directors serves as the chairman of the meeting to ensure that each item is carefully considered and all directors are 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 of the meeting 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, and the Management gives prior notice to such directors and executives who are not allowed to attend the meeting or vote on such item. In considering who is a connected person and interested person, the Board of Directors takes into account the report on interests which all directors and executives 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) Subcommittee meetings

The Board of Directors monitors the implementation of the Company's policies and strategies by convening subcommittee meetings to consider various significant matters and preparing reports on work performance of every subcommittee for submission to each Board of Directors' Meeting, as follows:

2.1 Audit Committee

The Audit Committee regularly meets at least every quarter with the Company's auditor, the internal auditor and the Management and executives responsible for accounting and finance, for review of financial statements on a quarterly basis and makes a report to the Board of Directors, or in case the Management executes any connected transaction or transaction relating to asset acquisition or disposal which must take into account appropriateness, justification and the utmost benefit of the Company, the Audit Committee Chairman may convene additional meetings.

In 2014, the Audit Committee convened four meetings, and there was one meeting with the auditor without the Management. The Audit Committee reports quarterly to the Board of Directors on its performance and will yearly summarize its performance during the previous year via the Audit Committee's report. Furthermore, in 2014, the Audit Committee considered executing a connected transaction.

2.2 Nomination and Remuneration Committee

In 2014, the Nomination and Remuneration Committee convened two meetings for nomination of qualified candidates 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. The said meetings also reviewed remuneration of directors for 2014 and bonus for 2013 for submission to the 2014 Annual Ordinary General Meeting of Shareholders for approval, and considered remuneration for the Managing Director in accordance with the results of performance evaluation for submission to the Board of Directors for approval. At the meeting for review of the nomination criteria, the Nomination and Remuneration Committee considered adding the criteria and procedures for nomination of candidates to be appointed as directors, namely that in the nomination of directors, there should be consideration of the required qualifications taking into account necessary skills for the Board and qualifications in line with the Company's business strategies.

According to the improved operational practices implemented in November 2013 in accordance with the Principles of Corporate Governance 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 commenced in 2014 onwards.

In 2014, the Nomination and Remuneration Committee convened two meetings to consider remuneration for directors for 2014 and consider reviewing the nomination criteria and determining remuneration for directors for 2015.

2.3 Corporate Governance and Risk Management Committee

In 2014, the Corporate Governance and Risk Management Committee convened four 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.

After consideration of the Company's compliance with the good corporate governance principles, comprising five categories, in accordance with the best practices in the "Principles of Corporate Governance for Listed Companies 2012", the Board of Directors deemed it appropriate to improve the operational practices in line with the corporate governance policy for a listed company under the guidelines of the Stock Exchange, and the Corporate Governance and Risk Management Committee will meet at least once every quarter, a practice that commenced in 2014.

In 2014, the Corporate Governance and Risk Management Committee convened four meetings to consider risk management each quarter and review risks and risk management plan for 2015.

2.4 Executive Board

The Executive Board schedules meetings on every third Wednesday of each month. In 2014, 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.

In 2014, the Executive Board convened 12 meetings to scrutinize the agenda items as proposed to the Board of Directors, approve transactions with a value not exceeding Baht 50 Million, and increase staff salary and monetary rewards for 2014.

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 must 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.

Board Self-Assessment Results

In 2014, the Company delivered a self-assessment form to each director to evaluate the overall performance of the Board of Directors, the results of which were used 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 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 and fairness and without influence of any person, and also to consider 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 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 that the Board of Directors gives priority and contributes sufficient time to consider significant matters relating to the direction of the Company's business operations, reviews the good corporate governance policy of the Company, as well as ensures compliance with various policies, reviews the code of business ethics, and monitors to ensure that no conflict of interests arises from any connected transactions and transactions. 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 follow up and monitor 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 that the Company gives prior notice of annual schedule of the meetings, together with the main agenda, to directors so that they may 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 may fully discuss significant issues at each meeting.

- 4) **Directors' Duties:** Directors' performance of duties is satisfactory, namely that 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 in 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 can straightforwardly discuss with the Managing Director and maintain good relations with the Management. The Managing Director can 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 that directors understand their roles, 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 allows 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 has 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.

Subcommittee Self-Assessment Results

In 2014, the Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance and Risk Management Committee, and the Executive Board, conducted self-assessment, with the opinions of committee members summarized as follows:

- 1) **Structure and Qualifications of the Subcommittees :** The results of assessment are satisfactory. All subcommittee members are of the opinion that the total number of subcommittee members is suitable to the nature of business operations of the Company, thereby supporting the subcommittees to perform their overall duties efficiently. The subcommittees comprise personnel with sufficient knowledge and experiences in a variety of fields which supports the subcommittees to perform their overall duties efficiently.

- 2) Role, Duties and Responsibilities of the Subcommittees : The subcommittees' results of assessment are satisfactory, which can be summarized as follows:
- The Audit Committee has ensured that the financial statements have been prepared in accordance with the generally accepted accounting standards; the internal audit tasks have been supervised and monitored for ensuring the appropriate and effective internal audit system; the execution of transactions which may have a conflict of interest has been considered under the specified procedures and for the utmost benefit to the Company; the Company has complied with the securities and exchange law and other applicable laws; and nomination of candidates for appointment, determination of remuneration, and assessment of the auditor's performance are appropriate.
 - The Nomination and Remuneration Committee has ensured that the appropriate criteria for nomination of directors have been determined; the qualified candidates have been considered and nominated for appointment as the Company's directors; the appropriate and transparent criteria for consideration of remuneration for directors have been determined; remuneration for directors has been considered under the specified criteria for submission to shareholders; the results of the Managing Director's performance have been assessed under the specified criteria; and remuneration for the Managing Director has been considered in line with the results of assessment.
 - The Corporate Governance and Risk Management Committee has conducted studies and followed up movement, tendency and practice in respect of the good corporate governance; has improved and made suggestions on the good corporate governance policy of the Company, including the code of business ethics; has followed up and evaluated the results under the good corporate governance principles of the Company; has considered policies and work plans relating to risk management; has monitored and reviewed overall risk management of the Company, strategies for risk management and alert system of all kinds of risks; has reported on risks and actions taken to minimize risks to the Board of Directors.
 - The Executive Board has provided guiding policies, supervised, made suggestions and advice for the Managing Director and the Management; has set up business plan, budget and managerial power of the Company as assigned by the Board of Directors; has inspected and followed up the compliance with the Company's policies and plans with efficiency; has conducted feasibility studies on new projects, such as, projects awarded by EXAT or under the Second Stage Expressway Agreement; has approved justifiable juristic acts binding upon the Company in an amount not exceeding Baht 50 Million; has approved the appointment, and determination of remuneration for executives from General Manager or higher (excluding the Managing Director); and has reported on the Company's operational results to the Board of Directors.
- 3) The Board of Directors' Meetings: The results of assessment are satisfactory, namely that directors are given prior notice of the annual schedule of the Board of Directors' meetings so as to enable them to manage time to attend every meeting; the number of the Board of Directors' meetings is suitable to support the performance of its duties efficiently and to supervise and monitor the Company's business operations successfully; the agenda of the Board of Directors' meetings are suitable to support the performance of its duties efficiently; directors are also given supporting documents prior to each meeting and sufficient time to read such information in preparation for each meeting; the supporting documents contain sufficient information for directors' decision making; the Board of Directors can request any other necessary information in support of their decisions for the benefit to the Company; the atmosphere at each Board of Directors' meeting allows all directors to express constructive opinions without undue influence of any person; and directors can fully discuss significant issues at each Board of Directors' meeting.

- 4) **Directors' Duties :** The results of assessment are satisfactory, namely that directors are well prepared and sufficiently study information prior to each Board of Directors' meeting; directors have regularly attended the Board of Director's meetings; directors independently provide their opinions; directors impartially consider various matters and are independent in making decisions or passing resolutions without undue influence of any individual; directors have provided useful suggestions for the Company's operations; directors understand the significance of each matter and properly contribute their time to consider such matters without wasting time on minor issues; and directors accept different opinions among them without conflict.
- 5) **Self-Development of Directors and Development of Executives :** results of assessment are satisfactory, namely that directors understand their roles, duties and responsibilities; directors have sufficient knowledge and understanding relating to the Company's business to ensure efficiency in their performance; directors have paid attention to significant information or news relating to economic and industrial conditions, changes in rules and regulations and the status of competition, which allows directors to efficiently perform their duties; directors undergo training to ensure their understanding of the performance of duties in their capacity as directors.
- 6) **Relations with the Management:** The results of assessment are satisfactory, namely that directors may straightforwardly discuss with the Managing Director; the Board of Directors maintains a good relationship with management; the Managing Director can request directors' advice as necessary; the Board of Directors does not intervene in performance of duties of management, and the Board of Directors participates in solving problems as appropriate in case management's performance does not meet the specified plans and budget.

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

The Board of Directors has 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 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, and 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 attempted to regularly study various management methods; laid down legitimate and proper measures to monitor, protect and secure any property of the Company; 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. 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 are 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 and without barrier, special treatment, 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 encourage them to refrain from causing any damage to the natural resources and the environment and act as role models 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, have constantly assessed the performance of the Managing Director on a yearly basis since 2007 in accordance with the criteria specified by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee is 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 to obtain the Board of Directors' approval.

8. Remuneration of Directors and Executives

Remuneration for directors : The Company establishes a 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 is 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 considers 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, is 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 2014 appears in Remuneration of Directors and Executives on pages 75 to 77.

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, involving both internal and external training courses. All directors must attend training for understanding of performance of their duties in their 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 160 to 167).

In this regard, the Company also sends directors to regularly participate in various training courses as organized by the IOD. In 2014, Mr. Sudthisak Wattanavinid, the Company's director, attended the Director Accreditation Program (DAP 112/2014) : Governance Training for Listed Company Director, as a fundamental training course for directors to understand their role and duties under the good corporate governance principles, laws, and regulations of the Stock Exchange and the SEC.

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 briefings 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 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 2014, a new director was appointed, and the Company followed the operational practices by briefing the new director about 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 SEC, 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, 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 duties.

The Company sets out a succession plan for the high level executives of the Company, particularly executives and work positions in the primary line, by emphasizing the nomination of internal personnel, and promotion is 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, considers 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 reviews the principles, and selects knowledgeable and qualified persons, while the Board of Directors considers appointing persons at the Managing Director level,

and the Executive Board considers appointing the executives at the General Manager level and higher. As at 31 December 2014, the percentage of the executives at the General Manager level and higher who were promoted through internal nominations represented 80.77 percent. The executive who has been determined to succeed to an office must not only be qualified and experienced in the appropriate field, but must also have accepted transfer of knowledge and experience with rotation to other related work units as well as attended 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 follows up the assessment in respect of nomination process for qualified and knowledgeable persons as required, with 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. The Company has adopted Performance Management System: PMS as the performance assessment tool since 2010 and has conducted the assessment twice, focusing on 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 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 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 26 persons.

Details of such four subcommittees, their powers and duties as well as the nomination procedures in accordance with their respective charters, are 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	Director
12.	Mrs. Payao	Marittanaporn	Director

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 interests 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 results to shareholders.
3. Convening the annual ordinary general meeting of shareholders by no later than four months from the Company's year end account closing date and convening extraordinary general meetings of shareholders as required.

4. Convening the Board of Directors' meetings on a quarterly basis; each meeting requires at least 60 percent of all directors. Decisions of the meeting are made by a majority of votes. In the case of an equality of votes, the chairman of the meeting has 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 verifying information in the reports.
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. 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 interfering 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. Prof. Suphachai Phisitvanich, an independent director who has knowledge in the field of accounting and finance, was appointed to hold office as Audit Committee Chairman, and the General Manager of the Internal Audit Office serves as secretary to the Audit Committee. As at 31 December 2014, the Audit Committee comprises three independent directors as listed below:

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

Remark: ⁽¹⁾ Prof. Suphachai Phisitvanich serves as Audit Committee member with 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 that 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 a person who is independent to serve as the Company's auditor, and proposing remuneration and termination of employment 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 involve a 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. Such report must be signed by the Audit Committee Chairman and comprise 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 involve 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 providing 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 best practice guidelines for audit committee of the Stock Exchange.
9. In performing its duties, should the Audit Committee find or should 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 will report on its findings 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, and appointed 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 2014, 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 and determining criteria for consideration of remuneration of directors and the Managing Director.
4. Considering and determining remuneration of directors and proposing the same to the shareholders' meeting for consideration and approval.
5. Considering and reviewing salary rates and other remuneration 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 positions as the Corporate Governance and Risk Management Committee Members. As at 31 December 2014, 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 2014, the Executive Board comprises five executive directors as listed below:

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

The Executive Board meets 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, projects 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 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 has the 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 not exceeding Baht Two Million per act.

In this regard, the Board of Directors regularly evaluates performance of duties of the Managing Director for comparison with the target as determined on a yearly basis, and the Nomination and Remuneration Committee considers remuneration of the Managing Director by assessing 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 nominates 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 involve a conflict of interest, including such shares held by related persons and other qualifications as stipulated by the SEC (not exceeding one percent).
2. Having no involvement in the management, not being employee/staff/advisor receiving a regular salary or not having controlling power over the Company, its parent company, subsidiary, associated company, subsidiary at the same level or legal entity which may involve a conflict of interest at present or 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 involve a conflict of interest at present or 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 must 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 considers nominating persons to be appointed as directors to replace those directors who vacate office, both resignations 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 SEC and rules of the Stock Exchange.
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, and 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 considers from his past records whether he performed duties as director with due care, integrity and full-time contribution.
5. In the nomination of directors, there should be consideration of the required qualifications taking into account necessary skills for the Board and qualifications in line with the Company's business strategies.

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, and the Nomination and Remuneration Committee proceeds in accordance with the following procedures:

1. Nominating qualified candidates to fill the vacancy.
2. Considering qualifications of the director who represents EXAT 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 must vacate their offices. 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 have a term of three years, and 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 in which the directors will hold office as directors, 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 directors by shareholders are as follows:

1. One shareholder has one vote for every one share held by that shareholder;
2. When electing directors, the casting of votes is 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 must 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, for 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. The executive in the position of Managing Director must be nominated by the Nomination and Remuneration Committee, which considers 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 a good 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. For any executives at the level of General Manager or higher, the Managing Director proposes the nominations to the Executive Board for consideration and appointment.

9.4 Supervision of Operations of the Subsidiary

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 considers 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 have power, duties and responsibilities in establishing the significant policies. In this regard, the Board of Directors considers and establishes policies for the directors who are the Company's representatives to vote on various key items of the Subsidiary.
- (2) The 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 a representative from EXAT;
 - One Managing Director of the Subsidiary.
- (3) Governance mechanism of the Subsidiary regarding connected transactions and acquisition or disposition of assets

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 supervise to ensure the Subsidiary's strict compliance with such rules. The details of each such transaction are 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, and the Company's Internal Audit Office regularly reviews and follows up its compliance with the internal control system, which is 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 must keep directors and executives informed of the SEC's applicable notifications requiring directors and executives to report on every change in their securities holdings to the SEC pursuant to Section 59 within three days from the date of such change in securities holdings. The Company Secretary must be informed thereof to keep records of such change. In this regard, the directors and executives must 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) Identifying 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 information which has a material effect on the operations via the Stock Exchange'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 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 the interests of others. 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 must keep confidential information relating to the Company's business to which they have access, whether directly or indirectly, and must refrain from disclosing it 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 for 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 that the 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 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 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 the auditor.

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

Remuneration for auditor is divided into two categories

(1) Audit fee

In the accounting period of 2014, the Company and its Subsidiary paid the audit fee of Baht 1,405,000 to EY Office Limited, representing an increase by Baht 23,000 from the previous year or 1.66 percent. 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 2014, the Company and its Subsidiary did not use any other services from EY Office Limited or have any business related to the auditor and EY Office Limited.

9.7 Compliance with Good Corporate Governance Principles

The Company has fully complied with the Principles of Corporate Governance 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 Board of Directors 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 directorships.

The Board of Directors has no policy to limit the number of companies in which each director may hold directorships since, after considering the matter; it is of the view that all directors devote their time to regularly attend meetings. However, in 2014, none of the Company's directors held office as directors in more than five listed companies.

10. Corporate Social Responsibility

Path to Sustainability

Bangkok Expressway Public Company Limited, as the Expressway operator, is regarded as a key component of the national development, and it is committed to becoming the leading company of expressway service with vision for good corporate governance, convenience and safety under the quality management and continued development. The Company also focuses on the social dimension by setting a clear social mission to coexist with society and pursue its sustainable development without causing any negative environmental impact.

To ensure sustainable coexistence with society in parallel to the Company's ongoing growth under the said social mission in the hope of building a good foundation for people in society for future development, it is, first of all, necessary to formulate the fundamental concept based on such social mission for staff to enable them to efficiently perform, coordinate and develop society in collaboration with the stakeholders for the purpose of development of the quality of the neighborhoods surrounding the Expressway routes, which will ensure such concept to materialize in the Company's operations. The focus on this concept originates from potential impact of the Company's business operations, from construction to provision of service, on the communities surrounding the Expressway routes. Secondly, it is essential to improve and enhance the efficiency of the routes by way of regular review of the operating procedures, which takes into consideration not only the compatibility with the current operations, but also future improvement and enhancement (preventive thinking), to minimize potential risks and impacts, ensure rapid management, instant response and more effective cost management by the Company. Thirdly, the Company plays a key role in helping alleviate the traffic problem for people in society. It is a known fact that traffic congestion has many effects upon society, such as, its economic effects on business interactions of people; its social effects on people's emotion states; and its environmental effects as a result of emission of pollution to the society and this world. The Company is determined to minimize these impacts by building good and most suitable expressway routes for society. Lastly, the Company is recognized as a socially responsible business through staff operations to monitor the quality of the routes to be always ready for service and safe, as well as take care of, share knowledge and opportunities to the neighborhoods adjacent to the existing and future routes of the Company.

Based on the foregoing, it can be seen that the Company is committed to becoming Thailand's leading expressway operator, which can sustainably coexist with society and environment along the routes in parallel to the Company's long-term growth under the good corporate governance, transparency, integrity and auditability, and collaborative development between the Company and all stakeholders for the purpose of sustainable coexistence.

Role of All Stakeholders

The Company has a clear policy which realizes the significance of rights of every group of stakeholders, namely, such internal stakeholders as staff and executives of the Company; and such external stakeholders as customers, traders, society and communities adjacent to the Expressways, not to mention schools, temples, and many other relevant authorities. The Company's operations mainly focus on human rights, provision of opportunities and holistic development. Any stakeholders wishing to contact or make any comments are welcome to directly contact the Company's directors or make inquiries via the Company's channels without any discriminatory treatment. In 2014, the Company's responsibilities and communications with each group of stakeholders could be summarized as follows:

Stakeholder	Responsibility	Communication Process	Communication Channel
Staff	<ul style="list-style-type: none"> - Developing staff competency and reviewing their remuneration - Appropriately adjusting welfare - Treating staff equally and fairly - Creating staff engagement with the organization - Communicating information and news to staff 	<ul style="list-style-type: none"> - Annual Report - Corporate Social Responsibility Report - Programs for personnel development and staff competency in all levels - Whistleblowing channel - Welfare Committee 	<ul style="list-style-type: none"> - Annual Report - Sustainability Report - Intranet - E-mail - Website - Suggestion box - Public relations
Shareholders	<ul style="list-style-type: none"> - Ensuring a sound financial position - Ensuring return on investment - Ensuring transparent and auditable operations - Ensuring the Company's continued growth 	<ul style="list-style-type: none"> - Annual Report - Corporate Social Responsibility Report - Ordinary general meeting of shareholders - Extraordinary general meeting of shareholders - Conference call - E-mail - Briefings 	<ul style="list-style-type: none"> - Annual Report - Sustainability Report - Website - E-mail
Customers/ Service Users	<ul style="list-style-type: none"> - Providing convenient, rapid and safe service - Providing service information and suggestions - Providing problem-solving assistance - Ensuring adequacy of facilities - Monitoring route conditions 	<ul style="list-style-type: none"> - Safety equipment installation - Provision of facilities - Bulletin board - Satisfaction surveys 	<ul style="list-style-type: none"> - Annual Report - Sustainability Report - Website - Call Center - Advertising - Public relations
Communities adjacent to the Expressways operated by the Company	<ul style="list-style-type: none"> - Reducing pollution from operations - Providing compensation plan for those affected by the Company's operations - Fostering community economy development - Listening to complaints of nearby communities 	<ul style="list-style-type: none"> - Community visit activities - Community relations activities by sponsoring education, sport, culture, basic infrastructure - Meetings - Participation in activities with communities, public and private sectors, and local administration authorities - Social activities 	<ul style="list-style-type: none"> - Annual Report - Sustainability Report - Regular site visits - Website - Advertising - Public relations - Call Center
Government/ Regulatory Units	<ul style="list-style-type: none"> - Complying with applicable rules, regulations and laws, including government's policies - Complying with the Stock Exchange of Thailand's regulations - Cooperating with various agencies for the convenience and safety of the Expressway Users 	<ul style="list-style-type: none"> - Meetings among agencies - Compliance with laws, rules, regulations and corporate governance - Building good relationships - Company visits 	<ul style="list-style-type: none"> - Annual Report - Sustainability Report - Meetings - Letters - Telephone - E-mail - Website - Joint working teams

Stakeholder	Responsibility	Communication Process	Communication Channel
Traders	<ul style="list-style-type: none"> - Complying with contracts and agreements - Ensuring security - Commercial activities and other services 	<ul style="list-style-type: none"> - Meetings - Traders' satisfaction surveys 	<ul style="list-style-type: none"> - Annual Report - Sustainability Report - Call Center - Letters - E-mail - Website - Meetings - Notifications - Joint working teams - Advertising - Public relations

Selection of Significant Issues regarding Sustainability

2014 marked the year of the beginning of the selection of significant issues under the guidelines of Global Reporting Initiatives Version 4 (GRI-G4). The Company started to first consider identifying significant issues from its internal process, i.e., strategies and risk factors currently encountered or to be encountered by the Company, to identify key issues in order to formulate the management guidelines to mitigate risks and impacts of each issue. However, in 2014, the Company did not yet clearly formulate any stakeholder engagement process under the guidelines of GRI-G4. Therefore, the selected significant issues involved such issues below as prescribed by representatives of various internal divisions related to the corporate direction and communications with stakeholders:

- Employment
- Training and Education
- Safety and Security
- Product Responsibility
- Economic Performance
- Local Community Development
- Human Rights
- Energy
- Effluents and Waste

The Company's Business Philosophy for Sustainability

Thailand's development over the past 20 years 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 basic infrastructure development projects.

In light of the Company's commitment to development of the national transportation system to alleviate the traffic problems, and potential risks from its operations, 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 the impact on stakeholders, economy, society and environment. The Company has adhered to fair practice and business ethics at 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 for the Expressway users and society as a whole.

It is a clear policy of the Company to be responsible for rights of all groups of stakeholders, as follows:

1. Internal stakeholders, i.e., staff and executives of the Company and its Subsidiary;
2. External stakeholders, i.e., customers, business partners, lenders, counterparties, competitors, society, communities and schools located near the rights of way, including government sector and relevant authorities.

The Company regularly organizes various activities, e.g., conferences, dialogues, visits, public hearings, studies and surveys on demands and satisfaction, to promote good relationships between the Company and stakeholders. Such 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.

To achieve its goals, the Company has set out practical guidelines for corporate social responsibility to cover the entire Path to Happiness for Bangkok Expressway Public Company Limited, 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 scope of its corporate social responsibility in three dimensions was then determined 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 processes 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, counterparties, as well as on creating innovations 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" for society.

Performance for Sustainable Development

The Company's business philosophy for sustainable development focusing on creation of the "Path to Happiness" as mentioned above materializes by engaging staff collaboration with communities, society and environment in support of the achievement and continuity of the Company's social mission. The performance in 2014 can be summarized as follows:

1. The Source of Happiness is aimed at raising the service-minded awareness for development of competency of personnel and the Company, focusing on the quality service to facilitate the Expressway users' commute. The Company then gives priority to the regular improvement and development of personnel in accordance with the Company's code of ethics to achieve success in the sustainable growth.

1.1 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 providing 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 will 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 convenient and safe transportation. As a result, the Company's staff perform well in collaboration with the Expressway Authority of Thailand (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 the Expressway users.

1.2 Rescue Operation and Traffic Management

1.2.1 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 operations 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.

1.2.2 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 motorists' vehicles on the Expressways, and then will be able to provide proper assistance, as opposed to causing damage to motorists' vehicles. In addition, staff also attend training relating to provision of safe and proper first aid to injured motorists.

1.2.3 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 accidents 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.

1.2.4 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 users' 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.

1.2.5 On The Job Training

All rescue operation staff must review work procedures every time before attending to their operation, and must 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 in three groups each, during the middle and the end of each year.

1.2.6 New Staff Orientation

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

1.2.7 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 entitled "Change a Complaint to a Smile" was held, which involves how to make a good impression on service mind, e.g., talking style, body language, manners and patience, to enhance the communication skills in support of the services and to understand customers or service users' needs, which gives rise to better services, lessens work problems, resulting in satisfactory performance, and fulfills the objectives to ensure the Expressway users' satisfaction and impression.

1.2.8 Toll Revenue Operation

The Company's personnel in charge of toll revenue operation are responsible to ensure that tolls are correctly, transparently and timely collected, in collaboration with the government sector, namely, the Expressway Authority of Thailand (EXAT), which has the duty to collect tolls from the Expressway users. The Company provides internal on the job training regarding the role and responsibilities of toll collection controllers, emphasizing that tolls must be collected timely, the counting of vehicles and collection records must be verified for accuracy. In addition, the condition of toll collection equipment must be checked to be ready for full-time service and to ensure the accuracy 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 a teamwork environment and participation in quarterly joint meetings between the Company's staff and EXAT's personnel. Such relationships are based on generosity which results in efficient performance to the Expressway users' satisfaction.

1.2.9 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 a 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. For staff responsible for this task, the Company provides training for new staff and recruits new graduates in the applicable fields and degrees, e.g., civil engineering, vocational certificates or high vocational certificates 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 skills

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 foremen and inspectors. After completion of the theoretical training, staff will be assigned to fieldwork operation, to be always accompanied by a 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 users' 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 will be reviewed yearly. Moreover, the Company also adopts an individual development plan, particularly for 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 evaluations also take 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 compliance with the good corporate governance principles;
3. Focus on quality and safety in order to provide services to the 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 the Expressway users and EXAT, as the contractual party to the Concession Agreement of the Company;
5. Results-based management in order to identify key success indicators and set out achievable work plans.

1.3 Work and Life Balance

The Company is well aware of the significance of appropriate remuneration based on industrial benchmarking. The Company promotes a participatory work environment and teamwork as well as organizes the workplace on an occupational safety and health basis. For staff in the main line who works shifts of 24 hours, the Company provides bedrooms 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, as conducted by working groups at the department level and corporate level, as follows:

- 5S Activity started on 10 March 2000 on a clear, convenient, clean, sanitary and self-disciplined basis for the development of both work and life.
- Suggestion System started on 26 June 2001 to stimulate staff at all levels, particularly operational staff, to share useful ideas for improvement of works under staff's responsibility.
- QCC Activity started on 18 November 2000 on the P-D-C-A basis in order to develop a preventive workplace culture relating to misuse of data, facts and statistics to support 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, and the certifications have been renewed since the initial certification for ISO 9001 on 22 August 2001 and for ISO 14001 on 14 November 2008, respectively.

As a result of the Company's staff treatment as described above, staff have developed their engagement and loyalty to the organization, dedicated their creativity to work, efficiently pushed the organization forward, and readily delivered the best services to the Expressway users.

2. On the Path to Happiness

The Expressway users are the heart of the Company. 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 play a role in developing Thai society. The Company appreciates innovations which will help minimize the 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 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 the time it was adopted. 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 plan without any protests from society and nearby communities. The Expressways are safe, meet standards and effectively respond to users' 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, Chalem 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 effective strategic routes

for sending aid 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 Ratthaya 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 conditions, both during rush and non-rush hours, the Company is ready to deliver the Expressway services to allow users to reach their destinations safely and conveniently 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 the Expressway users. 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 a day. The traffic condition on the Expressways is 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 was 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 fuel for Expressway 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 set 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:
 - Low-risk areas are intersections and off-ramps in parallel to the main line, e.g., Phaholyothin off-ramp, Bang Sue off-ramp, Ratchadaphisek off-ramp, because when a car accident takes place, cars will not fall off onto the at-grade road.
 - Medium-risk areas are V-shape roads.
 - High-risk areas are Y-shape roads, where cars are likely to fall off onto the at-grade road should an accident take place.

According to a study for accident prevention and reduction with a view to preventing cars from falling off onto the at-grade roads, 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 into the car that follows. The Company has thus made improvements in such risk areas by risk levels. 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, provided that these signs are equipped with flashing light to alert motorists ahead of time before reaching the risk area. Flashing lights are installed on top of the median of the diverge nose, which will be visible to motorists, and flexible guide posts are installed to help lessen impact and minimize car damage, with a cushion tank made of polyethylene (PE).

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

The Company conducted further studies on impact of several factors on traffic and prepared traffic simulations 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 events which may be caused by terrorism or sabotage such as bombing and riot, including gathering of people for inciting public unrest, the Company requires all units to have emergency plans in response to any events which may suddenly occur and arranges for staff training to ensure that the staff in charge would be able to immediately take actions to resolve such emergency, as well as establishes 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 measures 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 Rattaya Expressway, and against Business Interruption, including Public Liability, on a yearly basis, in order to prevent any impact from possible damage.

In the flood crisis in 2011, several toll plazas of the Udon Rattaya 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 a place safe from floodwater, construction of strong cement walls to prevent destructive water forces and guard against leaking which might cause damage to immovable significant equipment, stocking of spare parts to prevent subsequent shortages, 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 using its best efforts, together with insurance against such damage, the damage which occurred to the Subsidiary could be minimized.

Political unrest

From November 2014 until mid-2014, there were political rallies in various locations of Bangkok which caused congested at-grade traffic, including congestion at certain on-ramps and off-ramps of the Expressways nearby the political rally locations. In order to minimize such impact, the Company has arranged 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 the Songkran Festival and New Year's day, the Company, in association with EXAT, organizes safe travelling programs. 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 reduce accident rates.

2.4 Trader Treatment

Since the Company's business is a unique service which requires high investments for its operations, creditability can be built by the Company's fair treatment of its traders and financial sponsors, which is considered a key success factor to the Company's delivery of quality services to the Expressway users, 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 services, for the purpose of development and maintenance of sustainable relationship with traders, with the clear objectives in terms of quality of goods and services worth their value, technical standard and creditability. The Company therefore provides 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 at 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 secrets by any means in bad faith, such as, paying bribes to directors and staff of its competitors.
 9. Refraining from making serious accusations 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 a duty to maintain the Company's intellectual property works and may 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, must 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 takes account of 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 financial discipline, and should there be any event which may affect its compliance with contracts and obligations, the Company calls for a meeting for conclusion in a manner which will not affect the contracts and mutual obligations.

3. The Happy Society

The Company takes care of communities surrounding the Expressway routes to ensure that its business operations will not affect the quality of life and the environment. In doing so, the Company regularly surveys the communities and society nearby the rights of way according to plan. In this respect, the Company also sets out standard work procedures, including its requirement for equipment to prevent any impact or pollution to the nearby communities. In addition, the Company issues press releases to provide details and accepts complaints regarding various projects operated by the Company 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 the Expressway users, staff and communities;
- 2) Raising staff awareness and promoting the efficient use of energy and natural resources;
- 3) Complying with 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 an energy conservation workgroup with the objectives and scope of duties and responsibilities as follows:

1. Objectives

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

2. Duties and responsibilities

1. Conducting studies and procedures for energy saving without compromising the efficiency of the Company's business operations and the staff's 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 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 environmental policy;
5. Monitoring the results of such activities according to plan;
6. Incorporating the accomplished guidelines as part of the routine operations and promoting 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 its 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, for which the Company was granted an outstanding award.

3.1 Business operations affecting the corporate social responsibility

In 2014, the Company and its Subsidiary operated their business in compliance with the laws and applicable rules and regulations without committing any offense or violation of the laws which may affect the Company's corporate social responsibility.

3.2 Corporate Social and Environmental Contribution Activities

The Company has a policy and is determined to continuously take care of every sector of society under the “BECL Elevates the Quality of Life and the Environment” concept in respect of management of improved operational results, and value added to shareholders, focusing on nearby communities as well as taking care of both nearby and remote society. In 2014, the Company organized the corporate social and environmental activities as follows:

1) Good Family Relationships

“Expressway Invites Moms & Kids to Strengthen Relationships with Love in Ang Thong”

On the occasion of 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 Ang Thong”. A total of 44 Expressway users from 15 families were invited to visit the historical city and experience the lifestyle of villagers of Mueang Ang Thong, an important city since the Ayutthaya era, where glorious Buddhism religious places are located, such as, Wat Khun Inthapramun and Wat Tha Sutthawat; and taste delicious cuisine, guaranteed by Mae Choice Nang Ram. The Company also organized the “Painting Love for Mom” activity in which dads, moms, and children enjoyed painting dolls, as a special time 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, at Ban Bang Sadet Court Doll Center, a project in response to Queen Sirikit’s initiative to create careers for people.

“Expressway Invites Dads & Kids to Strengthen Relationships with Visiting Farm, Khlong Suan 100-Year Old Market, in Chachoengsao”

The Company regularly holds activities to strengthen family relationships, and on the occasion of National Father’s Day, the Company organized the “Expressway Invites Dads & Kids to Strengthen Relationships with Visiting Farm, Khlong Suan 100-Year Old Market, in Chachoengsao” activity. A total of 41 Expressway users from 14 families were invited to visit the organic dairy buffalo farm and enjoy DIY activity: making pizza and Murrah buffalo milk ice cream. They also enjoyed and experienced the riverside way of life of villagers at Two-Province Market or “Khlong Suan 100-Year Old Market”. Moreover, the Company organized a “Hugging Dad & Saying I Love You to Your Dad” activity to strengthen the family relationships in a loving and warm atmosphere.

2) Awareness of Environmental Preservation

“Expressway Promotes Environmental Preservation No. 7”

Environmental preservation is of great importance to everyone. The Company continued to organize a campaign for staff awareness of natural and environmental preservation under the activity titled “Expressway Promotes Environmental Preservation No. 7”. Groups of executives and staff, totaling three batches, participated in studying His Majesty the King’s royal activities in relation to development ideas and theories at the Chang Hua Man Project under the Royal Initiative of His Majesty the King, Amphoe Tha Yang, Phetchaburi Province.

3) 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 organized an activity entitled “Hearing the Dharma with Expressway”, in which a group of executives and staff participated in hearing the Dharma on the subjects of “Self-Conduct based on Dharma” by Phra Kru Dhammadhon Khanchit Khunwaro, Assistant Abbot of Wat Nyanavesakavan and “Dharma Conducive to Happiness” by Phra Panyanantamuni, Abbot of Wat Panyanantaram, Amphoe Khlong Luang, Pathum Thani Province, in order to properly apply such teaching to their current lifestyle and work environment.

“Blood Donation”

The Company took a major part in the “Give Blood Give Life” program, by organizing three blood donation activities, in association with the Thai Red Cross Society and Vajira Phayabal Hospital, on 14 May 2014, 14 August 2014 and 3 December 2014 at Bangkok Expressway Public Company Limited, with active participation of management and staff.

4) Good Relationships with Related Authorities

The cooperation for provision of good services to meet the utmost satisfaction of the Expressway users is regarded as a 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 organized activities, as follows:

“Good Relationships with EXAT”

The Company brought a group of 60 executives and staff of the Toll Collection Division of EXAT and the Toll Revenue Division of the Company to participate in an activity of planting trees to restore nature, as well as eco-cycling to see and enjoy the Sri Nakhon Khuean Khan Park and Botanical Garden, Khung Bangkachao, Samut Prakan Province, which was reserved as Bangkok’s urban park in response to His Majesty the King’s initiative, and regarded as a top-ranking oasis of Asia, to strengthen the good relationships between both agencies.

“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 “TARZAN 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 EXAT 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 granted cars and motorcycles to EXAT 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.

5) 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 continues to encourage and support youth education every year 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 for higher education.

“BECL Grants Scholarships to Adjacent Schools”

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

“BECL Grants Scholarships to Children of EXAT’s staff”

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

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

The Company granted scholarships to children of the Expressway Police Station 2’s police officers, who collaborate with the Company in ensuring convenience and safety of the Expressway users.

“BECL Sponsors Library and Books for Hill Tribe Children”

The Company, in association with Toys For Thailand Foundation, which was founded to improve the quality of life of hill tribe people in Thailand, both realize the significance of arrangements to improve the quality and education in remote communities, dedicated a library and books, including educational aids and toys to students of Ban Pratu Mueang School, Amphoe Khun Yuam, Mae Hong Son Province, to encourage students’ reading and enlarge their learning exposures.

6) Support for Outdoor Learning Experience

The Company realizes that learning is not restricted only to classroom, and outdoor experience is an opportunity for children to personally and directly learn from experience. Such experience will 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:

“Audio Library for Young Blinds”

The Company acknowledges that reading will bring about sustainable knowledge. The Company supported and took part in the Audio Library for Young Blinds project, for the second year in a row, 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 disabilities, by means of audio book recording, which will be organized as an audio library for children. Management and staff of the Company volunteered to participate in such audio book recording.

“BECL Invites Smart Kids to Pursue Future Career”

The Company organized the National Children’s Day activity “BECL Invites Smart Kids to Pursue Future Career”. Children had a good time and enjoyed the on-stage activities which encouraged creative thinking about their dream careers, with participation by a number of children of the Company’s staff and children of the Expressway Police Station 2’s police officers, students from the adjacent schools, including neighbors.

BECL Invites Youths to Learn Thai Textile Weaving Crafts”

As Her Majesty Queen Sirikit has performed her royal duties, which are of benefit to Thai people, to support people to have occupations and earn sufficient income, and most importantly, to work in their hometowns and stay with their families instead of relocating to big cities, “The Foundation of the Promotion of Supplementary Occupations and Related Techniques of Her Majesty Queen Sirikit of Thailand” and the “Queen Sirikit Museum of Textiles” were then initiated to serve as education centers for the history of Thai garments and textiles, and concurrently serve as galleries for gathering and collecting Thai textiles and royal apparels. The Company took part in continuing such determination of Her Majesty the Queen, by organizing a “BECL Invites Youths to Learn Thai Textile Weaving Crafts” activity to promote youths’ learning of folk wisdom relating to textile handicrafts and youths’ awareness of Thai arts and culture. A group of 52 teachers and elementary students (grades 4-6) from Ban Chiang Rak Noi School adjacent to the right of way participated in a Revue of Queen Sirikit Museum of Textiles program, and enjoyed an exhibition of Her Majesty Queen Sirikit’s royal apparels at Queen Sirikit Museum of Textiles.

“BECL Invites Youths to Learn from Exhibitions at Museum Siam: Discovery Museum”

The Company jointly supports youths’ learning of Thai history and patriotic-awareness by organizing a program entitled “BECL Invites Youths to Learn from Exhibitions”, bringing a group of 57 teachers and elementary students (grade 5) from Wat Thassanaroon Soontarikaram School adjacent to the right of way to visit exhibitions on Thai history and Thai culture in various styles at Museum Siam: Discovery Museum.

7) Support for Other Social Activities

“BECL Supports “Lankilaphat” Project under H.M. the King’s Initiative”

As His Majesty the King and Her Majesty the Queen have always expressed a concern for the well-being of their people in all aspects, by giving priority to development of personnel and communities to ensure their people are in better physical and mental health, the Office of H.M. Principal Private Secretary, in its capacity as secretary to His Majesty the King and the royal family members, one of whose missions is to be committed to performing works under the royal initiative in respect of improvement of the quality of people’s life, and in response to this royal initiative, initiated a project for construction of people’s playgrounds named “Lankilaphat”, literally meaning a “Sport Field for Growth”, to promote a variety of recreational activities, sports, community development, and other social and public activities, focusing on sustainable quality of life of people and communities, to carry on such royal initiative.

The Company took part in fulfilling such royal initiative by sponsoring and serving as member of the administration committee and subcommittee of the “Lankilaphat” project, starting with two pilot projects, namely, Lankilaphat 1 in Khlong Chan Housing Community, Bang Kapi District, and Lankilaphat 2 under the Urupong Expressway, Ratchathevi District. There will be sport fields and recreational areas for villagers and nearby communities once construction is completed.

“Granting Parts and Equipment from Expressway to Prostheses Foundation”

The 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. The Company continued to support such foundation for the second year by making a donation and granting functional and used aluminum expressway parts and equipment to the Prostheses Foundation of H.R.H. the Princess Mother.

“Singing with BECL”

The Company organized volunteer activities by its music club and staff through music jam, as well as recreational activities and lunch meals for Ban Bang Khae Social Welfare Development Center for Older Persons. The elderly had a good time and enjoyed the activities, and the BECL family expressed love, care and shared happy moments with those elderly in a lovely and warm atmosphere. This Singing with BECL was organized by the Company’s sponsored music club for the fourth year in a row.

Anti-Corruption Policy

The Company sets out measures, based on both disciplinary and legal actions, against corruption. The fact-finding must 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 embezzlement, legal action will be undertaken to protect the Company’s interests. Guidelines under this policy are as follows:

1. No business dealings may be entered into with any organization or unit which is involved in corruption.
2. Disciplinary and legal actions will be imposed and instituted against such staff who are involved in 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 must 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 payments or acceptance of bribery, including any actions contrary to morality and customary practices, which are 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 has 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 a 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 must 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, using both physical and psychological approaches, to develop a positive attitude. The Company believes that decency emanates from inside out, so it regularly organized the "Hearing the Dharma with Expressway" throughout 2014. In preparation for the application for certification of membership in Thailand's Private Sector Collective Action Coalition Against Corruption, the Company had various departments conduct a self-assessment to identify potential improvements in compliance with the anti-corruption measures in Thailand's Private Sector Collective Action Coalition Against Corruption. Moreover, the Company assigned two representatives, who are responsible for the corporate governance and the internal audit, to attend the Anti-Corruption: The Practical Guide (ACPG 15) course, organized by the Institute of Directors Association (IOD).
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 treats misconduct relating to fraud and corruption as serious disciplinary misconduct, and any violation is subject to severe disciplinary action 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 interest or for the interest of others;
 - (4) Acceptance of undue consideration in relation to assigned tasks;
 - (5) Showing 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 good and effective internal control system, including its good corporate governance guidelines. It believes that a good internal control system is founded on a good performance process, organization chart and work system, which could help achieve goal or mission with efficiency and effectiveness, as well as minimize risk and prevent possible damage in the Company's business operations. The Board of Directors has thus authorized the Audit Committee comprising independent directors to audit the evaluation of the effectiveness of the internal control system. The Internal Audit Office, which independently performs its duty and directly reports to the Audit Committee, audits the work operation system in various departments of the Company as per the annual audit plan approved by the Audit Committee to ensure each department's efficient and effective performance of work and optimized use of 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 2014, 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 2014 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. This is to ensure proper and timely response to various challenges, as well as to provide training for executives and staff about the risk management guidelines for their understanding and engagement in the firmwide 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 46 to 53.

To ensure an efficient risk management, the Company has provided training for executives and staff at all levels to realize and understand the purposes and objectives of the risk management and to create value added for the organization with sustainability. The training comprises two programs, namely, the new trend of risk management and workshop; and the development of corporate risk management plan. Such training is intended to provide the understanding of risks, risk management concepts, risk management, risk assessment and monitoring, and risk management workshop for all units

- 11.3 In the Board of Directors' Meeting No. 1/2015 which was held on 17 February 2015, 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 has knowledge, abilities and work experience and is qualified to efficiently and adequately 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. (The details are described on pages 169 to 170.)

The Head of the Compliance Unit is Mrs. Ngamnit Kanokgarnjanar, Deputy Managing Director: Administration, who shall be responsible for compliance matters in cooperation with Managing Director Office, and with close coordination with the Company Secretary. (The details are described on page 170.)

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

In respect of 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 2014 and 2013

1. Legal Entity which

- May Have Conflict of Interest : **CH. Karnchang Public Company Limited**
- Relationship : - This company is the major shareholder of the Company representing 15.15 percent of the paid-up capital as at 11 September 2014.
- 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 Statements as at 31 December 2014	Consolidated Financial Statements as at 31 December 2013
Transaction Value (Baht)		
Advance Payment	1,235,250,000	2,031,750,000
Project Management Fee	7,650,000,000	2,497,500,000
Transaction Description	- 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.	
Opinions of the Audit Committee on Necessity/Justification of Transaction	- 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.	

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

Transaction	Details	
	Consolidated Financial Statements as at 31 December 2014	Consolidated Financial Statements as at 31 December 2013
Transaction Value (Baht)	-	51,315,184
Transaction Description	- 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.	
Opinions of the Audit Committee on Necessity/Justification of Transaction	- 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.	

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

Transaction	Details	
	Consolidated Financial Statements as at 31 December 2014	Consolidated Financial Statements as at 31 December 2013
Transaction Value (Baht)	55,005,476	15,544,581
Transaction Description	<ul style="list-style-type: none"> - 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. The Company issued the Notice of Variation in a total amount of Baht 3,311,532. 	
Opinions of the Audit Committee on Necessity/Justification of Transaction	<ul style="list-style-type: none"> - 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. 	

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

Transaction	Details	
	Consolidated Financial Statements as at 31 December 2014	Consolidated Financial Statements as at 31 December 2013
Transaction Value (Baht)	12,126,349	-
Transaction Description	<ul style="list-style-type: none"> - On 1 September 2014, 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 3, in the total value of Baht 26,771,325 with a contract term of 10 months from the date of the contract signing. 	
Opinions of the Audit Committee on Necessity/Justification of Transaction	<ul style="list-style-type: none"> - 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. 	

Transactions with the Subsidiary

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

Transaction	Details	
	Consolidated Financial Statements as at 31 December 2014	Consolidated Financial Statements as at 31 December 2013
Transaction Value (Baht)	-	3,900,282
Transaction Description	<ul style="list-style-type: none"> - 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 Raththaya 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. 	
Opinions of the Audit Committee on Necessity/Justification of Transaction	<ul style="list-style-type: none"> - 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. 	

1.6 Office Space Rental

Transaction	Details	
	Consolidated Financial Statements as at 31 December 2014	Consolidated Financial Statements as at 31 December 2013
Transaction Value (Baht)	120,000	120,000
Transaction Description	- 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.	
Opinions of the Audit Committee on Necessity/Justification of Transaction	- 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.	

2. Legal Entity which

May Have Conflict of Interest : CK Power Public Company Limited

Relationship

- The Company holds shares in CK Power Public Company Limited representing 19.40 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 as at 11 September 2014, CH. Karnchang Public Company Limited holds shares in the Company representing 15.15 percent of the paid-up capital and holds shares in CK Power Public Company Limited representing 31.78 percent of its registered capital.
- Mr. Plew Trivisvavet serves as Chairman of the Executive Board of the Company and Chairman of the Executive Board of CK Power Public Company Limited.
- Mr. Supong Chayutsahakit serves as Vice Chairman of the Executive Board of the Company and a director of CK Power Public Company Limited.

Transactions with the Company

2.1 Provision of the Financial Support in the Form of Cash Deficiency Support (CDS)

Transaction	Details	
	Consolidated Financial Statements as at 31 December 2014	Consolidated Financial Statements as at 31 December 2013
Transaction Value (Baht)	-	-
Transaction Description	- The Company has provided the financial support by way of guarantee to CK Power Public Company Limited, whereby the Company agrees to provide the financial support in case any subsidiary of CK Power Public Company Limited is unable to comply with the conditions of the loan, including any default on payment with the lending bank of such subsidiary, according to the shareholding proportion in an amount not exceeding Baht 154 Million.	
Opinions of the Audit Committee on Necessity/Justification of Transaction	- The amount of the financial support is based on reasonable calculation and is under the shareholding proportion.	

3. Legal Entity which

May Have Conflict of Interest : CH. Karnchang-Tokyu Construction Co., Ltd.

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 11 September 2014 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

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

Transaction	Details	
	Consolidated Financial Statements as at 31 December 2014	Consolidated Financial Statements as at 31 December 2013
Transaction Value (Baht)	90,684,233	167,059,526
Transaction Description	<p>- 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. The Company issued the Notice of Variation in a total amount of Baht 3,743,759.</p>	
Opinions of the Audit Committee on Necessity/Justification of Transaction	<p>- This connected transaction is considered an ordinary course of business, with the general commercial terms as already approved in principle by the Audit Committee and the Board of Directors.</p>	

13. Financial Highlights

Summary of the Report of the Auditor

EY Office Limited, as the auditor for the Company and its Subsidiary, has audited the consolidated statement of financial position of Bangkok Expressway Public Company Limited and its Subsidiary as at 31 December 2014, and the consolidated statements of income, comprehensive income, changes in shareholders' 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 2014, 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 2014 in comparison with the operational results from the financial statements for the years ended 31 December 2013 and 2012.

(Unit : Baht)

Statements of Financial Position	2014		2013 (Restated)		2012 (Restated)	
	Amount	percent	Amount	percent	Amount	percent
Assets						
Current assets						
Cash and cash equivalents	1,820,452,846	3.29	837,995,541	1.78	261,656,094	0.59
Current investments	2,347,869,300	4.25	774,541,118	1.65	2,937,978,113	6.67
Other receivables	-	-	-	-	30,912,257	0.07
Advance payment under service contract	2,196,746	0.00	9,620,484	0.02	9,749,139	0.02
Other current assets	128,880,414	0.24	53,979,947	0.11	55,411,588	0.13
Total current assets	4,299,399,306	7.78	1,676,137,090	3.56	3,295,707,191	7.48
Non-current assets						
Investments in associates	8,893,834,811	16.09	9,464,970,540	20.12	2,269,620,908	5.15
Other long-term investments	4,779,105,931	8.65	2,484,366,135	5.28	4,460,908,575	10.13
Long-term loans to and interest receivable from related companies	-	-	-	-	42,738,596	0.10
Investment properties	120,357,493	0.22	120,357,493	0.26	120,357,493	0.27
Building and equipment	134,877,753	0.24	127,809,748	0.27	250,282,701	0.57
Construction in process	10,744,375,635	19.44	2,901,838,672	6.17	25,786,093	0.06
Rights to operate completed expressway sectors	23,146,990,149	41.88	25,564,276,311	54.33	28,305,131,772	64.25
Rights to use sites for expressway construction	1,611,877,302	2.92	1,894,676,285	4.03	2,184,551,698	4.96
Intangible assets	30,671,687	0.06	34,344,631	0.07	39,483,799	0.09
Advance payment under expressway construction contract	1,235,250,000	2.23	2,031,750,000	4.32	2,250,000,000	5.11
Deferred financial fee	-	-	-	-	60,496,185	0.14
Deferred tax assets	257,099,515	0.47	716,269,198	1.52	733,207,714	1.66
Other non-current assets	21,807,549	0.02	35,051,859	0.07	19,219,622	0.03
Total non-current assets	50,976,247,825	92.22	45,375,710,872	96.44	40,761,785,156	92.52
Total assets	55,275,647,131	100.00	47,051,847,962	100.00	44,057,492,347	100.00

(Unit : Baht)

Statements of Financial Position (continued)	2014		2013 (Restated)		2012 (Restated)	
	Amount	percent	Amount	percent	Amount	percent
Liabilities and shareholders' equity						
Current liabilities						
Short-term loan from financial institution	2,000,000,000	3.62	-	-	-	-
Trade and other payables	1,571,857,961	2.84	939,189,671	2.00	227,320,702	0.52
Payable from purchase of investment - due within 1 year	313,695,000	0.57	400,000,000	0.85	-	-
Current portion of long-term loans	-	-	810,323,512	1.72	1,996,000,000	4.53
Current portion of debentures	3,000,000,000	5.43	2,700,000,000	5.74	5,100,000,000	11.58
Income tax payable	308,734,049	0.56	203,546,236	0.43	150,776,958	0.34
Current portion of provision for compensation for site acquisition cost	1,500,000,000	2.71	1,200,000,000	2.55	1,200,000,000	2.72
Other current liabilities	336,406,493	0.61	221,341,132	0.47	248,982,733	0.56
Total current liabilities	9,030,693,503	16.34	6,474,400,551	13.76	8,923,080,393	20.25
Non-current liabilities						
Payable from purchase of investment - due over 1 year	-	-	313,695,000	0.67	-	-
Long-term loans, net of current portion	2,829,831,902	5.12	336,568,859	0.72	810,323,512	1.84
Debentures, net of current portion	16,384,594,851	29.64	15,386,250,596	32.70	11,096,624,703	25.19
Provision for compensation for site acquisition cost, net of current portion	5,262,381,698	9.52	6,419,521,698	13.64	7,239,751,698	16.43
Provision for long-term employee benefits	129,598,451	0.23	113,752,334	0.24	86,008,478	0.20
Total non-current liabilities	24,606,406,902	44.51	22,569,788,487	47.97	19,232,708,391	43.66
Total liabilities	33,637,100,405	60.85	29,044,189,038	61.73	28,155,788,784	63.91
Shareholders' equity						
Registered capital	8,000,000,000	14.47	8,000,000,000	17.00	8,000,000,000	18.16
Issued and paid-up capital	7,700,000,000	13.93	7,700,000,000	16.36	7,700,000,000	17.48
Premium on ordinary shares	4,848,492,969	8.77	4,848,492,969	10.30	4,848,492,969	11.00
Retained earnings						
Appropriated - statutory reserve	800,000,000	1.45	800,000,000	1.70	800,000,000	1.82
Unappropriated	6,860,888,118	12.41	4,964,332,104	10.55	1,040,147,679	2.36
Other components of shareholders' equity	1,357,109,174	2.46	(322,881,644)	-0.68	1,508,489,979	3.42
Equity attributable to shareholders of the Company	21,566,490,261	39.02	17,989,943,429	38.23	15,897,130,627	36.08
Non-controlling interests of the subsidiary	72,056,465	0.13	17,715,495	0.04	4,572,936	0.01
Total shareholders' equity	21,638,546,726	39.15	18,007,658,924	38.27	15,901,703,563	36.09
Total liabilities and shareholders' equity	55,275,647,131	100.00	47,051,847,962	100.00	44,057,492,347	100.00

(Unit : Baht)

Income Statements	2014		2013 (Restated)		2012 (Restated)	
	Amount	percent	Amount	percent	Amount	percent
Revenues						
Toll revenue	8,485,017,698	92.69	8,039,909,679	71.06	7,732,222,618	83.82
Other income						
Interest income	41,230,197	0.45	49,284,638	0.44	58,849,981	0.64
Dividend income	-	-	-	-	173,312,500	1.88
Gain on investments	536,651,350	5.86	308,968,887	2.73	1,197,520,734	12.98
Gain on fair value adjustment of investment from changing status of investment	-	-	2,808,340,500	24.82	-	-
Others	91,564,815	1.00	107,421,913	0.95	62,412,573	0.68
Total revenues	9,154,464,060	100.00	11,313,925,617	100.00	9,224,318,406	100.00
Expenses						
Amortization of rights to operate completed expressway sectors	2,701,205,694	29.51	2,752,578,966	24.33	2,735,674,982	29.66
Compensation for site acquisition cost	625,658,983	6.83	669,645,413	5.92	703,354,099	7.62
Selling expenses	1,101,541,468	12.03	1,148,066,085	10.15	1,142,891,340	12.39
Administrative expenses	644,196,457	7.04	621,346,210	5.49	564,327,153	6.12
Loss on write-off of fixed assets	-	-	103,012,196	0.91	-	-
Total expenses	5,072,602,602	55.41	5,294,648,870	46.80	5,146,247,574	55.79
Profit before share of profit from investments in associates, finance cost and income tax expenses	4,081,861,458	44.59	6,019,276,747	53.20	4,078,070,832	44.21
Share of profit from investments in associates	546,426,651	5.97	400,610,330	3.54	16,419,233	0.18
Profit before finance cost and income tax expenses	4,628,288,109	50.56	6,419,887,077	56.74	4,094,490,065	44.39
Finance cost	670,972,034	7.33	800,702,429	7.07	828,902,000	8.99
Profit before income tax expenses	3,957,316,075	43.23	5,619,184,648	49.67	3,265,588,065	35.40
Income tax expenses	697,419,091	7.62	458,745,669	4.06	814,320,641	8.83
Profit for the year	3,259,896,984	35.61	5,160,438,979	45.61	2,451,267,424	26.57
Profit attributable to:						
Equity holders of the Company	3,205,556,014	35.02	5,147,296,420	45.50	2,457,900,487	26.65
Non-controlling interests of the subsidiary	54,340,970	0.59	13,142,559	0.11	(6,633,063)	-0.08
	3,259,896,984	35.61	5,160,438,979	45.61	2,451,267,424	26.57
Earnings per share						
Basic earnings per share						
Profit attributable to equity holders of the Company	4.16		6.68		3.19	

(Unit : Baht)

Statements of Comprehensive Income	2014		2013 (Restated)		2012 (Restated)	
	Amount	percent	Amount	percent	Amount	percent
Profit for the year	3,259,896,984	35.61	5,160,438,979	45.61	2,451,267,424	26.57
Other comprehensive income:						
Gain on changes in value of available-for-sale investments, net of income tax	1,681,745,623	18.37	438,094,089	3.88	1,680,820,667	18.23
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	(1,754,805)	-0.02	(32,687,712)	-0.29	-	-
Actuarial loss, net of income tax	-	-	(6,511,995)	-0.06	-	-
Other comprehensive income for the year	1,679,990,818	18.35	(1,837,883,618)	-16.24	1,680,820,667	18.23
Total comprehensive income for the year	4,939,887,802	53.96	3,322,555,361	29.37	4,132,088,091	44.80
Total comprehensive income attributable to:						
Equity holders of the Company	4,885,546,832	53.37	3,309,412,802	29.25	4,138,721,154	44.87
Non-controlling interests of the subsidiary	54,340,970	0.59	13,142,559	0.12	(6,633,063)	-0.07
	4,939,887,802	53.96	3,322,555,361	29.37	4,132,088,091	44.80

(Unit : Baht)

Statements of Cash Flows	2014	2013 (Restated)	2012 (Restated)
Cash flows from operating activities			
Profit before tax	3,957,316,075	5,619,184,648	3,265,588,065
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:			
Depreciation and amortization	2,746,057,601	2,823,947,212	2,804,721,597
Amortization of financial fee	21,491,782	8,955,687	4,421,779
Gain on investments	(536,651,350)	(308,968,887)	(1,197,520,734)
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	(4,519,007)	101,315,887	(5,403,339)
Compensation for site acquisition cost	625,658,983	669,645,413	703,354,099
Provision for long-term employee benefits	17,188,197	21,399,961	11,640,070
Share of profit from investments in associates	(546,426,651)	(400,610,330)	(16,419,233)
Dividend income	-	-	(173,312,500)
Interest income	(41,230,197)	(49,284,638)	(58,849,981)
Interest expenses	623,599,355	757,339,166	801,126,453
Income from operating activities before changes in operating assets and liabilities	6,862,484,788	6,434,583,619	6,139,346,276
Decrease (increase) in operating assets			
Other receivables	-	30,912,257	63,087,743
Other current assets	(77,032,173)	4,670,993	(7,995,865)
Other non-current assets	(563,640)	(414,826)	(2,553,596)
Increase (decrease) in operating liabilities			
Trade and other payables	(36,221,009)	46,419,563	7,998,224
Other current liabilities	110,830,522	(29,221,457)	(94,184,440)
Cash paid for compensation for site acquisition cost	(1,200,000,000)	(1,200,000,000)	(1,200,000,000)
Cash flows from operating activities	5,659,498,488	5,286,950,149	4,905,698,342
Cash received for interest income	20,704,737	31,222,824	40,577,957
Cash paid for income tax	(482,576,117)	(391,487,748)	(818,481,296)
Net cash flows from operating activities	5,197,627,108	4,926,685,225	4,127,795,003

(Unit : Baht)

Statements of Cash Flows (continued)	2014	2013 (Restated)	2012 (Restated)
Cash flows from investing activities			
Decrease (increase) in current investments	(1,543,142,652)	2,223,093,504	148,722,649
Cash paid for purchase of investment in associate	(400,000,000)	(2,600,000,000)	(2,730,000,000)
Cash received from sales of investments in associates	1,097,300,894	261,560,273	-
Cash received from sales of other long-term investment	-	159,235,058	2,788,954,594
Increase in other long-term investments	(265,106,250)	(1,143,223,538)	(72,450,000)
Cash received from long-term loans to related companies	-	31,250,000	-
Cash received from interest income	21,897,342	30,109,207	39,704,765
Cash received from dividend income	524,972,500	444,207,500	173,312,500
Cash received from sales of equipment	4,631,499	1,819,197	5,460,981
Purchase of equipment	(44,683,660)	(44,514,959)	(48,575,312)
Cash paid for expressway construction	(6,611,423,591)	(2,042,479,105)	(2,394,788,509)
Increase in intangible assets	(3,675,800)	(2,376,251)	(4,942,500)
Net cash flows used in investing activities	(7,219,229,718)	(2,681,319,114)	(2,094,600,832)
Cash flows from financing activities			
Cash paid for financial fee	(14,143,028)	(22,264,748)	(68,293,261)
Cash received from short-term loan from financial institution	2,000,000,000	-	-
Cash received from issuance of debentures	4,000,000,000	7,000,000,000	3,000,000,000
Cash received from long-term loans	2,400,000,000	400,000,000	-
Cash paid for redemption of debentures	(2,700,000,000)	(5,100,000,000)	(1,895,000,000)
Repayments of long-term loans	(726,064,970)	(1,996,000,000)	(1,142,790,000)
Cash paid for interest expenses	(646,732,087)	(734,161,916)	(777,313,870)
Dividend paid	(1,309,000,000)	(1,216,600,000)	(1,016,400,000)
Net cash flows from (used in) financing activities	3,004,059,915	(1,669,026,664)	(1,899,797,131)
Net increase in cash and cash equivalents	982,457,305	576,339,447	133,397,040
Cash and cash equivalents at beginning of year	837,995,541	261,656,094	128,259,054
Cash and cash equivalents at end of year	1,820,452,846	837,995,541	261,656,094

13.2 Financial Ratios of Financial Statements

	Unit	2014	2013 (Restated)	2012 (Restated)
LIQUIDITY RATIO				
1. Liquidity Ratio	Times	0.48	0.26	0.37
2. Quick Ratio	Times	0.46	0.25	0.36
3. Cash Flow Ratio	Times	0.70	0.62	0.68
4. Accounts Payable Turnover	Times	N.A.	N.A.	N.A.
5. Average Debt Servicing Period	Day	N.A.	N.A.	N.A.
PROFITABILITY RATIO				
6. Gross Profit Margin	%	68.16	65.76	64.62
7. Cash to Profitability Ratio	%	169.88	205.58*	192.23
8. Net Profit Margin	%	35.61	27.65*	26.57
9. Return on Equity	%	16.44	13.85*	16.70
EFFICIENCY RATIO				
10. Return on Total Assets	%	6.37	5.16*	5.65
11. Return on Fixed Assets	%	24.48	18.95*	17.51
12. Assets Turnover	Times	0.18	0.19*	0.21
FINANCIAL POLICY RATIO				
13. Debt to Equity Ratio	Times	1.55	1.61	1.77
14. Interest Coverage Ratio	Times	11.75	8.44*	8.58
15. Obligation Serviceability Ratio	Times	2.12	0.76	1.32
16. Net Debt to EBITDA	Times	4.02	3.19*	3.64
Per Share DATA				
17. Book Value per Share	Baht	28.01	23.36	20.65
18. Net Earnings per Share	Baht	4.16	6.68	3.19
19. Dividend per Share	Baht	2.50	1.60	1.50

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 operating 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 2014 is at the discretion of the 2015 Annual Ordinary General Meeting of Shareholders on 2 April 2015. However, the Company made payment of interim dividends at the rate of Baht 0.80 per share in September 2014.

* In order to provide the true Company's performance from normal operation, the net profit of 2013 that has been used for the ratio calculation does not include the gain on fair value adjustment from changing status of investment in TTW.

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 2014 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

17 February 2015



(Mrs. Payao Marittanaporn)
Managing Director

17 February 2015

14. Management Discussion and Analysis

Operational Results

In 2014, the Company had the net profit attributable to equity holders in the amount of Baht 3,206 Million, when compared with a net profit from normal operation from 2013 at an amount of Baht 2,339 Million, the profit was increased by Baht 867 Million or 37.07 percent from the increase in toll revenue, income from investment and a decrease in finance cost. However, when compared with the net profit of the previous year, which included accounting gain on fair value adjustment from changing status of investment in TTW Public Company Limited (TTW) in the amount of Baht 2,808 Million which was the non-cash item, the profit decreased by Baht 1,941 Million or 37.71 percent due to no fair value adjustment transaction in 2014.

Toll revenue had increased comparing to the previous year. Even though the effect of political situation at the beginning of 2014 led to the decrease in traffic volume that used the expressway for the first six-month period of 2014, however, the consequence of the improvement in economic for the last six-month period of 2014 resulted in the growth of traffic. Also, additional traffic of the Connected Ramp between the Second Stage Expressway System (Sector D) and Chaturathit Road after the opening on May 2, 2014 has gradually increased traffic volume into the system. Therefore, traffic volume has increased by 0.35 percent in 2014. Moreover, the effect of toll rate revision had resulted in the Company realized full year effect in toll revenue for 2014 resulting to the increase in toll revenue by Baht 445 Million or 5.53 percent.

For the expenses, excluding finance cost had increased from the previous year only Baht 15 Million or 0.26 percent. Finance cost decreased from the previous year by Baht 130 Million or 16.23 percent due to the principle repayment during the period and the issuance of debentures with lower interest rate.

For the construction of the Si Rat-Outer Ring Road Expressway Project, the Company had managed the risk of construction cost overrun by entering into an engagement agreement with the contractor on the Fixed Cost Lump Sum Turnkey contract. As at December 2014, the construction in process was at the rate of 45.62 percent in accordance with the plan and expected to be completed as per the contract by the year 2016.

Summary of Operational Results between 2014 and 2013

	2014	2013 (Restated)*	(Unit : Million Baht)	
			Changes Amount	%
Toll revenue	8,485	8,040	445	5.53
Accounting gain from non-cash item				
Gain on fair value adjustment from changing status of investment	-	2,808	(2,808)	-100.00
Other income	669	466	203	43.56
Expenses (excluding finance cost)	5,769	5,754	15	0.26
Finance cost	671	801	(130)	-16.23
Share of profit from investments in associates, net	546	401	145	36.16
Profit attributable to the Company	3,206	5,147	(1,941)	-37.71
Earnings per share attributable to the Company (Baht)	4.16	6.68	(2.52)	

*According to the adoption of Financial Reporting Standard Interpretations No.12 "Service Concession Arrangements"

Toll Revenue

In 2014, the Company and its Subsidiary had the toll revenue in the amount of Baht 8,485 Million, representing an increase from the previous year by Baht 445 Million or 5.53 percent. Even though the effect of political situation in the beginning of the year 2014 led to the decrease in traffic volume that used the expressway for the first six-month period, but the consequence of the improvement in economic resulted in the growth in traffic for the last six-month period. Also, with additional traffic of the Connected Ramp between the Second Stage Expressway System (Sector D) and Chaturathit Road after the opening on May 2, 2014 has gradually increased traffic volume into the system. Moreover, the toll rate revision for the urban expressway in September 2013 had resulted in the Company realized full year effect in toll revenue in this year, whereas, only four months effect for the previous year. Thereby, resulting in the increase in toll revenue by Baht 362 Million or 5.18 percent.

For the Bang Pa-in - Pak Kret Expressway, the traffic volume increased on the average of 2,400 trips/day or 3.57 percent from the previous year. Moreover, when taken into account the effect of toll rate revision of this route in November 2013, the toll revenue in this year increased by Baht 83 Million or 7.90 percent comparing to the previous year.

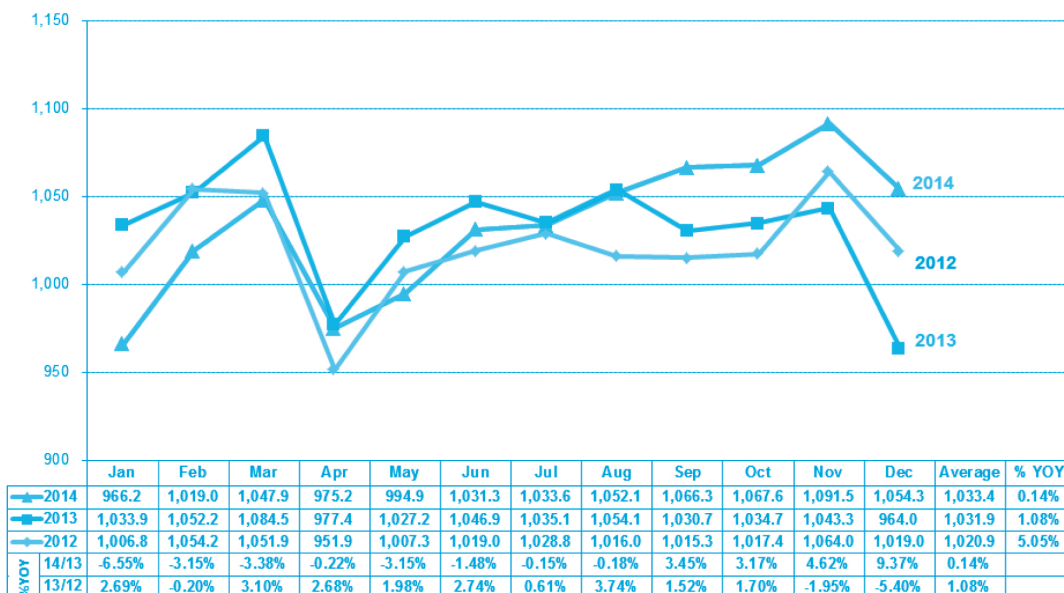
The details of toll revenue are classified into routes as compared to the previous year as follows:

(Unit : Million Baht)

	2014	2013	Changes	
			Amount	%
First Stage Expressway	2,702	2,564	138	5.38
Second Stage Expressway				
Sector A (Rama IX - Ratchadapisek)	1,557	1,463	94	6.43
Sector B (Phayathai - Bangkhlo)	742	703	39	5.55
Sector C (Ratchadapisek - ChaengWatthana)	899	867	32	3.69
Sector D (Rama IX - Srinagarindra)	1,452	1,393	59	4.24
Total Second Stage Expressway	4,650	4,426	224	5.06
Total First and Second Stage Expressway	7,352	6,990	362	5.18
Bang Pa-in - Pak Kret Expressway	1,133	1,050	83	7.90
Grand Total	8,485	8,040	445	5.53

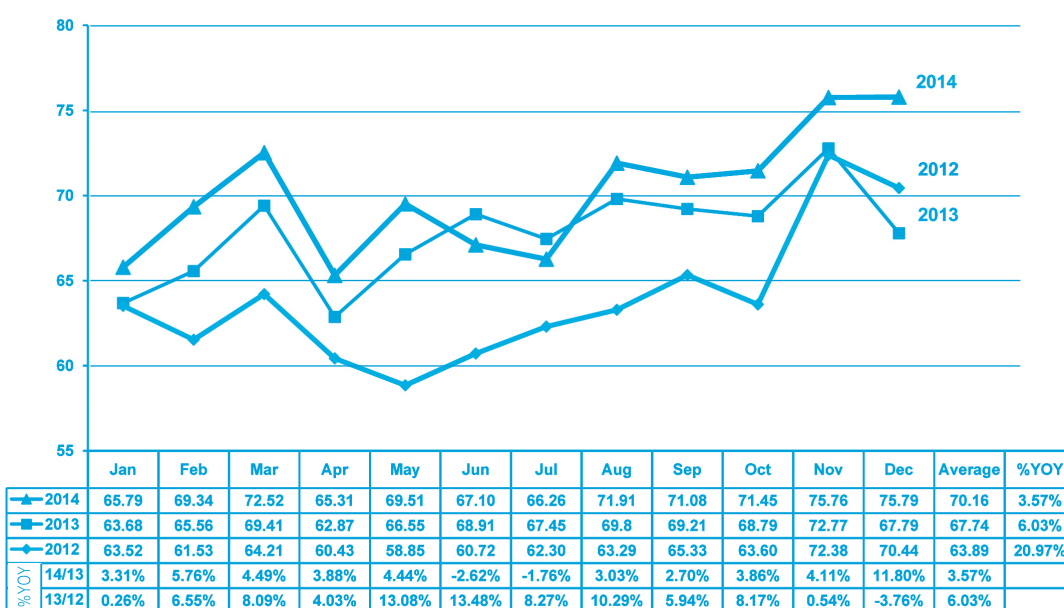
Average daily Traffic volume for the First Stage Expressway and the Second Stage Expressway

(Thousand Trips / Day)



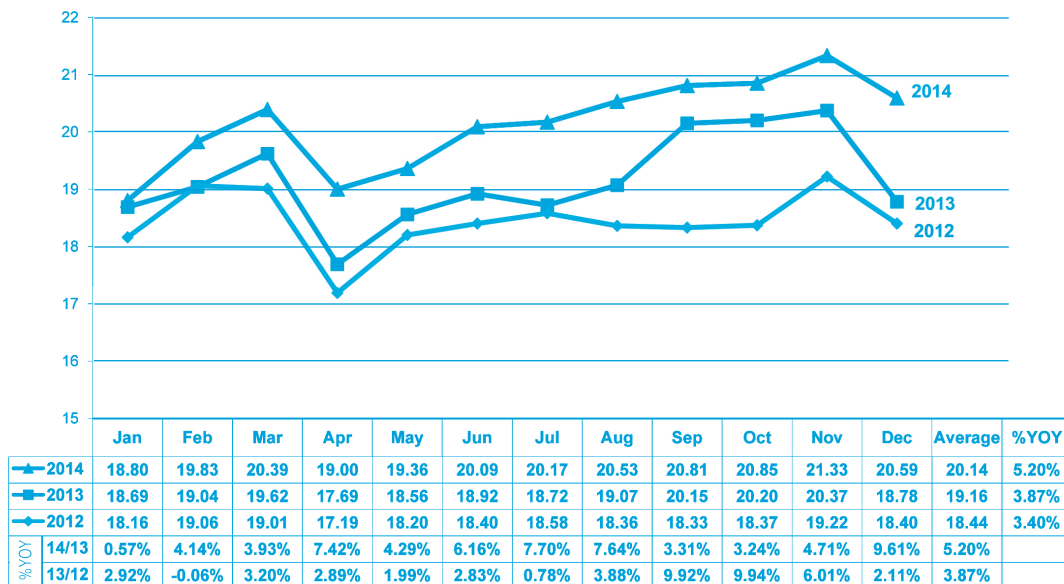
Average daily Traffic volume for the Bang Pa-in – Pak Kret Expressway

(Thousand Trips / Day)



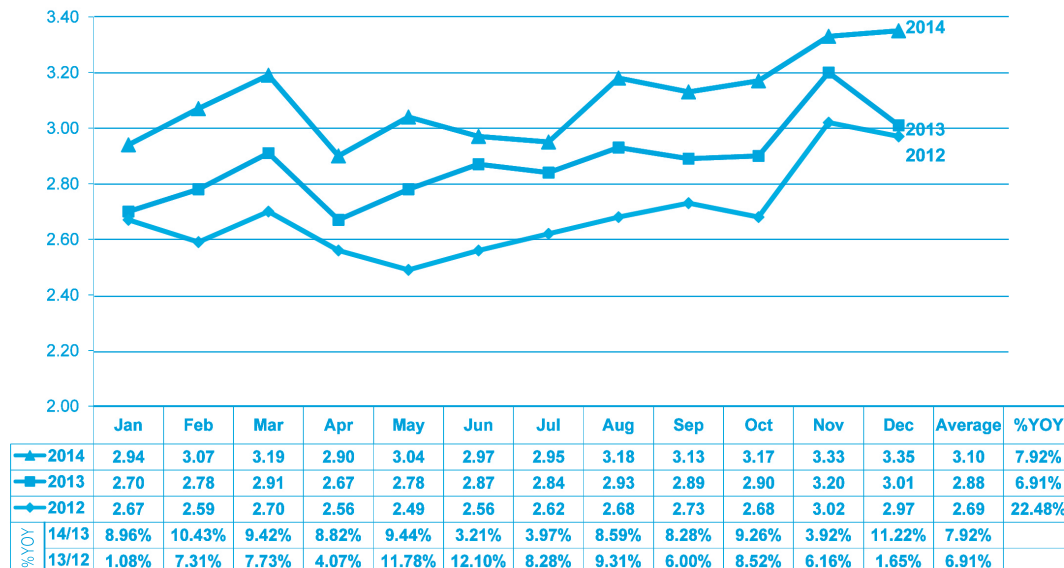
Average daily Toll revenue for the First Stage Expressway and the Second Stage Expressway

(Million Baht / Day)



Average daily Toll revenue for the Bang Pa-in – Pak Kret Expressway

(Million Baht / Day)



Other income

In 2014, the Company and its Subsidiary had other income in the amount of Baht 669 Million, representing an increase from the previous year by Baht 203 Million or 43.56 percent, mainly from the realized gain from sales of investments in TTW and CKP in the amount of Baht 506 Million; whereas, in 2013 the Company had gain from sales of investment in CKP in the initial public offering amounting to Baht 274 Million.

Expenses (excluding finance cost)

In 2014, the Company and its Subsidiary had the expenses (excluding finance cost) in the amount of Baht 5,769 Million, representing an increase from the previous year by Baht 15 Million or 0.26 percent which summarized as follows:

	2014	2013 (Restated)	(Unit : Million Baht)	
			Changes Amount	%
Amortization of rights to operate completed expressway sectors	2,701	2,753	(52)	-1.89
Compensation for site acquisition cost	626	670	(44)	-6.57
Selling expenses	1,101	1,148	(47)	-4.09
Administrative expenses	644	621	23	3.70
Loss on write-off of fixed assets	-	103	(103)	-100.00
Income tax expenses	697	459	238	51.85
Total expenses	5,769	5,754	15	0.26

1. Amortization of rights to operate completed expressway sectors was Baht 2,701 Million, representing a decrease from the previous year by Baht 52 Million or 1.89 percent. Although the traffic volume was nearly the same as the previous year according to the revision of forecasted traffic that has been appraised by independence traffic engineering in the beginning of this year, it was resulted in the decrease in the amortization per car.

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

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

2. Compensation for site acquisition cost was Baht 626 Million, according to the Company's adoption of Financial Reporting Standard Interpretations No.12 "Service Concession Arrangements" which was effective on January 1, 2014. This adoption has resulted in the new calculation of Baht 626 Million to be recorded in the compensation mentioned above. The Company also restated the prior year's financial statements, presented as comparative information as though the Company and its Subsidiary had initially recognized this standard.
3. Selling expenses were Baht 1,101 Million, representing a decreased by Baht 47 Million or 4.09 percent, mainly decreased from repair and maintenance cost of the Expressways' structure as per regular maintenance plan which had less construction volume than the previous year.
4. Administrative expenses were Baht 644 Million, representing an increase by Baht 23 Million or 3.70 percent. The main expense was office expenses that support for toll operation.
5. Loss on write-off of fixed assets decreased in full amount due to the Company write-off net book value of Easy Pass in the amount of Baht 103 Million to be an expense in 2013, instead of recording Easy Pass as an asset and calculated the depreciation based on the useful live. 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 but there was no such transactions in this year.
6. Income tax expenses were Baht 697 Million, representing an increase by Baht 238 Million or 51.85 percent which aligned with the increase of Company's tax profit.

Finance Cost

In 2014, the Company and its Subsidiary had the finance cost in the amount of Baht 671 Million, representing a decrease from the previous year by Baht 130 Million or 16.23 percent due to the principle repayment and the issuance of debentures during the year with lower interest rate than the ones that had been matured.

Share of profit from investments in associates, net

	2014	2013 (Restated)	(Unit : Million Baht)	
			Changes Amount	%
Share of profit from investment in TTW	597	482	115	23.86
Less: Amortization of asset from Purchase Price Allocation	(149)	(134)	(15)	-11.19
Share of profit from investment in TTW, net	448	348	100	28.74
Share of profit from investment in CKP	98	53	45	84.91
Total	546	401	145	36.16

In 2014, the Company and its Subsidiary had share of profit from investments in associates in the amount Baht 546 Million comprising the share of profit from investment in TTW in the amount of Baht 597 Million deducted with amortization of asset from Purchase Price Allocation as according to Financial Reporting Standard No.3 Business Combination for Baht 149 Million, ending with the net amount of Baht 448 Million and share of profit from investment in CKP in the amount of Baht 98 Million.





Financial Position

Assets

Total assets of the Company and its Subsidiary as at December 31, 2014 amounted to Baht 55,276 Million, representing an increase from the end of the previous year by Baht 8,224 Million or 17.48 percent. The details of significant increases and decreases as compared to the end of the previous year are as follows:

	December 31 2014	December 31 2013 (Restated)	(Unit : Million Baht)	
			Changes Amount	%
Cash, cash equivalents, and current investments	4,168	1,613	2,555	158.40
Investment in associates	8,894	9,465	(571)	-6.03
Other long-term investments, net	4,779	2,484	2,295	92.39
Investment properties	120	120	-	-
Building and equipment, net	135	128	7	5.47
Construction in process	10,744	2,902	7,842	270.23
Rights to operate completed expressway sectors, net	23,147	25,564	(2,417)	-9.45
Rights to use sites for expressway construction, net	1,612	1,895	(283)	-14.93
Advance payment under expressway construction contract	1,235	2,032	(797)	-39.22
Deferred tax assets, net	257	716	(459)	-64.11
Others	185	133	52	39.10
Total assets	55,276	47,052	8,224	17.48

1. Cash, cash equivalents, and current investments amounted to Baht 4,168 Million, representing an increase from the end of the previous year by Baht 2,555 Million or 158.40 percent, mainly from cash received from the issuance of promissory note which the Company had reserved for redemption of debentures that due in the beginning of 2015.
2. Investment in associates and Other long-term investments

Investment Project	 TTW TTW Plc.	 CKP CK Power Plc.	 BMCL Bangkok Metro Plc.	 XPCL Xayaburi Power Co.,Ltd.
Nature of Business	Manufacture and distribution of treated water	Investment in electricity business	Mass Transit Operator	Manufacture and distribution of electricity
Investment Type	TTW: BOO PTW : BOOT TWO : Operational Agreement	Holding Company	Blue Line : AOT Purple Line : ATO Concession	BOOT Concession
% of Possession as of December 31, 2014	19.66%	19.40%	10.00%	7.50%
Concession date	2004	-	2004	-
Concession period	30 years	-	25 years	29 years
Customer	PWA Industrial Estates	-	Public	EGAT/EDL
Registered capital (MB.)	3,990	5,500	20,500	26,861
Paid-up Capital (MB.)	3,990	5,500	20,500	9,325

- 2.1 Investment in associates amounted to Baht 8,894 Million, representing the investment in TTW Public Company Limited (TTW) and CK Power Public Company Limited (CKP).

The details of Investments in associates as at December 31, 2014 are as follows:-

(Unit : Million Baht)

	Proportion of Shareholding	Carrying amounts based on equity method		Changes	
		December 31	December 31	Amount	%
		2014	2013		
TTW	19.66%	6,878	7,157	(279)	-3.90
CKP	19.40%	2,016	2,308	(292)	-12.65
Total		8,894	9,465	(571)	-6.03

2.1.1 TTW is a company incorporated in manufacture and distribution of treated water. The investment in TTW had been changed from “Other long-term investment” to “Investment in associates” since February 2013. In 2014, the Company had received dividend from TTW for an amount of Baht 525 Million or at Baht 0.65 per share and recorded share of profit in the net amount of Baht 448 Million according to Company’s portion of investment. During the third and fourth quarter, the Company sold some shares of TTW. As a result of the sales of investment, the Company had gain on sales in the amount of Baht 80 Million which recorded as other income in the statement of income.

2.1.2 CKP is a holding company with diversified portfolio, investing in businesses that operate in production and distribution of electricity which come from various sources of energy. In 2014, the Company had recorded the share of profit according to Company’s portion of investment, amounted to Baht 98 Million. During the third and fourth quarter, the Company sold some shares of CKP. As a result of the sales of investment, the Company had gain on sales in the amount of Baht 426 Million which recorded as other income in the statement of income.

2.2 Other long-term investments amounted to Baht 4,779 Million. The details of long-term investments as at December 31, 2014 are as follows:

(Unit : Million Baht)					
	Proportion of Shareholding	Fair Value		Changes	
		December 31, 2014	December 31, 2013	Amount	%
BMCL	10.00%	4,080	2,050	2,030	99.02
XPCL	7.50%	699	434	265	61.06
Total		4,779	2,484	2,295	92.39

2.2.1 Investment in BMCL increased from the end of the previous year by Baht 2,030 Million or 99.02 percent from the adjustment of investment value according to the market price of the security at the end of the accounting period.

2.2.2 Investment in XPCL increased from the end of the previous year by Baht 265 Million or 61.06 percent from the payment of additional investment as the Company’s portion of shareholding.

- Construction in process amounted to Baht 10,744 Million, representing a net increased from the end of the previous year by Baht 7,842 Million from the progress of the construction of the Si Rat - Outer Ring Road Expressway Project which increased from the end of the previous year by Baht 8,013 Million. This project has the total project value of Baht 25,500 Million approximately which is expected to be completed in 2016. Moreover, the construction of the Connected Ramp between the Second Stage Expressway System (Sector D) and Chaturathit Road that had been carried from the previous year had increased by Baht 113 Million. The project has officially opened for public used at the beginning of May 2014 and therefore, the Company had transferred the construction in process to Rights to operate completed expressway sectors amounted to Baht 284 Million.
- Rights to operate completed expressway sectors amounted to Baht 23,147 Million, representing a net decrease from the end of the previous year by Baht 2,417 Million or 9.45 percent. This was resulted from the recording of amortization expenses in the statement of income based on the volume of vehicles using the Expressways amounting to Baht 2,701 Million and an increased by Baht 284 Million from the transferred of the construction of the Connected Ramp between the Second Stage Expressway System (Sector D) and Chaturathit Road.

5. Rights to use sites for expressway construction amounted Baht 1,612 Million was recorded as according to the Company's adoption of Financial Reporting Standard Interpretations No.12 "Service Concession Arrangements" which was effective on January 1, 2014. The Company has to recognize the land value of the expressway by using the fair value of the compensation for site acquisition cost that Company has the obligation with the Expressway Authority of Thailand (EXAT) under the concession of the Second Stage Expressway System. The company has to recognize the fair value of such obligation as intangible asset under the account "Rights to use sites for expressway construction". Also, the Company restated the prior year's financial statements, presented as comparative information as though the Company and its Subsidiary had initially recognized this standard.
6. Advance payment under expressway construction contract amounted to Baht 1,235 Million, representing a decrease from the end of the previous year by Baht 797 Million or 39.22 percent which was aligned with the construction payment according to the work progress of the Si Rat-Outer Ring Road Expressway Project.
7. Deferred tax assets net amounted to Baht 257 Million, representing a decrease from the end of the previous year by Baht 459 Million or 64.11 percent, which mainly came from the calculation of deferred tax liability relating to the incremental adjustment of investment fair value in BMCL at the end of the accounting period which was recognized in Other components of shareholders' equity.

Liabilities

Total liabilities of the Company and its Subsidiary as at December 31, 2014 amounted to Baht 33,637 Million, representing an increase from the end of the previous year by Baht 4,593 Million or 15.81 percent. The details of significant increases and decreases as compared to the end of the previous year are as follows:

	December 31, December 31,		Changes	
	2014	2013 (Restated)	Amount	%
Short-term loan from financial institution	2,000	-	2,000	N/A
Trade accounts payable and other current liabilities	1,907	1,159	748	64.54
Income tax payable	309	204	105	51.47
Share payable	314	714	(400)	-56.02
Long-term loans	2,830	1,147	1,683	146.73
Debentures	19,385	18,086	1,299	7.18
Provision for compensation for site acquisition cost	6,762	7,620	(858)	-11.26
Provision for long-term employee benefits	130	114	16	14.04
Total liabilities	33,637	29,044	4,593	15.81

1. Short-term loan from financial institution amounted to Baht 2,000 Million, totally increased from the end of the previous year from the issuance of promissory note which the Company had reserved for redemption of debentures that due in the beginning of 2015.
2. Trade accounts payable and other current liabilities amounted to Baht 1,907 Million, representing an increase by Baht 748 Million or 64.54 percent, mainly from the payment for the Si Rat - Outer Ring Road Expressway Project.
3. Income tax payable amounted to Baht 309 Million, representing a net increase by Baht 105 Million or 51.47 percent, from the recording of income tax payable during the year amounted to Baht 505 Million, meanwhile the payment of income tax for the last six-month of the year 2013 and the first six-month of the year 2014 amounted to Baht 204 Million and Baht 196 Million, respectively.

- | <u>No.</u> | <u>Maturity</u> | <u>Amount</u> | <u>Interest Rate</u> |
|------------|-----------------|--------------------|----------------------------------|
| 1/2014 | 3 years | Baht 3,000 Million | Fixed interest rate at 3.59 p.a. |
| 1/2014 | 5 years | Baht 1,000 Million | Fixed interest rate at 4.35 p.a. |

7. As at December 31, 2014, The Company had interest bearing debts including short-term loan, long-term loans and debentures for the total amount of Baht 24,215 Million. Therefore, the significant expense of the Company is interest expense. As a result, the Company has a risk on the fluctuation of interest rate in the money market or any increases. However, the Company has managed the risk by structuring short-term loan, long-term loans and debentures into 74 percent of the total short-term loan, long-term loans and debentures on the fixed interest rates and 26 percent on the floating interest rates. In the case that interest rate increases by 1 percent, the Company's interest expense will be increasing by Baht 63 Million a year.

(Unit: Million Baht)

	Fixed interest rates				Floating interest rate				Grand Total
	Within 1year	1-5 years	Over 5 years	Total	Within 1year	1-5 years	Over 5 years	Total	
Short-term loan	2,000	-	-	2,000	-	-	-	-	2,000
Long-term loans	-	84	-	84	-	1,000	1,800	2,800	2,884
Debentures	1,000	12,900	2,000	15,900	2,000	1,500	-	3,500	19,400
Total	3,000	12,984	2,000	17,984	2,000	2,500	1,800	6,300	24,284
Less Deferred financial fee of loans and debentures									(69)
Loans and debentures- net									24,215

8. Provision for compensation for site acquisition cost amounted Baht 6,762 Million was recorded as according to the Company's adoption of Financial Reporting Standard Interpretations No.12 "Service Concession Arrangements" which was effective on January 1, 2014. The Company has to record compensation for site acquisition cost that Company has the obligation with the Expressway Authority of Thailand (EXAT) under the Second Stage Expressway System for an amount of Baht 16,816 Million. The company has to recognize the liability of such obligation under the account "Provision for compensation for site acquisition cost". Also, the Company restated the prior year's financial statements, presented as comparative information as though the Company and its Subsidiary had initially recognized this standard.

For the actual payments, the first payment that was paid by the Company was commencing from 2004 as stipulated in the agreement and the payment will be on every March 1 and September 1 of every year. The Company had already made payment for such compensation amounted to Baht 9,100 Million. For 2014, the Company has a commitment of compensation for site acquisition of Baht 1,200 Million, in which had already been paid to the Expressway Authority of Thailand.

Shareholders' Equity

Total shareholders' equity of the Company and its Subsidiary as at December 31, 2014 amounted to Baht 21,639 Million, representing an increase from the end of the previous year by Baht 3,631 Million or 20.16 percent. The details of significant increases and decreases as compared to the end of the previous year are as follows:

	December 31, 2014	December 31, 2013 (Restated)	(Unit : Million Baht) Changes	
			Amount	%
Issued and paid-up share capital	7,700	7,700	-	-
Premium on ordinary shares	4,848	4,848	-	-
Other components of shareholders' equity	1,357	(323)	1,680	520.12
Retained earnings				
Retained earnings - as previously reported		10,598		
Cumulative effect of changes in accounting policy		(4,833)		
Retained earnings	7,662	5,765	1,897	32.91
Non-controlling interests of the subsidiary	72	18	54	300.00
Total shareholders' equity	21,639	18,008	3,631	20.16

- Other components of shareholders' equity were mainly from an adjustment of investment value in BMCL in accordance with the market prices which was presented in the net amount of deferred tax.
- Retained earnings increased from the net profit from operations for 2014 amounted to Baht 3,206 Million. However, it decreased from dividend payment for the second half of the year 2013 amounting to Baht 693 Million or Baht 0.90 per share on May 22, 2014 and dividend payment for the first half of the year 2014 on September 18, 2014 amounting to Baht 616 Million or Baht 0.80 per share.

Cash Flows

In 2014, the Company and its Subsidiary generated cash flows from operating activities amounting to Baht 5,197 Million, utilized cash of Baht 7,219 Million from investing activities due to (1) 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 6,611 Million, (2) investment in current investments in the amount of Baht 1,543 Million, (3) paid for purchase of TTW shares in the amount of Baht 400 Million, (4) investment in XPCL in the amount of Baht 265 Million, (5) acquisition of fixed assets in the net amount of Baht 44 Million, (6) cash receipt from sales of investments in TTW and CKP in the amount of Baht 1,097 Million and (7) receipts of dividend and interest from investments in the amount of Baht 547 Million.

The Company and its Subsidiary had net cash of Baht 3,004 Million from financing activities due to (1) issuance of debentures amounting to Baht 4,000 Million, (2) withdrawal of long-term loans amounting to Baht 2,400 Million, (3) withdrawal of short-term loan amounting to Baht 2,000 Million, (4) redemption of debentures amounting to Baht 2,700 Million, (5) dividend payment amounting to Baht 1,309 Million, (6) repayment of long-term loans amounting to Baht 726 Million, and (7) interest payment and payment of financial fee amounting to Baht 661 Million.

As at December 31, 2014, the Company and its Subsidiary had cash and cash equivalents amounting to Baht 1,820 Million, representing an increase from the end of the previous year by Baht 982 Million.

Significant Financial Ratios*

	Unit	2014	2013** (Restated)
Net Profit Margin	%	35.61	27.65
Return on Equity	%	16.44	13.85
Return on Total Assets	%	6.37	5.16
Interest Coverage	times	11.75	8.44
Debt to Equity	times	1.55	1.61

In 2014, the Company had Net Profit Margin at 35.61 percent, increased when compared to 27.65 percent Net Profit Margin of the previous year. The main reason was from the toll rate revision and the decrease in finance cost which led to the increase in Net Profit Margin.

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 8.44 times in 2013 to 11.75 times in 2014. In addition, Debt to Equity ratio was at 1.55 times in 2014 which decreased from 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.

** In order to provide the true company's performance from normal operation, the net profit of 2013 that has been used for the ratio calculation does not include the gain on fair value adjustment from changing status of investment in TTW.

Information of Directors, Executives and Company Secretary (As at 31 December 2014)

Name-Surname/Position/ Date of Appointment as Director/Executive	Age (Years)	Education / Training	Share- holding Ratio (%)	Family Relationship Among Executives	Work Experience for the Past 5 Years		
					Period	Position	Organization
1. Dr. Virabongsa Ramangkura Chairman of the Board of Directors (appointed on 27 May 1994)	71	<ul style="list-style-type: none"> - 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 Class 1, National Defence College - Director Certification Program (DCP 43/2004), Thai Institute of Directors Association 	-	-	2008 - Present 2006 - Present 2005 - Present 2004 - Present 1995 - Present May 2012 - Jul 2013 1996 - May 2012	<ul style="list-style-type: none"> - Chairman of the Board of Directors - Chairman of the Board of Directors - Chairman of the Board of Directors - Audit Committee Member - President - Chairman of the Executive Board - Chairman of the Board of Directors - Director 	Nam Ngum 2 Power Company Limited SouthEast Asia Energy Limited Finansia 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)	74	<ul style="list-style-type: none"> - 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 Class 32, National Defence College - Director Certification Program (DCP 38/2003), Thai Institute of Directors Association - Board Performance Evaluation (2004), Thai Institute of Directors Association - The Role of the Chairman (RCP 13/2006), Thai Institute of Directors Association 	-	-	2010 - Present 2009 - Present 2007 - Present 2004 - Present 2006 - 2013 2003 - May 2010	<ul style="list-style-type: none"> - Chairman of the Board of Directors - Independent Director - Chairman of the Board of Directors - Chairman of the Board of Directors and Independent Director - Chairman of the Board of Directors - Chairman of the Board of Directors and Chairman of the Audit Committee 	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)	73	<ul style="list-style-type: none"> - Chulachomklao Royal Military Academy - Royal Military Academy (Saint Cyr), France - The Army Command and General Staff College, Class 51 - Diploma, The Joint State-Private Sector Course Class 6, National Defence College - Director Accreditation Program (DAP 15/2004), Thai Institute of Directors Association 	-	-	2013 - Present 2012 - Present 2011 - Present	<ul style="list-style-type: none"> - Chairman of the Mae Fah Luang University Council - Chairman of the Board of Directors - Chairman of the Board of Directors 	Mae Fah Luang University TIPS Co., Ltd. Dhospaak Company Limited

Information of Directors, Executives and Company Secretary (As at 31 December 2014)

Name-Surname/Position/ Date of Appointment as Director/Executive	Age (Years)	Education / Training	Share- holding Ratio (%)	Family Relationship Among Executives	Work Experience for the Past 5 Years		
					Period	Position	Organization
4. Dr. Annop Tanlamai - Director (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)	64	- 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 2012 - Present 2011 - 2012 1988 - 2011 2007 - 2011	- Dean of College of Management - Director and Chairman of the Audit Committee - Advisor for Master of Business Administration Program, Faculty of Commerce and Accountancy - Instructor for Department of Commerce, Faculty of Commerce and Accountancy - Dean of Faculty of Commerce and Accountancy	Mahidol University MK Restaurants Group Public Company Limited Chulalongkorn University Chulalongkorn University 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)	69	- Honorary Doctorate (Civil Engineering), Kasetsart University - Honorary Doctorate of Sciences (Engineering), Thai-Nichi Institute of Technology - 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 2012 - Present 2010 - Present 2009 - Present 2008 - Present 2006 - Present 2006 - Present 2004 - Present 1996 - Present 1994 - Present	- Director - Chairman of the Executive Board - Director and Chairman of the Executive Board - Director - Vice Chairman of the Board of Directors - Director and Chairman of the Executive Board - Director and Chairman of the Executive Board - Chairman of the Board of Directors - Chairman of the Executive Committee and Nomination and Remuneration Committee Member - Chairman of the Board of Directors and Chairman of the Executive Board - Chairman of the Executive Board and Chief Executive Officer	CK Power Public Company Limited Xayaburi Power Company Limited TTW Public Company Limited Nam Ngum 2 Power Company Limited SouthEast Asia Energy Limited Bangkok Metro Public Company Limited Northern Bangkok Expressway Company Limited 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)	73	- Honorary Ph.D. (Management Science), Phranakhon Rajabhat University - Master of Political Science (Politics and Government), Sukhothai Thammathirat Open 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	-	-	25 Sep 2014 - Present 2011 - Present 2009 - Present 2002 - Present 2009 - Present 2008 - Present 2006 - Present 1996 - Present	- Director - Director - Vice Chairman of the Board of Directors - Director and Executive Committee Member - Chairman of the Board of Directors - Director - Director - Chairman of the Institute - Director and Audit Committee Member - Director and Executive Director	Xayaburi Power Company Limited CK Power Public Company Limited Bangkok Metro Public Company Limited Bangkok Metro Networks Company Limited SouthEast Asia Energy Limited Nam Ngum 2 Power Company Limited Thai-Nichi Institute of Technology Siam Steel International Public Company Limited Northern Bangkok Expressway Company Limited

Information of Directors, Executives and Company Secretary (As at 31 December 2014)

Name-Surname/Position/ Date of Appointment as Director/Executive	Age (Years)	Education / Training	Share- holding Ratio (%)	Family Relationship Among Executives	Work Experience for the Past 5 Years		
					Period	Position	Organization
7. M.L. Prasobchai Kasemsant - Director (appointed on 27 May 1994) - Executive Director (appointed on 7 Apr 1994) - Authorized Signatory Director (appointed on 27 May 1994)	59	- M.S. (Civil Engineering) and M.S. (Operations Research), Stanford University, USA, 1979 - B.S. (Civil Engineering, Mathematics), Virginia Military Institute, Virginia, USA, 1976 - Thailand Energy Academy Course for Management, Class 3, 2013 - Diploma, The National Defence Course Class 50, National Defence College - 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	-	-	Sep 2013 - Present 1996 - Present Oct 2012 - Sep 2013 Oct 2010 - Sep 2012 2009 - Sep 2010	- Chairman of the Defence Advisory Board - Director and Executive Director - Deputy Permanent Secretary for Defence - Special Advisor to the Permanent, Secretary for Defence - Director-General, Office of Defence Logistics, Office of Permanent Secretary	Ministry of Defence Northern Bangkok Expressway Company Limited Ministry of Defence Ministry of Defence Ministry of Defence
8. Mr. Panit Dunnvatanachit - Director (appointed on 29 Apr 2003)	58	- 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)	57	- 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	-	-	2014 - Present Present 2012 - 2014 2005 - Sep 2012 2006 - 2010 2006 - 2010	- Senior Executive Vice President - Managing Director, Government and State Enterprise Relations Group - Director - First Executive Vice President - Managing Director, Government and State Enterprise Relations Group - 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 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 2014)

Name-Surname/Position/ Date of Appointment as Director/Executive	Age (Years)	Education / Training	Share- holding Ratio (%)	Family Relationship 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	-	-	2013 - Present 2012 - Present 2010 - Present 2010 - Present 2009 - Present 2012 - Present 2009 - Present 2006 - Present 2008 - 2014 2008 - Present	- Director - Director - Director and Executive Director - Director - Independent Director - Chairman of the Risk Committee - Risk Management Committee Member - Director and Chairman of the Nomination and Remuneration Committee - Audit Committee Member - 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. Sudthisak Wattananid * - Director (appointed on 26 Feb 2014)	55	- Master of Public Administration, Dhurakij Pundit University - Bachelor of Laws, Ramkhamhaeng University - Director Accreditation Program (DAP 112/2014), Thai Institute of Directors Association	-	-	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)	57	- M.B.A., Chulalongkorn University - Higher Diploma in Auditing, Thammasat University - Bachelor of Accountancy, Chulalongkorn University - Director Certification Program (DCP 48/2004), Thai Institute of Directors Association - Role of the Compensation Committee (RCC 9/2009), Thai Institute of Directors Association - Capital Market Academy Leader Program, Class 11/2010, Capital Market Academy	-	-	2007 - Present 2004 - Present Jan 2013 - 27 Aug 2014 2011 - 30 Jun 2014	- Acting Managing Director - Director and Executive Director - Director - Nomination and Remuneration Committee Member - Risk Management Committee Member - Director	Northern Bangkok Expressway Company Limited TTW Public Company Limited Xayaburi Power Company Limited
13. Mr. Sanguan Kunatinun - Deputy Managing Director ** Engineering	54	- M.B.A., Thammasat University - Bachelor of Engineering, Chulalongkorn University - Director Certification Program (DCP 101/2008), Thai Institute of Directors Association	-	-	Oct 2014 - Present 2006 - Sep 2014	- Deputy Managing Director, Engineering - 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.

** Promoted on 1 October 2014.

Information of Directors, Executives and Company Secretary (As at 31 December 2014)

Name-Surname/Position/ Date of Appointment as Director/Executive	Age (Years)	Education / Training	Share- holding Ratio (%)	Family Relationship Among Executives	Work Experience for the Past 5 Years		
					Period	Position	Organization
14. Mrs. Sudruthai Prommart - Deputy Managing Director ** Operation	51	- 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	-	-	Oct 2014 - Present 2007 - Sep 2014	- Deputy Managing Director, Operation - Assistant Managing Director, Operation	Bangkok Expressway Public Company Limited
15. Mrs. Ngamnit Kanokgarnjanar - Deputy Managing Director ** Administration	59	- 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 - Anti-Corruption The Practical Guide Program (ACPG 15), Thai Institute of Directors Association	-	-	Oct 2014 - Present 2012 - Sep 2014 2008 - 2011	- Deputy Managing Director, Administration - Assistant Managing Director, Compliance Unit - Assistant Managing Director, Administration	Bangkok Expressway Public Company Limited
16. Mr. Phakpoom Thaweewittayarat - Deputy Managing Director ** Administration - Company Secretary	48	- 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	-	-	Oct 2014 - Present 2012 - Sep 2014 2008 - Present Sep 2011 - Dec 2011 2008 - Aug 2011	- Deputy Managing Director, Administration - 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 - Deputy Managing Director ** Finance	47	- Master of Accountancy, Thammasat University - Bachelor of Accountancy, Thammasat University - Director Certification Program (DCP 158/2012), Thai Institute of Directors Association	-	-	Oct 2014 - Present 2012 - Sep 2014 2008 - 2011	- Deputy Managing Director, Finance - Assistant Managing Director, Finance - Senior General Manager of Finance Division	Bangkok Expressway Public Company Limited

Remark : ** Promoted on 1 October 2014.

Information of Directors, Executives and Company Secretary (As at 31 December 2014)

Name-Surname/Position/ Date of Appointment as Director/Executive	Age (Years)	Education / Training	Share- holding Ratio (%)	Family Relationship Among Executives	Work Experience for the Past 5 Years		
					Period	Position	Organization
18. Mr. Chatree Techatassanasoontorn - Assistant Managing Director Business Development Unit	41	- 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 Unit - 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. Miss Walainut Trivisavet - Assistant Managing Director Finance Unit	44	- Master of Science, Boston University, USA - Bachelor of Business Administration, Assumption University	-	-	Oct 2014 - Present Mar - Sep 2014	- Assistant Managing Director, Finance Unit - Assistant Managing Director	Bangkok Expressway Public Company Limited
20. Mrs. Wattana Sittitaitayaporn - Assistant Managing Director ** Construction Project Unit	51	- M.B.A., Thammasat University - Bachelor of Accountancy, Thammasat University	-	-	Oct 2014 - Present 2012 - Sep 2014 2008 - 2011	- Assistant Managing Director, Construction Project Unit - Senior General Manager of Construction Division - General Manager of Planning and Development Division	Bangkok Expressway Public Company Limited
21. Mrs. Supattra Bumnetphan - Assistant Managing Director ** Toll Revenue Unit	53	- Master of Public Administration (First Class Honors), The National Institute of Development Administration - Bachelor of Political Science, Chiang Mai University	-	-	Oct 2014 - Present Jan - Sep 2014 2009 - 2013	- Assistant Managing Director, Toll Revenue Unit - Senior General Manager of Toll Collection Division - General Manager of Toll Revenue Division	Bangkok Expressway Public Company Limited
22. Mr. Phaisan Lertsalaluck - Assistant Managing Director ** Traffic Unit	51	- Master of Energy Technology, King Mongkut's University of Technology Thonburi - Bachelor of Engineering , King Mongkut's University of Technology Thonburi	-	-	Oct 2014 - Present 2007 - Sep 2014	- Assistant Managing Director, Traffic Unit - General Manager of Traffic Division	Bangkok Expressway Public Company Limited
23. Mr. Omsyn Pibulwarangkur - Assistant Managing Director ** Administration	53	- 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	-	-	Oct 2014 - Present Jan - Sep 2014 2008 - 2013	- Assistant Managing Director, Administration - General Manager of Administration Division - General Manager of Maintenance Division	Bangkok Expressway Public Company Limited
24. Mr. Rungsak Luengrattanas - Assistant Managing Director ** Maintenance Unit	42	- M.S. (Computer Engineering and Management), Assumption University - Bachelor of Engineering (Electrical), King Mongkut's Institute of Technology Ladkrabang	-	-	Oct 2014 - Present Jan - Sep 2014 2010 - 2013 2008 - 2009	- Assistant Managing Director, Maintenance Unit - General Manager of Engineering Division - Deputy General Manager of Maintenance Division - Senior Manager of System Engineering Department	Bangkok Expressway Public Company Limited

Remark : ** Promoted on 1 October 2014.

Information of Directors, Executives and Company Secretary (As at 31 December 2014)

Name-Surname/Position/ Date of Appointment as Director/Executive	Age (Years)	Education / Training	Share- holding Ratio (%)	Family Relationship Among Executives	Work Experience for the Past 5 Years		
					Period	Position	Organization
25. Mrs. Manatsavee Subchavaroj - Assistant Managing Director ** Compliance Unit	48	- 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	-	-	Oct 2014 - Present Jan - Sep 2014 2012 - 2013 2005 - 2011	- Assistant Managing Director, Compliance Unit - General Manager of Managing Director Office - Deputy General Manager of Managing Director Office - Senior Manager of Legal & Compliance Department	Bangkok Expressway Public Company Limited
26. Mrs. Suttida Sukhanindr - Assistant Managing Director ** Finance Unit	41	- M.B.A., Assumption University - Bachelor of Economics, Chulalongkorn University - Fundamental Practice for Corporate Secretary (FPCS 23/2011), Thai Listed Companies Association	-	-	Oct 2014 - Present Jan - Sep 2014 2012 - 2013 2007 - 2011	- Assistant Managing Director, Finance Unit - General Manager of Finance Division - Deputy General Manager of Business Development Division - Senior Manager of Investor Relations Department	Bangkok Expressway Public Company Limited
27. Mr. Kitti Aphornrat - Assistant Managing Director ** Business Development Unit	46	- M.B.A (Finance), Chulalongkorn University - Bachelor of Business Administration Program in Marketing, Chulalongkorn University	-	-	Oct 2014 - Present Jan - Sep 2014 2012 - 2013 Sep - Dec 2011 2007 - Aug 2011	- Assistant Managing Director, Business Development Unit - 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
28. Miss Vasana Wattananukulchai - General Manager of Internal Audit Office	53	- M.B.A., The National Institute of Development Administration - Bachelor of Accountancy, Bangkok University - Anti-Corruption The Practical Guide Program (ACPG 15), Thai Institute of Directors Association	-	-	2008 - Present	- General Manager of Internal Audit Office	Bangkok Expressway Public Company Limited
29. Mr. Chalermkiat Sakonwisansak - General Manager of Maintenance Division	52	- 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
30. Miss Phenpom Kittiyopars - General Manager of Information Technology Office	48	- 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

Remark : ** Promoted on 1 October 2014.

Information of Directors, Executives and Company Secretary (As at 31 December 2014)

Name-Surname/Position/ Date of Appointment as Director/Executive	Age (Years)	Education / Training	Share- holding Ratio (%)	Family Relationship Among Executives	Work Experience for the Past 5 Years		
					Period	Position	Organization
31. Mrs. Suporn Nakruchata-amorn - General Manager of Toll Revenue Division **	49	- M.B.A., Kasetsart University - Bachelor of Accountancy, University of the Thai Chamber of Commerce	-	-	Oct 2014 - Present Jan - Sep 2014 2007 - 2013	- General Manager of Toll Revenue Division - Deputy General Manager of Toll Revenue Division - Senior Manager of Purchasing Department	Bangkok Expressway Public Company Limited
32. Mr. Kitti Phuabanditkul - General Manager of General Administration Division ***	52	- Master of Science (Administration Technology), National Institute of Development Administration - Bachelor of Economics (Finance), Ramkhamhaeng University	-	-	Oct 2014 - Present Sep 2011 - Sep 2014 Jul 2009 - Aug 2011	- General Manager of General Administration Division - Senior Manager of Human Resources Department - Senior Manager of General Administration Department	Bangkok Expressway Public Company Limited
33. Mrs. Pauranee Kanittanon - General Manager of Managing Director Office ***	43	- MA Hospitality Management, Johnson & Wales University, USA - Bachelor of Journalism, Thammasat University	-	-	Oct 2014 - Present 2008 - Sep 2014	- General Manager of Managing Director Office - Senior Manager of Public Relations Department	Bangkok Expressway Public Company Limited
34. Miss Piyanut Saringkhan - General Manager of Finance Division ***	40	- Master of Accountancy, Chulalongkorn University - Bachelor of Accountancy, Thammasat University	-	-	Oct 2014 - Present 2009 - Sep 2014	- General Manager of Finance Division - Senior Manager of Toll Inspection Department	Bangkok Expressway Public Company Limited
35. Miss Saranya Lertjiraprasert - General Manager of Accounting Division ***	44	- M.B.A., Ramkhamhaeng University - Bachelor of Accountancy, Rajamangala University of Technology	-	-	Oct 2014 - Present 2012 - Sep 2014	- General Manager of Accounting Division - Senior Manager of Accounting Department	Bangkok Expressway Public Company Limited
36. Mr. Prapan Aimjhai - General Manager of Traffic Division ***	50	- Bachelor of Arts (General Administration), Rajabhat Rajanagarindra University - High Vocational Certificate (Mechanic), Technic Witthaya School	-	-	Oct 2014 - Present 2012 - Sep 2014	- General Manager of Traffic Division - Senior Manager of Rescue and Traffic Department	Bangkok Expressway Public Company Limited
37. Mr. Apichat Khamkongkhun - General Manager of Construction Division ***	36	- Master of Engineering (Basic Infrastructure), Asian Institute of Technology - Bachelor of Engineering (Civil), Khon Kaen University	-	-	Oct 2014 - Present 2012 - Sep 2014 2009 - 2014	- General Manager of Construction Division - Senior Manager of Project Management Department - Manager of Engineering Analysis Department	Bangkok Expressway Public Company Limited

Remark : ** Promoted on 1 October 2014.

*** Appointed on 1 October 2014.

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

Name of Director	Company	Subsidiary	Associated Companies		Related Companies	
		Bangkok Expressway Public Company Limited	TTW Public Company Limited	CK Power Public Company Limited	Bangkok Metro Public Company Limited	Xayaburi Power Company Limited
1. Mr. Plew Trivisvavet	/, //	X, //	/	/	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 :

1. / = Director; X = Chairman of the Board of Directors; // = Executive Director
2. Related company shall refer to the definition of a legal entity of parties who may have a conflict of interest as per the Notification of the Securities and Exchange Commission No. GorJor. 40/2540.
- * Appointed as director in Xayaburi Power Company Limited effective from 25 September 2014 to replace Mrs. Payao Marittanaporn who resigned from office.

Information of Directors in the Subsidiary

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

Remarks :

1. / = Director; X = Chairman of the Board of Directors; // = Executive Director
2. Subsidiary shall refer to material subsidiary, namely, having revenue exceeding 10 percent of total revenue as per the consolidated income statement of the most recent accounting year.

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"> - M.B.A The National Institute of Development Administration - Bachelor of Accountancy Bangkok University
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"> - Internal Auditing - IFRS 2011 - Business Continuity Management (BCM) - Integrated Management ISO 9001 : 2008 and ISO 14001 : 2004 - Risk Management ISO 31000 : 2009 - Compliance Audit - Internal Control for Financial Reporting: Business Value-Added Strategy - Going from Good to Great in IT Governance and Outsourcing - In-depth Modern Risk Management Techniques - Anti-Corruption The Practical Guide Program (ACPG 15) Thai Institute of Directors Association (IOD)
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 Committee's 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;

	<p>3.3 Coordinating and organizing the Corporate Governance and Risk Management Committee's meetings.</p> <p>4. Works on quality and environmental management system activity Following up the results of system audit by the monitoring subcommittee and external certification agencies.</p> <p>5. Other works as assigned by the Audit Committee</p>
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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	Deputy Managing Director, Administration
Education	<ul style="list-style-type: none"> - M.B.A The National Institute of Development Administration - B.A. (Economics) Thammasat University
Work Experience	<ul style="list-style-type: none"> 1 Oct 2014-Present - Deputy Managing Director, Administration 2012-30 Sep 2014 - Assistant Managing Director: Compliance Unit 2007-2011 - Assistant Managing Director: Administration 2003-2007 - General Manager of Administration Division
Related Training	<ul style="list-style-type: none"> - Director Certification Program (DCP 113/2009) Thai Institute of Directors Association - Financial Statements for Directors (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 - Anti-Corruption The Practical Guide Program (ACPG 15) Thai Institute of Directors Association (IOD)
Duties and Responsibilities	<ol style="list-style-type: none"> 1. Determining the scope of the good corporate governance in line with the Company's structure in comparison with international practices or principles; 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; 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; 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; 5. Providing suggestions for preparation of the Company's corporate governance development plan in compliance with the good corporate governance principles; 6. Providing advice and suggestions on the good corporate governance practices to the Board of Directors; 7. Performing any other functions as assigned by the Managing Director.

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 statement of financial position as at 31 December 2014, 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 judgement, 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 2014, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Emphasis of matters

I draw attention to the following matters:

- 1) As discussed in Note 4 to the financial statements regarding the change in accounting policy due to the adoption of TFRIC 12 Service Concession Arrangements. The Company has restated the consolidated and separate financial statements for the year ended 31 December 2013, 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 2013 as comparative information, using the newly adopted accounting policy for service concession arrangements.
- 2) As discussed in Note 39.2 to the financial statements regarding the Amalgamation of the Company.

My opinion is not qualified in respect of these matters.



Rungnapa Lertsuwankul
Certified Public Accountant (Thailand) No. 3516
EY Office Limited
Bangkok: 17 February 2015

Statements of financial position

Bangkok Expressway Public Company Limited and its subsidiary
As at 31 December 2014

(Unit : Baht)

	Note	Consolidated financial statements			Separate financial statements		
		31 December 2014	31 December 2013	1 January 2013	31 December 2014	31 December 2013	1 January 2013
			(Restated)			(Restated)	
Assets							
Current assets							
Cash and cash equivalents	7, 8	1,820,452,846	837,995,541	261,656,094	1,806,295,830	815,998,784	222,998,013
Current investments	9	2,347,869,300	774,541,118	2,937,978,113	2,344,820,912	771,447,606	2,935,102,213
Other receivables	8, 10	-	-	30,912,257	5,350,000	3,210,000	3,142,590
Advance payment under service contract	8	2,196,746	9,620,484	9,749,139	2,196,746	9,620,484	9,749,139
Other current assets	8	128,880,414	53,979,947	55,411,588	121,338,721	44,230,948	48,418,406
Total current assets		4,299,399,306	1,676,137,090	3,295,707,191	4,280,002,209	1,644,507,822	3,219,410,361
Non-current assets							
Investments in associates	8, 12	8,893,834,811	9,464,970,540	2,269,620,908	6,457,043,670	7,004,979,490	2,760,000,000
Other long-term investments	8, 13	4,779,105,931	2,484,366,135	4,460,908,575	4,779,105,931	2,484,366,135	4,460,908,575
Long-term loans to and interest receivable from related companies	8	-	-	42,738,596	7,538,496,436	8,155,496,436	8,769,235,032
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	134,877,753	127,809,748	250,282,701	133,946,134	126,785,796	249,166,416
Construction in process	16	10,744,375,635	2,901,838,672	25,786,093	10,744,375,635	2,901,838,672	25,786,093
Rights to operate completed expressway sectors	17	23,146,990,149	25,564,276,311	28,305,131,772	15,364,841,594	17,294,947,167	19,543,302,716
Rights to use sites for expressway construction	18	1,611,877,302	1,894,676,285	2,184,551,698	1,611,877,302	1,894,676,285	2,184,551,698
Intangible assets	19	30,671,687	34,344,631	39,483,799	30,671,687	34,344,631	39,483,799
Advance payment under expressway construction contract	8	1,235,250,000	2,031,750,000	2,250,000,000	1,235,250,000	2,031,750,000	2,250,000,000
Deferred financial fee		-	-	60,496,185	-	-	60,496,185
Deferred tax assets	29	257,099,515	716,269,198	733,207,714	224,291,166	648,909,522	665,884,999
Other non-current assets		21,807,549	35,051,859	19,219,622	8,141,395	22,043,911	8,003,342
Total non-current assets		50,976,247,825	45,375,710,872	40,761,785,156	48,248,398,443	42,720,495,538	41,137,176,348
Total assets		55,275,647,131	47,051,847,962	44,057,492,347	52,528,400,652	44,365,003,360	44,356,586,709

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 2014

(Unit : Baht)

Note	Consolidated financial statements			Separate financial statements		
	31 December 2014	31 December 2013	1 January 2013	31 December 2014	31 December 2013	1 January 2013
		(Restated)			(Restated)	
Liabilities and shareholders' equity						
Current liabilities						
Short-term loan from financial institution	20	2,000,000,000	-	2,000,000,000	-	-
Trade and other payables	8, 21	1,571,857,961	939,189,671	1,570,551,421	903,859,510	219,333,748
Payable from purchase of investment - due within 1 year	8	313,695,000	400,000,000	313,695,000	400,000,000	-
Current portion of long-term loans	8, 22	-	810,323,512	-	810,323,512	1,996,000,000
Current portion of debentures	23	3,000,000,000	2,700,000,000	3,000,000,000	2,700,000,000	5,100,000,000
Income tax payable		308,734,049	203,546,236	308,734,049	203,546,236	150,776,958
Current portion of provision for compensation for site acquisition cost	24	1,500,000,000	1,200,000,000	1,500,000,000	1,200,000,000	1,200,000,000
Other current liabilities						
Retention guarantees	8	207,292,584	124,346,154	205,290,996	121,409,692	55,211,339
Others		129,113,909	96,994,978	118,939,567	88,944,297	162,849,252
Total current liabilities		9,030,693,503	6,474,400,551	9,017,211,033	6,428,083,247	8,884,171,297
Non-current liabilities						
Payable from purchase of investment - due over 1 year	8	-	313,695,000	-	313,695,000	-
Long-term loans, net of current portion	8, 22	2,829,831,902	336,568,859	2,829,831,902	336,568,859	810,323,512
Debentures, net of current portion	23	16,384,594,851	15,386,250,596	16,384,594,851	15,386,250,596	11,096,624,703
Provision for compensation for site acquisition cost, net of current portion	24	5,262,381,698	6,419,521,698	5,262,381,698	6,419,521,698	7,239,751,698
Provision for long-term employee benefits	25	129,598,451	113,752,334	129,598,451	113,752,334	86,008,478
Total non-current liabilities		24,606,406,902	22,569,788,487	24,606,406,902	22,569,788,487	19,232,708,391
Total liabilities		33,637,100,405	29,044,189,038	33,623,617,935	28,997,871,734	28,116,879,688
Shareholders' equity						
Share capital						
Registered						
800,000,000 ordinary shares of Baht 10 each		8,000,000,000	8,000,000,000	8,000,000,000	8,000,000,000	8,000,000,000
Issued and paid-up						
770,000,000 ordinary shares of Baht 10 each		7,700,000,000	7,700,000,000	7,700,000,000	7,700,000,000	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
Retained earnings						
Appropriated - statutory reserve	26	800,000,000	800,000,000	800,000,000	800,000,000	800,000,000
Unappropriated		6,860,888,118	4,964,332,104	4,164,738,057	2,308,832,589	1,382,724,073
Other components of shareholders' equity		1,357,109,174	(322,881,644)	1,391,551,691	(290,193,932)	1,508,489,979
Equity attributable to shareholders of the Company		21,566,490,261	17,989,943,429	18,904,782,717	15,367,131,626	16,239,707,021
Non-controlling interests of the subsidiary		72,056,465	17,715,495	-	-	-
Total shareholders' equity		21,638,546,726	18,007,658,924	18,904,782,717	15,367,131,626	16,239,707,021
Total liabilities and shareholders' equity		55,275,647,131	47,051,847,962	52,528,400,652	44,365,003,360	44,356,586,709

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 2014

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
			(Restated)		(Restated)
Revenues					
Toll revenue	28	8,485,017,698	8,039,909,679	7,352,245,880	6,990,322,371
Other income					
Interest income	8	41,230,197	49,284,638	297,681,848	345,085,821
Dividend income	8, 12.2	-	-	524,972,500	444,207,500
Gain on investments		536,651,350	308,968,887	578,700,366	89,803,313
Gain on fair value adjustment of investment from changing status of investment		-	2,808,340,500	-	-
Others	8	91,564,815	107,421,913	144,253,199	95,558,753
Total revenues		9,154,464,060	11,313,925,617	8,897,853,793	7,964,977,758
Expenses					
Amortisation of rights to operate completed expressway sectors	17	(2,701,205,694)	(2,752,578,966)	(2,209,892,592)	(2,251,679,665)
Compensation for site acquisition cost	4,18,24	(625,658,983)	(669,645,413)	(625,658,983)	(669,645,413)
Selling expenses	8	(1,101,541,468)	(1,148,066,085)	(944,200,119)	(940,259,507)
Administrative expenses		(644,196,457)	(621,346,210)	(622,559,391)	(594,699,235)
Loss on write-off of fixed assets		-	(103,012,196)	-	(103,012,196)
Total expenses		(5,072,602,602)	(5,294,648,870)	(4,402,311,085)	(4,559,296,016)
Profit before share of profit from investments in associates, finance cost and income tax expenses		4,081,861,458	6,019,276,747	4,495,542,708	3,405,681,742
Share of profit from investments in associates	12.2	546,426,651	400,610,330	-	-
Profit before finance cost and income tax expenses		4,628,288,109	6,419,887,077	4,495,542,708	3,405,681,742
Finance cost	8	(670,972,034)	(800,702,429)	(667,769,475)	(797,678,602)
Profit before income tax expenses		3,957,316,075	5,619,184,648	3,827,773,233	2,608,003,140
Income tax expenses	29	(697,419,091)	(458,745,669)	(662,867,765)	(458,782,629)
Profit for the year		3,259,896,984	5,160,438,979	3,164,905,468	2,149,220,511
Profit attributable to:					
Equity holders of the Company		3,205,556,014	5,147,296,420	3,164,905,468	2,149,220,511
Non-controlling interests of the Company		54,340,970	13,142,559		
		3,259,896,984	5,160,438,979		
Earnings per share	30				
Basic earnings per share					
Profit attributable to equity holders of the Company		4.16	6.68	4.11	2.79

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 2014

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
		(Restated)		(Restated)
Profit for the year	3,259,896,984	5,160,438,979	3,164,905,468	2,149,220,511
Other comprehensive income:				
Gain on changes in value of available-for-sale investments, net of income tax	1,681,745,623	438,094,089	1,681,745,623	438,094,089
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)	-	(2,236,778,000)
Unrealised loss from cash flow hedges of associate, net of income tax	(1,754,805)	(32,687,712)	-	-
Actuarial loss, net of income tax	25 -	(6,511,995)	-	(6,511,995)
Other comprehensive income for the year	1,679,990,818	(1,837,883,618)	1,681,745,623	(1,805,195,906)
Total comprehensive income for the year	4,939,887,802	3,322,555,361	4,846,651,091	344,024,605
Total comprehensive income attributable to:				
Equity holders of the Company	4,885,546,832	3,309,412,802	4,846,651,091	344,024,605
Non-controlling interests of the subsidiary	54,340,970	13,142,559		
	4,939,887,802	3,322,555,361		

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 2014

(Unit: Baht)

Consolidated financial statements

Equity attributable to the shareholders of the Company												
	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Other components of shareholders' equity				Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiary	Total shareholders' equity	
			Appropriated statutory reserve	Unappropriated	Other comprehensive income							
					Surplus (deficit) on changes in value of available-for-sale investments	Unrealised loss from cash flow hedges	Total other components of shareholders' equity					
Balance as at 31 December 2012												
- as previously reported	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		
Cumulative effect of change in accounting policy for service concession arrangements (Note 4)	-	-	-	(5,145,904,000)	-	-	-	(5,145,904,000)	-	(5,145,904,000)		
Balance as at 31 December 2012												
- as restated	7,700,000,000	4,848,492,969	800,000,000	1,040,147,679	1,508,489,979	-	1,508,489,979	15,897,130,627	4,572,936	15,901,703,563		
Profit for the year	-	-	-	5,147,296,420	-	-	-	5,147,296,420	13,142,559	5,160,438,979		
Other comprehensive income for the year	-	-	-	(6,511,995)	(1,798,683,911)	(32,687,712)	(1,831,371,623)	(1,837,883,618)	-	(1,837,883,618)		
Total comprehensive income for the year (restated)	-	-	-	5,140,784,425	(1,798,683,911)	(32,687,712)	(1,831,371,623)	3,309,412,802	13,142,559	3,322,555,361		
Dividend paid (Note 33)	-	-	-	(1,216,600,000)	-	-	-	(1,216,600,000)	-	(1,216,600,000)		
Balance as at 31 December 2013												
- as restated	7,700,000,000	4,848,492,969	800,000,000	4,964,332,104	(290,193,932)	(32,687,712)	(322,881,644)	17,989,943,429	17,715,495	18,007,658,924		
Balance as at 31 December 2013												
- as previously reported	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		
Cumulative effect of change in accounting policy for service concession arrangements (Note 4)	-	-	-	(4,833,532,331)	-	-	-	(4,833,532,331)	-	(4,833,532,331)		
Balance as at 31 December 2013												
- as restated	7,700,000,000	4,848,492,969	800,000,000	4,964,332,104	(290,193,932)	(32,687,712)	(322,881,644)	17,989,943,429	17,715,495	18,007,658,924		
Profit for the year	-	-	-	3,205,556,014	-	-	-	3,205,556,014	54,340,970	3,259,896,984		
Other comprehensive income for the year	-	-	-	-	1,681,745,623	(1,754,805)	1,679,990,818	1,679,990,818	-	1,679,990,818		
Total comprehensive income for the year	-	-	-	3,205,556,014	1,681,745,623	(1,754,805)	1,679,990,818	4,885,546,832	54,340,970	4,939,887,802		
Dividend paid (Note 33)	-	-	-	(1,309,000,000)	-	-	-	(1,309,000,000)	-	(1,309,000,000)		
Balance as at 31 December 2014												
- as restated	7,700,000,000	4,848,492,969	800,000,000	6,860,888,118	1,391,551,691	(34,442,517)	1,357,109,174	21,566,490,261	72,056,465	21,638,546,726		

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 2014

(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	
Balance as at 31 December 2012 - as previously reported	7,700,000,000	4,848,492,969	800,000,000	6,528,628,073	1,508,489,979	-	21,385,611,021
Cumulative effect of change in accounting policy for service concession arrangements (Note 4)	-	-	-	(5,145,904,000)	-	-	(5,145,904,000)
Balance as at 31 December 2012 - as restated	7,700,000,000	4,848,492,969	800,000,000	1,382,724,073	1,508,489,979	-	16,239,707,021
Profit for the year	-	-	-	2,149,220,511	-	-	2,149,220,511
Other comprehensive income for the year	-	-	-	(6,511,995)	(1,798,683,911)	-	(1,805,195,906)
Total comprehensive income for the year (restated)	-	-	-	2,142,708,516	(1,798,683,911)	-	344,024,605
Dividend paid (Note 33)	-	-	-	(1,216,600,000)	-	-	(1,216,600,000)
Balance as at 31 December 2013 - as restated	7,700,000,000	4,848,492,969	800,000,000	2,308,832,589	290,193,932	-	15,367,131,626
Balance as at 31 December 2013 - as previously reported	7,700,000,000	4,848,492,969	800,000,000	7,142,364,920	(290,193,932)	-	20,200,663,957
Cumulative effect of change in accounting policy for service concession arrangements (Note 4)	-	-	-	(4,833,532,331)	-	-	(4,833,532,331)
Balance as at 31 December 2013 - as restated	7,700,000,000	4,848,492,969	800,000,000	2,308,832,589	(290,193,932)	-	15,367,131,626
Profit for the year	-	-	-	3,164,905,468	-	-	3,164,905,468
Other comprehensive income for the year	-	-	-	-	1,681,745,623	-	1,681,745,623
Total comprehensive income for the year	-	-	-	3,164,905,468	1,681,745,623	-	4,846,651,091
Dividend paid (Note 33)	-	-	-	(1,309,000,000)	-	-	(1,309,000,000)
Balance as at 31 December 2014	7,700,000,000	4,848,492,969	800,000,000	4,164,738,057	1,391,551,691	-	18,904,782,717

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

Statements of cash flows

Bangkok Expressway Public Company Limited and its subsidiary

For the year ended 31 December 2014

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
		(Restated)		(Restated)
Cash flows from operating activities				
Profit before tax	3,957,316,075	5,619,184,648	3,827,773,233	2,608,003,140
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	2,746,057,601	2,823,947,212	2,254,652,171	2,322,955,583
Amortisation of financial fee	21,491,782	8,955,687	21,491,782	8,955,687
Gain on investments	(536,651,350)	(308,968,887)	(578,700,366)	(89,803,313)
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	(4,519,007)	101,315,887	(4,490,040)	101,315,882
Compensation for site acquisition cost	625,658,983	669,645,413	625,658,983	669,645,413
Provision for long-term employee benefits	17,188,197	21,399,961	17,188,197	21,399,961
Share of profit from investments in associates	(546,426,651)	(400,610,330)	-	-
Dividend income	-	-	(524,972,500)	(444,207,500)
Interest income	(41,230,197)	(49,284,638)	(297,681,848)	(345,085,821)
Interest expenses	623,599,355	757,339,166	623,599,355	757,339,166
Income from operating activities before changes in operating assets and liabilities	6,862,484,788	6,434,583,619	5,964,518,967	5,610,518,198
Decrease (increase) in operating assets				
Other receivables	-	30,912,257	(2,140,000)	(67,410)
Other current assets	(77,032,173)	4,670,993	(80,207,775)	4,786,945
Other non-current assets	(563,640)	(414,826)	(563,640)	(414,858)
Increase (decrease) in operating liabilities				
Trade and other payables	(36,221,009)	46,419,563	(2,197,388)	19,076,356
Other current liabilities	110,830,522	(29,221,457)	112,534,494	(7,304,797)
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	5,659,498,488	5,286,950,149	4,791,944,658	4,426,594,434
Cash received from interest income	20,704,737	31,222,824	20,676,659	31,193,295
Cash paid for income tax	(482,576,117)	(391,487,748)	(480,949,518)	(389,037,876)
Net cash flows from operating activities	5,197,627,108	4,926,685,225	4,331,671,799	4,068,749,853

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 2014

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
		(Restated)		(Restated)
Cash flows from investing activities				
Decrease (increase) in current investments	(1,543,142,652)	2,223,093,504	(1,544,038,014)	2,222,460,066
Cash paid for purchases of investments in associate	(400,000,000)	(2,600,000,000)	(400,000,000)	(2,600,000,000)
Cash received from sales of investments in associates	1,097,300,894	261,560,273	1,097,300,894	261,560,273
Cash received from sales of other long-term investment	-	159,235,058	-	159,235,058
Increase in other long-term investments	(265,106,250)	(1,143,223,538)	(265,106,250)	(1,143,223,538)
Cash received from long-term loans to related companies	-	31,250,000	510,752,600	503,923,800
Cash received from interest income	21,897,342	30,109,207	384,624,372	424,266,151
Cash received from dividend income	524,972,500	444,207,500	524,972,500	444,207,500
Cash received from sales of equipment	4,631,499	1,819,197	4,602,527	1,819,197
Purchase of equipment	(44,683,660)	(44,514,959)	(44,683,660)	(44,514,959)
Cash paid for expressway construction	(6,611,423,591)	(2,042,479,105)	(6,610,183,837)	(2,034,079,715)
Increase in intangible assets	(3,675,800)	(2,376,251)	(3,675,800)	(2,376,251)
Net cash flows used in investing activities	(7,219,229,718)	(2,681,319,114)	(6,345,434,668)	(1,806,722,418)
Cash flows from financing activities				
Cash paid for financial fee	(14,143,028)	(22,264,748)	(14,143,028)	(22,264,748)
Cash received from short-term loan from financial institution	2,000,000,000	-	2,000,000,000	-
Cash received from issuance of debentures	4,000,000,000	7,000,000,000	4,000,000,000	7,000,000,000
Cash received from long-term loans	2,400,000,000	400,000,000	2,400,000,000	400,000,000
Cash paid for redemption of debentures	(2,700,000,000)	(5,100,000,000)	(2,700,000,000)	(5,100,000,000)
Repayments of long-term loans	(726,064,970)	(1,996,000,000)	(726,064,970)	(1,996,000,000)
Cash paid for interest expenses	(646,732,087)	(734,161,916)	(646,732,087)	(734,161,916)
Dividend paid	(1,309,000,000)	(1,216,600,000)	(1,309,000,000)	(1,216,600,000)
Net cash flows from (used in) financing activities	3,004,059,915	(1,669,026,664)	3,004,059,915	(1,669,026,664)
Net increase in cash and cash equivalents	982,457,305	576,339,447	990,297,046	593,000,771
Cash and cash equivalents at beginning of year	837,995,541	261,656,094	815,998,784	222,998,013
Cash and cash equivalents at end of year	1,820,452,846	837,995,541	1,806,295,830	815,998,784
Supplemental cash flows information				
Non-cash items consist of:				
Unrealised gain on changes in value of available-for-sale investments	1,681,745,623	438,094,089	1,681,745,623	438,094,089
Transfer of construction in process to completed expressway	283,919,532	11,723,505	279,787,019	3,324,116
Payable from purchase of investment in associate	313,695,000	713,695,000	313,695,000	713,695,000
Payable from expressway construction	1,352,500,674	640,543,936	1,352,500,674	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 2014

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 years 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).

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 EXAT, with a concession period of 30 years commencing on 14 December 2012 with construction period of not more than 48 months.

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 Sector D of the Second State Expressway System 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 Sector D of the Second Stage Expressway System, 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.

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	
			2014 %	2013 %
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 2014 and 2013, the Company invested in 320 million shares of the subsidiary company, represented 53.33% of the subsidiary's shares issued of 600 million shares.

- b) The subsidiary is fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- c) The financial statements of the subsidiary are prepared using the same significant accounting policies as the Company.
- d) Material balances and transactions between the Company and the subsidiary have been eliminated from the consolidated financial statements.
- e) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 The separate financial statements, which present investment in subsidiary and associate presented under the cost method, have been prepared solely for the benefit of the public.

3. New financial reporting standards

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

(a) Financial reporting standards that became effective in the current accounting year

Conceptual Framework for Financial Reporting (revised 2014)

Accounting Standards:

TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures

TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Ventures
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets

Financial Reporting Standards:

TFRS 2 (revised 2012)	Share-based Payment
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments

Accounting Standard Interpretations:

TSIC 15	Operating Leases - Incentives
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29	Service Concession Arrangements: Disclosures
TSIC 32	Intangible Assets - Web Site Costs

Financial Reporting Standard Interpretations:

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

Accounting Treatment Guidance for Stock Dividend

These financial reporting standards were amended primarily to align their content with the corresponding International Financial Reporting Standards. Most of the changes were directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of the accounting standards. These financial reporting standards do not have any significant impact on the financial statements, except as follows.

TFRIC 12 Service Concession Arrangements

This TFRIC gives guidance on the accounting by operators for recognizing 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 cumulative effect of the adoption of this TFRIC is shown in Note 4 to the financial statements.

(b) Financial reporting standards that will become effective in the future

The Federation of Accounting Professions has issued a number of revised and new financial reporting standards that become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were

aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of accounting standards. The management of the Company believes they will not have any significant impact on the financial statements in the year in which they are adopted. However, some of these financial reporting standards involve changes to key principles, as discussed below:

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognize actuarial gains and losses immediately in other comprehensive income while the existing standard allows the entity to recognise such gains and losses immediately in profit or loss, or in other comprehensive income, or to recognise them gradually in profit or loss.

This revised standard does not have any impact on the financial statements as the Company and its subsidiary already recognised actuarial gains and losses immediately in other comprehensive income.

TFRS 10 Consolidated Financial Statements

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the part dealing with consolidated financial statements as included in TAS 27 Consolidated and Separate Financial Statements. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company and its subsidiaries have control over the investees and determine which entities have to be included for preparation of the consolidated financial statements.

The management of the Company and its subsidiary believes that this standard will not have any significant impact on the Company and its subsidiary's financial statements.

TFRS 11 Joint Arrangements

TFRS 11 supersedes TAS 31 Interests in Joint Ventures. This standard requires an entity to account for an investment in a jointly controlled entity using the equity method, while TAS 31 allows the entity to apply either the proportionate consolidation method or the equity method to account for such an investment.

The management of the Company and its subsidiary believes that this standard will not have any impact on the Company and its subsidiary's financial statements.

TFRS 12 Disclosure of Interests in Other Entities

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact to the financial statements of the Company and its subsidiary.

TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurements. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effect of the change from the adoption of this standard is to be recognised prospectively.

Based on the preliminary analysis, the management of the Company and its subsidiary believes that this standard will not have any significant impact on the Company and its subsidiary's financial statements.

4. Cumulative effect of the change in accounting policies due to the adoption of new financial reporting 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 TFRIC 12 Service Concession Arrangements. 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 income are summarised below.

(Unit : Thousand Baht)

	Consolidated and separate financial statements		
	As at 31 December 2014	As at 31 December 2013	As at 1 January 2013
Statements of financial position:			
Decrease in advance for compensation for site acquisition cost	(334,830)	(317,070)	(177,180)
Increase in rights to use sites for expressway construction	1,611,877	1,894,676	2,184,551
Increase in deferred tax assets	1,097,067	1,208,384	1,286,476
Increase in provision for compensation for site acquisition cost	6,762,382	7,619,522	8,439,751
Decrease in unappropriated retained earnings	(4,388,268)	(4,833,532)	(5,145,904)

(Unit : Thousand Baht)

	Consolidated and separate financial statements	
	For the year ended 31 December	
	2014	2013
Income statements		
Decrease in compensation for site acquisition cost	556,581	390,465
Increase in income tax expense	(111,316)	(78,093)
Increase in profit for the period	445,265	312,372
Increase in earnings per share (Baht)	0.58	0.41

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

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

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

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

In case that there is a reclassification of investment from available-for-sale security to be investment in subsidiary or associate, the Company uses its fair value on the date of transfer for the record, in the meantime, reverses all records in relation to the available-for-sale security.

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
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:

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

5.7 Rights to use sites for expressway construction and amortisation

The Company initially recorded the rights to use sites for expressway construction at cost, equal to the present value of future compensation for site acquisition cost to be paid to the Expressway Authority of Thailand under the Second Stage Expressway System agreement. Following initial recognition, the rights are carried at cost less accumulated amortisation and accumulated impairment losses (if any).

The Company amortises the rights to use sites for expressway construction as an expense in the income statement is proportion to the number of actual vehicle volume. The Company reviews for impairment of the asset whenever there are indications of impairment and reviews the amortisation method at least once per year.

5.8 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 (if any).

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.

The intangible assets with finite useful lives is computer software with 10 years useful lives.

5.9 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.

5.10 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.

5.11 Impairment of assets

At the end of each reporting period, the Company performs impairment reviews in respect of the investments, investment property, building and equipment, rights to operate completed expressway sectors, rights to use sites for expressway construction 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.

5.12 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in 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.

5.13 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.

Provision for compensation for site acquisition cost

The Company records provision for compensation for site acquisition cost based on the present value of future payments to be paid to the Expressway Authority of Thailand to compensate the site acquisition cost as stated in the Second Stage Expressway System agreement.

5.14 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.

5.15 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 subsidiary 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 subsidiary 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 subsidiary record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

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 judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements 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 judgement, 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 judgement 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 judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Amortisation of rights to operate completed expressway sectors and rights to use sites for expressway construction

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

Post-employment benefits under defined benefit plans

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

Litigation

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

7. Cash and cash equivalents

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash	6,715	6,685	5,400	5,400
Bank deposits	1,813,738	831,311	1,800,896	810,599
Total	1,820,453	837,996	1,806,296	815,999

As at 31 December 2014, bank deposits in saving accounts and current accounts carried interests between 0.13% and 2.35% per annum (2013: between 0.50% and 3.07% 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
	2014	2013	2014	2013	
Transactions with subsidiary					
Interest income from long-term loans Northern Bangkok Expressway Company Limited	-	-	256	296	At the rates of 3.82% - 4.07% per annum (2013: 4.12% - 4.32% per annum)
Management income Northern Bangkok Expressway Company Limited	-	-	60	36	Baht 5 million per month (2013: Baht 3 million per month)
Transactions with associates					
Dividend income TTW Public Company Limited (formerly known as "Thai Tap Water" Supply Public Company Limited")	-	-	525	444	807.65 million shares of Baht 0.65 each (2013: Baht 0.55 each)
Transactions with related companies					
Purchase of investment in TTW Public Company Limited CH. Karnchang Public Company Limited	-	3,314	-	3,314	438.9 million shares of Baht 7.55 each
Cost incurred under expressway construction contracts for Second Stage Expressway, Si Rat - Outer Ring Road Expressway and Bang Pa-In - Pakkret Expressway CH Karnchang Public Company Limited CH. Kanchang-Tokyu Construction Company Limited	7,650 91	2,501 167	7,650 91	2,498 167	Contracted price Contracted price
Total	7,741	2,668	7,741	2,665	

(Unit : Million Baht)

	Consolidated financial statements		Separate financial statements		Pricing policy
	2014	2013	2014	2013	
Expressway maintenance expenses CH. Karnchang Public Company Limited	67	67	67	67	Stated in the agreement and compared to the amounts as estimated by independent consultant
Financial arrangement fee Krungthai Bank Public Company Limited	12	12	10	10	
Financial fee Krungthai Bank Public Company Limited	2	1	2	1	Baht 2.4 million per annum (2013: Baht 1.2 million per annum)
Bangkok Bank Public Company Limited	1	1	1	1	Baht 1.2 million per annum
Total	3	2	3	2	
Debenture issuing cost Krungthai Bank Public Company Limited	-	8	-	8	At the rate of 0.15% of debenture value
Interest payment on long-term loans Krungthai Bank Public Company Limited	26	32	26	32	At the rates of 4.00%, MLR-2.525%, 6M FDR+2% and 6M FDR+2.66875% per annum (2013: At the rates of 4.00%, MLR-2.525% and 6M FDR+2% per annum)
Bangkok Bank Public Company Limited	26	26	26	26	
Total	52	58	52	58	
Payment for additional share subscription Xayaburi Power Company Limited	265	287	265	287	
					43.13 million shares of Baht 1.67 each and 71.25 million shares of Baht 2.71 each (2013: 43.13 million shares of Baht 6.65 each)

The balances of the accounts as at 31 December 2014 and 2013 between the Company and those related companies are as follows:

(Unit : Thousand Baht)

	Relationship	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Cash and cash equivalents Krungthai Bank Public Company Limited* Bangkok Bank Public Company Limited*	*The Company's director has authority in bank	64,667 32	123,084 33	54,918 32	105,149 33
Total		64,699	123,117	54,950	105,182
Other receivable Northern Bangkok Expressway Company Limited	Subsidiary	-	-	5,350	3,210
Advance payment under service contract CH. Karnchang Public Company Limited	Common directors	2,197	7,754	2,197	7,754

(Unit : Thousand Baht)

	Relationship	Consolidated financial statements		Separate financial statements	
		2014	2013	2014	2013
Prepaid expenses (shown under other current assets) Krungthai Bank Public Company Limited*	*The Company's director has authority in bank	5,234	5,234	2,929	2,929
Investments in associates CK Power Public Company Limited TTW Public Company Limited Total	Associate Associate	2,015,705 6,878,130	2,308,451 7,156,520	2,134,255 4,322,789	2,554,000 4,450,979
		8,893,835	9,464,971	6,457,044	7,004,979
Other long-term investments Bangkok Metro Public Company Limited Xayaburi Power Company Limited Total	Common directors Common directors	4,079,768 699,338	2,050,135 434,231	4,079,768 699,338	2,050,135 434,231
		4,779,106	2,484,366	4,779,106	2,484,366
Long-term loans to and interest receivable from related companies Northern Bangkok Expressway Company Limited	Subsidiary	-	-	7,538,496	8,155,496
Advance payment under construction contract CH. Karnchang Public Company Limited	Common directors	1,235,250	2,031,750	1,235,250	2,031,750
Trade and other payables CH. Karnchang Public Company Limited CH. Karnchang-Tokyu Construction Company Limited Total	Common directors Common directors	1,350,543 -	611,288 17,155	1,350,533 -	611,278 17,155
		1,350,543	628,443	1,350,533	628,433
Retention guarantees CH. Karnchang Public Company Limited CH. Karnchang-Tokyu Construction Company Limited Construction Material Supply Company Limited Total	Common directors Common directors Common directors	186,057 12,887 39	71,051 7,729 57	185,862 12,887 23	70,147 7,729 41
		198,983	78,837	198,772	77,917
Payable from purchase of investment - due within and over 1 year CH. Karnchang Public Company Limited	Common directors	313,695	713,695	313,695	713,695
Long-term loans and current portion of long-term loans Krungthai Bank Public Company Limited* Bangkok Bank Public Company Limited* Total	*The Company's director has authority in bank	1,216,378 1,097,105	446,126 373,128	1,216,378 1,097,105	446,126 373,128
		2,313,483	819,254	2,313,483	819,254

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

(Unit : Thousand Baht)

	Consolidated and Separate financial statements	Interest rate
Long-term loans and current portion of long-term loans		
Balance as at 1 January 2014	819,254	4.00%, MLR-2.525% and 6M FDR+2% per annum
Add : Draw down during the year	1,912,600	MLR-2.525%, 6M FDR+2% and 6M FDR+2.66875% per annum
Less: Repayment during the year	(418,371)	
Balance as at 31 December 2014	2,313,483	4.00%, MLR-2.525%, 6M FDR+ 2% and 6M FDR+ 2.66875% per annum

During the year 2014, movements of long-term loans to and interest receivable from related companies were as follow:

(Unit : Thousand Baht)

	Separate financial statements				
	1 January 2014	Increase during the year	Decrease during the year	31 December 2014	Interest rate
Northern Bangkok Expressway Company Limited					
Long-term loans	6,750,795	-	(510,753)	6,240,042	3.82% to 4.07% per annum
Interest receivable	1,404,701	256,480	(362,727)	1,298,454	
Total	8,155,496	256,480	(873,480)	7,538,496	

Directors and management's benefits

During the years ended 31 December 2014 and 2013, 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	
	2014	2013	2014	2013
Short-term employee benefits	128,057	96,473	125,797	95,703
Post-employment benefits	3,638	3,495	3,638	3,495
Total	131,695	99,968	129,435	99,198

9. Current investments

(Unit: Thousand Baht)

	Consolidated financial statements				Separate financial statements			
	2014		2013		2014		2013	
	Cost	Fair value	Cost	Fair value	Cost	Fair value	Cost	Fair value
Unit trusts	1,916,771	1,947,869	632,529	644,541	1,913,723	1,944,821	629,436	641,448
Bills of exchange	400,000	400,000	130,000	130,000	400,000	400,000	130,000	130,000
	2,316,771	2,347,869	762,529	774,541	2,313,723	2,344,821	759,436	771,448

10. Other receivables

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Other receivable - related party				
Accrued income	-	-	5,350	3,210
Total other receivable	-	-	5,350	3,210

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	
	2014	2013	2014	2013	2014	2013	2014	2013
Northern Bangkok Expressway Company Limited	6,000	6,000	5,250	5,250	%	%	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. The Company currently invests in 320 million shares of 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 amount based on equity method	
			2014	2013	2014	2013	2014	2013
CK Power Public Company Limited	Holding company	Thailand	%	%				
			19.40	23.22	2,134	2,554	2,016	2,308
TTW Public Company Limited	Manufacture and distribution of treated water	Thailand	19.66	20.24	7,050	7,259	6,878	7,157
					9,184	9,813	8,894	9,465

(Unit : Million Baht)

Company's name	Nature of business	Incorporated country	Separate financial statements			
			Proportion of shareholding		Cost	
			2014	2013	2014	2013
CK Power Public Company Limited	Holding company	Thailand	%	%		
			19.40	23.22	2,134	2,554
TTW Public Company Limited	Manufacture and distribution of treated water	Thailand	19.66	20.24	4,323	4,451
					6,457	7,005

CK Power Public Company Limited

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.

A 3-year silent period was imposed on the 175.6 million shares of CK Power Public Company Limited held by the Company as from the initial trading date of the shares on the SET (18 July 2013), 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.

In 2014, the Company disposed 42 million ordinary shares of CK Power Public Company Limited, and resulted in the decrease in proportion of shareholding from 23.22% to 19.40%.

TTW Public Company Limited

In 2013, 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. 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.

In 2014, the Company disposed 23 million ordinary shares of TTW Public Company Limited, and resulted in the decrease in proportion of shareholding from 20.24% to 19.66%.

12.2 Share of profit and dividend received

During the years, the Company has recognised its share of profit 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	
	2014	2013	2014	2013
CK Power Public Company Limited	98	53	-	-
TTW Public Company Limited	448	348	525	444
Total	546	401	525	444

12.3 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	
	2014	2013
CK Power Public Company Limited	3,799	3,014
TTW Public Company Limited	9,099	8,077
Total	12,898	11,091

12.4 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	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
CK Power Public Company Limited	5,500	5,500	49,325	50,482	23,222	25,055	7,025	5,633	472	229
TTW Public Company Limited	3,990	3,990	24,628	24,525	13,238	13,514	5,622	5,790	2,974	2,596

13. Other long-term investments

(Unit : Million Baht)

Company's name	Nature of business	Incorporated country	Consolidated and separate financial statements									
			Registered capital		Paid-up capital		Proportion of shareholding		Cost		Fair value	
			2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
<u>Investment in marketable equity securities</u>							%	%				
Bangkok Metro Public Company Limited	MRT concession	Thailand	20,500	20,500	20,500	20,500	10.00	10.00	2,340	2,340	4,080	2,050
Unrealised gain (loss) on changes in value of investment									1,740	(290)		
									4,080	2,050		
<u>Other investments</u>												
Xayaburi Power Company Limited	Manufacture and distribution of electricity	Lao	26,861	26,861	9,325	5,790	7.50	7.50	699	434	-	-
Other long-term investments - net									4,779	2,484		

Bangkok Metro Public Company Limited

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 additionally called up share subscription of Baht 265 million from the unpaid portion of shares held by the Company, or 16.70% of 43.1 million shares and 27.10% of 71.3 million shares, par value of Baht 10 each. The Company already paid for such share subscription.

Subsequently in December 2014 and January 2015, Xayaburi Power Company Limited additionally called up Baht 33 million, or 4.60% of 71.3 million shares, par value of Baht 10 each. The Company made payments for those share subscriptions in January and February 2015.

The 121.9 million ordinary shares of Xayaburi Power Company Limited held by the Company 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 (2013: 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
Cost						
1 January 2013	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 2013	33,610	7,740	49,254	275,730	-	366,334
Acquisitions	286	68	2,919	41,410	-	44,683
Disposals	-	(421)	(363)	(20,506)	-	(21,290)
Write-off	-	(101)	(3,614)	-	-	(3,715)
31 December 2013	33,896	7,286	48,196	296,634	-	386,012
Accumulated depreciation						
1 January 2013	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
Depreciation for the year	5,102	696	5,782	25,923	-	37,503
Accumulated depreciation for disposals	-	(417)	(363)	(20,413)	-	(21,193)
Accumulated depreciation for write-off	-	(101)	(3,599)	-	-	(3,700)
31 December 2014	25,786	6,058	36,178	183,112	-	251,134
Net book value						
1 January 2013	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
31 December 2014	8,110	1,228	12,018	113,522	-	134,878
Depreciation for the year (included in selling and administrative expenses)						
2013						63,852
2014						37,503

(Unit : Thousand Baht)

	Separate financial statements					
	Building and construction improvement	Furniture and fixture	Tools, instruments and equipment	Vehicles	Easy Pass	Total
Cost						
1 January 2013	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)	-	(179,834)	(179,965)
31 December 2013	33,575	7,678	48,339	273,487	-	363,079
Acquisitions	286	68	2,919	41,410	-	44,683
Disposals	-	(421)	(363)	(20,237)	-	(21,021)
Write-off	-	(101)	(3,521)	-	-	(3,622)
31 December 2014	33,861	7,224	47,374	294,660	-	383,119
Accumulated depreciation						
1 January 2013	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
Depreciation for the year	5,102	696	5,782	25,831	-	37,411
Accumulated depreciation for disposals	-	(417)	(363)	(20,144)	-	(20,924)
Accumulated depreciation for write-off	-	(101)	(3,506)	-	-	(3,607)
31 December 2014	25,751	5,996	35,357	182,069	-	249,173
Net book value						
1 January 2013	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
31 December 2014	8,110	1,228	12,017	112,591	-	133,946
Depreciation for the year (included in selling and administrative expenses)						
2013						63,760
2014						37,411

As at 31 December 2014, the Company and its subsidiary have certain of building 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 146 million (2013: Baht 132 million) and the Company only amounted to Baht 145 million (2013: Baht 130 million).

16. Construction in process

(Unit : Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2013	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
Addition during the year	8,126,457	8,122,324
Transfer to rights to operate completed expressway sectors	(283,920)	(279,787)
Balance as at 31 December 2014	10,744,376	10,744,376

As at 31 December 2014, the Company had an outstanding balance of expressway under construction, the Si Rat - Outer Ring Road Expressway Project, amounting to Baht 10,744 million (2013: Baht 2,731 million). The construction has been financed with debentures and long-term loans from financial institutions. Borrowing costs amounting to Baht 281 million were capitalised during the year ended 31 December 2014 (2013: Baht 111 million). The weighted average rate of 4.39% has been used to determine the amount of borrowing costs eligible for capitalization.

17. Rights to operate completed expressway sectors

Movements of the rights to operate completed expressway sectors during the years ended 31 December 2014 and 2013 are summarised below.

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Net book value at the beginning of year	25,564,276	28,305,132	17,294,947	19,543,302
Transfer from construction in progress	283,920	11,723	279,787	3,324
Amortisation for the period	(2,701,206)	(2,752,579)	(2,209,892)	(2,251,679)
Net book value at the end of year	23,146,990	25,564,276	15,364,842	17,294,947

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. Rights to use sites for expressway construction

Movements of the rights to use sites for expressway construction during the years ended 31 December 2014 and 2013 are summarised below.

(Unit : Thousand Baht)

	Consolidated and separate financial statements	
	2014	2013
Net book value at the beginning of year	1,894,676	(Restated) 2,184,551
Amortisation for the period	(282,799)	(289,875)
Net book value at the end of year	1,611,877	1,894,676

The rights to use sites for expressway construction is a part of rights to operate completed expressway sectors.

19. Intangible assets

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

(Unit : Thousand Baht)

	Consolidated and separate financial statements	
	2014	2013
Cost	54,362	51,986
Additions	3,676	2,376
	58,038	54,362
Less: Accumulated amortisation	(27,366)	(20,017)
Net book value	30,672	34,345
Amortisation expenses included in the income statements for the year	7,349	7,515

20. Short-term loan from financial institution

Short-term loan from financial institution represented bills of exchange which the Company issued to local commercial bank without collateral, and with maturities of 1 year from the issue dates.

21. Trade and other payables

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Trade payables - related parties	1,350,543	628,443	1,350,533	628,433
Trade payables - unrelated parties	48,497	113,068	47,200	77,748
Accrued interest	172,818	197,679	172,818	197,679
Total trade and other payables	1,571,858	939,190	1,570,551	903,860

22. Long-term loans

(Unit : Thousand Baht)

	Credit	Objective	Interest rate	Period of repayment	Consolidated and separate financial statements	
					Balance as at 31 December	
					2014	2013
Tranche Gor	(Million Baht) 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 July 2019	74,664	669,202
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 July 2019	9,595	108,632
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
Tranche Chor	1,000	Working capital (Drew down on 3 September 2014)	MLR - 2.525% and 6M FDR + 2.66875% p.a.	Within July 2019	1,000,000	-
Tranche Gor	5,750	For the construction of expressway system (Drew down on 13 February 2013)	MLR-2.525% p.a.	Within September 2027	1,035,000	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	765,000	170,000
Total	46,886				2,884,259	1,210,323
Less: Current portion for long-term loans					-	(810,324)
Less: Deferred financial fee					(54,427)	(63,430)
Long-term loans, net of current portion					2,829,832	336,569

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 2014 and 2013 are summarised below.

(Unit : Thousand Baht)

	Consolidated and separate financial statements	
	2014	2013
Balance at beginning of year	1,210,323	2,806,323
Add: Drawdown during the year	2,400,000	400,000
Less: Repayment during the year	(726,064)	(1,996,000)
Balance at end of year	2,884,259	1,210,323

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 4.8 million per year payable to the agents of the lenders (2013: Baht 4.8 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. As at 31 December 2014, the long-term credit facilities and overdraft credit facilities of the Company which have not yet been drawn down amounted to Baht 8,200 million and Baht 140 million, respectively (2013: 9,600 million and Baht 120 million respectively).

On 30 July 2014, the Company entered into an extension of loan agreements with the lenders in order to increase a credit facility of Baht 1,000 million. The loan carries interest at rates of MLR-2.525% and 6M FDR+2.66875% per annum, and due for repayment in July 2019. The Company drew down all facilities on 3 September 2014.

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.

23. Debentures

Debentures as at 31 December 2014 and 2013 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 2014	31 December 2013	31 December 2014	31 December 2013
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
- 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. 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
- 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	2,000,000	2,000,000
- Tranche II	5 years	4.03% p.a.	6 March 2018	2,000,000	2,000,000	2,000,000	2,000,000
- Tranche III	7 years	4.36% p.a.	6 March 2020	1,000,000	1,000,000	1,000,000	1,000,000
- No 2/2556	3 years	3.60% p.a.	12 March 2016	1,000,000	1,000,000	1,000,000	1,000,000
- No 3/2556	5 years	4.70% p.a.	7 November 2018	1,000,000	1,000,000	1,000,000	1,000,000
- No 1/2557							
- Tranche I	3 years	3.59% p.a.	27 February 2017	3,000,000	-	3,000,000	-
- Tranche II	5 years	4.35% p.a.	27 February 2019	1,000,000	-	1,000,000	-
Total				19,400,000	18,100,000	19,400,000	18,100,000
Less: Current portion of debentures						(3,000,000)	(2,700,000)
Less: Deferred financial fee of debentures						(15,405)	(13,749)
Debentures, net of current portion						16,384,595	15,386,251

Movements in the debentures account during the year ended 31 December 2014 and 2013 are summarised below.

(Unit : Thousand Baht)

	Consolidated and separate financial statements	
	2014	2013
Balance at beginning of year	18,100,000	16,200,000
Add: Issuance of debentures during the year	4,000,000	7,000,000
Less: Redemption of debentures during the year	(2,700,000)	(5,100,000)
Balance at end of year	19,400,000	18,100,000

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 fixed interest rate to float interest rates at 4.08% to MLR-3.3% per annum. During the current period, the Company cancelled the interest rate swap contract and recorded gain from the cancellation of contract as other income in the income statement.

24. Provision for compensation for site acquisition costs

(Unit : Thousand Baht)

	Consolidated and separate financial statements	
	2014	2013 (Restated)
Provision for compensation for site acquisition cost as at the beginning of year	7,619,522	8,439,751
Payment during year	(1,200,000)	(1,200,000)
Interest cost	342,860	379,771
Provision for compensation for site acquisition cost at the end of year	6,762,382	7,619,522
Less: Current portion of provision	(1,500,000)	(1,200,000)
Provision for compensation for site acquisition cost, net of current portion	5,262,382	6,419,522

25. 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	
	2014	2013
Provision for long-term employee benefits at beginning of year	113,752	86,008
Current service cost	12,365	17,233
Interest cost	4,823	4,167
Benefits paid during the year	(1,342)	(168)
Actuarial loss	-	6,512
Provision for long-term employee benefits at end of year	129,598	113,752

Long-term employee benefit expenses included in the profit or loss was as follows:

(Unit : Thousand Baht)

	Consolidated and separate financial statements	
	2014	2013
Current service cost	12,365	11,468
Interest cost	4,823	4,167
Past service costs recognised during the year	-	5,765
Total expenses recognised in profit or loss	17,188	21,400
Line items under which such expenses are included in profit or loss		
Selling expenses	9,050	11,010
Administrative expenses	8,138	10,390

Principal actuarial assumptions at the valuation date were as follows:

	Consolidated and separate financial statements	
	2014 (% p.a.)	2013 (% p.a.)
Discount rate	4.24	4.24
Future salary increase rate	7.5	7.5
Staff turnover rate (depending on age of employee)	3.0 - 6.0	3.0 - 6.0

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 2014	129,598	-
Year 2013	113,752	2,694
Year 2012	86,008	-
Year 2011	76,203	-
Year 2010	65,689	-

26. 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.

27. Expenses by nature

Significant expenses by nature are as follow:

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013 (Restated)	2014	2013 (Restated)
Depreciation and amortisation	2,746,058	2,823,947	2,254,652	2,322,956
Compensation for site acquisition cost	625,659	669,645	625,659	669,645
Salaries, wages and other employee benefits for EXAT's staff	617,158	583,360	499,209	469,159
Salaries, wages and other employee benefits for the Company's staff	537,765	478,049	537,765	478,049
Expenses with respect to facilitation and safety on expressway	412,050	480,295	355,027	367,517

28. 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 35.1.1.

29. Income tax

Income tax expenses for the years ended 31 December 2014 and 2013 are made up as follows:

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013 (Restated)	2014	2013 (Restated)
Current income tax:				
Current income tax charge	588,132	442,270	588,132	442,270
Adjustment in respect of current income tax of previous year	(1,995)	(463)	(1,995)	(463)
Deferred tax:				
Relating to origination and reversal of temporary differences	111,282	16,939	76,731	16,976
Income tax expense reported in the income statements	697,419	458,746	662,868	458,783

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2014 and 2013 are as follows:

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Deferred tax on gain from the change in value of available-for-sale investments	347,888	-	347,888	-
Deferred tax on unrealised gain (loss) from cash flow hedges of associate	439	(8,172)	439	-
Deferred tax relating to actuarial loss	-	(1,628)	-	(1,628)
	348,327	(9,800)	348,327	(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 2014 and 2013 are as follows:

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013 (Restated)	2014	2013 (Restated)
Accounting profit before tax	3,957,316	5,619,185	3,827,773	2,608,003
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	791,463	1,123,837	765,555	521,601
Adjustment in respect of current income tax of previous year	(1,995)	(463)	(1,995)	(463)
Effects of:				
Tax - exempt revenues	(103,668)	(62,507)	(103,688)	(62,507)
Loss (gain) on investments	4,289	(602,406)	-	-
Non-deductible expenses	4,366	1,387	4,366	1,387
Additional expense deductions allowed	(1,370)	(270)	(1,370)	(270)
Others	4,334	(832)	-	(965)
Total	(92,049)	(664,628)	(100,692)	(62,355)
Income tax expenses reported in the income statements	697,419	458,746	662,868	458,783

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit : Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	31 December 2014	31 December 2013 (Restated)	1 January 2013	31 December 2014	31 December 2013 (Restated)	1 January 2013
Deferred tax assets (liabilities)						
Accrued bonus	6,515	6,215	4,878	5,599	5,234	3,934
Allowance for asset impairment	15,468	20,602	-	15,468	20,602	-
Provision for long-term employee benefits	26,188	22,751	16,835	26,188	22,751	16,835
Provision for compensation for site acquisition cost	1,352,476	1,523,904	1,687,950	1,352,476	1,523,904	1,687,950
Unused tax loss	31,892	66,379	66,379	-	-	-
Accumulated amortisation - Rights to operate completed expressway sectors	(498,957)	(542,245)	(596,798)	(498,957)	(542,245)	(596,798)
Rights to use sites for expressway construction	(322,375)	(378,935)	(436,910)	(322,375)	(378,935)	(436,910)
Unrealised gain from revaluation of investments	(6,220)	(2,402)	(9,126)	(6,220)	(2,402)	(9,126)
Unrealised gain from revaluation of available-for-sale investments	(347,888)	-	-	(347,888)	-	-
Deferred tax assets - net	257,099	716,269	733,208	224,291	648,909	665,885

30. Earnings per share

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

	Consolidated financial statements		Separate financial statements	
	2014	2013 (Restated)	2014	2013 (Restated)
Profit for the year (Thousand Baht)	3,205,556	5,147,296	3,164,905	2,149,221
Weighted average number of ordinary shares (Thousand shares)	770,000	770,000	770,000	770,000
Earnings per share (Baht/share)	4.16	6.68	4.11	2.79

31. Segment information

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 exclusively to the aforementioned reportable operating segment and geographical area.

32. 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 2014, the Company contributed Baht 25 million (2013: Baht 23 million) to the fund.

33. Dividend

Dividend declared for the year ended 31 December 2014 and 2013 consisted of the following:

	Approved by	Total dividend (Million Baht)	Dividend per share (Baht)	Paid on
Dividend for the second half of the year 2013	Annual General Meeting of the shareholders on 23 April 2014 Meeting of the Board of Directors on 27 August 2014	693	0.90	22 May 2014
Dividend for the first half of the year 2014		616	0.80	18 September 2014
Total dividend for the year 2014		1,309	1.70	
Dividend for the second half of the year 2012	Annual General Meeting of the shareholders on 24 April 2013 Meeting of the Board of Directors on 28 August 2013	678	0.88	20 May 2013
Dividend for the first half of the year 2013		539	0.70	24 September 2013
Total dividend for the year 2013		1,217	1.58	

34. Commitments

34.1 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

(Unit : Million Baht)

Year of payment	Amount
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 2014, the Company has a commitment of compensation for site acquisition cost of Baht 7,716 million (2013: Baht 8,916 million). The Company had already recorded the provision for compensation for site acquisition cost in the account (Note 24).

34.2 Other commitments

(Unit : Million Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Commitments in respect of the uncalled portion of investments				
Northern Bangkok Expressway Company Limited	750	750	750	750
Xayaburi Power Company Limited	1,315	1,580	1,315	1,580
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	11,117	17,971	11,117	17,971
Construction service agreement in respect of expressway connection bridge	-	87	-	87
Installation of electronic toll collectors and repairment of cash toll collectors	-	17	-	17
Inspection, replacement and improvement agreements of expressway	12	43	12	43
Purchase of equipment and other service contracts	195	270	193	268
Other commitments				
Bank guarantee	513	514	513	514

35. The disputes with Expressway Authority of Thailand (EXAT)

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. In 2014, there were two disputes which had been settled, with the settlement amount in dispute of approximately Baht 6.8 million, and as a result, there was a total of 12 disputes as at 31 December 2014. The essence of each dispute was as follows:

35.1 Disputes submitted by the Company and the subsidiary claiming for damages

35.1.1 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 arbitral 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 dismissed EXAT’s counterclaim requiring the Company to compensate for such toll revenue in the amount of Baht 15,575.4 million. In this regard, EXAT subsequently 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, together with interest, 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 Court’s judgment with the Supreme Administrative Court. In this regard, the Company submitted the answer to EXAT’s appeal to the Supreme Administrative Court on 26 March 2014.

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

35.1.2 Competing road with the Udon Ratthaya Expressway

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

Given that the Government granted permission for construction of the Extension of the Don Muang Tollway Project, from the National Memorial to Rangsit Section, which constituted a competing road under the Agreement, and affected the financial position of the subsidiary, the subsidiary therefore demanded EXAT to compensate for such effect as per the Independent Certification Engineer’s letter certifying the effect upon the subsidiary.

On 20 December 2004, the subsidiary then referred such dispute to the Arbitral Tribunal for an arbitral 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.

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 the projection 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 Court's judgment in both cases with the Supreme Administrative Court. 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.

35.1.3 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 arbitral 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.

On 17 January 2014, the Company issued a letter to EXAT requiring compliance with the arbitral award. On 4 February 2014, EXAT issued a letter refusing to comply with the arbitral award because the arbitral award was illegitimate.

On 26 March 2014, EXAT submitted a petition to the Central Administrative Court requesting the Court to revoke the arbitral award.

The Company was required to submit its additional answer, together with evidence, to the Central Administrative Court on 5 February 2015.

35.1.4 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 awaiting the Thai Arbitration Institute's coordination for rescheduling the hearing for examination of EXAT's last witness.

35.1.5 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.

The Thai Arbitration Institute scheduled the first hearing for examination of witnesses of the Company to be held on 11 February 2015.

At present, it is in the process of both disputing parties' submission of their respective written statements of witnesses.

35.1.6 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 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.

At present, the case is awaiting the Arbitral Tribunal to schedule the meeting date.

35.1.7 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.

On 16 June 2014, the Company submitted a letter of appointment of its arbitrator. At present, the case is pending EXAT's submission of a letter of appointment of its arbitrator. EXAT would be required to submit the letter of appointment of its arbitrator to the Thai Arbitration Institute by 13 February 2015.

35.1.8 Revision of toll rates of Udon Rattaya Expressway for the year 2003

The subsidiary requested to revise the toll rates under the Bang Pa-in - Pak Kret Expressway Agreement which stipulates that the toll rates shall be revised every five year interval. In this regard, EXAT and the subsidiary had different opinions in respect of the 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.

On 23 June 2014, the subsidiary submitted a letter of appointment of its arbitrator. At present, the case is pending EXAT's submission of a letter of appointment of its arbitrator. EXAT would be required to submit the letter of appointment of its arbitrator to the Thai Arbitration Institute by 4 February 2015.

35.2 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, in the total amount of Baht 15.8 million, which the Company and its subsidiary were of the view that such costs claimed by EXAT were not within their scope of responsibility under the Agreements. In this regard, the Arbitral Tribunal rendered its arbitral awards on four disputes, two disputes of which were referred by EXAT to the Administrative Court, while the other two were concluded, as follows:

35.2.1 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 rendered its judgment revoking 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 3 February 2015 as the first hearing date.

35.2.2 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 0.4 million, therefore dismissed EXAT's claims and requests.

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

On 10 September 2014, the Company submitted its answer to EXAT's petition for revocation of the arbitral award to the Central Administrative Court.

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

35.2.3 Cost of operations of the Si Rat Expressway for the years 2000 - 2004

On 14 May 2014, the Arbitral Tribunal rendered its arbitral award to dismiss EXAT's statement of claim, whereby the Company was not required to be responsible for cost of operations for EXAT, since EXAT did not comply with the Agreement, as well as the procedures as agreed upon in the meetings with the Company.

EXAT was required to exercise its legal right to submit a petition for revocation of the arbitral award by 31 August 2014, which EXAT did not submit such petition for revocation of the arbitral award within the specified time, the dispute was thus concluded.

35.2.4 Cost of operations of the Udon Raththaya Expressway for the years 2000 - 2004

On 14 May 2014, the Arbitral Tribunal rendered its arbitral award to dismiss EXAT's statement of claim, whereby the subsidiary was not required to be responsible for cost of operations for EXAT, since EXAT did not comply with the Agreement, as well as the procedures as agreed upon in the meetings with the subsidiary.

EXAT was required to exercise its legal right to submit a petition for revocation of the arbitral award by 31 August 2014, which EXAT did not submit such petition for revocation of the arbitral award within the specified time, the dispute was thus concluded.

However, given that all of the remaining cases are not yet final and the Company's management believed that there would be no material impact upon the Company, the Company therefore did not record such entries in the financial statements.

36. Lawsuit

The expressway user sued the Expressway Authority of Thailand (EXAT) and the Company 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 read 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.

37. Financial instruments

37.1 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, current investments, loans, 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. Details of long-term loans and debentures are set out in Notes 22 and Note 23, respectively.

As at 31 December 2014 and 2013, 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 2014						
	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Interest rate
	Within 1 year	1-5 years	Over 5 years				
Financial assets							(% p.a.)
Cash and cash equivalents	1,300	-	-	29	491	1,820	Note 7
Current investments	400	-	-	1,948	-	2,348	1.74 - 4.47
Other long-term investments	-	-	-	-	4,779	4,779	-
	1,700	-	-	1,977	5,270	8,947	
Financial liabilities							
Trade and other payables	-	-	-	-	1,572	1,572	-
Short-term loan from financial institution	2,000	-	-	-	-	2,000	Note 20
Long-term loans	-	84	-	2,746	-	2,830	Note 22
Debentures	1,000	12,886	1,999	3,500	-	19,385	Note 23
Provision for compensation for site acquisition cost	1,500	5,262	-	-	-	6,762	4.50
	4,500	18,232	1,999	6,246	1,572	32,549	

	Consolidated financial statements						
	As at 31 December 2013 (restated)						
	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Interest rate
	Within 1 year	1-5 years	Over 5 years				
Financial assets							(% p.a.)
Cash and cash equivalents	655	-	-	10	173	838	Note 7
Current investments	130	-	-	645	-	775	2.02 - 3.64
Other long-term investments	-	-	-	-	2,484	2,484	-
	785	-	-	655	2,657	4,097	
Financial liabilities							
Trade and other payables	-	-	-	-	939	939	-
Long-term loans	810	-	-	337	-	1,147	Note 22
Debentures	2,700	9,888	1,998	3,500	-	18,086	Note 23
Provision for compensation for site acquisition cost	1,200	4,873	1,547	-	-	7,620	4.50
	4,710	14,761	3,545	3,837	939	27,792	

(Unit : Million Baht)

	Separate financial statements						
	As at 31 December 2014						
	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Interest rate
	Within 1 year	1-5 years	Over 5 years				
Financial assets							(% p.a.)
Cash and cash equivalents	1,300	-	-	24	482	1,806	Note 7
Current investments	400	-	-	1,945	-	2,345	1.74 - 4.47
Other receivables	-	-	-	-	5	5	-
Long-term loans and interest receivable from related companies	-	-	-	6,240	1,298	7,538	Note 8
Other long-term investments	-	-	-	-	4,779	4,779	-
	1,700	-	-	8,209	6,564	16,473	
Financial liabilities							
Trade and other payables	-	-	-	-	1,570	1,570	-
Short-term loan from financial institution	2,000	-	-	-	-	2,000	Note 20
Long-term loans	-	84	-	2,746	-	2,830	Note 22
Debentures	1,000	12,886	1,999	3,500	-	19,385	Note 23
Provision for compensation for site acquisition cost	1,500	5,262	-	-	-	6,762	4.50
	4,500	18,232	1,999	6,246	1,570	32,547	

	Separate financial statements						
	As at 31 December 2013 (restated)						
	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Interest rate
	Within 1 year	1-5 years	Over 5 years				
Financial assets							(% p.a.)
Cash and cash equivalents	655	-	-	6	155	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	-	-	7,398	4,046	12,229	
Financial liabilities							
Trade and other payables	-	-	-	-	904	904	-
Long-term loans	810	-	-	337	-	1,147	Note 22
Debentures	2,700	9,888	1,998	3,500	-	18,086	Note 23
Provision for compensation for site acquisition cost	1,200	4,873	1,547	-	-	7,620	4.50
	4,710	14,761	3,545	3,837	904	27,757	

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 2014, 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 2014, 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.

37.2 Fair values of financial instruments

Fair value represents the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction.

The methodology of fair value measurement depends upon the characteristics of the financial instrument. For those financial instruments which are regarded as being traded in an active market, fair value has been determined based on the latest quoted market price. If however the appropriate quoted market price cannot be determined, the fair value is determined using an appropriate valuation technique such as discounted cash flow.

Set out below is a comparison, by category of carrying amount and fair value, of the financial assets and liabilities as of 31 December 2014.

(Unit : Million Baht)

	31 December 2014		31 December 2013	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Cash and cash equivalents	1,820	1,820	838	838
Current investments	2,348	2,348	775	775
Other long-term investments	4,779	4,706	2,484	2,472
Financial liabilities				
Trade and other payables	1,572	1,572	939	939
Short-term loans from financial institution	2,000	2,000	-	-
Long-term loans	2,830	2,785	1,147	1,210
Debentures	19,385	19,824	18,086	18,195
Provision for compensation for site acquisition cost	6,762	6,762	7,620	7,620

The estimated fair value of the derivatives is as follows:

(Unit : Million Baht)

	Gain (loss)	
	Fair value as at 31 December	
	2014	2013
Derivatives		
Interest rate swap contract	-	16

The Company and its subsidiary establish fair value of their financial instruments by adopting the following methods and assumptions:

- a) For financial assets and liabilities which have short-term maturity, including cash and cash equivalents and accounts payable, their carrying amounts in the statement of financial position approximate their fair value.
- b) 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.
- c) 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.
- d) 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.
- e) 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.

38. 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 (2013: 2.5:1 and 2.5:1, respectively).

No changes were made in the objectives, policies or processes during the years ended 31 December 2014 and 2013.

39. Events after the reporting period

39.1 Dividend payment

On 17 February 2015, the meeting of the Board of Directors passed a resolution to propose a dividend payment for the year 2014 of Baht 2.50 per share to the Annual General Meeting of the Company's shareholders for their approval. The Company paid an interim dividend of Baht 0.80 per share on 18 September 2014 and will pay a final dividend of Baht 1.70 per share within April 2015. The payment of the final dividend is dependent on approval being granted by the shareholders.

39.2 Amalgamation between the Company's, Bangkok Metro Public Company Limited

On 21 January 2015, the meeting of the Board of Directors passed a resolution to propose the followings for approval by the Annual General Meeting of the Company's shareholders:

- a) An amalgamation between the Company and Bangkok Metro Public Company Limited.
- b) The reduction of the Company's registered capital by canceling 30 million unissued shares with a par value of a Baht 10 each, from the existing registered capital of Baht 8,000 million, resulting in a new registered capital of Baht 7,700 million, consisting of 770 million shares with a par value of Baht 10 each.
- c) The sale of 2,050,134,895 ordinary shares of Bangkok Metro Public Company Limited, or a 10% shareholding, to CH. Karnchang Public Company Limited at a price of Baht 1.79 per share, or for a total of Baht 3,670 million.

40. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 17 February 2015.

A Little
smile
in a Big City



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