

25^{ปี}
ทางด่วนกรุงเทพ

Annual Report 2012



25th Anniversary
a Journey of Happiness



Bangkok Expressway Public Company Limited (BECL)

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Financial Summary

Financial Summary Consolidated Financial Statement of BECL & its Subsidiary Company

Unit : Million Baht

Financial Highlights

For the years ended December 31

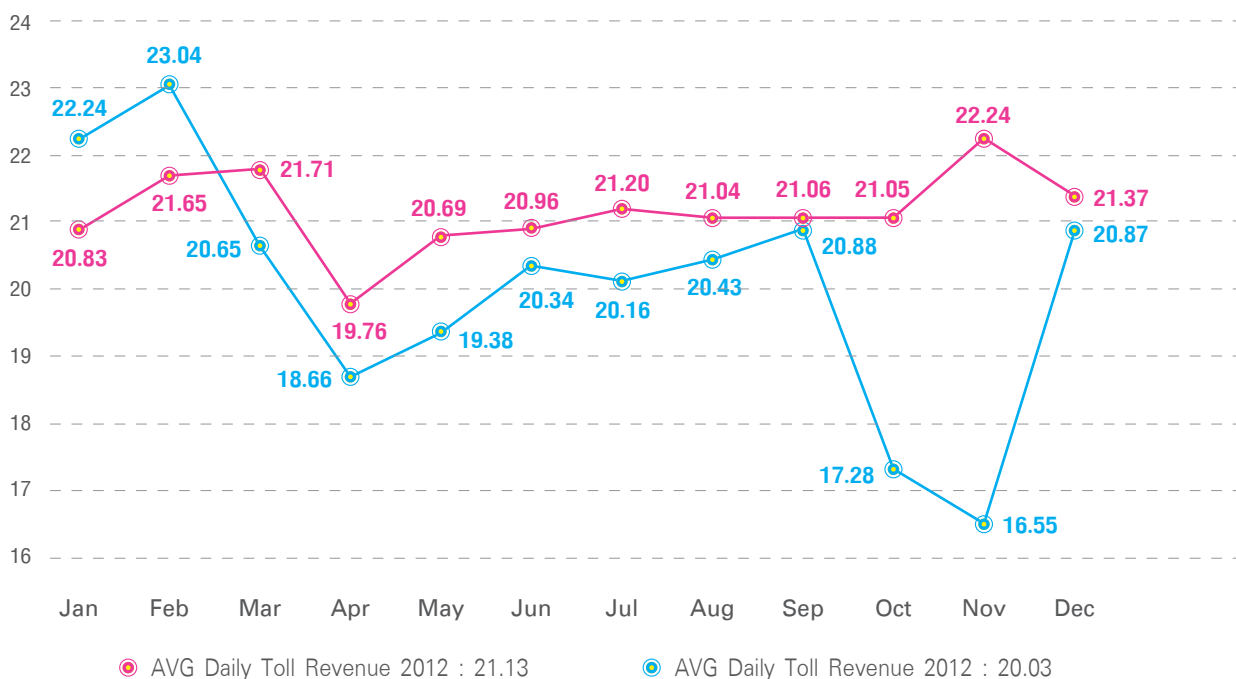
Consolidated financial statements	2012	2011
Total assets	41,317	38,607
Total liabilities	19,716	19,915
Shareholders' equity	21,601	18,692
Toll revenue	7,732	7,308
Total revenues	9,224	7,652
Gross profit	4,996	4,793
Net profit	2,254	1,408

Financial Ratios

Items	2012	2011
Net profit margin (%)	24.43	18.40
Return on shareholders' equity (%)	11.18	7.46
Return on total assets (%)	5.64	3.56
Book value per share (Baht)	28.09	24.30
Share issued and paid - up (Million shares)	770	770

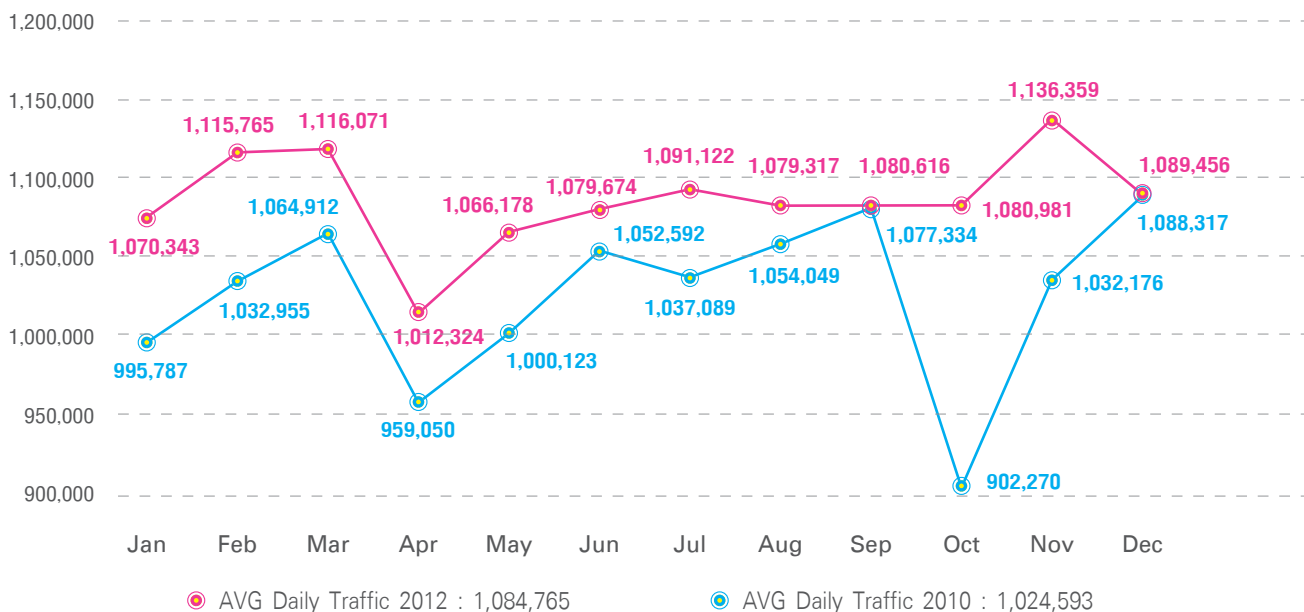
Average Daily Toll Revenue : Chalerm Mahanakorn, Si Rat and Udon Ratthaya Expressway

(Million Baht / Day)



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

(Thousand trips / Day)



Message from the Chairman of the Board of Directors



2012 marked an important year of Bangkok Expressway Public Company Limited, which celebrated its 25th anniversary. From the beginning until the present, we have operated the Si Rat Expressway and the Udon Ratthaya Expressway with a commitment to and exertion for the provision of good services to meet the utmost satisfaction of the Expressway users. As a result, the Company has been granted an opportunity and entrusted by the government sector again with the concession for the Si Rat - Outer Ring Road Expressway Project, whose project value is Baht 25,491 Million, for a concession period of 30 years from December 15, 2012 onwards. This concession represents an extension of the Expressway network to alleviate the traffic problem in the West of Bangkok, starting from Kanjanapisek Road around Mahasawat Water Treatment Plant along the right of way of the existing Southern railway, crossing the Chao Phraya River at the Rama VI Bridge

and ending at the Si Rat Expressway to the North of the Mo Chit 2 Bus Terminal, covering a total distance of 16.7 kilometers. Moreover, BECL will construct a connecting road between Sector D of the Si Rat Expressway and Chaturathit Road (Section C) to alleviate the congested traffic and facilitate motorists' travelling to Suvarnabhumi Airport. The construction is scheduled to commence in February 2013. With respect to the Easy Pass, there are currently service users who account for 30 percent of traffic volume.

BECL remains committed to operate its business with a focus on its social and environmental responsibilities, subject to the good corporate governance principles, in order to continue to create added value for our shareholders. As a result, BECL received an "Excellent" rating in the assessment of the corporate governance of Thai listed companies for 2012. On the occasion of the 25th anniversary, BECL played a part in sharing happiness with the society as a whole via the "Good Deeds for BECL's 25th Anniversary" activity, whereby the management and staff will join in social activities throughout the year 2013.

In terms of financial management, BECL issued debentures in March 2012, with a maturity of three years, in the amount of Baht 1,000 Million, at the fixed interest rate of 4.12 percent per annum, in order to reserve its cash flow for redemption of the existing debentures bearing interest at the rate of 4.88 percent per annum; and subsequently issued debentures in October 2012, with a maturity of four years, in the amount of Baht 2,000 Million, at the fixed interest rate of 4.08 percent per annum, for use in the operation of the Si Rat - Outer Ring Road Expressway Project.

The operational results of BECL and its Subsidiary in 2012 showed the net profit of Baht 2,254 Million. The Board of Directors has resolved to propose that the Meeting of Shareholders approve a dividend payment from the operational results of the second half of 2012 at the rate of Baht 0.88 per share. During the year, the Board of Directors already resolved to approve an interim dividend payment from the operational results for the first half of 2012 to shareholders at the rate of Baht 0.62 per share, thereby bringing the total dividend for 2012 to Baht 1.50 per share.

We would like to express our sincere appreciation to all stakeholders, who provide support for BECL's business operations to ensure the Company's strength throughout 25 years; to the government sector, which has allowed the Company to prove its potential in operation of the Expressways; to service users, who always stand side by side and push the Company to improve and enhance its efficiency of services; and to shareholders, debenture holders and traders, including the financial institutions which always trust and support the Company's business operations, together with each and every staff member as the key factor to our stable success. You can rest assured that the Company will carry on our commitment to transparent business operations and management subject to the good corporate governance principles for the optimum benefits of all stakeholders.

A handwritten signature in black ink, which appears to read "Virabongsa Ramangkura". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

(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, General Sampao Choosri and Dr. Annop Tanlamai, as Audit Committee Members, with the General Manager of Internal Audit Office as secretary to the Audit Committee.

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



In 2012, the Audit Committee held six meetings, in which all of its members attended each and every meeting, for discussion with the Management, internal auditors and the auditor, and a meeting with the auditor without the Management's presence, for sharing of information and suggestions for the audit purpose.

The key performance of duties of the Audit Committee in the year 2012 may be summarized as follows:

1. The Audit Committee has reviewed the 2012 annual and quarterly financial statements, including changes in the accounting policy, the adjustments which materially affected the financial statements, and preparation of the financial statements in accordance with the accounting standards and the financial reporting standards issued by the Federation of Accounting Professions Under The Royal Patronage of His Majesty The King, the accuracy and reliability, with sufficient disclosure of information in a timely manner for the benefit of shareholders and investors.

2. The Audit Committee has reviewed and provided opinions on connected transactions or transactions which might give rise to conflict of interest to ensure transparency, reasonable price, maximum benefits to the Company's business operations, and complete disclosure of information in compliance with the applicable laws and rules of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission.

3. The Audit Committee has reviewed the internal control system to ensure the effective performance in all of the Company's work units and compliance with various laws and requirements relating to the Company's business operations, with the Internal Audit Office to independently examine and evaluate the sufficiency and appropriateness of the internal control, as well as reporting directly to the Audit Committee, and following up the results of improvement per the suggestions in the audit report.

4. The Audit Committee has supervised the internal audit activity, by reviewing the mission, scope of work, independence and internal audit personnel training and development plan to keep them up to date towards changes in business, with ongoing self-improvement in the direction of the organization's business operations and the international standards, including the consideration and approval of the 2013 internal audit plan.

5. The Audit Committee has considered, selected and nominated the auditor for appointment and proposed the remuneration of the auditor for 2013, by proposing to appoint Ernst & Young Office Limited as the Company's auditor for 2013, with the remuneration in the amount of not exceeding Baht 1,060,000 and forward the matter to the Board of Directors Meeting to seek approval of the meeting of shareholders.

The Audit Committee is of the view that the Company's financial report is duly prepared and presents fairly in all material respects in compliance with the accounting standards issued by the Federation of Accounting Professions Under The Royal Patronage of His Majesty The King; the Company's business operations based on the transparent and good governance principles, with effective and proper internal control system as well as correct and complete compliance with applicable laws and requirements.

A handwritten signature in black ink, reading "Suphachai Phisitvanich".

(Professor Suphachai Phisitvanich)

Audit Committee Chairman

The Board of Directors



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1. Dr. Virabongsa Ramangkura

- Chairman of the Board of Directors

Academic Achievement

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

2. Prof. Suphachai Phisitvanich

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

Academic Achievement

- Honorary Ph.D. (Accounting) , Thammasat University
- Certificate, National Defence College (Class 32)
- M.B.A. (Finance), Ohio State University, USA
- B.A. (Accounting), Thammasat University
- B.A. (Commerce), Thammasat University
- The Role of Chairman Program (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

3. Mr. Plew Trivisvavet

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

Academic Achievement

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



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4. General Sampao Choosri

- Director
- Audit Committee Member
- Chairman of the Nomination and Remuneration Committee 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
- The Joint State - Private Sectors Regular Course, National Defence College of Thailand
- Director Accreditation Program (DAP), Thai Institute of Directors Association

5. Dr. Annop Tanlamai

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

Academic Achievement

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

6. Mr. Supong Chayutsahakij

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

Academic Achievement

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

The Board of Directors



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7. M.L. Prasobchai Kasemsant

- Director
- Executive Director
- Authorized Signatory Director

Academic Achievement

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

8. Mr. Panit Dunnvatanachit

- Director

Academic Achievement

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

9. Miss Arisara Dharamadhaj

- Director

Academic Achievement

- M.B.A., Roosevelt University, USA
- Bachelor of Economics, University of the Thai Chamber of Commerce
- Director Certification Program (DCP), Thai Institute of Directors Association
- The Joint State - Private Sectors Regular Course Class 24, National Defence College of Thailand National Defence Studies Institute



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10. Mrs. Vallapa Assakul

- Director
- Executive Director

Academic Achievement

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

11. Mr. Chavalit Wathanakul

- Director

Academic Achievement

- Master of Science, University of Wales, UK
- Bachelor of Engineering King Mongkut's University of Technology Thonburi

12. Mrs. Payao Marittanaporn

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

Academic Achievement

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

Management Team



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1. Mrs. Payao Marittanaporn

Managing Director

2. Mr. Sanguan Kunatinun

Assistant Managing Director
Engineering

3. Mrs. Sudruthai Prommart

Assistant Managing Director
Operation

4. Mrs. Ngamnit Kanokgarnjanar

Assistant Managing Director
Compliance Unit

5. Mr. Phakpoom Thaweewittayarut

Assistant Managing Director
Administration and
Company Secretary

6. Miss Panan Tosuwanthaworn

Assistant Managing Director
Finance

7. Mrs. Wattana Sittiwattayaporn

Senior General Manager
Construction Division

8. Mr. Phaisan Lertsalaluck

General Manager Traffic Division

9. Miss Vasana Wattananukulchai

General Manager Internal Audit Office

10. Mr. Omsyn Pibulwarangkur

General Manager Maintenance Division

11. Mrs. Supattra Bumnetphan

General Manager Toll Revenue Division

12. Mr. Chalermkiat Sakonwisansak

Deputy General Manager

Maintenance Division

13. Miss. Phenporn Kittiyopars

Deputy General Manager

Information Technology Office

14. Mr. Rungsak Luengrattanamas

Deputy General Manager

Maintenance Division

15. Mrs. Manatsavee Subchavaroj

Deputy General Manager

Managing Director Office

16. Mrs. Suttida Sukhanindr

Deputy General Manager

Business Development Division

17. Mr. Kitti Aphonrat

Deputy General Manager Finance Division



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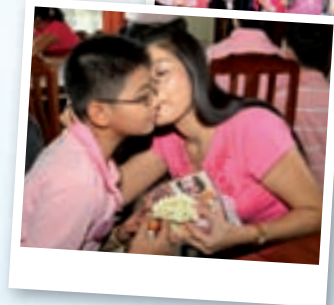
Social Activities

According to BECL's policy and commitment to continuously taking care of the communities in all aspects in respect of good management of operational results, value added to shareholders and priority given to the public interests, as well as taking care of the nearby and remote communities under the "BECL Elevates the Quality of Life and the Environment" concept, BECL organized various activities in 2012 as follows:

1. Good Relationships with Expressway Users

"Expressway Invites Moms & Kids to Strengthen Relationships at Bang Pakong River"

On the occasion of the National Mother Day as an important day to all families, BECL served as a means to strengthen family relationships via "Expressway Invites Moms & Kids to Strengthen Relationships at Bang Pakong River" activity, by bringing a total of 42 Expressway users from 14 families to jointly travel to pay homage to the "Sothorn Buddha Image", a respectable sacred item for Mueang Pad Riew at Wat Sothorn Wararam Worawihan, and visit the ancient market and go rafting to enjoy and experience the riverside way of life along the Bang Pakong River, as well as tasting delicious cuisine in Chachoengsao Province. Moreover, BECL organized a special "ME & MOM MADE" activity for hugging and expressing love to moms, together with love mom cards made by kids as gifts to their moms in a loving and warm atmosphere for all families.



"BECL Invites Dads & Kids to Carry on Thai Arts and Cultural Heritage"

BECL carried on Thai arts and cultural heritage via activities to strengthen family relationships on the occasion of the National Father Day under "BECL Invites Dads & Kids to Carry on Thai Arts and Cultural Heritage" activity, by bringing a total of 39 Expressway users from 13 families to visit the Ancient City in Samut Prakan Province to learn Thai history and enjoy the models of key historic sites, such as, the Sanphet Prasat Palace, the Preah Vihear, the Buddha's Footprint in Saraburi, etc. Moreover, all families joined the "Love Molds for Dad" activity by molding Thai delectable imitation fruits for dads, and visited and fed a flock of seagulls at the Bangpu Recreation Center as the highlight for farewell at the end of 2012 amidst the love and warmth of BECL families.



2. Good Relationships with Shareholders



“Company Visit by Shareholders”

BECL is committed to operations under the good corporate governance principles, sufficient information disclosure and fair and equal access to information. In 2012, BECL organized a “Company Visit by Shareholders” activity by bringing 21 shareholders to visit the Company’s operations in various aspects, such as, the operation of the toll collection system, the toll revenue audit, including traffic report and emergency alert of the Si Rat Expressway Control Center, for the shareholders to understand the operations. Such activity represented a good opportunity for the shareholders and the executives to meet, share opinions and provide suggestions useful for the Company’s management.

“Shareholder Relations: Royal Development Project Visit”

The Royal Development Projects by His Majesty the King have been initiated by his talents and abilities in various fields. His Majesty the King is determined to resolve the problems and sufferings of his people, such as, soil, water, and forest projects. This year, BECL organized an activity by bringing a group of 27 shareholders to visit the Khao Cha-Ngum Study Center on Rehabilitation of Deteriorated Land under the initiative of His Majesty the King in Ratchaburi Province in order to learn His Majesty the King’s initiative and theory on rehabilitation of deteriorated land and self-sufficient agriculture, including preservation of soil, water and forest resources for the sustainable natural abundance. Such activity also strengthened the good relationships between the shareholders and the Company.



Social Activities

3. Good Relationships with Related Authorities

Good services to meet the most satisfaction of the Expressway users are regarded as the Company's key policy, which need collaboration from the relevant authorities, namely, staff of EXAT, police officers of the Expressway Police Station 2, and the Company's staff. The Company then organized activities to strengthen relationships among three authorities in order to build good relationships and to ensure unity and development of works for the maximum efficiency, as follows:



"Watch Movie with the Expressway"

BECL invited the families of staff of EXAT and the families of police officers of the Expressway Police Station 2 as well as the families of staff of the Company to meet and see "Dr. Seuss The Lorax" relating to environmental preservation, at Major Cineplex, Ratchayothin. All family members enjoyed playing games, rewards and the movie.

"Good Relationships with EXAT"

BECL brought a group of 53 executives and staff of the Toll Collection Division of EXAT and the Toll Revenue Division of the Company for the purpose of Thai arts and cultural conservation to appreciate the beautiful mural paintings at Wat Khongka Ram and watch the Thai Shadow Show (Nang Yai), as ancient and rare performance, at Wat Khanon, Ratchaburi Province, as well as enjoying beautiful pottery and ceramic arts at Tao Hong Tai Ceramics Factory as the first factory that produces water jars and potteries in Ratchaburi Province.



"BECL Grants Cars and Motorcycles to EXAT and Expressway Police Station 2"

BECL realizes the significance of promotion of performance of works of the relevant authorities to ensure smooth operations, and to monitor and provide the rapid and efficient services for the Expressway users, the Company then granted cars 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.



4. Promotion of Learning to Youths

Education represents the essential tool in development of knowledge and ability of youths, which is regarded as a key foundation for development of Thai society. BECL always realizes the significance of education and continues to encourage and support youth education through various activities as follows:

"BECL Grants Scholarships to Staff's Children"

BECL granted scholarships to staff's children with good academic records at the levels of elementary and high school, and higher education, continuously as the sixth year.



"BECL Grants Scholarships to Adjacent Schools"

BECL organized the "BECL Grants Scholarships to Adjacent Schools" activity, continuously as the fifth year, by granting scholarships to underprivileged students with good academic records, including funds for school development for educational purposes to 10 schools adjacent to the Si Rat Expressway and the UdonRattaya Expressway.

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

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



"BECL Grants Scholarships to Children of the Expressway Police Station 2's Police Officers"

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

"Adventures in Wonderland and Amazement in Fairyland"

BECL continuously organized the National Children Day activity every year to entertain and allow a number of children of staff and children of police officers of the Expressway Police Station 2, students from adjacent schools and children from nearby communities, to learn and enjoy on-stage activities, games, and a bunch of rewards.



Social Activities



"BECL Grants Books to Library of Wat Bang Phun School"

Reading is the heart of learning and helps open up one's view of the world, BECL organized the "Books for Children after Flood" activity, by inviting its staff to contribute old and new quality books suitable for children and youths, such as, fable books, textbooks and general books, to the library of Wat Bang Phun School, to jointly encourage youths' reading and restore the library after the severe flood in 2011.

5. Raising Awareness of Environmental Preservation

"Expressway Promotes Environmental Preservation" No. 5

BECL took part in a campaign for raising all staff's awareness of environmental preservation, by organizing the environmental preservation activity every year, titled "Expressway Promotes Environmental Preservation", and this year, continuously as the fifth year, by inviting a group of executives and staff to visit Khun Dan Prakan Chon Dam, Nakhon Nayok Province, which is the longest roller compacted concrete dam in Thailand for storing water for the purposes of agriculture, consumption, solution to acid soil, fish breeding and flood alleviation, for study of the Water Resources Development Project under the initiative of His Majesty the King, and also took part in a campaign for raising awareness of energy and environmental preservation.



"Plantation of Vetiver Grass to Honor Her Majesty Queen Sirikit"

In 2011, Thailand encountered the severe flood which had affected Bang Phun - Bang Pa-in Section of the Udon Rathaya Expressway, thereby causing land subsidence in the areas of road shoulder. The Company organized the Plantation of Vetiver Grass to Honor Her Majesty Queen Sirikit activity on the auspicious occasion of Her Majesty the Queen's 80th Birthday Anniversary as the Expressway Promotes Environmental Preservation activity. A group of 100 executives and staff were invited to jointly plant vetiver grass in the areas of road shoulder of Bang Phun - Bang Pa-in Section of the Udon Rathaya Expressway in order to prevent land subsidence and help preserve land and water under His Majesty the King's initiative.





"BECL's 25th Anniversary"

On the occasion of the 25th anniversary of Bangkok Expressway Public Company Limited on 23 December 2012, the Company held the "Good Deeds for BECL's 25th Anniversary" activity, by having its staff join good social and environmental activities throughout the year 2013. The first activity was led a group of 125 executives and staff representatives to jointly plant 577 "Silva Manso" trees at Phutthamonthon Park, Nakhon Pathom Province, on 23 December 2012, in order to expand the green zone and raise staff's awareness of the environmental preservation.

Moreover, the Company organized a merit-making activity in which a group of executives and staff listened to Dhamma preaching and offered food to the Buddhist monks at King Rama IX Meditation Center, Wat Phra Ram 9 Kanjanaphisek, on 25 December 2012, to celebrate the Company's anniversary. In this regard, a Dhamma talk on New Year 2013 for New Happy Life was given to promote accountability and social responsibility.



6. Other Social Activities

"Drug Free Workplace Certificate"

The Company was granted a "Drug Free Workplace Certificate" by the Department of Labor Protection and Welfare as the Company's drug management system in the business premises was ranked No. 1 as a role model for other business premises.



"Expressway Invites Children to Sing"

BECL organized the volunteer activities by the BECL music club and staff through music jam, supporting luncheon as well as recreational activities to children at Pakkred Home for Boys, Nonthaburi Province, on 19 May 2012, and at Rajvithi Home for Girls on 27 October 2012. Children had a good time and pleasure with the activities and this opened an opportunity for staff to express love, care and share happiness with those children in a warm atmosphere.



Si Rat - Outer Ring Road Expressway Project



The Si Rat - Outer Ring Road Expressway Project expands the expressway network to the West of Bangkok and its surrounding provinces in order to facilitate travelling between Bangkok and nearby provinces and to alleviate the traffic problem on Rattanakosin Road, Nakhon-in Road, Sirindhorn Road and Boromarajonani Road.

Bangkok Expressway Public Company Limited was awarded a BTO (Build-Transfer-Operate) concession for the Si Rat - Outer Ring Road Expressway Project by the Expressway Authority of Thailand (EXAT). The Concession Agreement for Investment, Design, Construction, Management, Operation and Maintenance of the Si Rat - Outer Ring Road Expressway Project was signed on September 14, 2012 for a contract period of 30 years, including a construction period of 48 months, or 4 years, from the date of the Notice to Proceed, namely, December 15, 2012. This Project, upon construction completion, will expand the expressway network in Bangkok and its vicinity to the West at the Western Outer Ring Road (Kamphaeng Phet 2 Road).

The Si Rat - Outer Ring Road Expressway Project is an elevated six-traffic lane expressway, which extends for a total distance of approximately 17 kilometers, starting from the Outer Bangkok Ring Road (Kamphaeng Phet 2 Road) in parallel to the north side of the Southern railway, crossing to the south side of the railway around Ratchaphruek Road, then diverging to the north side in order to bypass Bang Bamru Railway Station and then diverging back to the south side, crossing the river around the Rama VI Bridge and ending at Bang Sue, where it connects to the Si Rat Expressway at the northern section of the Mo Chit 2 Bus Terminal, where motorists can exit to at-grade roads around Kamphaeng Phet 2 Road.



Groundbreaking Ceremony for the Si Rat - Outer Ring Road Expressway Project

On January 18, 2013, Deputy Prime Minister Kittiratt Na-Ranong presided over the groundbreaking ceremony for the Si Rat - Outer Ring Road Expressway Project, together with Police General Wichien Phoiposri, Permanent Secretary of the Ministry of Transport, Khun Aiyanat Tinapai, Governor of the Expressway Authority of Thailand, Khun Supong Chayutsahakij, Vice Chairman of the Executive Board of Bangkok Expressway Public Company Limited, and Khun Payao Marittanaporn, Managing Director of Bangkok Expressway Public Company Limited, at the public park around the foot of the Rama VII Bridge, Bang Kruiy side.



Contract Signing Ceremony

On September 14, 2012, Khun Jarupong Ruangsuvan, Minister of Transport, presided over the signing ceremony for the Concession Agreement between the Expressway Authority of Thailand (EXAT), represented by Khun Aiyanat Tinapai, EXAT Governor, Khun Narong Gieddech, Deputy Governor for Administration, and Khun Chavalit Wathanakul, Deputy Governor for Construction and Maintenance, and Bangkok Expressway Public Company Limited, represented by Khun Plew Trivisvavet, Chairman of the Executive Board, Khun Supong Chayutsahakij, Vice Chairman of the Executive Board, and Khun Payao Marittanaporn, Managing Director, at the JW Marriott Hotel.



Signing Ceremony for the Credit Facilities Agreement and the Project Management Agreement

On September 14, 2012, Khun Plew Trivisvavet, Chairman of the Executive Board of Bangkok Expressway Public Company Limited, presided over the signing ceremony for the Credit Facilities Agreement and the Project Management Agreement, at which Khun Payao Marittanaporn, Managing Director, jointly signed the Credit Facilities Agreement for the Si Rat - Outer Ring Road Expressway Project with financial institution lenders, namely, Bangkok Bank, Krung Thai Bank, and The Siam Commercial Bank, and signed the Project Management Agreement with CH. Karnchang Public Company Limited.

First Class Services



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

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

1. Communications and Facilities

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

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

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

- **Emergency Telephones (ETS)**

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

- **Variable Message Sign (VMS)**

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

2. Traffic Management

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

- **Traffic Signs**

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

- **Weighing Stations**

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

3. Rescue and Trailer Services

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

Fuel Cost

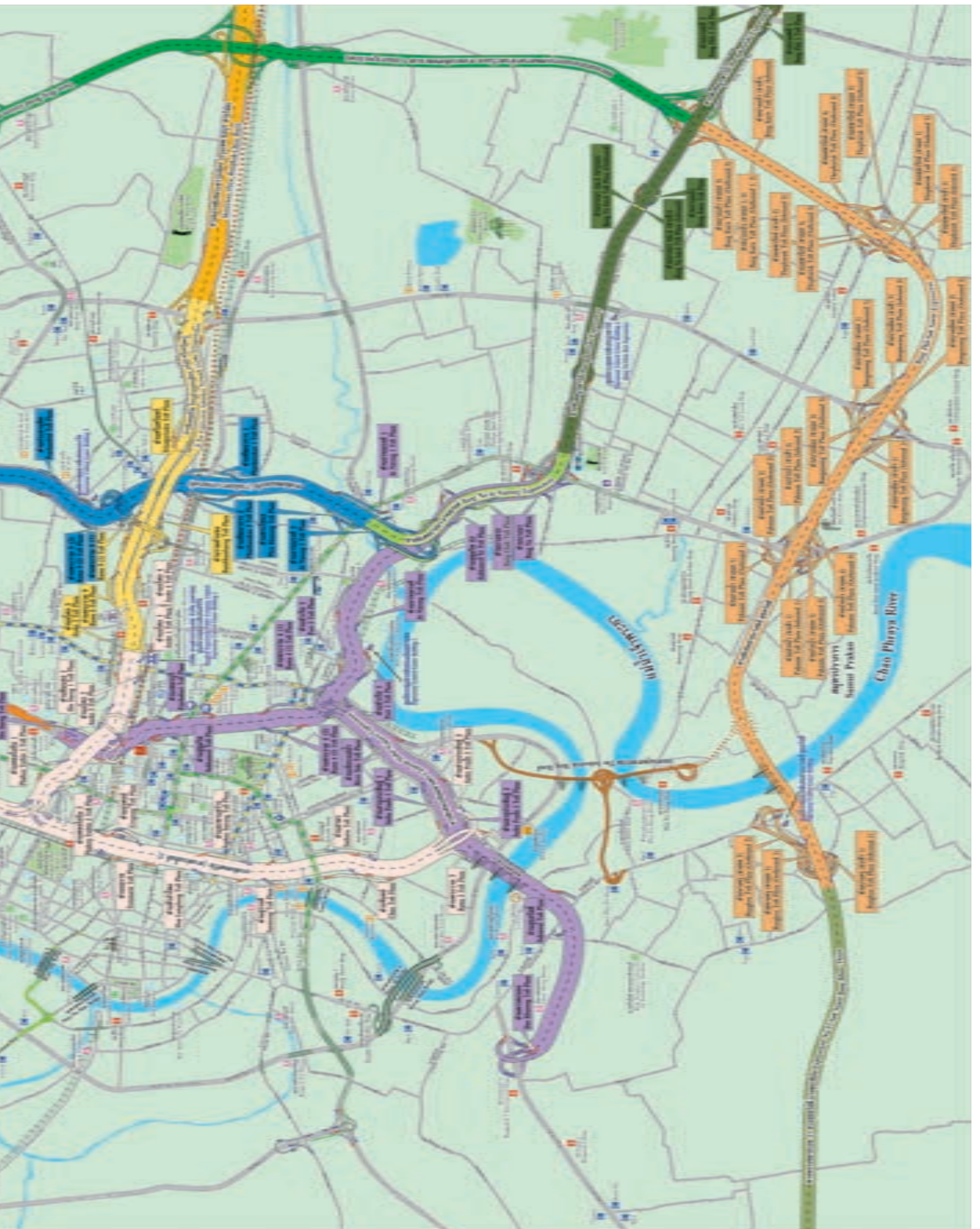
Should the vehicle be out of gas, the staff will refuel the vehicle to enable such vehicle to exit the Expressway and reach a gas station whereby the rate of gas to be charged at the market rate which is merely approximately Baht 100.- on average.

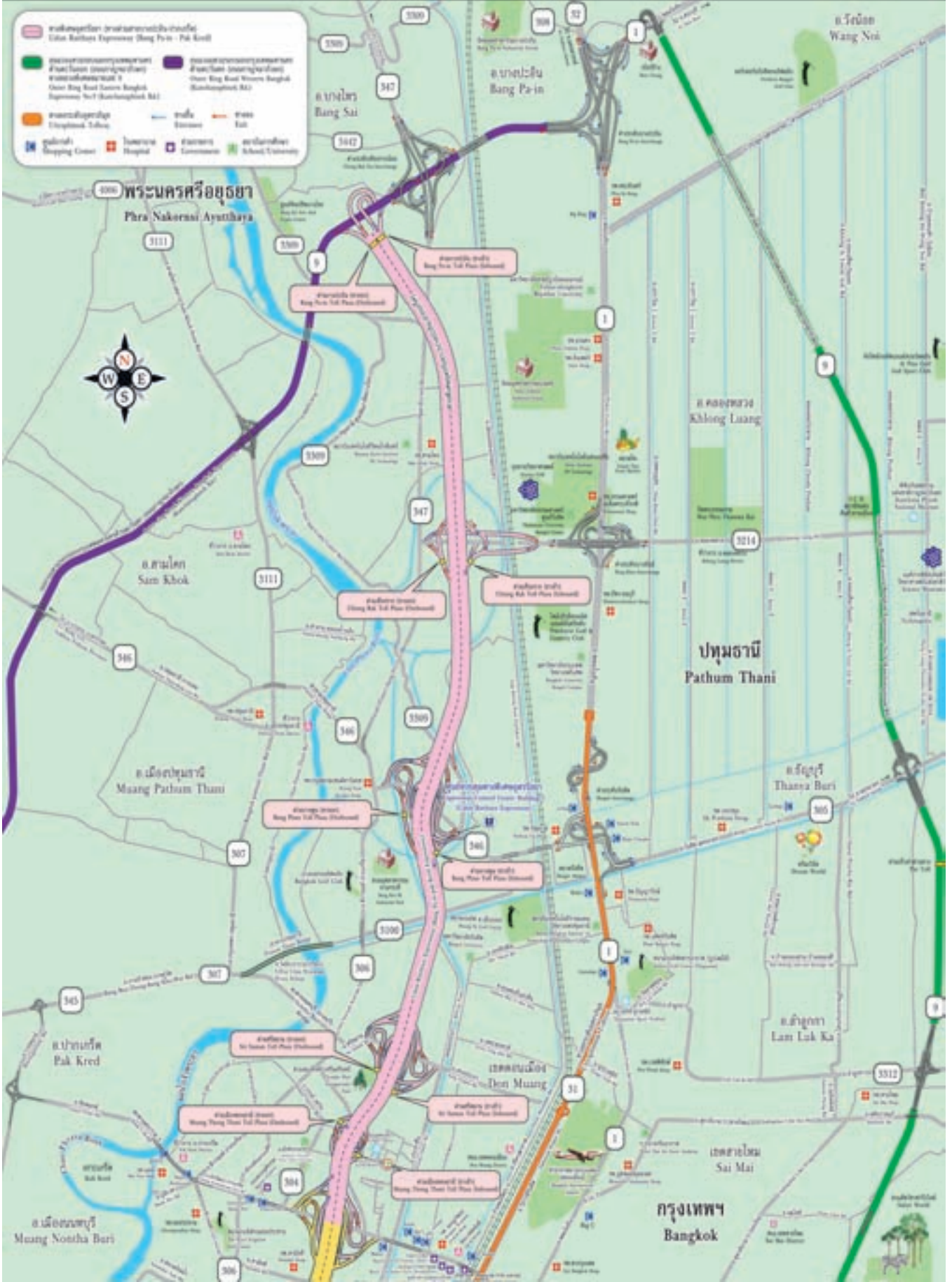
Chemical Powder Cost

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

Useful Telephone Numbers

Accident / Breakdown Car / Traffic Information	Tel.	1543 / 0-2664-6400
Chalerm Mahanakorn Expressway Control Center	Tel.	0-2240-0709
Si Rat Expressway Control Center	Tel.	0-2248-7539 / 0-2641-4649 0-2664-6400 / 0-2641-4611 ext. 7007
	Fax.	0-2247-1994
Chalong Rat Expressway Control Center	Tel.	0-2319-7166-7 / 0-2319-9730-9 ext. 4610-11
	Fax.	0-2319-9730-9 ext. 4623
Udon Ratthaya Expressway Control Center	Tel.	0-2567-5700 ext. 7171 / 0-2567-5680
	Fax.	0-2567-5700 ext. 7155
Buraphawithi Expressway Control Center	Tel.	0-2746-9800-4 ext. 5501 0-2746-9799
	Fax.	0-2746-9799
Kanchanaphisek Expressway Control Center	Tel.	0-2442-0876-8
(Bang Phli Suk Sawat)	Fax.	0-2442-0899
Chalerm Mahanakorn Expressway Police Station	Tel.	0-2249-8007
	Fax.	0-2240-0147, 0-2249-8007
Si Rat Expressway Police Station	Tel. / Fax.	0-2248-6891-5
Udon Ratthaya Expressway Police Station	Tel.	0-2567-5681-3
Bangkok Expressway Public Company Limited	Tel.	0-2641-4611
	Fax.	0-2641-4610
Expressway Authority of Thailand	Tel.	0-2579-5380-9
	Fax.	0-2561-2984





Executive Summary

Bangkok Expressway Public Company Limited (“Company”) operates the business of construction and management of the Si Rat Expressway (Second Stage Expressway) and its extensions, including related businesses under the Second Stage Expressway Agreement entered into with the Expressway Authority of Thailand (EXAT) for a contract period of 30 years from 1 March 1990 and the Agreement for the Extension of the Second Stage Expressway System, Sector D, for a contract period of 30 years from 17 April 1997. This Expressway Project Agreement was executed on a BTO (Build, Transfer and Operate) basis, in other words, the Company is responsible for the design, construction and management of the Expressway System while the title to various permanent constructions shall be vested in EXAT. The Si Rat Expressway comprises four Sectors, namely, Sector A (Rama 9 - Ratchadapisek), Sector B (Phayathai - Bangkhlo), Sector C (Ratchadapisek - Chaeng Watthana) and Sector D (Rama 9 - Srinagarindra). The Company receives toll revenue sharing from the Si Rat Expressway and the Chalem Mahanakorn Expressway (First Stage Expressway) based on the proportions under the respective Agreements, except at 100 percent of toll revenue of Sectors C and D received by the Company throughout the contract period.

On 4 September 2012, the Council of Ministers resolved to grant approval for the Company to operate the Si Rat - Outer Ring Road Expressway Project. On 14 September 2012, the Company entered into the Concession Agreement for the Si Rat - Outer Ring Road Expressway Project with EXAT, for a contract period of 30 years from 15 December 2012, with a construction period of 4 years and the remaining 26 years for the period of service operation and toll collection. The concession is based on a BTO basis. 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 ending at the Si Rat Expressway around the North of the Mo Chit 2 Bus Terminal, for a total distance of 16.7 kilometers. All toll revenue of the Si Rat - Outer Ring Road Expressway is retained in full by the Company throughout the contract period.

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

The Company’s main policy is to mitigate traffic problems in Bangkok by way of efficient management of the Si Rat Expressway. The Company, in association with EXAT, has implemented the installation of the Electronic Toll Collection system to enhance the effective collection of tolls at the front of the Toll Plazas and to alleviate the traffic congestion, particularly during the rush hours, which increase, called Easy Pass, since 25 July 2010. The use of Easy Pass continues to increase, as of December 2012, the average use of Easy Pass on working days accounted for 30 percent of the four-wheeled vehicles traffic volume. The Company has opened additional Easy Pass lanes at various toll plazas, such as, Prachachuen Toll Plaza (inbound), Srinagarindra Toll Plaza and Asoke 4 Toll Plaza, and at present, there are a total of 45 Easy Pass lanes on the Si Rat Expressway.

The Company realizes the traffic crisis in various areas of Bangkok, and such areas where the Company may help alleviate the traffic congestion are around Rama 9 Road and Chaturathit Road (Section C). The Company has then requested permission from EXAT to construct a connecting road between Sector D of the Si Rat Expressway and Chaturathit Road (Section C) to alleviate the congested traffic and facilitate motorists heading to Suvarnabhumi Airport. The construction is scheduled to commence in February 2013 which would take approximately 16 months to complete.

The average daily traffic volume of the Chalem Mahanakorn Expressway, the Si Rat Expressway and the Udon Rattaya Expressway in 2012 was 1,084,765 trips per day, representing an increase by 5.87 percent from the previous year in all routes, particularly from January to March due to the economic recovery, and house and property restoration after the flood crisis in Bangkok and its vicinity from October to December 2011, along with the positive factor from a substantial increase in the number of new cars registered in Bangkok as well as the development projects around the Expressways, thereby resulting in an increased volume of cars entering the Expressway System, particularly from the suburban areas. The toll revenue increased from last year by 5.51 percent which was less than the growth rate of the traffic volume as a result of the reduction of toll revenue sharing under the Second Stage Expressway Agreement for the urban network, effective from 1 March 2011 onwards.

In 2012, the Company issued debentures No. 1/2012 in March 2012, with maturity of three years, in the amount of Baht 1,000 Million, at the fixed interest rate of 4.12 percent per annum, in order to reserve the cash flow for redemption of the existing debentures bearing interest at the rate of 4.88 percent per annum, due in August 2012; and subsequently, issued debentures in October 2012, with maturity of four years, in the amount of Baht 2,000 Million, at the fixed interest rate of 4.08 percent per annum, for use in the operation of the Si Rat - Outer Ring Road Expressway Project.

In respect of the operational results of the Company and the Subsidiary for the period ending 31 December 2012, the total net profit attributable to equity holders amounted to Baht 2,254 Million, representing an increase by Baht 846 Million from the previous year, due to gain on sales of shares in SouthEast Asia Energy Limited in this year, along with the increased toll revenue due to the increased traffic volume of the Expressways in all routes, including the dividend income from Thai Tap Water Supply Public Company Limited which increased from the previous year, and the decreased finance cost from the previous year.

1. Risk Factors

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

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

1.1 Concession Risk

1.1.1 Risk Relating to Business Operations under Agreements with Government Sector

The Company operates the construction and management of the Si Rat Expressway (Second Stage Expressway) and extensions, including related businesses under the 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 on different interpretation of several matters with EXAT, such as, adjustment of toll rates, interpretation on determination of the Priority Component Opening Date, which gives rise to an impact on the toll revenue sharing.

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

The cessation of such obligation to construct the Collection and Distribution Roads resulted in failure of the Company's revenue to meet the projected revenue and had an impact on overall traffic system, as such roads might be able to alleviate traffic congestion in downtown. Failure in construction of said roads therefore impaired efficiency in provision of overall traffic services. However, as at 31 December 2012, such dispute has not yet been referred to arbitration proceedings.

The details on other disputes are described in Disputes with EXAT on pages 51 to 54, most of which major claim on high value damages by the Company from EXAT. Therefore, the decision should not materially have any negative risk towards the Company's operational results. 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.

1.1.2 Risk from Government and Politics

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

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.

1.2 Financial Risk

1.2.1 Risk from Insufficient Revenue to Cover Expenditure

Toll revenue is the Company's core revenue, which may be affected by external factors having material impact on toll rates and traffic volume. Provided that the toll revenue differ from the study or the projections, it may affect the liquidity 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 next toll revision under the Agreement would become due on 1 September 2013. As for the past toll revisions on three occasions in 1998, 2003 and 2008, the Company was granted approval to increase toll rates but not at the proposed rates (as per the details in Legal Disputes on page 53), 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 Chalmern Mahanakorn Expressway, the Si Rat Expressway and the Udon Ratthaya Expressway in 2012 was 1,084,765 trips per day, representing an increase from 1,024,593 trips per day of the previous year or 5.87 percent in all routes, particularly from January to March due to the economic recovery, house and property restoration after the flood crisis in Bangkok and its vicinity from October to December 2011, along with the positive factor from a substantial increase in the number of new cars registered in Bangkok due to the governments economic stimulus measure by way of tax refund campaign for first-time car buyers, and the development projects around the Expressways, thereby resulting in an increased volume of cars entering the Expressway System, particularly from the suburban areas. The average daily toll revenue in 2012 was Baht 21.127 Million per day which increased from the average of Baht 20.026 Million per day of the previous year, representing an increase by 5.51 percent which was less

than the growth rate of the traffic volume as a result of the reduction of toll revenue sharing under the Second Stage Expressway Agreement for the urban network, effective from 1 March 2011 onwards.

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 since customers of the BTS and the metro are not the target group of customers and they would mostly use public transportation, let alone the fact that at present, the networks of the BTS and the metro are limited to their respective service areas only. Although the behavior of personal car owners may 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 Purple Line and the 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.

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

1.2.2 Risk from Interest Rate Fluctuation

The Company has a large amount of debts in the form of long-term loans for investment in construction of the Si Rat Expressway and the extensions under the Second Stage Expressway Agreement. Thus, interest expenses are considered the significant expenditures for the Company. The increased interest rate on loan may affect the Company's operational results due to the fact that the interest cost in respect of the certain credit facility was at the floating interest rate, thereby exposing the Company to a risk from interest rate fluctuation or increase in the money market. However, the Company has already managed such risk from interest rate fluctuation, whereby at present, the Company's long-term loan structure as at 31 December 2012 comprises approximately 61 percent for loans at fixed interest rates and approximately 39 percent for loans at floating interest rate.

However, the Company is aware of such risk, and as such, in March 2012, the Company issued debentures, with maturity of three years, in the amount of Baht 1,000 Million, at the fixed interest rate of 4.12 percent per annum, in order to reserve the cash flow for redemption of the existing debentures bearing interest at the rate of 4.88 percent per annum, due in August 2012. In October 2012, the Company issued debentures, with maturity of four years, in the amount of Baht 2,000 Million, at the fixed interest rate of 4.08 percent per annum, in order to be financially ready for construction advance payment under the Project Management Agreement for the Si Rat - Outer Ring Road Expressway Project. With respect to this series of debentures, the Company has executed an Interest Rate Swap Agreement, whereby Siam Commercial Bank Public Company Limited shall pay interest at the fixed rate of 4.08 percent per annum, and the Company shall pay interest at the floating rate of MLR-3.30 percent.

1.3 Investment Risk

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

The Subsidiary which invested, constructed and operated the Udon 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 remained at a loss. As at 31 December 2012, the Subsidiary had accumulated loss amounting to Baht 5,165 Million and the outstanding liabilities and loans from its parent company amounting to Baht 8,774 Million, affecting the quality of the Company's investment funds and assets.

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

The flood crisis in 2011 around the central region along the vicinity of the Northern Bangkok resulted in high flooding on at - grade Expressways, roads and highways, to the extent that vehicles could not pass through. The Subsidiary not only made arrangements to prevent such risks in advance by taking out insurance covering Property Damage as well as deficient revenue caused by Business Interruption, but also set action plans to minimize the impact of such damage, as well as restoration plan in order to resume the normal condition soonest possible.

1.3.2 Risk from Investment in Various Companies

Due to the fact that the Company has invested in the construction and management of the Second Stage Expressway System which the contract period nearly ends, in order to establish long-term return and increase business value to its shareholders so as to enable the Company to continue as a going concern despite the expiration of the Project Agreement, and based on its experience as investor in the construction and management of the Second Stage Expressway System, which is a public utility infrastructure business in the form of concession awarded by the government sector, the Company therefore considered investing in the public utility 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. As at 31 December 2012, the Company holds shares in BMCL representing 11.23 percent.

BMCL was listed on the Stock Exchange of Thailand on 21 September 2006, rendering its financial costs to decrease, whereby BMCL utilized some portions of funds from the public offering to partially repay the loan and accommodate its liquidity. The delay of the plan for extension projects did affect its operational results. Therefore, in 2008, BMCL 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 Blue Line Extension (Hua Lamphong - Bang Khae and Bang Sue - Tha Phra), which started the construction in April 2011 and was scheduled for completion and opening for service in late 2016. On 2 October 2012, the Mass Rapid Transit Authority of Thailand (MRTA) issued a letter notifying that the committee for selection of private entity to participate in State undertaking selected BMCL to invest in the M&E Systems and supply rolling stocks and operate the 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.

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

In 2005, the Company invested in Thai Tap Water Supply Public Company Limited (TTW) which operates the business of tap water production and distribution to the Provincial Waterworks Authority for a period of 30 years. As at 31 December 2012, the Company holds shares in TTW representing 9.24 percent.

TTW is a contractual party to the Water Purchase and Sale Agreement with the Provincial Waterworks Authority (PWA), on a BOO (Build-Own-Operate) basis, for a period of 30 years, in other words, investing in construction of tap water production system and distribution system for consumers without transfer of ownership in the tap water production system and distribution system to the PWA at the end of the Concession Contract. The risk from investment in TTW may arise from a termination of the Water Purchase and Sale Agreement by the PWA which is TTW's sole customer, which may have an impact on TTW's business operation, financial position and revenue in the future. TTW commenced the tap water production and distribution since

2004, and its current production capacity for tap water and the water standard complied with the specified plan. It is deemed that TTW is the largest privately owned tap water producer in Thailand and Southeast Asia. Furthermore, TTW also registered its conversion into a public limited company and was listed on the Stock Exchange of Thailand on 22 May 2008. TTW has been deriving profit from the operation since the commencement of business operation and regularly making dividend payment to shareholders. In 2012, the Company received dividend from TTW which was recorded as dividend income in this year for the operational results of the second half of 2011 at the rate of Baht 0.25 per share and for the operational results of the first half of 2012 at the rate of Baht 0.22 per share, bringing the dividend income to Baht 173 Million.

3) SouthEast Asia Energy Limited (SEAN)

In 2005, the Company invested in SouthEast Asia Energy Limited (SEAN), a company investing in a concession business awarded by the government of the Lao Peoples Democratic Republic to carry out design, construction and operation of the Nam Ngum 2 Hydroelectric Power Project for a period of 25 years. The Nam Ngum 2 Hydroelectric Power Project commenced its electricity production and distribution on 26 March 2011. The Company's 2012 Annual Ordinary General Meeting of Shareholders on 25 April 2012 passed a resolution granting approval for the Company to sell all of its shares in SEAN to CKP. On 10 May 2012, the Company sold such 110,112,500 shares to CKP at the price of Baht 25 per share, totaling Baht 2,752,812,500, with a gain on such sale in the amount of Baht 1,650 Million.

4) 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 Peoples Democratic Republic to carry out design, construction and operation of the Xayaburi Hydroelectric Power Project for a period of 29 years, with a shareholding proportion in XPCL as at 31 December 2012 of 7.50 percent.

As the Xayaburi Hydroelectric Power Project is a large-scale construction project on the Mekong River, with a large amount of investments, which takes eight years to complete the construction, delay in construction and cost overrun may take place. In this regard, the execution of the construction contract with a construction company with expertise and experience, at a lump sum fixed price, may help minimize the risk for the Company. As for the marketing risk, the execution of the Power Purchase Agreement with the Electricity Generating Authority of Thailand (EGAT) on a take or pay basis, whereby the sale price has been agreed upon in advance, would serve to minimize the risk. However, uncertainty to some extent in the power production may occur should the quantity of inflowing water into the system for power production fails to meet the projection, which may affect the revenue and return on investment of shareholders, including the risk of penalty under the Power Purchase Agreement. Nevertheless, according to a study conducted by an expert based on the statistics over the past 46 years, together with the simulation conducted by Asian Institute of Technology (AIT), it was found that the quantity of water should be sufficient for power production, with the current production capacity at 1,285 Megawatts. On 7 November 2012, the groundbreaking ceremony was held for the Project. In addition, the Government of the Lao Peoples 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.

5) CK Power Limited (CKP)

In 2011, the Company jointly invested in the establishment of CK Power Limited (CKP) to operate its main business by holding shares in other companies (Holding Company), with a shareholding proportion in CKP of 30 percent as at 31 December 2012.

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 Peoples Democratic Republic; and holds shares in Bangkhenchai Co., Ltd. (BKC), Nakhon Ratchasima Solar Co., Ltd. (NRS) and Chiangrai Solar Co., Ltd. (CRS), companies investing in the solar photovoltaic power plants; and Bangpa-in Cogeneration Limited (BIC), a company investing in the cogeneration power plant. In addition, CKP is in the process of listing on the Stock Exchange of Thailand which would enhance its financial standing.

1.4 Operational Risk

1.4.1 Risk from Work Operations

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

In addition, the Company also established the preventive measure for the significant structures of the Expressway Systems so as to be used at all times by way of drawing up a plan for inspection of the structures of both the Si Rat Expressway and the Udon Ratthaya Expressway to be in line with the inspection by JMI Pacific Co., Ltd., a designing company with expertise in structural inspection. The monitoring, surveillance and maintenance were conducted to ensure that there would be no impact on the use of the Expressways. With respect to the toll collection system, and the communication and traffic control systems which are important to its operations, the Company has provided the preventive maintenance as well as the data backup system, the standby power system and the management of purchase of spare materials.

1.4.2 Risk from Non-Functional Toll Collection System Equipment

In 2010, the Company has launched the Electronic Toll Collection system or Easy Pass system for service, which is a new standard method of toll payment using state-of-the-art technology to solve traffic congestion problem at the front of the toll plazas, together with the toll collection system by cash. The Company cooperated with EXAT to provide such service to facilitate the Chalerm Mahanakorn Expressway, the Si Rat Expressway, the Chalong Rat Expressway and the Bang Pli - Suksawad Expressway, for the convenience of the services, which would alleviate traffic congestion at the front of the toll plazas, and encourage more motorists to use the Expressways.

The risk from non-functional toll collection system equipment may arise by various causes, such as, non-functional electrical system due to power outage from the Metropolitan Electricity Authority, error processing by the operating system or computer virus infection in the system which destroys data in the operating system, including hacking to destroy data and information, thereby causing damage to the system, etc. In this regard, the Company gives high priority to such risk management by arranging for power backup system, security system for access to significant systems by third parties through username and password, and determination of authorization levels of access to information and equipment only for the authorized persons, as well as log file for inspection of information access and installation of programs for virus scan and data backup system in the operating system which is able to operate promptly. Regarding the toll collection equipment by cash, which has a risk in obsolete technology, making it difficult to procure spare equipment, the Company thus installed the replacement equipment which was completed in 2012.

1.4.3 Risk from Serious Accidents and Natural Perils

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

added equipment and tools installed on the Expressways to enhance the capacity of control and surveillance, such as, 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 Ratthaya 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 Ratthaya 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.

1.4.4 Risk from Political Unrest

There was no political unrest in 2012 like the political rallies during 2010 which gave rise to political unrest throughout Bangkok and its vicinity, resulting in traffic congestion on various at-grade roads. Motorists tried to avoid the routes passed by the rallies or refrain from leaving their residence during the period of such unrest. In order to minimize such impact, the Company arranges for an emergency backup plan in response to any events which may occur and arranges for staff rehearsals for all relevant units to resolve problems, as well as establishing a unit to follow up alerts and coordinate with relevant public agencies to monitor and immediately take actions to resolve such event.

1.4.5 Risk in respect of Personnel

The Company has realized the significance and value of personnel towards the Company, as they are key factor to drive our organization to success. The Company gives priority to the personnel risk management, starting from the nomination and selection of good and qualified personnel suitable for the Company. 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 staffs position and designated duties, in order to enhance the potential and opportunity, and to encourage the staff. The consideration of remuneration payment and welfare is appropriate and fair. The operation process and work system are reviewed and revised to ensure preparedness at all times, as well as arranging for a succession plan and established a working group comprising high-level executives to set up guidelines in the selection to ensure the availability of personnel, both in the executive and supervisor levels, in order to prevent the risk from shortage of personnel having knowledge, expertise and technical skills for specific work. The Company has arranged for collection of the body of knowledge for specific work and extended the results to the knowledge management program. In order to continuously improve work process, the Company has adopted several quality event systems in its work operations, namely, 5S Activity, QCC Activity, Suggestion Event, including ISO 9001:2000 Quality Management System, in respect of which the Company has been passing the quality surveillance since 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. On 8 June 2012 and 15 November 2012, SGS (Thailand) Limited, a quality certification company, has inspected and monitored the Quality Management System and the Environmental Management System, with the result that the Company continues to maintain ISO 9001 Quality Management System and ISO 14001 Environmental Management System, without any issue in violation of the standard requirements of both Systems.

2. Nature of Business Operations

2.1 Background and Significant Events in 2012

2.1.1 Background

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

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

On 25 September 1996, the Company established Northern Bangkok Expressway Company Limited (the Subsidiary), with 99.99 percent of its registered capital of Baht 3,000 Million held by the Company. On 27 September 1996, the Subsidiary entered into the Bang Pa-in - Pak Kret Expressway Agreement with EXAT for the construction and operation of the Udon Rattaya Expressway for a period of 30 years from 27 September 1996 until 26 September 2026. Thereafter, the Subsidiary's registered Capital was increased by Baht 3,000 Million on 19 March 2003. Therefore, the Subsidiary's present registered capital amounts to Baht 6,000 Million, Baht 5,250 Million of which has been paid up. The Company's shareholding percentage therein remains 53.33 percent of the registered capital.

On 17 April 1997, the Company entered into the Agreement for the Extension of the Second Stage Expressway, Sector D, with EXAT for the construction and operation of Sector D of the Si Rat Expressway (Rama 9 - Srinagarindra), for a period of 30 years, from 17 April 1997.

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

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

2.1.2 Significant Events in 2012

1. On 14 September 2012, the Company signed the Concession Agreement for Investment, Design, Construction, Management, Operation and Maintenance of the Si Rat - Outer Ring Road Expressway Project with the Expressway Authority of Thailand, for a concession period of 30 years. On the same day, the Company entered into the agreement for engagement of CH. Karnchang Public Company Limited as Project Manager for the construction of such Project, including execution of the Credit Facilities Agreement with the lending financial institutions in the amount of Baht 10,000 Million.

2. The Expressway Authority of Thailand issued a Notice to Proceed (NTP) on 15 December 2012 to the Company to access the site and carry out the construction of the Si Rat - Outer Ring Road Expressway Project, for a construction period of not exceeding 48 months.
3. In May 2012, the Company sold all of its 110,112,500 shares held in SouthEast Asia Energy Limited or representing 16.67 percent to CK Power Limited (CKP) as a company which operates the main business in holding shares in other companies, and as such, the financial statements for 2012 showed a gain on sales of such shares in the amount of Baht 1,650 Million. The Company utilized the proceeds from sales of such shares to invest in CKP.
4. In March 2012, the Company issued debentures with maturity of three years, in the amount of Baht 1,000 Million, at the fixed interest rate of 4.12 percent per annum, for the purpose of redemption of the existing debentures bearing interest at the rate of 4.88 percent, which was due in August 2012.
5. In October 2012, the Company issued debentures with maturity of four years, in the amount of Baht 2,000 Million at the fixed interest rate of 4.08 percent per annum, to finance the Si Rat - Outer Ring Road Expressway Project. However, the Company entered into an Interest Rate Swap Agreement, having such debentures as the underlying assets. the Company paid interest at the floating rate of MLR-3.30 percent which was equal to 3.70 percent the end of 2012.
6. On 19 December 2012, the Board of Directors resolved to propose to seek approval from the Meeting of Shareholders for additional investment in ordinary shares in Thai Tap Water Supply Public Company Limited (TTW), in respect of which the Extraordinary General Meeting of Shareholders No. 1/2013 on 6 February 2013 has resolved to grant approval for the Company to acquire 438.90 million ordinary shares in TTW from CH. Karnchang Public Company Limited, representing 11 percent of its registered capital, thereby increasing the Company's shareholding proportion in TTW from 9.24 percent to 20.24 percent. On 7 February 2013, the Company has accepted the transfer of TTW shares and registered such change with TSD.
7. TRIS Rating Co., Ltd., a credit rating agency in Thailand, continued to affirm the rating of the Company at A and maintained the rating of the Company's debt instruments at A.
8. In May 2012, the Company added a total of three Easy Pass lanes at Srinagarindra Toll Plaza, Prachachuen Toll Plaza (inbound), and Asoke 4 Toll Plaza, to accommodate the increased volume of the Easy Pass users.
9. In July 2012, the Company provided cooperation with EXAT to cancel the Easy Pass card deposit in response to the governments policy for promotion of more use of the Easy Pass service to solve the traffic problem in front of toll plazas.

2.2 Overview of Business Operations

2.2.1 Overview of Business Operations of the Company

1) Construction and Operation of the Si Rat Expressway pursuant to the Second Stage Expressway Agreement and Sector D pursuant to the Agreement for the Extension of the Second Stage Expressway System (Sector D)

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 Chalerms Mahanakorn Expressway (First Stage Expressway), comprising 3 expressway routes, namely, Din Daeng - Port, Bang Na - Port, and Port - Dao Khanong, covering a total distance of 27.1 kilometers.

Furthermore, the Expressway Systems which are interconnected include:

1. The Chalerms Mahanakorn Expressway and the Si Rat Expressway are connected at two locations, namely, Makkasan Interchange and Bangkhlo Interchange.
2. The Si Rat Expressway and the Chalong Rat Expressway (Ramindra - At Narong Expressway) are connected at Rama 9 Interchange.
3. The Chalerms Mahanakorn Expressway and the Chalong Rat Expressway are connected around At Narong Road.

4. The Si Rat Expressway and the Bangkok - Chonburi Motorway are connected around Srinagarindra Road.
5. The Si Rat Expressway and the Udon Rattaya Expressway are connected around Chaeng Watthana Road.
6. The Si Rat Expressway and the Si Rat - Outer Ring Road Expressway (under construction) are connected around the North of the Mo Chit 2 Bus Terminal.

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

2) Construction and Operation of the Si Rat - Outer Ring Road Expressway

The Si Rat - Outer Ring Road Expressway was a project which the government wished to allow the private sector to participate and invest in the development of the national transportation system to expand the existing expressway network for more extensive service coverage and rapidity. Therefore, EXAT issued the notification and terms of reference inviting proposals for investment in this Project. On 27 July 2011, the committee for selection of private entity to participate in the Project under Section 13 of the Act on Private Participation in State Undertaking B.E. 2535 (1992) notified in writing that the Company was selected as the successful bidder to implement the Project. On 4 September 2012, the Council of Ministers resolved to grant approval for EXAT to implement the Si Rat - Outer Ring Road Expressway, by having the Company as its contractual party, for a period of 30 years, and the Project Agreement was signed on 14 September 2012. Meanwhile, the Company entered into the construction agreement for engagement of CH. Karnchang Public Company Limited as Project Manager, and the Credit Facilities Agreement with the financial institutions in the amount of Baht 10,000 Million. The 2012 Annual Ordinary General Meeting of Shareholders resolved to grant approval for the Company to issue debentures for the purpose of financing for the Project in the amount of not exceeding Baht 9,000 Million.

Key summary of the Si Rat - Outer Ring Road Expressway Project

Project Nature	:	BTO (Build Transfer and Operate) 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 in consideration of the right to receive toll revenue and other revenues (if any) throughout the concession period, whereby the Company shall be responsible for investment and all operating expenses throughout the concession period, and share consideration with or provide benefits to the State to be agreed upon in the Concession Agreement.				
Project Term	:	30 years from the date specified by EXAT in the Notice to Proceed (NTP), namely, 15 December 2012, divided into: <table><tr><td><u>Phase 1</u></td><td>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 period of not exceeding 48 months from 15 December 2012 as the date specified by EXAT in the NTP.</td></tr><tr><td><u>Phase 2</u></td><td>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.</td></tr></table>	<u>Phase 1</u>	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 period of not exceeding 48 months from 15 December 2012 as the date specified by EXAT in the NTP.	<u>Phase 2</u>	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.
<u>Phase 1</u>	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 period of not exceeding 48 months from 15 December 2012 as the date specified by EXAT in the NTP.					
<u>Phase 2</u>	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.					

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 three traffic lanes in each direction. The construction will employ the Pre-cast Segment Box Girder technology.
3. The on-off ramps will have two traffic lanes in each direction, totaling six locations.
4. The Project will have 10 toll plazas, divided into six inbound toll plazas and four outbound toll plazas.

Project Value	:	Baht 25,491 Million (excluding value added tax)
Toll Revenue	:	The Company shall have the right to receive all toll revenue throughout the concession period, at the toll rates and toll revision in accordance with the Agreement.
Progress	:	BECL has commenced the construction of the Project on 15 December 2012, whereby the initial works include site preparations, survey and design, with progress as at 31 December 2012 at 0.52 percent.

2.2.2 Overview of Business Operations of the Subsidiary

Construction and Operation of the Udon Ratthaya Expressway (pursuant to the Bang Pa-in - Pak Kret Expressway Agreement)

The Subsidiary constructs and operates the Udon Ratthaya 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. For the Udon Ratthaya Expressway, all toll revenue shall be paid to the Subsidiary.

2.2.3 Ratio of Toll Revenue Sharing

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

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

Expressway	Area	Length (km.)	Opening Date	Revenue	Revenue Sharing Company : EXAT
Sector C: Ratchadapisek - Chaeng Watthana Sector D: Rama 9 - Srinagarindra	Suburban Suburban	8.0 8.7	2 Sept 1993 First Section 2 Dec 1998 Second Section 1 Mar 2000	Company Company	- 100 : 0 - 100 : 0
Si Rat Outer Ring Road	Suburban	16.7	The construction has commenced on 15 December 2012, expected to complete within 48 months	Company	- 100 : 0
Udon Rattaya Chaeng Watthana - Chiang Rak Chiang Rak - Bang Sai	Suburban Suburban	22 10	2 Dec 1998 1 Nov 1999	Subsidiary Subsidiary	- 100 : 0 - 100 : 0

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

With respect to the Si Rat - Outer Ring Road Expressway, the toll rates and the revision of the toll rates shall be 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 effective from the date of service operation of the Project for five years. Therefore, the toll rates, inclusive of value added tax at the rate of seven percent, shall be increased every 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 2008. The next toll revision is scheduled to be made on 1 November 2013. Furthermore, for the purpose of promotion of use of this Expressway by regular customers, the Subsidiary arranged the sale promotion by way of immediate discount at the toll booths from July 2000, whereby in 2012, discount was given at the maximum rate of 26 percent.

2.2.4 Toll Rates

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

Expressways/Toll Plazas	Toll Rates (Baht/Trip)		
	4 wheels	6-10 wheels	More than 10 wheels
Rama 9-1 Toll Plaza (Si Rat)	20 **	45 **	65 **
Prachachuen Toll Plaza (inbound)	55	85	130
Prachachuen Toll Plaza (outbound)	10	15	30
Prachachuen 1 Toll Plaza (from Prachachuen Road)	15	20	35
Prachachuen 2 Toll Plaza (to Prachachuen Road)	15	20	35
Ngam Wong Wan 1 Toll Plaza (outbound)	15	20	35
Ngam Wong Wan 2 Toll Plaza (inbound)	15	20	35
Si Rat - Outer Ring Road Expressway	50 ***	80 ***	115 ***
Udon Ratthaya Expressway			
Muang Thong Thani Toll Plaza	35 ****	70 ****	105 ****
Si Saman Toll Plaza	40 ****	80 ****	120 ****
Bang Phun Toll Plaza	40 ****	80 ****	120 ****
Chiang Rak Toll Plaza	45	95	140
Bang Pa-in Toll Plaza	55	115	170

Remarks:

- * This is the rate after discount of Baht 10 for all types of vehicles until 31 August 2013.
- ** This is the rate after discount of Baht 5 for all types of vehicles until 31 August 2013.
- *** This rate is effective from the date of service operation of the Project for five years.
- **** This is the rate after discount for all types of vehicles from 1 January 2012 until 31 October 2013.

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

2.2.5 Separation of Operations between the Company and the Subsidiary

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

2.2.6 Shareholding Structure in the Subsidiary (As at 31 December 2012)

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
The Company holds shares in the Subsidiary			319,999,980 shares
Ordinary shares		154,000,000	shares
Preferred shares		165,999,980	shares

2.3 Revenue Structure

Comparison of Revenue of the Company and the Subsidiary in 2010-2012

Description	Operated by	2012		2011		2010	
		Million Baht	%	Million Baht	%	Million Baht	%
Urban Expressway⁽¹⁾							
Chalerm Mahanakorn Expressway (First Stage Expressway)	EXAT	2,463.81	26.71	2,411.46	31.52	2,811.78	35.13
Si Rat Expressway (Second Stage Expressway, Sector A)	Company	1,415.50	15.35	1,409.67	18.42	1,621.58	20.26
Si Rat Expressway (Second Stage Expressway, Sector B)	Company	674.69	7.31	654.14	8.55	772.60	9.65
Total		4,554.00	49.37	4,475.27	58.49	5,205.96	65.04
Suburban Expressway							
Si Rat Expressway (Second Stage Expressway, Sector C)	Company	851.31	9.23	797.86	10.43	757.30	9.46
Si Rat Expressway (Second Stage Expressway, Sector D)	Company	1,342.52	14.55	1,233.52	16.13	1,129.13	14.11
Udon Ratthaya Expressway (Bang Pa-in - Pak Kret Expressway)	Subsidiary	984.39	10.67	801.54	10.46	718.65	8.98
Total		3,178.22	34.45	2,832.92	37.02	2,605.08	32.55
Total Toll Revenue		7,732.22	83.82	7,308.19	95.51	7,811.04	97.59
Other Income							
Gain on investment		1,197.52	12.98	16.06	0.21	27.36	0.34
Others ⁽²⁾		294.58	3.20	327.54	4.28	165.38	2.07
Grand Total		9,224.32	100.00	7,651.79	100.00	8,003.78	100.00

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

⁽²⁾ Other income refers to interest income, dividend income and others.

2.4 Goals of Operations

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

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

Action Plans in 2012

1. To make arrangements to ensure conclusion of negotiations and execution of the agreement for joint investment in the Si Rat - Outer Ring Road Expressway Project, including related arrangements;
2. To improve the cash and automatic toll collection systems, including addition of on and off-ramps and connectivity to enhance the efficiency in provision of service of the Si Rat Expressway;
3. To cooperate with EXAT in the management and maintenance of the Si Rat Expressway, with good relationship, to optimize its efficiency to the satisfaction of motorists;
4. To follow up and accelerate the settlement of disputes with EXAT to minimize impacts on the operations;
5. To maintain the liquidity and efficiently manage short-term and long-term investments to generate more revenues, and use various financial instruments for risk management, including reduction of finance cost;
6. To make public relations of its commitment to quality of services and responsibility towards concerned persons in all sectors to ensure the good image in the eyes of the service users and society as a whole;
7. To maintain an efficient, transparent, and auditable management system subject to the good corporate governance principles;
8. To maintain the Quality Management System (ISO 9001), Environmental Management System (ISO 14001) and develop the information system with state-of-the-art technology to enhance the capacity of performance.

3. Business Operations of the Company

3.1 Nature of Services

Bangkok Expressway Public Company Limited (The Company) and Northern Bangkok Expressway Company Limited provide Expressway services, namely, the Si Rat Expressway and the Udon Rattaya 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:

Description	Length (kilometers)	Constructed and Operated by
1. Chalerms Mahanakorn Expressway (First Stage Expressway) (Bang Na - Din Daeng - Dao Khanong)	27.1	EXAT
2. Si Rat Expressway (Second Stage Expressway) 2.1 Urban Network (Prachachuen - Phayathai - Bangkhlo - Asoke) 2.2 Suburban Network (Prachachuen - Chaeng Watthana and Asoke - Srinagarindra)	38.5	BECL
3. Udon Rattaya Expressway (Bang Pa-in - Pak Kret)	32.0	NECL
4. Uttaraphimuk Elevated Way (Don Muang Tollway)	28.0	Don Muang Tollway Plc.
5. Chalong Rat Expressway including its Extension (Ramindra - At Narong and Ramindra - Outer Bangkok Ring Road))	37.7	EXAT
6. Burapha Withi Expressway (Bang Na - Chonburi)	55.0	EXAT
7. Kanjanapisek Expressway (Bang Pli - Suksawad) and Highway No. 37 (Suksawad - Bang Khun Thien Section) including a connecting road to the Industrial Ring Road	37.8	EXAT
8. Si Rat - Outer Ring Road Expressway (project under construction)	16.7	BECL
Total length	272.8	

3.2 Marketing and Competition

Target Customers and Characteristics

Target customers of the Chalerms 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 2012 may be divided into three categories, namely, four-wheeled vehicles; six-wheeled to ten-wheeled vehicles; and more than ten-wheeled vehicles, which accounted for 97.79 percent, 1.94 percent and 0.27 percent, respectively. The traffic volume using the Expressways may be described by areas as follows:

Description	Average Traffic Volume (trips/day)	%
1. Chalerms Mahanakorn Expressway (First Stage Expressway) ⁽¹⁾ (Bang Na - Din Daeng - Dao Khanong)	367,488	22.27%
2. Si Rat Expressway (Second Stage Expressway)		
2.1 Urban Network (Prachachuen - Phayathai - Bangkok - Asoke)	320,651	19.43%
2.2 Suburban Network (Prachachuen - Chaeng Watthana and Asoke - Srinagarindra)	332,740	20.17%
3. Udon Rathaya Expressway (Bang Pa-in - Pak Kret)	63,886	3.87%
4. Uttaraphimuk Elevated Way (Don Muang Tollway) ⁽²⁾	100,000	6.06%
5. Chalong Rat Expressway (Ramindra - At Narong and Ramindra - Outer Bangkok Ring Road) ⁽¹⁾	168,774	10.23%
6. Burapha Withi Expressway (Bang Na - Chonburi) ⁽¹⁾	115,130	6.98%
7. Kanjanapisek Expressway (Bang Pli - Suksawad) ⁽¹⁾ and Highway No. 37 (Suksawad - Bang Khun Thien Section)	181,396	10.99%
Total Traffic Volume	1,650,065	100%

Remarks: ⁽¹⁾ Source: Expressway Authority of Thailand during 1 January - 31 December 2012.

⁽²⁾ Source: Daily News Newspaper, 17 January 2013 Issue.

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

3.2.1 Marketing Policy and Circumstances

Marketing Strategies

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

The marketing disadvantage is the physical limitation which prevents the release of traffic around the Expressway exits during rush hours, which depends on the traffic on at-grade roads, representing an uncertain factor beyond the Company's control. However, the Company continuously coordinates with traffic police in 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 to save time and facilitate motorists with more convenience and better quality of living in their commute in the downtown. Motorists should then appreciate these benefits over price factor.

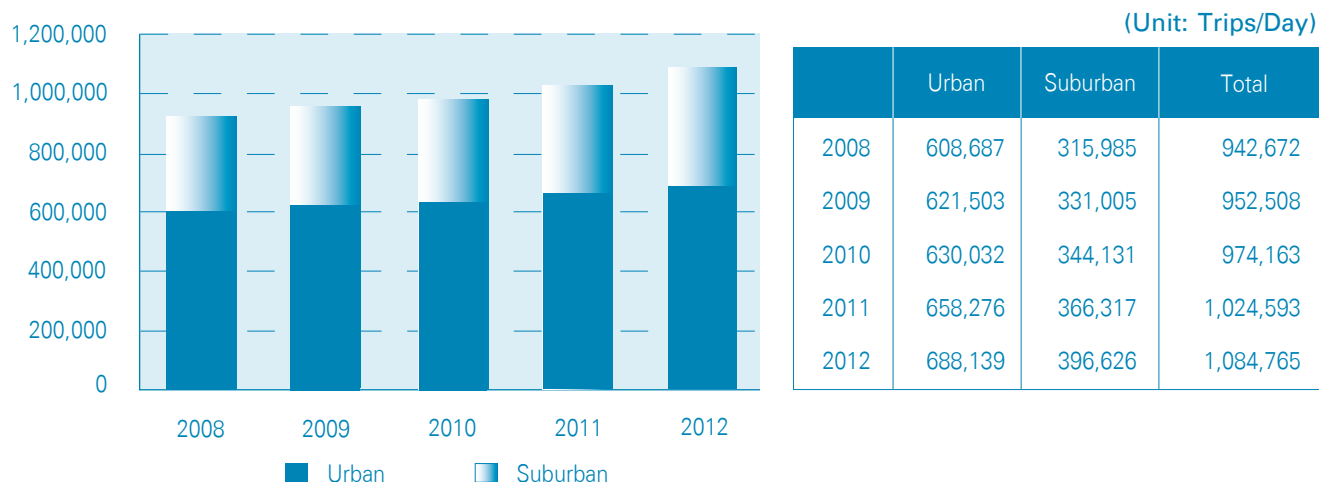
In view of various marketing strategies, the Company has proceeded as follows:

1) Expressway Route and Network for Service (Products)

1. The prime location and connections to major roads in the city allow the Expressway network to respond to the transportation needs of motorists to reach their desired destinations. In this regard, the Company has improved the quality of the routes and its services and given priority to the customers' needs, which will be integrated as key strategies to efficiently accommodate the traffic volume flowing in the system.

2. The feasibility study on improvement of the on and off-ramps of the Expressways serves as another measure to facilitate the traveling and to continually maintain the quality of the Expressways in terms of engineering safety to meet international standards.
 3. The Company has continuously monitored the traffic volume statistics to enhance the efficiency of its Easy Pass service as appropriate in order to improve the service provision and accommodate the increased volume of Expressway users. In 2012, the Company has increased the number of Easy Pass lanes at Srinagarindra Toll Plaza, Prachachuen Toll Plaza (inbound) and Asoke 4 Toll Plaza to accommodate the increased volume of Easy Pass users and in line with demand for the service in each area.
 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 via Smart Traffic and Variable Message Signs (VMS) for traffic reporting on Expressways, as well as suggesting proper routes on Expressways.
 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. Price or toll rates are agreed upon and specified in the Agreements, including the calculation for revisions of toll rates ahead of time between the contractual parties since the execution of the Agreements for the respective Projects. The rates are considered reasonable and based on the feasibility study for investment of each Project. Under the Second Stage Expressway Agreement and the Bang Pa-in - Pak Kret Agreement, toll rates shall be revised at every five years interval in accordance with changes in Consumer Price Index of Bangkok as announced by the Ministry of Commerce, which serves as the basis of calculation for the intrinsic value of the toll rates during the given periods under the Agreements.
 2. The Company continues to provide discount on tolls in 2012 on certain routes for a limited period of time to attract motorists to increasingly use the Expressway services, especially such routes with connections between the Expressway Systems, e.g., Rama 9-1 Toll Plaza (from the Chalong Rat Expressway to enter Sector D of the Second Stage Expressway) and At Narong 1 Toll Plaza (to Bang Na), as well as the route of the Udon Rattahaya Expressway at Muang Thong Thani Toll Plaza, Si Saman Toll Plaza, and Bang Phun Toll Plaza.
- 3) Distribution Channels (Place)
1. Traffic volume in the Chalerm Mahanakorn Expressway (First Stage Expressway), the Si Rat Expressway (Second Stage Expressway) and the Udon Rattahaya Expressway (Bang Pa-in - Pak Kret Expressway) in 2012 may be categorized by urban and suburban, which equals 63:37.

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



2. Payment of Tolls for 2012

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 use the Electronic Toll Collection system (Easy Pass).

2.2 Users of the Udon Raththaya Expressway which connects to the Expressway System towards the North of Bangkok has a total distance of 32 kilometers, with 10 toll plazas, shall pay tolls at the on-ramps for the inbound direction and at the off-ramps for the outbound direction. There are five on-ramps and five off-ramps, and tolls must be paid in cash only.

3. Electronic Toll Collection System

The Company, in association with EXAT, introduces the Electronic Toll Collection system in the toll collection, in order to serve as a new channel for motorists and facilitate and speed up the toll payment at the front of the Toll Plazas during rush hours, as well as accommodating the increasing traffic volume in the future. In this regard, EXAT has launched the Electronic Toll Collection system (Easy Pass) for service on 31 January 2010 for the Chalerms Mahanakorn Expressway (First Stage Expressway), the Chalong Rat Expressway (Ramindra - At Narong - Outer Bangkok Ring Road) and Kanjanapisek Expressway (Bang Pli - Suksawad), and on 25 July 2010 for the Si Rat Expressway (Second Stage Expressway). After the opening for service of Easy Pass for the Si Rat Expressway (Second Stage Expressway), the service then covers all networks, as a result, in December 2012, the average volume of vehicles using Easy Pass on working days for the Chalerms Mahanakorn Expressway and the Si Rat Expressway is approximately 337,800 trips per day, representing 30.46 percent of the four-wheeled vehicles. In addition, the introduction of Easy Pass also enhances the efficiency of the toll collection during rush hours, that is, the existing toll collection in cash accounts for 450 trips per hour, when using Easy Pass, it is presently found that Easy Pass is able to collect tolls at a maximum rate of 936 trips per hour, compared with the maximum toll collection capacity based on Easy Pass at 1,200 trips per hour. Furthermore, the Company continuously and regularly cooperates with EXAT to enhance the efficiency of the toll collection during rush hours.

Any Expressway users who wish to use Easy Pass service may apply for Easy Pass cards at Toll Plaza buildings during 5:00 - 22:00 hours.

Moreover, the Company arranged for the Easy Pass Fast Service, including film cutting service for Easy Pass installation and testing after trouble-shooting, whereby the Expressway users are able to bring their cars to use the services at the Easy Pass Fast... Service, free of charge, at Bangkok Expressway Public Company Limited, Asoke - Dindaeng Road, during the office hours from 9:00 - 17:00 hours.

4) Sales Promotion and Public Relations (Promotion)

In the sales promotion activities, the Company provides discount on tolls on certain routes within a limited period of time, aimed at attracting target customers to continue to use the Expressway services and eventually become regular customers. In 2012, the Company provided discount at the connection from the Chalong Rat Expressway to Sector D of the Si Rat Expressway at Rama 9-1 Toll Plaza (Si Rat) and at the connection from the Chalong Rat Expressway to the 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.

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

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

The channels of public relations used by the Company to introduce new on and off-ramps, and to disseminate information, news, discount on tolls, and activities, comprise documentary programs on radio and television, radio spot, leaflets, Variable Message Signs (VMS), and our website: www.becl.co.th, as well as social media (www.facebook.com/bangkokexpressway) to introduce Expressway routes to various destinations, including Si Rat bimonthly newsletters as a medium for sharing information and news between the Company and motorists. In 2012, the Company improves the frequency of our customer relations activities with the existing customers to educate, satisfy and attract new customers to use the services more, as well as organizing various social activities throughout the year to ensure the positive attitude of our services towards customers and society.

3.2.2 Industry and Competition

Despite the economic recession in European countries and USA, along with the impacts from the flood crisis nationwide, these occurrences in late 2011 in no way affected the economic growth of the country, but resulted in the economic recovery. In addition, the government's economic stimulus measure by way of tax refund campaign for first-time car buyers amounting to Baht 100,000, effective 1 October 2011 continuing to 2012, accounted for the increased number of new cars registered in 2012, and the traffic volume using the Expressways in 2012 continued to increase, namely, on the whole, the number of new cars registered increased by 46 percent as compared to 2011.

According to the information of the Department of Land Transport, in 2012, the number of new cars registered (inclusive of all types of cars) in Bangkok area is as high as 604,539 vehicles, which is more than that of 2011, namely, 413,508 vehicles, thereby bringing the cumulative number of cars in Bangkok to a total of 4,541,349 vehicles. Comparing to the road space in Bangkok for a total distance of approximately 5,400 - 5,500 kilometers the available road space to accommodate the volume of vehicles in Bangkok is lower. In 2012, the average speed of cars running

on the roads throughout Bangkok during the morning is 18 kilometers per hour, and in the evening is 23 kilometers per hour, and given the increased volume of vehicles, the average speed would be lower accordingly (source: Daily News Newspaper, 5 October 2012 Issue, and Bangkok Biz Newspaper, 11 October 2012 Issue).

In view of the indirect competition through other public transport systems, despite the services of the Bangkok Mass Transit System of the Bangkok Metropolitan Administration (BTS), and the metro of the Mass Rapid Transit Authority of Thailand (MRTA), the volume of vehicles using the Expressways did not reduce because the majority of customers of these transportation systems previously used the public transport systems and they are in a different group to those using the Expressway Systems. Moreover, the total distance for service of the mass transit railway system covers only 84.25 kilometers, divided into 36.25 kilometers for BTS (including the Extension of Sukhumvit Line, On Nut - Bearing, and the Wongwian Yai - Bang Wa Extension), 20 kilometers for the metro and 28 kilometers for Airport Link, covering merely certain part of Bangkok. According to the following up on the impacts upon the volume of vehicles using the Expressways due to the opening for service of the Airport Link since August 2010, as well as the government's policy on Baht 20 flat fare campaign as special promotion during 11:00 - 14:00 hours, starting from 30 September - 31 December 2012, 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.

3.3 Procurement of Products and Services

3.3.1 Nature of Procurement of Products

EXAT is an authority responsible for the construction of expressways to provide facilities and rapid traffic and transport in respect of projects in Bangkok and its vicinity. EXAT 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 and the Agreement for Extension of the Second Stage Expressway (Sector D) are implemented on a BTO basis. According to the essence of the Agreements, EXAT shall have the duty to determine the characteristics of the Expressways, Expressway routes and areas to be used for construction and arrange for land expropriation for delivery to the Company for construction within the time specified in the Agreements. Thereafter, the Company would carry out construction in accordance with the designs approved by EXAT, subject to the supervision of the quality of construction work by EXAT's Consulting Engineer, Independent Certification Engineer and Independent Design Checker. Upon completion of the construction, the Independent Certification Engineer shall inspect the work and issue Certificate of Completion to evidence that the construction work is 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.

In 2012, the Company submitted its proposal for investment in the Si Rat - Outer Ring Road Expressway Project. The committee for selection of private entity to participate in State undertaking under Section 13 of the Act on Private

Participation in State Undertaking B.E. 2535 (1992) considered selecting the Company as the successful bidder to operate the Project. On 14 September 2012, the Company and EXAT executed the Concession Agreement for Investment, Design, Construction, Operation, Service and Maintenance of the Project, which is a BTO concession (Build, Transfer and Operate) for a concession period of 30 years from 15 December 2012 to 15 December 2042. 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. In each loan drawdown, the Lenders Consulting Engineer shall consider confirming such costs under the construction contract in support of the drawdown.

Under the new 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.

3.3.2 Environmental Impact

The Company is always environmentally aware. In the construction of the Expressways under the Second Stage Expressway Agreement and the Bang Pa-in - Pak Kret Expressway Agreement, the Company and the Subsidiary shall comply with the measures to prevent 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. 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 2012, the Company continued to maintain the ISO 14001 : 2004 Environmental Management System, by following up possible environmental issues, as well as optimizing the use of natural resources through its continued energy management measures, such as, using the 30-watt Light-emitting Diode or LED technology instead of the existing 250-watt Metal Halide technology in order to save energy, not to mention the LED technology's longer useful life, thereby minimizing repair and maintenance the gantry sign lighting on the Expressways; alleviating the traffic congestion on the Expressways, as well as minimizing air pollution and global warming.

The Company provides support for QCC agency or group in research for development of work solutions or equipment in order to minimize time and use of natural resources, with at least 70 issues each year. A sample project in 2012 which helps minimize power consumption is the use of an inverter system to control the rotational speed of the compressor so as to control the amount of injected refrigerant in response to load, by changing to a VRV (Variable Refrigerant Volume) air-conditioner in replacement of a worn-out split type air-conditioner, which would save energy up to 39 percent per year (as compared to the existing air-conditioning system), as well as minimizing CFC which jeopardizes the atmosphere.

With respect to the environmental management, the Company has an engineering analysis agency comprising knowledgeable and skilled personnel in traffic engineering and safety on the Expressways to conduct studies on impacts from various factors. A traffic simulation has been made for study of the suitability in the improvement of physical characteristics at the front areas of toll plazas, as well as inspection of road safety; analysis of risk areas on Expressways; study of features and patterns in the installation of safety equipment, in order to improve the Expressways to ensure the maximum safety for motorists, as well as minimizing environmental impact. In 2012, 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.

4. Property Used in Business Operations

4.1 Rights to Operate Completed Expressway Sectors

Class of Assets	Net Book Value (Million Baht) as at 31 December 2012
Si Rat Expressway, Sectors A, B and C	14,189
Si Rat Expressway, Sector D	5,354
Udon Ratthaya Expressway	8,762
Total	28,305

Given that the Expressway Agreements of the three Projects are on a BTO (Build, Transfer and Operate) basis, the title to all Expressways, including various permanent constructions in relation to or used in connection with the Expressway Systems, shall be vested in EXAT immediately upon completion of construction and opening for service. the Company is entitled to utilize such property with the duty to keep such property maintained throughout the term of the Agreements. The Second Stage Expressway Agreement (Si Rat Expressway) has a term of 30 years from 1 March

1990 and may be renewed for two times of 10 years each, subject to the conditions to be agreed upon between the Company and EXAT. The Agreement for the Extension of the Second Stage Expressway, Sector D, has a term of 30 years from 17 April 1997. The Bang Pa-in - Pak Kret Expressway Project Agreement (Udon Rattaya 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 Rattaya Expressway which shall be paid to EXAT, including the costs of maintenance of the Expressways throughout the term of the Agreements.

4.2 Investment in Other Companies

The Company has policies to invest in the public utilities or related business in support of its operations and providing opportunities and long-term yields to the Company. As at 31 December 2012, the Company has invested in the following companies:

Unit: Million Baht

Company	Type of business	Registered capital	Paid-up capital	Shareholding percentage	Cost of investment
Northern Bangkok Expressway Company Limited	Construction and management of the Udon Rattaya Expressway	6,000	5,250	53.33%	2,450
Bangkok Metro Public Company Limited	Concession from the Mass Rapid Transit Authority of Thailand	11,950	11,950	11.23%	1,668
Thai Tap Water Supply Public Company Limited	Production and distribution of tap water	3,990	3,990	9.24%	1,137
CK Power Limited	Holding Company	9,200	9,200	30.00%	2,760
Xayaburi Power Company Limited	Construction and operation of the hydroelectric power project	16,250	1,000	7.50%	147

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 Rattaya 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 2012, the Subsidiary called for share payment of 75 percent of the increased registered capital of Baht 3,000 Million. As at 31 December 2012, the Subsidiary has the paid-up registered capital in the amount of Baht 5,250 Million. At present, the Company holds shares in the Subsidiary, representing 53.33 percent of its registered capital. Since the Company provided a large amount of loans for the Subsidiary and also is the only creditor of the Subsidiary, the Company has therefore assigned its six executives to be members of the Subsidiary's board of directors, from a total of seven directors of the Subsidiary. In case the Subsidiary would take any actions which may significantly affect the Company, the Subsidiary would be required to seek prior approval from the Company's Board of Directors' Meeting. Furthermore, the Company is also the contractor for all works of the Subsidiary.

2. Bangkok Metro Public Company Limited ("BMCL")

The Company invested in Bangkok Metro Public Company Limited (BMCL), a company awarded concession from the Mass Rapid Transit Authority of Thailand (MRTA), to invest in the M&E Equipment, together with providing a train operation service, repair and maintenance of the MRTA Initial System, throughout the 25-year concession period, with the right to receive fare revenue and take various activities to derive revenue from the commercial development at the

stations. The benefits to be derived by the Company shall be in the form of dividend from such investment. BMCL's securities were listed on the Stock Exchange of Thailand on 21 September 2006. As at the end of 2012, the Company holds shares in BMCL, representing 11.23 percent of its registered capital. The 220 million ordinary shares in BMCL which the Company purchased from a shareholder have been pledged as security of long-term loan of BMCL. The Company, in the capacity as a shareholder, sent one representative to be a member of the board of directors of BMCL. Currently, BMCL has a plan to expand its service to the MRT Purple Line Project which would connect with the MRT Blue Line at Bang Sue station, currently operated by BMCL, including other extension lines in the future.

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

The Company invested in Thai Tap Water Supply Public Company Limited (TTW), which operates the business of production and distribution of tap water to the Provincial Waterworks Authority in the vicinity of Nakhon Pathom Province and Samut Sakhon Province, under the Water Purchase and Sale Agreement with the Provincial Waterworks Authority with a 30-year contract term from 21 July 2004. In 2007, TTW invested in Pathum Thani Water Co., Ltd., representing 98 percent of its registered capital, whereby such company operates the business of production and distribution of tap water in the vicinity of Pathum Thani and Rangsit, under the Water Purchase and Sale Agreement with the Provincial Waterworks Authority with a 25 - year contract term from 15 October 1998. Currently, TTW expanded its business by producing and selling tap water and providing water treatment service for industrial areas. TTW's securities were listed as listed securities on the Stock Exchange of Thailand on 22 May 2008. In 2009, TTW started its operation to produce and sell tap water and provide water treatment service to customers in Bang Pa-in Industrial Estate. In addition, in 2011, TTW invested in the energy business by holding 30 percent of shares in CK Power Limited, a company investing in other companies operating the energy business. The Company, in the capacity as a shareholder, sent one representative to be a member of the board of directors of TTW. The benefits to be derived by the Company from investment in TTW shall be dividend income. In 2012, the Company received dividend from TTW at the rate of Baht 0.25 per share for the operational results for the second half of 2011; and at the rate of Baht 0.22 per share for the operational results for the first half of 2012, totaling Baht 173 Million. On 19 December 2012, the Board of Directors' Meeting No. 5/2012 was of the view that TTW was a company with stability and low risk in the business operations, and the investment in TTW would provide long-term yields, and therefore resolved to grant approval for proposing the matter to the Extraordinary General Meeting of Shareholders No. 1/2013 for consideration and approval for the Company to acquire additional 438.9 million ordinary shares in TTW, representing 11 percent of its registered capital, at the price of Baht 7.55 per share, totaling Baht 3,313.7 Million. Upon inclusion of the existing 368.8 million shares in TTW held by the Company, the Company would hold a total of 807.7 million shares in TTW or representing 20.24 percent of its registered capital, which shall be deemed that TTW is its affiliated company, and as a result, The Company is able to record the recognition of the share of profits in TTW as income in its consolidated statement of income other than dividend income only, thereby increasing the Company's total net profit. As at the end of 2012, the Company holds shares in TTW, representing 9.24 percent of its registered capital.

On 6 February 2013, the Extraordinary General Meeting of Shareholders No. 1/2013 resolved to grant approval for the Company to acquire additional 438.9 million ordinary shares in TTW, at the price of Baht 7.55 per share. At present, the Company has already acquired such additional shares as approved, and as a result, the Company holds shares in TTW, representing 20.24 percent of its registered capital. Given the Company's increased shareholding in TTW, the Company would have an additional director in TTW, totaling two directors in TTW.

4. SouthEast Asia Energy Limited ("SEAN")

The Company invested in SouthEast Asia Energy Limited (SEAN), a company which invested in Nam Ngum 2 Power Company Limited and was awarded the concession from the Government of the Lao People's Democratic Republic for design, development, construction and operation of the Nam Ngum 2 Hydroelectric Power Project, with a 25-year concession period from the date of commencement of the operation. The benefits to be derived by the Company shall be in the form of dividend from such investment. With respect to the shareholding percentage in Nam Ngum 2 Power Company Limited, 75 percent of shares are held by SEAN, and the remaining 25 percent are held by Electricite du Laos. In 2011, the construction of the Nam Ngum 2 Hydroelectric Power Project was completed according to plan and the commercial operation started in March 2011. On 25 April 2012, the 2012 Annual Ordinary General Meeting of Shareholders resolved to approve the sale of all 110.1 million shares in SEAN held by the Company, together with its commitment to provide financial support to SEAN and NN2 to CK Power Limited (CKP), at the price of Baht 25 per share, totaling Baht 2,752.8 Million. The Company already received the share payment and transferred such shares to CKP on 10 May 2012, by recognizing the gain on sales of shares in the statement of income in the amount of Baht 1,650 Million.

5. CK Power Limited (“CKP”)

The Company jointly invested in the establishment of CK Power Limited (CKP), which operates main business by investing in other companies operating the energy business. As at 31 December 2012, 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.; 46 percent in Bangpa-in Cogeneration Limited; and 100 percent in Bangkhenchai Co., Ltd. The benefits to be derived by the Company shall be in the form of dividend from investment. As at the end of 2012, the Company holds shares in CKP, representing 30 percent of its registered capital. The Company, in the capacity as a shareholder, sent two representatives to be members of the board of directors of CKP.

6. Xayaburi Power Company Limited (“XPCL”)

The Company invested in Xayaburi Power Company Limited (XPCL), a company which was awarded the concession from the Government of the Lao Peoples 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 2012, the Company holds shares in XPCL, representing 7.50 percent of its registered capital. The Company, in the capacity as a shareholder, sent one representative to be a member of the board of directors of XPCL. All ordinary shares in XPCL held by the Company have been pledged as security of long-term loan of XPCL.

4.3 Plant and Equipment

4.3.1 Bangkok Expressway Public Company Limited

Class of Assets	Net Book Value (Million Baht) as at 31 December 2012
Building and construction improvement	14.05
Furniture and fixture	1.47
Tools, instrument and equipment	139.42
Motor vehicles	94.23
Total	249.17

The Company’s head office is located at the Second Stage Expressway Control Center Building, which is part of the Second Stage Expressway Project. Despite the fact that the title to such Building is owned by 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 2012
Motor vehicles	1.12
Total	1.12

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 Work under Construction of the Si Rat - Outer Ring Road Expressway Project

On 25 April 2012, the 2012 Annual Ordinary General Meeting of Shareholders resolved to grant approval for the Company to invest in the Si Rat - Outer Ring Road Expressway Project. On 14 September 2012, The company executed the Concession Agreement for Investment, Design, Construction, Management, Operation and Maintenance of the Si Rat - Outer Ring Road Expressway Project with the Expressway Authority of Thailand, for a concession period of 30 years, and the Project Management Agreement for the Si Rat - Outer Ring Road Expressway Project with CH. Karnchang Public Company Limited, with a contract value of Baht 22,500 Million. The construction period shall not exceed 48 months, and the construction commenced on 15 December 2012.

4.5 Investment Property

4.5.1 Bangkok Expressway Public Company Limited

The company has land with an area of 90 rai 38 square wah, located at Bang Pa-in Industrial Estate, Amphoe Bang Pa-in, Phra Nakhon Si Ayutthaya Province, which is used as the site of the precasting yard for concrete segments during the construction of the Expressways, having a book value of Baht 120 Million, recorded at cost, as at 31 December 2012, and a fair value of Baht 270 Million, as assessed based on the market price. Such land has been used to secure credit facilities extended by the group of lenders.

5. Legal Disputes

5.1 Disputes with the Expressway Authority of Thailand (EXAT)

Currently, the Company and its Subsidiary have a total of 15 disputes with EXAT, which were referred to the consideration of the Panel and to arbitration in accordance with the dispute settlement procedures under the Agreements, divided into the disputes that the company the Company and its Subsidiary referred to the dispute settlement proceedings under the Agreements to claim damages in the total amount until the dates of submission of the disputes of approximately Baht 14,201.8 Million; and the disputes submitted by EXAT claiming damages in the total amount until the dates of submission of the disputes of approximately Baht 15.8 Million, against which the Company counterclaimed in the amount of Baht 5,114 Million, with key summaries of the respective disputes as follows:

5.1.1 Disputes submitted by the Company and its Subsidiary claiming damages

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

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

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

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

On December 15, 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 November 13, 1992 to September 2, 1993, amounting to Baht 1,974.6 Million, calculated for interest up to June 30, 2001, amounting to Baht 1,856.8 Million, totaling Baht 3,831.4 Million, including the interest from July 1, 2001 onwards until the payment would be made in full to the Company and EXAT's counterclaim was dismissed. EXAT thus had no right to demand the Company to compensate for such toll revenue as per the counterclaim in the amount of Baht 15,575.4 Million. In this regard, EXAT issued a letter refusing to comply with the arbitral award.

On April 20, 2009, EXAT submitted a petition to the Central Administrative Court requesting the Court to revoke the arbitral award or order refusing to enforce compliance with the arbitral award. The Company submitted its answer to such petition to the Central Administrative Court. On October 19, 2011, the Company submitted a petition to the Central Administrative Court requesting a judgment to enforce compliance with the arbitral award as another case, with the disputed amount of Baht 5,021.1 Million, in response to which EXAT submitted its objection to the Administrative Court.

At present, both cases are pending the Central Administrative Court's consideration.

2. Competing road with the Udon Raththaya Expressway

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

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

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

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

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

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

At present, both cases are pending the Central Administrative Court's consideration.

3. Issuance of variation orders by EXAT

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

On May 3, 2006, the Panel terminated its consideration since both parties could not reach an agreement. On December 9, 2009, the Company submitted a statement of claim to the Thai Arbitration Institute, demanding EXAT to compensate for damages caused by EXAT's issuance of three variation orders for total construction costs and expenses of Baht 209.1 Million, together with interest until December 9, 2009 in the amount of Baht 173.4 Million, thereby bringing the principal with interest to a total of Baht 382.5 Million, in response to which, EXAT submitted its statement of defense to the Thai Arbitration Institute.

The dispute is currently in the course of witness examination, whereby the Company had three witnesses testify and EXAT had one witness testify, with the next hearings for examination of EXAT's witnesses to be held on January 29 and February 18, 2013.

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

According to the Agreements, the Company and its Subsidiary were required to complete the construction of the Expressways for opening for service within the specified time. However, when the

Company and its Subsidiary had completed the construction and the Independent Certification Engineer had issued letters certifying that the Expressways could be opened for service as a public road, EXAT did not effect the opening of Sector D of the Si Rat Expressway and the Udon Raththaya Expressway for service. Such deferred opening of the Expressways then affected the financial position of the Company and its Subsidiary.

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

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

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

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

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

At present, the Company and EXAT have appointed their arbitrators, and the arbitrators have jointly selected the Chairman of the Arbitral Tribunal. In this regard, the Arbitral Tribunal has scheduled the date for examination of the Company's witnesses to be held on February 15 and 22, 2013.

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

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

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

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

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

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

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

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

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

5.1.2 Disputes submitted by EXAT claiming damages

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

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

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

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

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

2. Other disputes

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

On September 25, 2009, the Arbitral Tribunal issued its arbitral award on one dispute, requiring the Company to reimburse EXAT for the amount advanced by EXAT for mitigation of damage for complainants, in the amount of Baht 1.4 Million plus interest of Baht 0.3 Million, totaling Baht 1.7 Million. On January 14, 2010, the Company submitted a petition to the Central Administrative Court requesting the Court to revoke the arbitral award. On June 2, 2010, EXAT submitted an objection to the petition requesting compliance with the arbitral award to the Court. Subsequently, on February 22, 2012, EXAT submitted a petition requesting compliance with the arbitral award to the Central Administrative Court as another case, in response to which, the Company submitted its answer to such petition to the Central Administrative Court on June 15, 2012. EXAT submitted its objection to the Central Administrative Court on September 21, 2012, and the Company submitted its additional answer to such objection to the Central Administrative Court on December 25, 2012.

At present, both cases are pending the Central Administrative Court's consideration.

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

5.2 Lawsuit

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

On September 26, 2007, the Court of First Instance adjudged to dismiss the plaintiff's claim. On November 8, 2007, the plaintiff filed an appeal with the Appeal Court. The Appeal Court, on April 24, 2012, rendered its judgment requiring EXAT and the Company to jointly pay the plaintiff in the total amount of Baht 2,309,977, together with interest at the rate of 7.5 percent per annum from May 21, 2005 onwards until such payment would be made in full. The Company, EXAT and the plaintiff have filed their appeals to the Supreme Court. At present, the case is pending the Supreme Court's consideration.

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

6. Capital Structure

6.1 Company Securities

6.1.1 The Company has the registered capital of Baht 8,000 Million, comprising 800 million ordinary shares at the par value of Baht 10 per share, Baht 7,700 Million of which has already been paid up, divided into 770 million ordinary shares at the par value of Baht 10 per share.

- 6.1.2 As at 28 December 2012, the Company's 76,690,637 ordinary shares were used as underlying securities for issuance of Non-Voting Depositary Receipt or NVDR, representing 9.96 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.

6.2 Long-Term Loans and Debentures

6.2.1 Long-Term Loans

As at 31 December 2012, the Company has long-term loans in the amount of Baht 2,806 Million, at the fixed interest rate of 4.00 percent per annum. The repayment of the principal is scheduled to be made every month and such repayment shall be made in full by July 2014.

6.2.2 Debentures

The Company issued debentures in March 2012 in the amount of Baht 1,000 Million, with maturity of 3 years at the fixed interest rate of 4.12 percent per annum for repayment of the existing debentures due in 2012; and issued debentures in October 2012 in the amount of Baht 2,000 Million, with maturity of 4 years at the fixed interest rate of 4.08 percent per annum for advance payment under the Project Management Agreement for the Si Rat - Outer Ring Road Expressway Project. As at 31 December 2012, the Company has debentures in the amount of Baht 16,200 Million, as per the following details:

Details of Debentures	Debentures No. 1/2007 Tranche 3	Debentures No. 1/2008 Tranche 2	Debentures No. 1/2009	Debentures No. 2/2009
Debenture Symbol	BECL148A	BECL13NA	BECL139A	BECL133A
Total Value of Debentures	Baht 1,700 Million	Baht 1,100 Million	Baht 1,000 Million	Baht 1,000 Million
Type of Debentures	Unsubordinated and unsecured debentures bearing names of the holders with a debenture holder representative	Unsubordinated and unsecured debentures bearing names of the holders with a debenture holder representative	Unsubordinated and unsecured debentures bearing names of the holders with a debenture holder representative	Unsubordinated and unsecured debentures bearing names of the holders without a debenture holder representative
Number of Debentures	1,700,000 units	1,100,000 units	1,000,000 units	1,000,000 units
Par Value per Unit	Baht 1,000	Baht 1,000	Baht 1,000	Baht 1,000
Interest Rate per annum	5.20%	1 st - 2 nd years: 5.20% 3 rd - 4 th years: 5.65% 5 th year: 6.00%	4.25%	4.10%
Maturity	7 years	5 years	4 years	3 years 6 months
Issue Date of Debentures	2 August 2007	7 November 2008	11 September 2009	15 September 2009
Maturity Date	2 August 2014	7 November 2013	11 September 2013	15 March 2013
Registrar	KBANK	KBANK	KBANK	KBANK
Early Redemption Right	-None-			
Repayment of Principal	The issuer of debentures shall make a repayment of the principal in full on the Maturity Date.			
Rating	A	A	A	A

Debentures (continued)

Details of Debentures	Debentures No. 3/2009	Debentures No. 1/2010	Debentures No. 2/2010	Debentures No. 3/2010
Debenture Symbol	BECL155A	BECL136A	BECL135A	BECL173A
Total Value of Debentures	Baht 2,000 Million	Baht 1,000 Million	Baht 1,000 Million	Baht 1,500 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	1,000,000 units	1,000,000 units	1,500,000 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 + 1.33%	6m FDR + 1.33%	6m FDR + 1.65%
Maturity	5 years 5 months 2 days	3 years 3 months	3 years 2 months	7 years
Issue Date of Debentures	28 December 2009	3 March 2010	17 March 2010	31 March 2010
Maturity Date	30 May 2015	3 June 2013	17 May 2013	31 March 2017
Registrar	SCB	KBANK	KBANK	SCB
Early Redemption Right	-None-			
Repayment of Principal	The issuer of debentures shall make a repayment of the principal in full on the Maturity Date.			
Rating	A	A	A	A

Details of Debentures	Debentures No. 1/2011 Tranche 1	Debentures No. 1/2011 Tranche 2	Debentures No. 2/2011	Debentures No. 1/2012
Debenture Symbol	BECL144A	BECL214A	BECL18DA	BECL153A
Total Value of Debentures	Baht 1,000 Million	Baht 1,000 Million	Baht 900 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

Details of Debtentures	Debtentures No. 1/2011 Tranche 1	Debtentures No. 1/2011 Tranche 2	Debtentures No. 2/2011	Debtentures No. 1/2012
Number of Debtentures	1,000,000 units	1,000,000 units	900,000 units	1,000,000 units
Par Value per Unit	Baht 1,000	Baht 1,000	Baht 1,000	Baht 1,000
Interest Rate per annum	3.70%	4.72%	4.60%	4.12%
Maturity	3 years	10 years	7 years	3 years
Issue Date of Debtentures	29 April 2011	29 April 2011	29 December 2011	28 March 2012
Maturity Date	29 April 2014	29 April 2021	29 December 2018	28 March 2015
Registrar	TMB	TMB	TMB	SCB
Early Redemption Right	-None-			
Repayment of Principal	The issuer of debtentures shall make a repayment of the principal in full on the Maturity Date.			
Rating	A	A	A	A

Details of Debtentures	Debtentures No. 2/2012
Debtenture Symbol	BECL160A
Total Value of Debtentures	Baht 2,000 Million
Type of Debtentures	Unsubordinated and unsecured debtentures bearing names of the holders without a debtenture holder representative
Number of Debtentures	2,000,000 units
Par Value per Unit	Baht 1,000
Interest Rate per annum	4.08%
Maturity	4 years
Issue Date of Debtentures	10 October 2012
Maturity Date	10 October 2016
Registrar	TMB
Early Redemption Right	-None-
Repayment of Principal	The issuer of debtentures shall make a repayment of the principal in full on the Maturity Date.
Rating	A

6.3 Shareholders

As at 3 January 2013, which is the latest date the share register book was closed, the major shareholders were as follows:

Shareholders	Ratio of Shareholding	
	Number of Shares	% of total number of shares
1. CH. Karnchang Public Company Limited	116,669,550	15.15
2. Thai NVDR Company Limited	76,678,637	9.96
3. Bangkok Bank Public Company Limited	55,295,390	7.18
4. BNY Mellon Nominees Limited	45,232,100	5.87
5. HSBC Singapore Nominees PTE LTD	40,701,600	5.29
6. Krung Thai Bank Public Company Limited	38,500,550	5.00
7. Bangkok Life Assurance Public Company Limited	36,972,300	4.80
8. State Street Bank Europe Limited	18,383,869	2.39
9. State Street Bank and Trust Company	18,123,214	2.35
10. The Bank of New York (Nominees) Limited	16,685,131	2.17
11. Chase Nominees Limited 1	13,947,900	1.81
12. United Overseas Bank (Thai) Public Company Limited	13,421,470	1.74
13. The Bank Of New York Mellon	10,247,100	1.33
14. Ch. Karnchang-Tokyu Construction Co., Ltd.	10,051,140	1.31
15. Social Security Office (2 Cases)	9,449,700	1.23
16. American International Assurance Company, Limited-Apex	7,405,700	0.96
17. Norbax Inc,21	7,329,600	0.95
18. American International Assurance Company, Limited-Tiger	6,945,800	0.90
19. Raffles Nominees (PTE) Limited	6,531,234	0.85
20. East Fourteen Limited Dimensional Emer Mkts Value FD	5,220,100	0.68
21. Mr. Chuwit Chitsakul	5,152,000	0.67
22. American International Assurance Company, Limited - AIA D-Plus	5,135,000	0.67
23. Tokyu Construction Company Limited	4,551,150	0.59
24. Chase Nominees Limited	4,546,500	0.59
25. Chase Nominees Limited 4	4,288,200	0.56
26. Citybank Nominees Singapore PTE Ltd - UBS AG London Branch - NRB	3,944,300	0.51
Total	581,409,235	75.51
Others	188,590,765	24.49
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.

6.4 Policy on Dividend Payment

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

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

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

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

Dividend from Operations	Dividend Declared (Million Baht)	Dividend per share (Baht)	Net Profit (Million Baht)		Percentage of Dividend to Net Profit	
			Consolidated Financial Statements	Separate Financial Statements	Consolidated Financial Statements	Separate Financial Statements
2008						
- First half	385	0.50	634	762	61	51
- Second half	462	0.60	810	718	57	64
Total in 2008	847	1.10	1,444	1,480	59	57
2009						
- First half	424	0.55	881	965	48	44
- Second half	539	0.70	821	610	66	88
Total in 2009	963	1.25	1,702	1,575	57	61
2010						
- First half	424	0.55	823	881	51	48
- Second half	577	0.75	980	1,020	59	57
Total in 2010	1,001	1.30	1,803	1,901	56	53
2011						
- First half	462	0.60	794	812	58	57
- Second half	539	0.70	614	568	88	95
Total in 2011	1,001	1.30	1,408	1,380	71	73
2012						
- First half	477	0.62	1,462	1,994	33	24
- Second half	678 ⁽¹⁾	0.88 ⁽¹⁾	792	719	86	94
Total in 2012	1,155	1.50	2,254 ⁽²⁾	2,713 ⁽³⁾	51	43

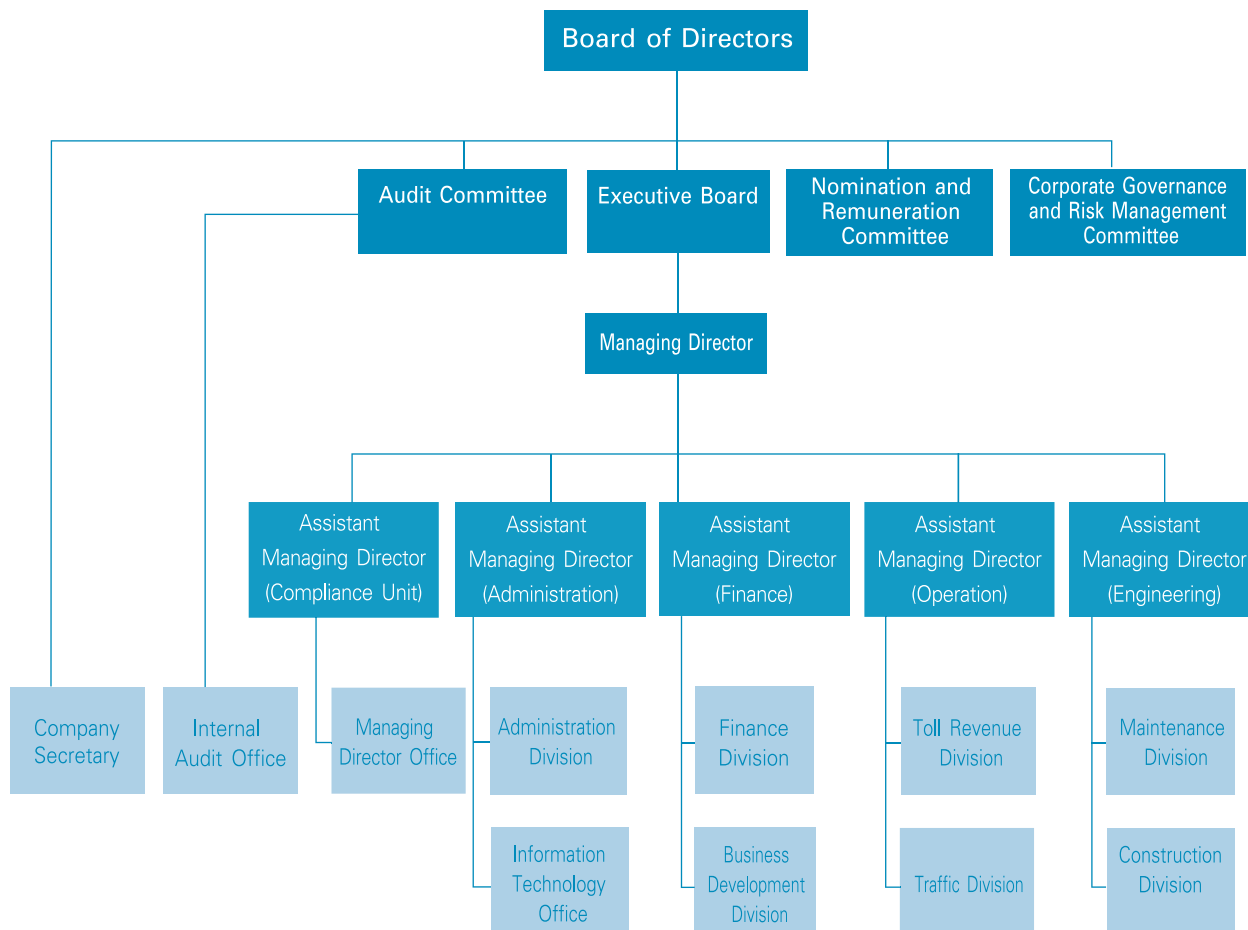
Remarks: ⁽¹⁾ This is included in the Agenda for the 2013 Annual Ordinary General Meeting of Shareholders on 24 April 2013.

⁽²⁾ This is divided into normal operating profit amounting to Baht 1,478 Million and gain on sales of investment in SouthEast Asia Energy Limited, net of tax, amounting to Baht 776 Million.

⁽³⁾ This is divided into normal operating profit amounting to Baht 1,441 Million and gain on sales of investment in SouthEast Asia Energy Limited, net of tax, amounting to Baht 1,272 Million.

7. Management

7.1 Management Structure



Remark: Management Structure as at 31 December 2012

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, with the Managing Director as the highest executive of the Management Team, totaling 17 persons.

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 members of the four subcommittees and executives, including authority and duties of the respective committees and the nomination procedures are described as follows:

7.1.1 Board of Directors

At present, the Board of Directors has 12 directors, whose names, as at 27 February 2013, are as follows:

Name-Surname	Position	Category	Term of Office
1. Dr. Virabongsa Ramangkura	Chairman of the Board of Directors	Independent Director	From 7 April 2011 until the 2014 Annual Ordinary General Meeting of Shareholders
2. Prof. Suphachai Phisitvanich	Director Audit Committee Chairman Corporate Governance and Risk Management Committee Chairman	Independent Director	From 22 April 2010 until the 2013 Annual Ordinary General Meeting of Shareholders
3. Gen. Sampao Choosri	Director Audit Committee Member Nomination and Remuneration Committee Chairman Corporate Governance and Risk Management Committee Member	Independent Director	From 25 April 2012 until the 2015 Annual Ordinary General Meeting of Shareholders
4. Dr. Annop Tanlamai	Director Audit Committee Member Nomination and Remuneration Committee Member Corporate Governance and Risk Management Committee Member	Independent Director	From 14 September 2011 until the 2014 Annual Ordinary General Meeting of Shareholders
5. Mr. Plew Trivisvavet	Director Chairman of the Executive Board Nomination and Remuneration Committee Member	Executive Director	From 7 April 2011 until the 2014 Annual Ordinary General Meeting of Shareholders
6. Mr. Supong Chayutsahakij	Director Vice Chairman of the Executive Board Nomination and Remuneration Committee Member Corporate Governance and Risk Management Committee Member	Executive Director	From 25 April 2012 until the 2015 Annual Ordinary General Meeting of Shareholders
7. M.L. Prasobchai Kasemsant	Director Executive Director	Executive Director	From 22 April 2010 until the 2013 Annual Ordinary General Meeting of Shareholders
8. Mr. Panit Dunnvatanachit ⁽¹⁾	Director	Non-Executive Director	From 25 April 2012 until the 2015 Annual Ordinary General Meeting of Shareholders
9. Miss Arisara Dharamadhaj	Director	Non-Executive Director	From 25 April 2012 until the 2015 Annual Ordinary General Meeting of Shareholders
10. Mrs. Vallapa Assakul	Director Executive Director	Executive Director	From 22 April 2010 until the 2013 Annual Ordinary General Meeting of Shareholders
11. Mr. Chavalit Wathanakul ⁽²⁾	Director	Non-Executive Director	From 27 February 2013 until the 2014 Annual Ordinary General Meeting of Shareholders
12. Mrs. Payao Marittanaporn	Director Executive Director Managing Director	Executive Director	From 22 April 2010 until the 2013 Annual Ordinary General Meeting of Shareholders

Remarks: The executives profiles appear in pages 115 to 120.

⁽¹⁾ Mr. Panit Dunnvatanachit resigned from the position of Executive Director on 4 July 2012.

⁽²⁾ Mr. Chavalit Wathanakul was appointed on 27 February 2013 to replace Mr. Lertsak Chingharanon who resigned on 11 January 2013.

The Company defined the term of independent director which becomes stricter than that defined by the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand, whereby independent directors shall possess the qualifications as follows:

1. Holding no more than 0.5 percent of the paid-up capital of the Company, its parent company, subsidiary, associated company, or legal entity which may have conflict of interest, including such shares held by related persons and other qualifications as stipulated by the Office of SEC.
2. Having no involvement in the management, not being employee/staff/advisor receiving a regular salary or controller of the

Company, its parent company, subsidiary, associated company, subsidiary at the same level or legal entity which may have conflict of interest at present and during the past two years prior to appointment.

3. Having neither relationship by blood or by legal registration in the capacity as parent, spouse, sibling and offspring, including spouse of the offspring, with any executive, major shareholder, controller or person to be nominated as executive or controller of the Company or its subsidiary.
4. Having neither business relationship with the Company, its parent company, subsidiary, associated company, or legal entity which may have conflict of interest at present and during the past two years prior to appointment in the following manners:
 - (1) Provision of professional services, i.e., auditor, other professional service provider receiving fee more than Baht 2 Million per year, such as, legal advisor, financial advisor, property appraiser, etc.
 - (2) Trading/business with a transaction value of Baht 20 Million or more or at least 3 percent of the Company's net tangible asset value, whichever is lower, and, in considering the transaction value, any transactions executed during the past six months prior to the date of this transaction execution shall be included.
5. Not being a director who is appointed as representative of any director, major shareholder or any shareholder who is a related person of any major shareholder of the Company.
6. Not having any other characteristics preventing him/her from giving an independent opinion.

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

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

The Board of Directors Authority and Duties

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

The Chairman of the Board of Directors' Authorities and Duties

The Chairman of the Board of Directors shall monitor the administration by the Management and provide suggestions for the business operations through the Executive Board and the Managing Director on a regular basis without interference in the routine works under the responsibility of the Management. The Chairman of the Board of Directors also plays an important role in making decisions on the Company's policies, which the Board of Directors has jointly considered and set out the business goals with the Management. The Chairman of the Board of Directors shall have 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, as well as ensuring their strict compliance with the good corporate governance principles and taking into account the shareholders' rights.

The Board of Directors Meeting

The Board of Directors schedules to regularly meet at least every three months, whereby in 2012, the Board of Directors convened five meetings, with one meeting among directors without the Management.

Nomination, Appointment and Term of Office of Directors

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

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

More than one candidate having equal votes for the final vacancies shall be appointed by drawing of lots.

7.1.2 Audit Committee

The Board of Directors appointed the Audit Committee to assist in supervising the Company's business, whereby Prof. Suphachai Phisitvanich, an independent director who has the knowledge in the field of accounting and finance, was appointed to hold office as Audit Committee Chairman. As at 31 December 2012, 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 served as Audit Committee member with the knowledge in the field of accounting and finance.

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

The Audit Committee shall regularly meet at least every quarter with the external auditor, the internal auditor and the Management and executives responsible for account and finance, for review of financial statements on a quarterly basis and report to the Board of Directors, or in case the Management Team would execute any connected transactions or transactions relating to asset acquisition or disposal which shall take into

account appropriateness, justification and the utmost benefit of the Company, the Audit Committee Chairman may convene additional meeting, whereby in 2012, the Audit Committee convened six meetings and there was one meeting with the auditors without the Management.

The Audit Committee's Authority and Duties

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

Nomination, Appointment and Term of Office of the Audit Committee

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

7.1.3 Nomination and Remuneration Committee

The Board of Directors appointed the Nomination Committee and the Remuneration Committee to perform the duty to nominate and consider remuneration for directors and the Managing Director to ensure transparency and fairness, by appointing General Sampao Choosri, an independent director, to hold the position of Chairman of the Nomination and Remuneration Committee in accordance with the good corporate governance principles which state that the chairman of each subcommittee should be an independent director. As at 31 December 2012, 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 | |

In 2012, the Nomination and Remuneration Committee convened one meeting for nomination of qualified persons to be proposed and appointed as directors of the Company to replace the directors who retired by rotation and directors who resigned prior to the end of term, and for review of remuneration of directors for 2012

and bonus for 2011 for submission to the 2012 Annual Ordinary General Meeting of Shareholders for approval and consideration of remuneration for the Managing Director in accordance with the result of performance evaluation for submission to the Board of Directors for approval.

The Nomination and Remuneration Committees Authority and Duties

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

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

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

7.1.4 Corporate Governance and Risk Management Committee

The Board of Directors appointed the Corporate Governance and Risk Management Committee to perform the duty to formulate policies and directions of operations in respect of the good corporate governance of the Company, including business ethics and to ensure performance of duties with transparency and independence in compliance with the guidelines of the good corporate governance which state that the majority of members of the subcommittees should be independent directors. Therefore, the Board of Directors appointed three independent directors to hold the position of the Corporate Governance and Risk Management Committee Members. As at 31 December 2012, 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 | |

In 2012, the Corporate Governance and Risk Management Committee convened two meetings for following up and evaluating the results of performance in compliance with the good corporate governance principles and considering the risk management plan of the Company.

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

1. Studying and following up movement, tendency and performance in respect of the good corporate governance for submission to the Board of Directors for consideration as to appropriateness for adoption as guidelines for the Company's operations.
2. Improving and proposing the good corporate governance policy of the Company, including business ethics, to the Board of Directors.
3. Following up and evaluating the results under the good corporate governance principles of the Company as well as reporting the same to the Board of Directors.
4. Considering policies and work plans relating to risk management for submission to the Board of Directors for consideration.
5. Monitoring and reviewing overall risk management of the Company, strategies for risk management and alert system of all kinds of risk management in order to deal with risks to stay at acceptable level to ensure compliance with the risk management policy of the Company.
6. Reporting risks and operations for minimizing risks to the Board of Directors.
7. Proceeding with other matters as assigned by the Board of Directors.

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

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

7.1.5 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 2012, the Executive Board comprises five executive directors as listed below:

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

The Executive Boards Authority and Duties

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

Nomination and Appointment of Executive Directors

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

7.1.6 Management Team

The Management Team under the structure as at 31 December 2012 comprises 17 persons (information of executives appears in pages 118 to 120) as listed below:

- | | | |
|-------------------|------------------|---|
| 1. Mrs. Payao | Marittanaporn | Managing Director |
| 2. Mr. Sanguan | Kunatinun | Assistant Managing Director: Engineering |
| 3. Mrs. Sudruthai | Prommart | Assistant Managing Director: Operation |
| 4. Mrs. Ngamnit | Kanokgarnjanar | Assistant Managing Director: Compliance Unit |
| 5. Mr. Phakpoom | Thaweewittayarut | Assistant Managing Director: Administration and Acting General Manager of Administration Division |

6. Miss Panan	Tosuwanthaworn	Assistant Managing Director: Finance
7. Mrs. Wattana	Sittiwattayaporn	Senior General Manager of Construction Division
8. Mr. Phaisan	Lertsalaluck	General Manager of Traffic Division
9. Miss Vasana	Wattananukulchai	General Manager of Internal Audit Office
10. Mr. Omsyn	Pibulwarangkur	General Manager of Maintenance Division
11. Mrs. Supattra	Bumnetphan	General Manager of Toll Revenue Division
12. Mr. Chalermkiat	Sakonwisansak	Deputy General Manager of Maintenance Division
13. Miss Phenporn	Kittiyopars	Deputy General Manager of Information Technology Office
14. Mr. Rungsak	Luengrattanas	Deputy General Manager of Maintenance Division
15. Mrs. Manatsavee	Subchavaroj	Deputy General Manager of Managing Director Office
16. Mrs. Suttida	Sukhanindr	Deputy General Manager of Business Development Division
17. Mr. Kitt	Aphonrat	Deputy General Manager of Finance Division

The Managing Director's Authority and Duties

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

Nomination of Managing Director and Executives

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

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

7.1.7 Company Secretary

The Board of Directors had considered the qualified persons for appointment as Company Secretary. On 28 November 2007, the Board of Directors appointed Mr. Phakpoom Thaweewittayarat, 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, 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 shareholder's meetings.
4. Monitoring to ensure disclosure of information and information memorandum to regulatory units.
5. Contacting and communicating with shareholders and relevant regulatory units, whereby shareholders may inquire or request any information as needed by contacting at Tel. 0 2641 4611 or sending questions via email to companysecretary@becl.co.th.
6. Promoting provision of training in various courses and providing information useful for performance of duties of new directors.
7. Proceeding with other matters as assigned by the Board of Directors.

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

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

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

Remark ⁽¹⁾ Mr. Chavalit Wathanakul was appointed to hold the office on 27 February 2013 to replace Mr. Sintop Sirisingha who resigned on 30 January 2013.

Directors authorized to sign and bind the Subsidiary

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

7.2 Remuneration of Directors and Executives

The Company has a policy to pay remuneration for directors and executives by considering providing appropriate remuneration for directors and executives 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 2012, the remuneration for directors and executives is as follows:

1. Remuneration for directors of the Company comprises annual remuneration, meeting allowance, and bonus. The total remuneration for directors of the Company 2012 amounted to Baht 21,896,072, which was in line with the resolution of the 2012 Annual Ordinary General Meeting of Shareholders which approved the remuneration for directors as bonus for directors for 2011 in the amount of not exceeding Baht 10,000,000 and remuneration for directors for 2012 in the amount of not exceeding Baht 12,600,000.

Name of Director	Position	Remuneration for Directors for 2012						Bonus for 2011
		Board of Directors	Executive Board	Audit Committee	Nomination & Remuneration Committee	Corporate Governance and Risk Management Committee	Total	
1. Dr. Virabongsa Ramangkura	Chairman of the Board of Directors	2,000,000	-	-	-	-	2,000,000	1,170,000
2. Prof. Suphachai Phisitvanich	Director Audit Committee Chairman Corporate Governance and Risk Management Committee Chairman	450,000	-	550,000	-	250,000	1,250,000	994,500
3. Gen. Sampao Choosri	Director Audit Committee Member Nomination and Remuneration Committee Chairman Corporate Governance and Risk Management Committee Member	450,000	-	350,000	225,000	150,000	1,175,000	819,000
4. Dr. Annop Tanlamai	Director Audit Committee Member Nomination and Remuneration Committee Member Corporate Governance and Risk Management Committee Member	450,000	-	350,000	125,000	150,000	1,075,000	227,108
5. Mr. Plew Trivisavet	Director Chairman of the Executive Board Nomination and Remuneration Committee Member	450,000	975,000	-	125,000	-	1,550,000	1,170,000
6. Mr. Supong Chayutsahakij	Director Vice Chairman of the Executive Board Corporate Governance and Risk Management Committee Member Nomination and Remuneration Committee Member	450,000	475,000	-	125,000	150,000	1,200,000	994,500
7. M.L. Prasobchai Kasemsant	Director Executive Director	400,000	450,000	-	-	-	850,000	760,500
8. Mr. Panit Dunnvatanachit ⁽¹⁾	Director Executive Director	450,000	251,630	-	-	-	701,630	760,500
9. Miss Arisara Dharamadhaj	Director	450,000	-	-	-	-	450,000	351,000
10. Mrs. Vallapa Assakul	Director Executive Director	450,000	475,000	-	-	-	925,000	760,500

Unit: Baht

Name of Director	Position	Remuneration for Directors for 2012						Bonus for 2011
		Board of Directors	Executive Board	Audit Committee	Nomination & Remuneration Committee	Corporate Governance and Risk Management Committee	Total	
11. Mrs. Payao Marittanaporn	Director Executive Director Managing Director	450,000	450,000	-	-	-	900,000	760,500
12. Mr. Lertsak Chingharanon ⁽²⁾	Director	374,176	-	-	-	-	374,176	-
13. Mr. Aiyarat Tinapai ⁽³⁾	Director	-	-	-	-	-	-	300,033
14. Prof. Dr. Kanok Wongtrangan ⁽⁴⁾	Director Audit Committee Member Nomination and Remuneration Committee Member Corporate Governance and Risk Management Committee Member	-	-	-	-	-	-	377,125
	Total	6,824,176	3,076,630	1,250,000	600,000	700,000	12,450,806	9,445,266
	Amount approved by shareholders						12,600,000	10,000,000

Remarks: (1) Mr. Panit Dunnvatanachit resigned from his office as executive director on 4 July 2012.
 (2) Mr. Lertsak Chingharanon resigned from his office as director on 11 January 2013.
 (3) Mr. Aiyarat Tinapai resigned from his office as director on 9 November 2011.
 (4) Prof. Dr. Kanok Wongtrangan resigned from his office as director on 1 July 2011.

2. Remuneration for directors of the Subsidiary comprises office remuneration for directors and meeting allowance. The total remuneration for seven directors, which was received from the Subsidiary in 2012, amounted to Baht 880,000.
3. Remuneration for executives from the level of the Managing Director downwards to General Manager, a total of 17 persons, in 2012, amounted to Baht 62,407,375.

7.3 Corporate Governance

The Company has adhered to the good corporate governance principles for management by always realizing the significance and responsibilities towards the shareholders and the stakeholders of the Company, and as such, the Company continued to receive an excellent rating in the assessment of the corporate governance, and in 2012, the Company also received assessments and awards from various organizations and agencies, including assessments by the regulatory units, as follows:

- The Company received an “Excellent” rating in the assessment of the corporate governance of Thai listed companies for 2012 from the Thai Institute of Directors Association.
- The Company received an “Excellent” rating in the assessment of the quality of the 2012 Annual Ordinary General Meeting of Shareholders by the Thai Investors Association.
- The Company received a “Taxpayer Recognition Award” from the Revenue Department which considered its tax payment records, reliability of accounting system and internal control.
- The Company was granted a “Drug Free Workplace Certificate” by the Department of Labor Protection and Welfare as the Company’s drug management system in the business premises was ranked No. 1 as a role model for other business premises.

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

Corporate Governance Policy

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

1. Shareholders' Rights

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

2. Equitable Treatment towards Shareholders

Supervising and monitoring all shareholders to be equally treated under their fundamental rights, laying down measures to prevent inside information usage for seeking personal interests or others which causes damage to shareholders as a whole.

3. Stakeholder's Role

Taking care of every group of all stakeholders based on their rights as specified by applicable laws without any actions in violation of or depriving stakeholders of their rights as well as establishing compensation measure in case any stakeholders suffer any damage arising from violation of the rights, promoting cooperation between the Company and stakeholders in order to build up wealth, financial stability and sustainability towards the Company.

4. Information Disclosure and Transparency

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

5. The Board of Directors' Responsibilities

The Board of Directors shall perform their duties with honesty and due care for the optimum benefit of the Company and fairness to all shareholders under the good internal control system and suitable risk management, including compliance with the Company's code of ethics.

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

7.3.1 Shareholders' Rights

The Company takes into account all groups of shareholders' rights, particularly minority shareholders, foreign shareholders, and institutional shareholders, without limitation to the rights provided by laws only, as well as promoting and supporting all groups of shareholders to participate in the shareholders' meeting.

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

1. Proceedings prior to Meeting

The Board of Directors allows shareholders to exercise the right to propose agenda items of the shareholders' meeting and ask questions in advance, and to exercise the right to nominate qualified persons for consideration and appointment as directors in the Ordinary General Meeting of Shareholders every year, the criteria of which has been posted on the Company's website.

In convening the shareholders' meeting, the Company shall arrange for the meeting date which shall not fall on any long holidays or public holidays; and the appropriate meeting time which shall not be too early in the morning or too late in the evening; including the meeting venue which shall be convenient for commuting, such as, close to a metro station or Expressway on-off ramp, and with sufficient parking area, together with route map of the meeting venue. In 2012, the Company held one shareholders' meeting, namely, the 2012 Annual Ordinary General Meeting of Shareholders on 25 April 2012 at 1:30 p.m. at Novotel Bangkok, Siam Square Soi 6, Bangkok. The notice of the meeting, together with details of each item of the agenda, was prepared both in Thai and English versions, for the benefit of the foreign shareholders, and posted on its website in advance one month prior to the meeting date, as well as submitting notice of the meeting to Thailand Securities Depository Company Limited, as share registrar of the Company, for delivery to shareholders in advance 14 days prior to the meeting date so as to allow shareholders to have time to consider details of each agenda item. In addition, the delivery of the notice of the meeting also includes details relating to documents or evidence in support of the attendance of the meeting, and the Company also arranged duty stamps, free of charge, for shareholders wishing to appoint proxy to attend the meeting. Furthermore, all three proxy forms as specified by law are made available on the Company's website for shareholders to use as appropriate.

2. Proceedings during Meeting

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

The Board of Directors realizes the significance of attendance of the shareholders' meeting for answering questions and taking suggestions of shareholders into consideration. In 2012, 10 directors attended the said meeting, including the Chairman of the Board of Directors, the Audit Committee Chairman, and the chairpersons of subcommittees, and subcommittees, the Managing Director and the Management Team of the Company for answering shareholders' questions on various issues.

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

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

3) Proceedings after Meeting

After the meeting, the Company disseminates the resolutions of the shareholders' meeting on each agenda item on its website within the business day following the meeting date in order for the shareholder's to promptly acknowledge and inspect the voting results.

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

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

7.3.2 Equitable Treatment towards Shareholders

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

1. The shareholders' meeting proceeds in accordance with the order of the agenda as specified in the notice of the meeting without adding any agenda to the meeting without prior notice to the shareholders so that the shareholders' have opportunity to study information in support of consideration of each agenda.
2. In case it is inconvenient for any shareholders to attend the meeting in person, one independent director is nominated by the Company as an option for appointment as proxy of the shareholders for exercising the right to attend and vote on each agenda at the meeting by proxy.
3. Voting cards are provided for every agenda, whereby the Company uses the barcode system in the record and display of the results of casting of votes, as well as arranging the officer to collect the voting cards in the meeting room, and to ensure transparency, the Company has the legal advisor and the shareholders' representative serve as witness in counting the votes.
4. The Company correctly and completely prepares and records the minutes of the meeting and disseminates the same to all shareholders via the Company's website after the minutes have been delivered to the Stock Exchange of Thailand within 14 days after the end of the meeting, and made a video of the atmosphere of the shareholders' meeting available on the Company's website for the shareholders absent from the meeting or for any persons interested in the Company's information to acknowledge details and information of the meeting other than taking the minutes of the meeting, whereby such video has been made available until the next shareholders' meeting.
5. The Company allows shareholders to propose agenda of the shareholders' meeting and nominate qualified persons to be considered and appointed as directors for the annual shareholders' meeting of the Company in advance prior to the meeting during 1-31 December every year, commencing from the 2009 Annual Ordinary General Meeting of Shareholders, whereby the shareholders have been informed via the Stock Exchange of Thailand's website, including criteria for consideration on the Company's website. In this regard, the Board of Directors shall consider the appropriateness of the agenda proposed by the shareholders. As for the persons nominated to be considered and appointed as directors, the Management shall propose such nominations to the Nomination and Remuneration Committee for further submission to the Board of Directors and the shareholders' meeting.
6. The Company has established measures to prevent inside information usage for seeking interest of directors and executives by informing all persons of their roles and duties to report their own securities holding, and on securities holding by their respective spouses or minor children who hold securities of the Company; and to report every change in such securities holding from purchase, sale, transfer or acceptance of transfer of securities, to the Securities and Exchange Commission in accordance with Section 59 of the Securities and Exchange Act B.E. 2535 (1992) within three days from the date of purchase, sale, transfer or acceptance of transfer of securities, whereby the Company shall regularly give warning notice to the Board of Directors thereof. Moreover,

directors and executives have also been informed of their duties and responsibilities as specified, including punishments under the Securities and Exchange Act B.E. 2535 (1992). In addition, the Company prohibits executives who have access to inside information from taking any actions contrary to Section 241 of such Act, including relevant rules and regulations.

7.3.3 Stakeholders' Role

The Company has a clear policy which realizes the significance of rights of every group of all stakeholders, whether inside, such as, staff and executives of the Company and the Subsidiary, or outside, such as, customers, business related persons, lenders, traders, competitors, society and communities, educational institutions adjacent to the Expressways, government sector and other relevant authorities. Any stakeholders wishing to contact or have any comments may directly contact director or Company Secretary at Tel. 02 641 4611 or via email to companysecretary@becl.co.th. In addition, the Company recognizes support from these stakeholders which could help building up the Company's competitiveness and profitability to result in long-term success for the Company. The Board of Directors has laid down the corporate governance policy that the Company shall treat stakeholders based on their rights as specified by applicable laws without any actions in violation of stakeholders' rights; and has established compensation measures in case any stakeholders sustain any damage arising from violation of the rights; 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. **Customers policy:** The Company has a commitment to provision of quality and trusted service, by focusing on making response to customers' need to save their travelling time in Bangkok and its surrounding provinces as well as realizing the significance of the fair treatment towards all customers and has continual work plans for improvement of the Expressway services for motorists to ensure a more rapid and convenient service with standard safety. Rules and regulations of service provision to which the Company has adhered are as follows:
 - 1) Providing quality service to satisfy motorists' expectations.
 - 2) Ensuring prompt response to motorists' needs, and allowing and facilitating motorists to make any comments or suggestions for service improvement.
 - 3) Providing accurate and timely information on service.
 - 4) Allowing the Expressway users to visit the Si Rat Expressway Control Center and the Toll Plaza Building, as well as bringing them to visit the Si Rat Expressway and the Udon Rattaya Expressway.
2. **Policy on person who is related to the business:** The Company strictly discharges its duties in accordance with the Agreement with the EXAT as contractual party and has fairly treated such business related person, taking into account the principles of equitable treatment, without barrier, special right, discrimination, compliance with conditions, rules, regulations, practices towards each other, and promoting good relationships, which are clearly specified in writing in the Company's code of business ethics, along with work rules and regulations in accordance with the ISO 9001 Quality Management System in association with EXAT in providing the efficient and regular Expressway service. In this regard, the Company arranges for the performance satisfaction assessment by EXAT on a monthly basis in respect of toll collection and rescue operation in order to develop and improve the efficiency of the operations. According to the assessment results, EXAT is completely satisfied with the operations in association with the Company.

The Company shall meet every quarter between the operating staff of the Company and of EXAT, which not only enhances the efficiency and gains satisfaction of the Expressway users, but also minimizes conflicts or impacts giving rise to disputes over joint operations between both parties, and as such, no dispute occurred in 2012.
3. **Traders policy:** The Company has a commitment to procurement of standard goods and service, for the purpose of development and maintenance of sustainable relationship with traders, with the clear objectives of the quality of goods and service worth its value, technical standard and creditability, the Company therefore provides the fair and equal procurement procedures to all traders in compliance with work rules regarding procurement in accordance with the requirements of the ISO 9001 Quality Management System, by strictly adhering to the practices as follows:

1. Determining the criteria for selection of trade counterparts through a strict screening process to ensure fair business operations without violation of human rights.
 2. Ensuring competition on the basis of equal information access, without preventing any trader from participating in business competition.
 3. Preparing contracts in appropriate and standard forms.
 4. Arranging management and following up system to ensure complete compliance with the contracts, and internal control system to prevent fraud and misconduct in all steps of the procurement procedures.
 5. Making payments to traders on time in accordance with terms of payment as mutually agreed.
 6. Not allowing director and/or staff to accept any benefits from traders.
 7. Evaluating traders on a yearly basis and informing results of evaluation with suggestions for traders to continuously improve the quality of goods and services, and also allowing traders to contact the Management to make any complaints if they are unfairly treated.
 8. Refraining from seeking any trader's secret dishonestly or improperly, such as, bribing director and staff of competitors.
 9. Refraining from making a serious accusation against traders without reasonable grounds.
- 4. Lenders policy:** The Company has complied with the conditions of the Credit Facilities Agreement at all times to build up confidence of the financial institution lenders who provide financial support to the Company's projects, and has never breached any conditions thereof. Conditions which the Company has complied with and adhered to are as follows:
1. Strictly complying with conditions of the Credit Facilities Agreement as mutually agreed. In case it is unable to comply with any condition, the lenders shall be informed thereof in advance to jointly seek a solution.
 2. Equitably and fairly treating towards all lenders on the basis of a win-win solution for both sides.
 3. Regularly reporting on financial information which is accurate, complete and timely to lenders.
 4. Refraining from demanding, receiving or accepting engagement for any fraudulent benefits in commercial terms.
 5. Disclosing information on demand, receipt or acceptance of engagement of any fraudulent benefits, if any, to lenders to resolve the problems fairly and promptly.
- In respect of the debenture holders, the Company issues debentures in accordance with applicable requirements, laws and notifications of the Securities and Exchange Commission and strictly complies with policies, objectives and resolutions of the shareholders' meeting. Also, the Company realizes the significance of its responsibility to fulfill commitments in accordance with the requirements regarding rights and duties of debenture issuer, including relevant contractual conditions.
- 5. Staff policy:** The Company considers staff as key resource behind its business movements and as crucial factor to the Company's success, whereby proper treatment towards staff is clearly specified in the Company's code of business ethics, subject to the Board of Director's review of the performance in compliance with such policy every year. The policy comprises:
1. Providing the fair and appropriate benefits to staff according to their respective work competency, by mainly employing staff performance evaluation system for development of competency as well as clearly measuring their performance based on the KPIs in every important activity in support of consideration of merits of staff and for motivation of work development, including remuneration in line with the value added to the business in the long-term.
 2. Creating a participatory and teamwork environment by allowing staff to express their opinions on work performance.
 3. Ensuring that staff take pride in and engage with the organization by encouraging staff's career development.
 4. Ensuring equitable, honest, fair punishment and equitable, honest, fair appointment, transfer, as well as providing reward and according to knowledge, capacities and appropriateness of such staff.

5. Creating surroundings in work areas with good hygiene, safety for life and property of staff and the Company, as well as taking into account the safety to the work performance of staff and the Expressway users through regular training to technical and engineering teams, including rescue and traffic management staff on the Expressways, so as to ensure their efficient and safe performance.
 6. Giving priority to and promoting staffs development of their knowledge and capacities, whereby the Company allows staff to develop their knowledge by encouraging them to attend training courses or further study in order to enhance their skills and competency as well as supporting the balance between efficiency and happiness in the organization; widely and constantly fostering the attitudes and values on quality work system, including awareness of energy saving and environment preservation.
 7. The Company sets out the human rights policy by clearly determining written guidelines for operations and practices in respect of nondiscrimination, 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 belief, whereby the Company supervises to ensure that staff use lawful products and refrain from infringement of copyrights or intellectual property, along with support of compliance with the operational guidelines and performance of duties with integrity, without any involvement with corruption for the benefits and success of the Company.
- 6. Corporate social and environmental responsibility policy:** The Company intends to jointly develop the capital city, including society and environment of Bangkok to ensure sustainable growth, the Company then has a commitment to operating its business in accordance with the sustainable development policy in order to upgrade the quality of life and the convenient commute along with the social and environmental responsibility by continuously organizing the social activities, as per the following practices:
1. The Board of Directors gives priority to such activities genuinely and continuously contributing to the social responsibility, whereby the Managing Director shall consider details of plans and budget for the social and environmental activities, taking into account potential, possibility, and result of such activities towards society and organization in preparation of the social and environmental action plans with prudence, for submission to the Board of Directors for approval of the plans and budget as proposed by the Management.
 2. The Company sets out clear policy on the social and environmental responsibility in writing for the executives and staff for information and compliance, by setting out continued action plans in line with the policy for a period of not less than three years and establishing specific working unit or appointing personnel for taking responsibility for social activities as well as complying with law and regulations on environment, by following up changes in laws and requirements every three months to ensure that the performance of all activities complies with laws.
 3. Rapidly and efficiently responding any events having impact on environment and communities caused by the Company's operations by fully cooperating with related government agencies.
 4. Raising the consciousness and responsibility of staff in relation to environment under the ISO 14001 : 2004 Environment Management System as well as campaigning conservation and consumption of energy and resources with efficiency through training and public relations media, such as, public address system, internal newsletters, notice board, internal circular letters, in order to regularly keep them well informed on knowledge and skills on environment.

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

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

According to the Company's policy and commitment to continuously taking care of the communities in all aspects in respect of good management of operational results, value added to shareholders and priority given to the public interests, as well as taking care of the nearby and remote communities under the "BECL Elevates the Quality of Life and the Environment" concept, the Company organized various activities in 2012 as follows:

1. Good Relationships with Expressway Users

"BECL Invites Moms & Kids to Strengthen Relationships at Bang Pakong River"

On the occasion of the National Mother Day as an important day to all families, the Company served as a means to strengthen family relationships via "BECL Invites Moms & Kids to Strengthen Relationships at Bang Pakong River" activity, by bringing a total of 42 Expressway users from 14 families to jointly travel to pay homage to the "Sothorn Buddha Image", a respectable sacred item for Mueang Pad Riew at Wat Sothorn Wararam Worawihan, and visit the ancient market and go rafting to enjoy and experience the riverside way of life along the Bang Pakong River, as well as tasting delicious cuisine in Chachoengsao Province. Moreover, the Company organized a special "ME & MOM MADE" activity for hugging and expressing love to moms, together with love mom cards made by kids as gifts to their moms in a loving and warm atmosphere for all families.

"BECL Invites Dads & Kids to Carry on Thai Arts and Cultural Heritage"

The Company carried on Thai arts and cultural heritage via activities to strengthen family relationships on the occasion of the National Father Day under "BECL Invites Dads & Kids to Carry on Thai Arts and Cultural Heritage" activity, by bringing a total of 39 Expressway users from 13 families to visit the Ancient City in Samut Prakan Province to learn Thai history and enjoy the models of key historic sites, such as, the Sanphet Prasat Palace, the Preah Vihear, the Buddha's Footprint in Saraburi, etc. Moreover, all families joined the "Love Molds for Dad" activity by molding Thai delectable imitation fruits for dads, and visited and fed a flock of seagulls at the Bangpu Recreation Center as the highlight for farewell at the end of 2012 amidst the love and warmth of BECL families.

2. Good Relationships with Shareholders

"Company Visit by Shareholders"

The Company is committed to operations under the good corporate governance principles, sufficient information disclosure and fair and equal access to information. In 2012, the Company organized a "Company Visit by Shareholders" activity by bringing 21 shareholders to visit the Company's operations in various aspects, such as, the operation of the toll collection system, the toll revenue audit, including traffic report and emergency alert of the Si Rat Expressway Control Center, for the shareholders to understand the operations. Such activity represented a good opportunity for the shareholders and the executives to meet, share opinions and provide suggestions useful for the Company's management.

"Shareholder Relations: Royal Development Project Visit"

The Royal Development Projects by His Majesty the King have been initiated by his talents and abilities in various fields. His Majesty the King is determined to resolve the problems and sufferings of his people, such as, soil, water, and forest projects. This year, the Company organized an activity by bringing a group of 27 shareholders to visit the Khao Cha-Ngum Study Center on Rehabilitation of Deteriorated Land under the initiative of His Majesty the King in Ratchaburi Province in order to learn His Majesty the King's initiative and theory

on rehabilitation of deteriorated land and self-sufficient agriculture, including preservation of soil, water and forest resources for the sustainable natural abundance. Such activity also strengthened the good relationships between the shareholders and the Company.

3. Good Relationships with Related Authorities

Good services to meet the most satisfaction of the Expressway users are regarded as the Company's key policy, which need collaboration from the relevant authorities, namely, staff of EXAT, police officers of the Expressway Police Station 2, and the Company's staff. The Company then organized activities to strengthen relationships among three authorities in order to build good relationships and to ensure unity and development of works for the maximum efficiency, as follows:

"Watch Movie with BECL"

The Company invited the families of staff of EXAT and the families of police officers of the Expressway Police Station 2 as well as the families of staff of the Company to meet and see "Dr. Seuss The Lorax" relating to environmental preservation, at Major Cineplex, Ratchayothin. All family members enjoyed playing games, rewards and the movie.

"Good Relationships with EXAT"

The Company brought a group of 53 executives and staff of the Toll Collection Division of EXAT and the Toll Revenue Division of the Company for the purpose of Thai arts and cultural conservation to appreciate the beautiful mural paintings at Wat Khongka Ram and watch the Thai Shadow Show (Nang Yai), as ancient and rare performance, at Wat Khanon, Ratchaburi Province, as well as enjoying beautiful pottery and ceramic arts at Tao Hong Tai Ceramics Factory as the first factory that produces water jars and potteries in Ratchaburi Province.

"Fellowship Golf Tournament"

The Company hosted the "Fellowship Golf" tournament which would be held yearly, whereby the executives from EXAT, Traffic Police Division, and the Company joined the tournament at Thana City Golf & Sports Club.

"BECL Grants Cars and Motorcycles to EXAT and Expressway Police Station 2"

The Company realizes the significance of promotion of performance of works of the relevant authorities to ensure smooth operations, and to monitor and provide the rapid and efficient services for the Expressway users, the Company then granted cars 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.

4. Promotion of Learning to Youths

Education represents the essential tool in development of knowledge and ability of youths, which is regarded as a key foundation for development of Thai society. the Company always realizes the significance of education and continues to encourage and support youth education through various activities as follows:

"BECL Grants Scholarships to Staff's Children"

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

"BECL Grants Scholarships to Adjacent Schools"

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

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

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

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

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

“Adventures in Wonderland and Amazement in Fairyland”

The Company continuously organized the National Children Day activity every year to entertain and allow a number of children of staff and children of police officers of the Expressway Police Station 2, students from adjacent schools and children from nearby communities, to learn and enjoy on-stage activities, games, and a bunch of rewards.

“BECL Grants Books to Library of Wat Bang Phun School”

Reading is the heart of learning and helps open up one’s view of the world, The Company organized the “Books for Children after Flood” activity, by inviting its staff to contribute old and new quality books suitable for children and youths, such as, fable books, textbooks and general books, to the library of Wat Bang Phun School, to jointly encourage youths’ reading and restore the library after the severe flood in 2011.

5. Raising Awareness of Environmental Preservation

“BECL Promotes Environmental Preservation No. 5”

The Company took part in a campaign for raising all staff’s awareness of environmental preservation, by organizing the environmental preservation activity every year, titled “BECL Promotes Environmental Preservation”, and this year, continuously as the fifth year, by inviting a group of executives and staff to visit Khun Dan Prakan Chon Dam, Nakhon Nayok Province, which is the longest roller compacted concrete dam in Thailand for storing water for the purposes of agriculture, consumption, solution to acid soil, fish breeding and flood alleviation, for study of the Water Resources Development Project under the initiative of His Majesty the King, and also took part in a campaign for raising awareness of energy and environmental preservation.

“Plantation of Vetiver Grass to Honor Her Majesty Queen Sirikit”

In 2011, Thailand encountered the severe flood which had affected Bang Phun - Bang Pa-in Section of the Udon Rattaya Expressway, thereby causing land subsidence in the areas of road shoulder. the Company organized the Plantation of Vetiver Grass to Honor Her Majesty Queen Sirikit activity on the auspicious occasion of Her Majesty the Queen’s 80th Birthday Anniversary as BECL Promotes Environmental Preservation activity. A group of 100 executives and staff were invited to jointly plant vetiver grass in the areas of road shoulder of Bang Phun - Bang Pa-in Section of the Udon Rattaya Expressway in order to prevent land subsidence and help preserve land and water under His Majesty the King’s initiative.

“BECL’s 25th Anniversary”

On the occasion of the 25th anniversary of Bangkok Expressway Public Company Limited on 25 December 2012, the Company held the Good Deeds for the BECL’s 25th Anniversary activity, by having its staff join good social and environmental activities throughout the year 2013. The first activity was led a group of 125 executives and staff representatives to jointly plant 577 Silva Manso trees at Phutthamonthon Park, Nakhon Pathom Province, on 23 December 2012, in order to expand the green zone and raise staff’s awareness of the environmental preservation.

Moreover, the Company organized a merit-making activity in which a group of executives and staff listened to Dhamma preaching and offered food to the Buddhist monks at King Rama IX Meditation Center, Wat Phra Ram 9 Kanjanaphisek, on 25 December 2012, to celebrate the Company’s anniversary. In this regard, a Dhamma talk on New Year 2013 for New Happy Life was given to promote accountability and social responsibility.

6. Other Social Activities

“BECL Invites Children to Sing”

The Company organized the volunteer activities by the Company music club and staff through music jam, supporting luncheon as well as recreational activities to children at Pakkred Home for Boys, Nonthaburi Province, on 19 May 2012, and at Rajvithi Home for Girls on 27 October 2012. Children had a good time and pleasure with the activities and this opened an opportunity for staff to express love, care and share happiness with those children in a warm atmosphere.

7.3.4 Information Disclosure and Transparency

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

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

In disclosure of financial report, the Board of Directors shall prepare Report on Responsibilities of the Board of Directors towards the Financial Report to be shown simultaneously with Report of the Auditor, as per the details on page 114.

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

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

3. The Company sets up the Investor Relations to represent the Company in communicating information useful to shareholders, debenture holders, investors, securities analysts, mass media, including relevant parties. The Company has also been a member of Thai IR Club since 2005, and has Investor Relations which has the duty to communicate, with the specific team ready to provide information and news to investors and securities analysts, and mass media, make appointment, as well as coordinating with shareholders, debenture holders, and investors to ensure access to information on an equal basis. In this regard, those interested in investment may contact Mrs. Suttida Sukhanindr, Investor Relations, at 0 2641 4611 Ext. 6000 or 6200 or 6221. Investors, who may find it inconvenient to visit the Company's Office No. 238/7, Asoke-Dindaeng Road, Bangkapi Subdistrict, Huaykwang District, Bangkok 10310, may also arrange a conference call or subscribe for information and news mailing list via the website or submit questions or email to ir@becl.co.th.

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

and summarizing questions and opinions of investors towards business operations of the Company for submission to the executives on a monthly basis in order to present useful suggestions or feedback of investors to the executives for further improvement of the operations.

In 2012, the Company provided reception for company visits and conference calls, and arranged for press interview. As for provision of information to the foreign shareholders, there were Road Shows both at home and abroad, as follows:

- Tisco Corporate Day organized by Tisco Securities Company Limited and Deutsche Bank;
- Transportation Day organized by the SCB Securities Company Limited;
- Thai Corporate Day organized by Bualuang Securities Public Company Limited in association with Morgan Stanley in Hong Kong and Singapore;
- Thailand Focus 2012 organized by the Stock Exchange of Thailand, Phatra Securities Company Limited and Bank of America Merrill Lynch;
- Asia-Pacific Industrials, Infrastructure & Transportation Corporate organized by Macquarie Securities in Hong Kong.

The foregoing events were the opportunities for the Company to provide appropriate clarification on the operational results and progress of the investment projects and for the Management to answer questions to investors and the press and to participate in the “SET in the City 2012” investment fair organized by the Stock Exchange of Thailand and the Company’s Analyst Meeting 2012 to provide information for the general people, including investors and institutional analysts.

The Company organized the Company Visit project for allowing shareholders to visit and meet its Management. The Company also publishes Si Rat newsletter for disseminating business information, which has been delivered to all shareholders and debenture holders of the Company bimonthly. In addition, the Company surveyed opinions and requirements of analysts and investors in relation to quality of communication and investor relations activities in 2012 for further improvement. The survey revealed that the provision of service in such investor relations activities was satisfactory representing 93 percent.

7.3.5 The Board of Directors’ Responsibilities

1. The Board of Directors’ Structure

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

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

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

2. Subcommittees

The Company has established four subcommittees to closely monitor and supervise the operation and regularly report to the Board of Directors, namely, the Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance and Risk Management Committee, and the Executive Board. In this regard, the Board of Directors has determined duties and responsibilities of each subcommittee as detailed on pages 63 to 66.

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

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

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

The Board of Directors and executives adhere to the guidelines for the good corporate governance principles by improving their conduct and practices towards interested persons to ensure compliance with such guidelines on a regular basis, e.g., independence of the Chairman of the Board of Directors, giving priority to shareholders to the extent that the Company received an "Excellent" rating of the ordinary general meeting of shareholders from the Office of the Securities and Exchange Commission in association with the Listed Companies Association and the Thai Investors Association in 2007 to 2012 consecutively. In addition, the Board of Directors received the honorable awards for the "Board of the Year for Distinctive Practices" in the announcement of the results of the Board of the Year Awards for the years 2006/07 by the Thai Institute of Directors Association in association with the Stock Exchange of Thailand and other relevant authorities for commending the boards of directors having efficient and effective performance.

4. The Board of Director's Meetings

The Company shall give prior notice of annual schedule of the Board of Directors meetings, together with the main agenda, to directors so as to allow directors to be able to manage time to attend the meetings. In each meeting, there shall be 100 percent of directors of the total number of directors, except where any director would be engaged in urgent business, whereby the Articles of Association stipulates that a quorum shall consist of not less than 60 percent of the total number of directors. The Board of Directors shall regularly meet every 3 months and may convene additional meetings as necessary. However, the Board of Directors appointed the Executive Board to help provide the Management with

suggestions and advice, and review the operations in compliance with the Company's policies and work plans in various aspects to ensure the efficiency, whereby the Executive Board shall meet every month in order to closely follow up performance of the Management.

The Managing Director Office shall deliver the notice of meeting and agenda as clearly pre-determined, for 10 days prior to the meeting date and deliver the supporting documents in advance at least 5 days prior to the meeting date, so as to allow the Board to review the same prior to the meeting.

The agenda shall be determined by mutual discussion between the Chairman of the Board of Directors and the Managing Director. In 2012, the Board convened five meetings, whereby there was one meeting between non-executive directors and without the Management in order for the directors to independently discuss and exchange their opinions and to efficiently follow up the performance of the Management, and there were also meetings of the Executive Board on every third Wednesday of each month, totaling 12 meetings. Most of the directors were able to attend the meetings, except where they were engaged in urgent business. In every meeting, the Chairman of the Board of Directors shall serve as the chairman of the meeting to ensure each item shall be carefully considered and all directors shall be allowed to express their opinions and take part in discussions. In addition, the high level executives will attend the meeting to clarify the information in the capacity as persons directly relevant to the problems to the satisfaction prior to passing resolution on each item.

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

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

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

Remarks: ⁽¹⁾ Mr. Panit Dunnvatanachit resigned from his office as executive director on 4 July 2012.

⁽²⁾ Mr. Lertsak Chingharanon held the office as director on 17 February 2012 and resigned on 11 January 2013.

5. Board Self-Assessment

The Board of Directors has a policy to assess the overall performance of the Board of Directors at least once a year. In 2012, the Company Secretary delivered self-assessment form to each director for considering the overall performance of the Board of Directors so as to use the assessment results for improvement and correction of the Board of Directors' performance. In this regard, the assessment results, divided into six subjects, summarized as follows:

1) Structure and Qualifications of the Board of Directors

Most directors are of the view that the structure and qualifications of the Board of Directors are proper, namely, there are 12 directors, comprising 7 non-executive directors (4 independent directors or one-third of all directors by the definition of the Company's independent directors stricter than that of the Office of the Securities and Exchange Commission) and 5 executive directors which are suitable to the nature of business operations of the Company. The Board of Directors comprises personnel with sufficient knowledge and experiences in a variety of fields and performed their overall duties efficiently. In this regard, the Board of Directors appointed another 4 subcommittees, namely:

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

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

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

3) The Board of Directors' Meeting

Most directors are of the view that the Board of Directors' meetings are proper, namely, the Company gives prior notice of annual schedule of the meetings, together with the main agenda, to directors so that they would be able to manage their time to attend every meeting. The number of meetings and agenda are suitable, thereby supporting the Board of Directors to perform duties efficiently and be able to supervise and monitor the Company's business operations with success. Moreover, directors also receive supporting documents prior to each meeting and have sufficient time to study additional information in preparation for each meeting. The supporting documents contain sufficient information for decision making to the benefit of the Company. Furthermore, the atmosphere at each Board of Directors' meeting

allows all directors to express constructive opinions without any influence of any persons. In addition, directors could fully discuss significant issues at each meeting.

4) Directors' Duties

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

5) Relations with the Management

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

6) Self-Development of Directors and Development of Executives

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

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

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

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

1) Proper Conduct and Practices towards the Company

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

2) Conduct and Practices towards Staff

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

3) Conduct and Practices towards Outsiders

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

4) Conduct and Practices towards Society

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

Moreover, the Company was selected by the Revenue Department as a good quality taxpayer based on its tax payment records, reliability of accounting system and internal control which proved the cooperation and voluntary tax payment, understanding of tax system, and maintenance of a good quality. As a result, the Company was granted the "Taxpayer Recognition Award" for 2011 by the Revenue Department on 29 August 2012 on account of the Company's operations with full responsibility for its duty to pay taxes to the country, as a role model in society and as a good citizen which deserves such a praise to raise awareness and inspire a social motivation for the greater good and widespread compliance.

7. Assessment of Performance of the Managing Director

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

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

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

8. Remuneration of Directors and Executives

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

The amount of remuneration in 2012 appears in Remuneration of Directors and Executives on pages 68 to 70.

9. Development of Directors and Executives

1) Directors and Executives Training

The Board of Directors and the high level executives realize the significance of participation in training or seminars in various courses or development of their knowledge and skills. The Board of Directors attends training courses organized by the Thai Institute of Directors Association (IOD), namely, Director Certification Program (DCP), Directors Accreditation Program (DAP), Board Performance Evaluation, The Role of Chairman (RCP), Audit Committee Program, Role of Compensation Committee (RCC) (as per Information of Company Executives on pages 115 to 120). In this regard, the Company also continues to coordinate with IOD to send its directors to participate in various training courses as provided by IOD for the executives at the General Manager level downwards to managers in accordance with the executive training project, so as to set a road map for development of executives, including training as necessary and appropriate according to the current situations.

2) Orientation for New Directors

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

10. Succession Plan

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

The Company sets out succession plan for the high level executives of the Company, particularly executives and work positions in the primary line, by emphasizing on the nomination of internal personnel, whereby promotion shall be considered every year under the specified criteria for development of personnel with good performance

and competency for advancement to a higher position in accordance with the staff's line of command, both the middle level executives and staff. The Consideration Committee, comprising the Managing Director and executives at the General Manager level or higher or the middle level executives, shall consider this matter in accordance with the specified criteria. With regard to the implementation of strategy and succession plan of the high level executives, who may be changed or vacate office by rotation or retire, the Nomination and Remuneration Committees meeting shall review the principles, and select knowledgeable and qualified person, while the Board of Directors shall consider appointing person at the Managing Director level, and the Executive Board shall consider appointing the executives at the General Manager level and higher.

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

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

7.4 Control of Inside Information Usage

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

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

7.5 Personnel

7.5.1 Number of Staff

As at 31 December 2012, the Company has a total of 660 staff, comprising personnel in two main functions, namely, Operation comprising Toll Revenue Division and Traffic Division; and Engineering comprising Maintenance Division and Construction Division, representing 78 percent of all staff, personnel in the supporting functions, namely, Managing Director Office and Internal Audit Office and Administration comprising Administration Division and Information Technology Office; and Finance comprising Finance Division and Business Development Division, representing 22 percent.

7.5.2 Human Resource Development Policy

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

1) Development of competency

The Company arranges for development of personnel in both main 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. The Company also received the quality management certification, ISO 9001:2008. Furthermore, the Company continues to focus on the significance and support of group quality activities, such as 5S, Suggestion System and QCC, as well as the Quality Day event, which are held every year since 2000. These activities encourage staff to demonstrate their performance of tasks in such activities in the presence of the high level executives, and also encourage their participation in presentation of achievements with external organizations to exchange knowledge and experience, and to serve as encouragement and positive attitude for their group quality activities in the future.

7.5.3 Benefits

1) Remuneration for Staff

In order to determine the appropriate and competitive remuneration to maintain the good and competent staff to work with the organization, whereby staff shall receive remuneration in the form of salary, overtime, shift allowance, office remuneration, special allowance, as appropriate for the economic condition, the Company then participated in the survey of wages and remuneration to compare with other companies in the same sector as well as reviewing the starting salary for new graduates and base salary based on the value of work via the institute conducting wage survey on a regular basis. Therefore, it can be assured that the Company determines the fair and appropriate remuneration to the staff, including the performance evaluation by the Performance Management System : PMS to increase staff's knowledge and skills and to determine fair remuneration for work performance for each staff, whereby such performance evaluation shall be conducted twice a year.

Furthermore, the Company establishes a provident fund for long-term care of staff in order to motivate staff to work with the Company and to encourage staff's saving habits to secure adequate retirement savings for a quality retirement life. Staff may immediately apply for membership after employment as permanent staff of the Company, whereby staff shall pay savings at the rate of 5 to 10 percent of his/her salary according to service years and the Company shall pay contribution at the same rate to the fund. The Company authorizes TISCO Securities Company Limited as the fund manager. Staff who are fund members shall gain benefits arising from management in proportion to each staff's money in the fund. The Company also arranges group life insurance for staff so as to ensure security for staff family accordingly.

2) Work Safety

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

3) Quality of Staff's Life

The Company realizes the significance of life quality of staff, including motorists and the society around the Expressway routes in accordance with the guidelines of ISO 14001: 2004 Environmental Management System. The Company was then certified by SGS (Thailand) Limited in accordance with UKAS Standard of England and NAC Standard of Thailand

on 14 November 2008, and through the commitments of the Management Team and contribution of staff in realizing the significance and necessity as members of the world community with duty to preserve the environment, the Company thus requested the second inspection for renewal of the ISO 14001: 2004 Environmental Management System Certificate from SGS (Thailand) Limited in 2011.

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, no labor dispute occurred in 2012.

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.

In 2012, 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.

8. Internal Control

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

In regard to risk management, the Company has realized the significance of using the risk management system in the administration. The Company's Management takes into account various risk factors currently sustained or threatened to be sustained in the future by the Company to analyze impact and possibility of such risks and to determine measures to prevent and deal with such risks to stay at an acceptable level in line with the Company's policy, and to report to the Corporate Governance and Risk Management Committee to consider the sufficiency and appropriateness. The effectiveness of the risk management system is reviewed and evaluated every year, and for every time when the risk level has changed, whereby the results are regularly monitored by the Internal Audit Office and reported to the Management and the Corporate Governance and Risk Management Committee for acknowledgement. The significant risk factors are described in Risk Factors on pages 26 to 32.

In 2012, the Audit Committee convened six 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 2012 financial statements for independently inquiring of the audit plan and various issues found during the audit. The Board of Directors and the Audit Committee have evaluated the internal control system as per the internal control adequacy evaluation form, comprising five components, i.e., organization and environment, risk management, control of the performance of work of the Management, information and communication system, follow-up system, along with the audit results of the Internal Audit Office, and concluded that the Company's

internal control system was considered adequate and appropriate to the business operation without material fault in the internal control system; and it could prevent improper or unauthorized use by executives or employees of the property of the Company and the Subsidiary. The financial report of the Company was made in accordance with the New Accounting Standards issued by the Federation of Accounting Professions under the Royal Patronage of His Majesty The King. Disclosure of information in the financial report was accurate and reliable. The Company's business operation was in accordance with the law on securities and exchange and other applicable laws.

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

9. Related Transactions

9.1 Principles

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

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

9.2 Related Transactions of the Company and the Subsidiary with Persons who May Have Conflict of Interest for 2012 and 2011

- | | |
|---|--|
| 1. Legal Entity which May Have Conflict of Interest | : CH. Karnchang Public Company Limited |
| Relationship | : - The company is the major shareholder of the Company representing 15.15 percent of the paid-up capital as at 3 January 2013.
- Mr. Plew Trivisvavet, serves as Chairman of the Executive Board of the Company, Chairman of the Executive Board of its Subsidiary, and serves as Chairman of the Executive Board and Chief Executive Officer of CH. Karnchang Public Company Limited.
- Mrs. Payao Marittanaporn, Managing Director of the Company and Acting Managing Director of its Subsidiary, is the spouse of Mr. Prasert Marittanaporn, Director and Senior Executive Vice President of CH. Karnchang Public Company Limited. |

Transactions with the Company

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

Transaction	Details	
Transaction Value (Baht)	Consolidated Financial Statements as at 31 December 2012	Consolidated Financial Statements as at 31 December 2011
	2,250,000,000	-
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, a connecting and extension project of the Expressway System as currently operated by the Company, 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	
Transaction Value (Baht)	Consolidated Financial Statements as at 31 December 2012	Consolidated Financial Statements as at 31 December 2011
	35,472,226	-
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 86,787,409.95, 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. 2, Phase 4

Transaction		Details
Transaction Value (Baht)	Consolidated Financial Statements as at 31 December 2012	Consolidated Financial Statements as at 31 December 2011
	-	51,775,806
Transaction Description	- On 1 November 2010, the Company executed a contract engaging CH. Karnchang Public Company Limited to carry out the inspection and repair of the structure of the Si Rat Expressway, No. 2, Phase 4, in the total value of Baht 51,062,806, with a contract term of 12 months from the date of the contract signing. The Company gave written notice of variation order in the total value of Baht 1,713,615.	
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.	

Transactions with the Subsidiary

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

Transaction		Details
Transaction Value (Baht)	Consolidated Financial Statements as at 31 December 2012	Consolidated Financial Statements as at 31 December 2011
	14,185,388	-
Transaction Description	- On 6 January 2012, the Subsidiary executed a contract engaging CH. Karnchang Public Company Limited to carry out the inspection and repair of the structure of the Udon Ratthaya Expressway in the total value of Baht 14,185,388, with a contract term of 6 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.	

1.5 Office Space Rental

Transaction		Details
Transaction Value (Baht)	Consolidated Financial Statements as at 31 December 2012	Consolidated Financial Statements as at 31 December 2011
	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 Relationship

: SouthEast Asia Energy Limited

- : - The Company holds shares in SouthEast Asia Energy Limited representing 16.67 percent of its registered capital. During 2012, the Company sold all of its shares in SouthEast Asia Energy Limited, as well as its commitment to provide financial support to SouthEast Asia Energy Limited and Nam Ngum 2 Power Company Limited, to CK Power Limited.
- The Company and SouthEast Asia Energy Limited have CH. Karnchang Public Company Limited as their common major shareholder, whereby CH. Karnchang Public Company Limited holds shares in the Company representing 15.15 percent of the paid-up capital as at 3 January 2013, and during 2011, CH. Karnchang Public Company Limited sold all of its shares in SouthEast Asia Energy Limited.
- Dr. Virabongsa Ramangkura serves as Chairman of the Board of Directors of the Company and Chairman of the Board of Directors of SouthEast Asia Energy Limited.
- Mr. Plew Trivisvavet serves as Chairman of the Executive Board of the Company and Chairman of the Executive Board of SouthEast Asia Energy Limited.
- Mrs. Payao Marittanaporn, Managing Director of the Company, is the spouse of Mr. Prasert Marittanaporn, Director of SouthEast Asia Energy Limited.

Transactions with the Company

2.1 Loan and Interest Receivable

Transaction		Details
Transaction Value (Baht)	Consolidated Financial Statements as at 31 December 2012	Consolidated Financial Statements as at 31 December 2011
	42,738,596	40,124,089
Transaction Description	- On 4 September 2007, the Company signed the Shareholders Loan Agreement which is considered a subordinated loan under the shareholding proportion in the amount of not exceeding Baht 31.25 Million at the interest rate of the average MLR + 1% of three lending banks of SouthEast Asia Energy Limited, with the due date of repayment of the principal, together with interest, within 18 months or the date of Financial Closing of the Project whichever occurs first. However, the Company made an additional agreement for extension of time for debt repayment until 4 September 2013.	
Opinions of the Audit Committee on Necessity/Justification of Transaction	- This is considered a financial support under the shareholding proportion and the interest rate equals the loan interest rate of the existing creditors of SouthEast Asia Energy Limited. - The objective of the loan is to be used for survey and development of new project which would enhance the capacity of the Nam Ngum 2 Project of SouthEast Asia Energy Limited which would be beneficial to the Company as a shareholder.	

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

Transaction	Details	
Transaction Value (Baht)	Consolidated Financial Statements as at 31 December 2012	Consolidated Financial Statements as at 31 December 2011
	-	-
Transaction Description	- On 26 May 2006, the Company entered into an Equity Contribution Agreement with SouthEast Asia Energy Limited and Nam Ngum 2 Power Company Limited (co-borrower), other shareholders and lenders of SouthEast Asia Energy Limited. Under the agreement, the Company agrees to provide equity contribution for Revenue Deficiency from Construction of the Nam Ngum 3 Hydropower plant of not more than Baht 94 Million if the Nam Ngum 3 Project is likely to negatively impact the energy production level of that companys system and subsequently results in that companys becoming unable to comply with its obligations under the Financing Documents. In addition, the Company agrees to provide additional equity contributions of not exceeding Baht 63 Million if the co-borrower of that company defaults in payment of its loan or unable to comply with its obligation under the Financing Documents.	
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 : CK Power Limited

Relationship

- : - The Company holds shares in CK Power Limited representing 30.00 percent of its registered capital.
- The Company and CK Power Limited have CH. Karnchang Public Company Limited as their common major shareholder, whereby CH. Karnchang Public Company Limited holds shares in the Company representing 15.15 percent of the paid-up capital as at 3 January 2013 and CH. Karnchang Public Company Limited holds shares representing 30 percent of CK Power Limiteds registered capital.

3.1 Gain on Sales of Shares in SouthEast Asia Energy Limited

Transaction	Details	
Transaction Value (Baht)	Consolidated Financial Statements as at 31 December 2012	Consolidated Financial Statements as at 31 December 2011
	1,156,181,250	-
Transaction Description	- On 10 May 2012, the Company sold all of its 110.1 million shares in SouthEast Asia Energy Limited to CK Power Limited, at the price of Baht 25 per share, with gain on sales of shares in the Consolidated Statement of Income in the amount of Baht 1,156 Million (net of the unrealized gain in respect of the Companys shareholding in CK Power Limited in the amount of Baht 496 Million).	
Opinions of the Audit Committee on Necessity/Justification of Transaction	- This connected transaction is considered an ordinary course of business, with the general commercial terms as already approved in principle by the Audit Committee and the Board of Directors.	

3.2 Management Income

Transaction	Details	
Transaction Value (Baht)	Consolidated Financial Statements as at 31 December 2012	Consolidated Financial Statements as at 31 December 2011
	287,000	-
Transaction Description	- On 15 October 2012, the Company signed an accounting and financial management agreement, in the amount of Baht 287,000, for a period from 15 October 2012 to 31 December 2012.	
Opinions of the Audit Committee on Necessity/Justification of Transaction	- This connected transaction is considered an ordinary course of business, with the general commercial terms	

4. Legal Entity which 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 3 January 2013 and CH. Karnchang Public Company Limited holds shares representing 55.00 percent of CH. Karnchang-Tokyu Construction Co., Ltd.'s registered capital.

Transactions with the Company

4.1 Construction of Additional Road and Bridge at the Area of Intersection of the Si Rat Expressway and Ngam Wong Wan Road

Transaction	Details	
Transaction Value (Baht)	Consolidated Financial Statements as at 31 December 2012	Consolidated Financial Statements as at 31 December 2011
	-	27,077,672
Transaction Description	- On 25 March 2010, the Company executed a contract engaging CH. Karnchang-Tokyu Construction Co., Ltd. to construct additional road and bridge at the area of intersection of the Si Rat Expressway and Ngam Wong Wan Road, in the total value of Baht 104,000,000, with a contract term of 12 months from the date of the contract signing. The Company gave written notice of variation order in the total value of Baht 4,353,552.	
Opinions of the Audit Committee on Necessity/Justification of Transaction	- This connected transaction is considered an ordinary course of business, with the general commercial terms as already approved in principle by the Audit Committee and the Board of Directors.	

4.2 Expansion of Traffic Lanes in Front of Prachachuen Toll Plaza (Inbound and Outbound)

Transaction		Details
Transaction Value (Baht)	Consolidated Financial Statements as at 31 December 2012	Consolidated Financial Statements as at 31 December 2011
	-	6,800,000
Transaction Description	- On 13 December 2010, the Company executed a contract engaging CH. Karnchang-Tokyu Construction Co., Ltd. to expand the traffic lanes in front of Prachachuen Toll Plaza (inbound and outbound), in the total value of Baht 6,800,000, with a contract term of two months from the date of the contract signing.	
Opinions of the Audit Committee on Necessity/Justification of Transaction	- This connected transaction is considered an ordinary course of business, with the general commercial terms as already approved in principle by the Audit Committee and the Board of Directors.	

10. Financial Position and Operational Results

Summary of the Report of the Auditor

Ernst & Young 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 2012, 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, and 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 2012, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

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

The financial position and operational results comprise the operational results from the audited financial statements for the year ended 31 December 2012 in comparison with the operational results from the audited financial statements for the years ended 31 December 2011 and 2010.

(Unit: Baht)

Statement of Financial Position	2012		2011		2010	
	Amount	Percent	Amount	Percent	Amount	Percent
Assets						
Current assets						
Cash and cash equivalents	261,656,094	0.63	128,259,054	0.33	100,473,958	0.25
Current investments	2,937,978,113	7.11	3,014,319,406	7.81	1,936,981,850	4.79
Other receivables	30,912,257	0.07	94,000,000	0.24	-	-
Other current assets	65,160,727	0.17	75,400,671	0.20	50,545,373	0.12
Total current assets	3,295,707,191	7.98	3,311,979,131	8.58	2,088,001,181	5.16
Non-current assets						
Investment in associated company	2,269,620,908	5.49	18,707,925	0.05	-	-
Other long-term investments	4,460,908,575	10.80	3,875,946,874	10.04	4,385,995,563	10.85
Long-term loans to and interest receivable from related companies	42,738,596	0.10	40,124,089	0.10	37,598,046	0.09
Investment properties	120,357,493	0.29	120,357,493	0.31	169,288,000	0.42
Building and equipment	250,282,701	0.61	263,700,420	0.68	252,525,083	0.62
Construction in process	26,626,638	0.06	-	-	118,667,116	0.30
Rights to operate completed expressway sectors	28,305,131,772	68.51	30,926,664,653	80.11	33,358,337,567	82.51
Intangible assets	39,483,799	0.10	41,652,525	0.11	5,053,272	0.01
Advance payment under expressway construction contract	2,250,000,000	5.45	-	-	-	-
Advance for compensation for site acquisition cost	177,180,000	0.43	-	-	-	-
Deferred financial fee	60,496,185	0.15	-	-	-	-
Other non-current assets	18,379,077	0.03	7,814,645	0.02	13,768,386	0.04
Total non-current assets	38,021,205,744	92.02	35,294,968,624	91.42	38,341,233,033	94.84
Total assets	41,316,912,935	100.00	38,606,947,755	100.00	40,429,234,214	100.00

(Unit: Baht)

Statement of Financial Position (continued)	2012		2011		2010	
	Amount	Percent	Amount	Percent	Amount	Percent
Liabilities and shareholders' equity						
Current liabilities						
Trade and other payables	227,320,702	0.55	195,509,895	0.51	205,072,518	0.51
Current portion of long-term loans	1,996,000,000	4.83	1,142,790,000	2.96	926,455,014	2.29
Current portion of debentures	5,100,000,000	12.34	1,895,000,000	4.91	2,900,000,000	7.17
Income tax payable	150,776,958	0.36	182,660,977	0.47	312,968,234	0.77
Other current liabilities						
Value added tax payable	-	-	42,489,527	0.11	36,960,928	0.09
Retention guarantees	56,919,452	0.14	64,015,877	0.17	58,406,153	0.14
Deposits for Easy Pass	21,293	0.00	157,150,609	0.41	104,256,682	0.26
Others	192,041,988	0.47	77,676,260	0.20	130,741,377	0.33
Total current liabilities	7,723,080,393	18.69	3,757,293,145	9.74	4,674,860,906	11.56
Non-current liabilities						
Provision for compensation for site acquisition cost	-	-	75,740,000	0.20	433,720,000	1.07
Long-term loans, net	810,323,512	1.96	2,806,323,512	7.27	4,104,322,586	10.15
Debentures, net	11,096,624,703	26.86	13,200,000,000	34.18	12,195,000,000	30.17
Provision for long-term employee benefits	86,008,478	0.21	76,203,308	0.20	-	-
Total non-current liabilities	11,992,956,693	29.03	16,158,266,820	41.85	16,733,042,586	41.39
Total liabilities	19,716,037,086	47.72	19,915,559,965	51.59	21,407,903,492	52.95
Shareholders' equity						
Registered capital	8,000,000,000	19.36	8,000,000,000	20.72	8,000,000,000	19.79
Issued and paid up capital	7,700,000,000	18.64	7,700,000,000	19.94	7,700,000,000	19.05
Premium on ordinary shares	4,848,492,969	11.73	4,848,492,969	12.56	4,848,492,969	11.99
Retained earnings						
Appropriated - statutory reserve	800,000,000	1.94	800,000,000	2.07	797,555,569	1.97
Unappropriated	6,770,739,476	16.39	5,533,230,050	14.34	5,233,109,068	12.95
Other components of shareholders' equity	1,508,489,979	3.65	(172,330,688)	-0.45	442,173,116	1.09
Equity attributable to shareholders of the Company	21,627,722,424	52.35	18,709,392,331	48.46	19,021,330,722	47.05
Non-controlling interests of the subsidiary	(26,846,575)	-0.07	(18,004,541)	-0.05	-	-
Total shareholders' equity	21,600,875,849	52.28	18,691,387,790	48.41	19,021,330,722	47.05
Total liabilities and shareholders' equity	41,316,912,935	100.00	38,606,947,755	100.00	40,429,234,214	100.00

(Unit: Baht)

Statement of Income	2012		2011		2010	
	Amount	Percent	Amount	Percent	Amount	Percent
Profit or Loss:						
Revenues						
Toll revenue	7,732,222,618	83.82	7,308,190,551	95.51	7,811,038,712	97.59
Other income						
Interest income	58,849,981	0.64	62,677,441	0.82	25,368,130	0.32
Dividend income	173,312,500	1.88	129,062,500	1.69	118,000,000	1.47
Gain on investments	1,197,520,734	12.98	16,064,535	0.21	27,360,431	0.34
Gain on sales of fixed assets	5,403,339	0.06	112,207,879	1.47	8,709,109	0.11
Others	57,009,234	0.62	23,588,299	0.30	13,302,897	0.17
Total revenues	9,224,318,406	100.00	7,651,791,205	100.00	8,003,779,279	100.00
Expenses						
Amortization of rights to operate completed expressway sectors	(2,735,674,982)	-29.66	(2,515,329,075)	-32.87	(2,377,777,848)	-29.72
Provision for compensation for site acquisition cost	(947,080,000)	-10.27	(842,020,000)	-11.00	(743,850,000)	-9.29
Selling expenses	(1,142,891,340)	-12.39	(1,035,567,817)	-13.54	(1,067,069,938)	-13.33
Administrative expenses	(564,327,153)	-6.11	(472,297,396)	-6.17	(417,077,916)	-5.21
Total expenses	(5,389,973,475)	-58.43	(4,865,214,288)	-63.58	(4,605,775,702)	-57.55
Profit before share of profit from investment in associate, finance cost and income tax expenses	3,834,344,931	41.57	2,786,576,917	36.42	3,398,003,577	42.45
Share of profit from investment in associate	16,419,233	0.18	8,666,714	0.11	-	-
Profit before finance cost and income tax expenses	3,850,764,164	41.75	2,795,243,631	36.53	3,398,003,577	42.45
Finance cost	(828,902,000)	-8.99	(896,443,228)	-11.72	(994,453,267)	-12.42
Profit before income tax expenses	3,021,862,164	32.76	1,898,800,403	24.81	2,403,550,310	30.03
Income tax	(776,794,772)	-8.42	(509,050,977)	-6.65	(600,625,765)	-7.50
Profit for the year	2,245,067,392	24.34	1,389,749,426	18.16	1,802,924,545	22.53

(Unit: Baht)

Statement of Income (continued)	2012		2011		2010	
	Amount	Percent	Amount	Percent	Amount	Percent
Profit attributable to:						
Equity holders of the Company	2,253,909,426	24.43	1,407,753,967	18.40	1,802,924,545	22.53
Non-controlling interests of the subsidiary	(8,842,034)	-0.09	(18,004,541)	-0.24	-	-
	2,245,067,392	24.34	1,389,749,426	18.16	1,802,924,545	22.53
Earnings per share						
Basic earnings per share						
Profit attributable to equity holders of the Company	2.93		1.83		2.34	

Statement of Comprehensive Income	2012		2011		2010	
	Amount	Percent	Amount	Percent	Amount	Percent
Profit for the year	2,245,067,392	24.34	1,389,749,426	18.16	1,802,924,545	22.53
Other comprehensive income:						
Gain (loss) on changes in value of available-for-sale investments	1,680,820,667	18.22	(614,503,804)	-8.03	598,956,236	7.48
Other comprehensive income for the year	1,680,820,667	18.22	(614,503,804)	-8.03	598,956,236	7.48
Total comprehensive income for the year	3,925,888,059	42.56	775,245,622	10.13	2,401,880,781	30.01
Total comprehensive income attributable to:						
Equity holders of the Company	3,934,730,093	42.66	793,250,163	10.37	2,401,880,781	30.01
Non-controlling interests of the subsidiary	(8,842,034)	-0.10	(18,004,541)	-0.24	-	-
	3,925,888,059	42.56	775,245,622	10.13	2,401,880,781	30.01

(Unit: Baht)

Statement of Cash Flows	2012	2011	2010
Cash flows from operating activities			
Profit before tax	3,021,862,164	1,898,800,403	2,403,550,310
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:			
Depreciation and amortization	2,804,721,597	2,575,485,437	2,417,213,021
Gain on investments	(1,197,520,734)	(16,064,535)	(27,360,431)
Gain on sales of investment properties	-	(106,736,368)	-
Gain on sales of fixed assets	(5,403,339)	(5,471,511)	(8,709,109)
Written-off damaged assets	-	83,512,871	-
Amortization of financial fee	2,151,165	-	-
Loss on other written-off	-	5,133,983	-
Provision for compensation for site acquisition	947,080,000	842,020,000	743,850,000
Provision for long-term employee benefits	11,640,070	10,514,754	-
Share of profit from investment in associate	(16,419,233)	(8,666,714)	-
Interest income	(58,849,981)	(62,677,441)	(25,368,130)
Dividend income	(173,312,500)	(129,062,500)	(118,000,000)
Interest expenses	801,126,453	873,254,530	930,015,818
Income from operating activities before changes in operating assets and liabilities	6,137,075,662	5,960,042,909	6,315,191,479
Decrease (increase) in operating assets			
Other receivables	63,087,743	(94,000,000)	-
Other current assets	(12,015,636)	10,154,995	35,327,678
Other non-current assets	(2,553,596)	(612,748)	(79,999)
Increase (decrease) in operating liabilities			
Trade and other payables	7,998,224	(11,230,865)	(9,621,491)
Value added tax payable	(42,489,527)	5,528,599	3,831,800
Other current liabilities	(51,694,913)	7,044,774	199,608,405
Cash paid for compensation for site acquisition	(1,200,000,000)	(1,200,000,000)	(1,200,000,000)
Net Cash flows from operating activities	4,899,407,957	4,676,927,664	5,344,257,872
Cash received for interest income	40,577,957	1,369,752	619,426
Cash paid for income tax	(818,481,296)	(647,369,072)	(593,323,024)
Net cash flows from operating activities	4,121,504,618	4,030,928,344	4,751,554,274

(Unit: Baht)

Statement of Cash Flows (continued)	2012	2011	2010
Cash flows from investing activities			
Decrease (increase) in current investments	148,722,649	(1,041,314,233)	1,227,154,671
Increase in investment in associated company	(2,730,000,000)	(42,000,000)	-
Cash received from sales of investment in associated company	-	12,000,000	-
Cash received from sales of long-term investments	2,788,954,594	-	17,210,609
Increase in other long-term investments	(72,450,000)	(104,455,115)	(120,225,000)
Cash received from interest income	39,704,765	31,608,458	10,150,331
Dividend received	173,312,500	129,062,500	118,000,000
Purchase of equipment	(48,575,312)	(70,541,458)	(84,796,117)
Cash received from sales of investment properties	-	155,666,875	-
Cash received from sales of equipment	5,460,981	7,126,339	9,558,472
Advance payment under expressway construction contract	(2,250,000,000)	-	-
Additional construction of Second Stage Expressway	-	(742,500)	(11,403,501)
Increase in construction in process	(140,768,738)	(47,759,415)	(508,317,626)
Increase in intangible assets	(4,942,500)	(39,044,323)	(1,920,581)
Net cash flows from (used in) investing activities	(2,090,581,061)	(1,010,392,872)	655,411,258
Cash flows from financing activities			
Cash received from issuance of debentures	3,000,000,000	2,900,000,000	3,500,000,000
Cash paid for long-term loans	(1,142,790,000)	(1,081,664,088)	(3,054,600,000)
Cash paid for redemption of debentures	(1,895,000,000)	(2,900,000,000)	(3,905,000,000)
Cash paid for financial fee	(66,022,647)	-	-
Cash paid for interest expenses	(777,313,870)	(871,586,288)	(983,557,166)
Cash paid for dividend	(1,016,400,000)	(1,039,500,000)	(962,500,000)
Net cash flows used in financing activities	(1,897,526,517)	(2,992,750,376)	(5,405,657,166)
Net increase in cash and cash equivalents	133,397,040	27,785,096	1,308,366
Cash and cash equivalents at beginning of year	128,259,054	100,473,958	99,165,592
Cash and cash equivalents at end of year	261,656,094	128,259,054	100,473,958

10.2 Financial Ratios of Financial Statements

	Unit	2012	2011	2010
LIQUIDITY RATIO				
1. Liquidity Ratio	Times	0.43	0.88	0.45
2. Quick Ratio	Times	0.41	0.84	0.44
3. Cash Flow Ratio	Times	0.83	0.81	0.78
4. Accounts Payable Turnover	Times	N.A.	N.A.	N.A.
5. Average Debt Servicing Period	Day	N.A.	N.A.	N.A.
PROFITABILITY RATIO				
6. Gross Profit Margin	%	64.62	65.58	69.56
7. Cash to Profitability Ratio	%	211.31	243.65	220.99
8. Net Profit Margin	%	24.43	18.40	22.53
9. Return on Equity	%	11.18	7.46	9.85
EFFICIENCY RATIO				
10. Return on Total Assets	%	5.64	3.56	4.33
11. Return on Fixed Assets	%	16.85	12.21	12.17
12. Assets Turnover	Times	0.23	0.19	0.19
FINANCIAL POLICY RATIO				
13. Debt to Equity Ratio	Times	0.91	1.06	1.13
14. Interest Coverage Ratio	Times	8.28	6.14	6.18
15. Obligation Serviceability Ratio	Times	1.33	1.55	0.78
16. Net Debt to EBITDA	Times	2.50	3.14	3.47
Per Share DATA				
17. Book Value per Share	Baht	28.09	24.30	24.70
18. Net Earnings per Share	Baht	2.93	1.83	2.34
19. Dividend per Share	Baht	1.50	1.30	1.30

Remarks:

- Items 1 - 3: As toll revenue is received daily in cash while the loan would be repaid at the end of each month out of the net cash receipts, therefore, the liquidity ratio would not affect the Company's debt serviceability.
- Items 4 - 5: Most of accounts payable of the Company and its Subsidiary were incurred by the costs of repair and maintenance and the operation costs while the costs of goods sold 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 2012 is at the discretion of the 2013 Annual Ordinary General Meeting of Shareholders on 24 April 2013. However, the Company made payment of interim dividends at the rate of Baht 0.62 per share in October 2012.

10.3 Management Discussion and Analysis for 2012

Operational Results

In 2012, the Company had the net profit attributable to equity holders of the Company in the amount of Baht 2,254 Million, representing an increase from the previous year by Baht 846 Million or 60.09 percent, due to gain on sales of shares in SouthEast Asia Energy Limited (SEAN), net of corporate income tax, amounting to Baht 776 Million, together with the dividend income from Thai Tap Water Supply Public Company Limited in this year amounting to Baht 173 Million, representing an increase from the previous year by Baht 44 Million. Also, there was an increase in traffic volume in all routes as a result of economic recovery after the flood which led to an increase in toll revenue by Baht 424 Million or 5.80 percent. The expenses, excluding finance cost, increased from the previous year by Baht 413 Million or 7.69 percent according to expenditures from toll collection and traffic management, the increase in amortization of rights to operate completed expressway sectors, provision for compensation for site acquisition cost, and the insurance premium which increased subject to the insurance market circumstance; whereas, the finance cost decreased from the previous year due to the principal repayment.

Summary of Operational Results between 2012 and 2011

(Unit: Million Baht)

	2012	2011	Changes	
			Amount	%
Toll revenue	7,732	7,308	424	5.80
Gain on sales of shares in SEAN, net of corporate income tax	776	-	776	N/A
Other income	337	344	(7)	-2.03
Expenses (excluding finance cost)	5,787	5,374	413	7.69
Finance cost	829	896	(67)	-7.48
Share of profit from investment in associate	16	8	8	100.00
Net profit	2,245	1,390	855	61.51
Net profit attributable to the Company	2,254	1,408	846	60.09
Earnings per share attributable to the Company (Baht)	2.93	1.83	1.10	

Toll Revenue

In 2012, the Company and its Subsidiary had the toll revenue in the amount of Baht 7,732 Million, representing an increase from the previous year by Baht 424 Million or 5.80 percent according to the continued increase in traffic volume in all routes as a result of the economic recovery after the flood crisis at the end of 2011, along with a positive effect from the significant increase in volume of new vehicles registered in Bangkok, including the development of areas around the expressway routes, thereby resulting in the rise of traffic volume to the Expressway system, particularly the suburban Expressways. The details of toll revenue are classified into routes as compared to the previous year as follows:

(Unit: Million Baht)

	2012	2011	Changes	
			Amount	%
First Stage Expressway	2,464	2,411	53	2.20
Second Stage Expressway				
Sector A (Rama IX - Ratchadapisek)	1,416	1,410	6	0.43
Sector B (Phayathai - Bangkhlo)	675	654	21	3.21
Sector C (Ratchadapisek - Chaeng Watthana)	851	798	53	6.64
Sector D (Rama IX - Srinagarindra)	1,342	1,234	108	8.75
Total Second Stage Expressway	4,284	4,096	188	4.59
Bang Pa-in - Pak Kret Expressway	984	801	183	22.85
Grand Total	7,732	7,308	424	5.80

Other Income

In 2012, the Company and its Subsidiary had other income in the amount of Baht 1,113 Million, representing an increase from the previous year by Baht 769 Million or 223.55 percent, mainly due to gain on sales of shares in SouthEast Asia Energy Limited. Gain on sales of fixed assets decreased since there was gain on sales of land amounting to Baht 107 Million in 2011. The details of other income as compared to the previous year are as follows:

(Unit: Million Baht)

	2012	2011	Changes	
			Amount	%
Gain on sales of shares in SEAN, net of corporate income tax	776	-	776	N/A
Other income				
Dividend income from TTW	173	129	44	34.11
Gain on sales of fixed assets	5	112	(107)	-95.54
Interest income and others	159	103	56	54.37
Total income	1,113	344	769	223.55

Expenses (excluding finance cost)

In 2012, the Company and its Subsidiary had the expenses (excluding finance cost) in the amount of Baht 5,787 Million, representing an increase from the previous year by Baht 413 Million or 7.69 percent, which are summarized as follows:

(Unit: Million Baht)

	2012	2011	Changes	
			Amount	%
Amortization of rights to operate completed expressway sectors	2,736	2,515	221	8.79
Provision for compensation for site acquisition cost	947	842	105	12.47
Selling expenses	1,143	1,036	107	10.33
Administrative expenses	564	472	92	19.49
Corporate income tax	397	509	(112)	-22.00
Total expenses	5,787	5,374	413	7.69

1. Amortization of rights to operate completed expressway sectors was Baht 2,736 Million, representing an increase by Baht 221 Million or 8.79 percent according to the increased traffic volume.
2. Provision for compensation for site acquisition cost was Baht 947 Million, representing an increase from the previous year by Baht 105 Million or 12.47 percent. This provision was recorded to deduct the cost of the present value of compensation to the Expressway Authority of Thailand. Actual payments of the first installment under the Second Stage Expressway System Agreement were made in 2004 and were committed to pay on the 1st of March and the 1st of September each year. In 2012, the Company was obliged to pay a compensation for site acquisition cost amounting to Baht 1,200 Million, in respect of which the Company already made such payment to the Expressway Authority of Thailand.
3. Selling expenses were Baht 1,143 Million, representing an increase by Baht 107 Million or 10.33 percent. Most of the expenses are the expenditures from toll collection and traffic management.
4. Administrative expenses were Baht 564 Million, representing an increase by Baht 92 Million or 19.49 percent, mainly from the increase in the insurance premium subject to the insurance market circumstance and the office expenses that support toll operation.
5. Corporate income tax was Baht 397 Million, representing a decrease by Baht 112 Million or 22.00 percent from the previous year according to the change in corporate income tax from 30 percent in 2011 to 23 percent in 2012.

Finance Cost

In 2012, the Company and its Subsidiary had the finance cost in the amount of Baht 829 Million, representing a decrease from the previous year by Baht 67 Million or 7.48 percent, mainly from the principal repayment.

The details of finance cost as compared to the previous year are as follows:

(Unit: Million Baht)

	2012	2011	Changes	
			Amount	%
Interest expense	801	873	(72)	-8.25
Financial fee	28	23	5	21.74
Total cost	829	896	(67)	-7.48

Financial Position

Assets

Total assets of the Company and its Subsidiary as at December 31, 2012 amounted to Baht 41,317 Million, representing an increase from the end of the previous year by Baht 2,710 Million or 7.02 percent. The details of significant increases and decreases as compared to the end of the previous year are as follows:

(Unit: Million Baht)

	December 31, 2012	December 31, 2011	Changes Amount	%
Cash, cash equivalents, and				
current investments	3,200	3,143	57	1.81
Other current assets	96	169	(73)	-43.20
Investment in associated company	2,270	19	2,251	11,847.37
Other long-term investments, net	4,461	3,876	585	15.09
Long-term loans to and interest receivable				
from related companies	43	40	3	7.50
Investment properties	120	120	-	-
Building and equipment, net	250	263	(13)	-4.94
Rights to operate completed				
expressway sectors, net	28,332	30,927	(2,595)	-8.39
Advance payment under expressway				
construction contract	2,250	-	2,250	N/A
Advance for compensation for				
site acquisition cost	177	-	177	N/A
Deferred financial fee	60	-	60	N/A
Others	58	50	8	16.00
Total assets	41,317	38,607	2,710	7.02

1. Cash, cash equivalents, and current investments amounted to Baht 3,200 Million, representing an increase from the end of the previous year by Baht 57 Million or 1.81 percent, which was reserved for payment of construction cost of the Si Rat - Outer Ring Road Expressway Project.
2. Other current assets amounted to Baht 96 Million, representing a net decrease from the end of the previous year by Baht 73 Million or 43.20 percent, mainly due to receipt of compensation for damages by the flood crisis from the insurance company as accrued in late 2011.
3. Investment in associated company amounted to Baht 2,270 Million, representing investments in CK Power Limited (CKP), a holding company in energy business, representing an increase from the end of the previous year by Baht 2,251 Million or 11,847.37 percent, due to CKP's increase in share capital and the Company's additional investments per its current shareholding of 30 percent.
4. Other long-term investments amounted to Baht 4,461 Million, representing an increase from the end of the previous year by Baht 585 Million or 15.09 percent, due to the adjustment of the investment value according to the market prices of securities in Thai Tap Water Supply Public Company Limited (TTW) in the amount of Baht 1,512 Million and Bangkok Metro Public Company Limited (BMCL) in the amount of Baht 101 Million, and additional investment in Xayaburi Power Company Limited (XPCL) in the amount of Baht 73 Million in proportion to its shareholding, while all investments in SouthEast Asia Energy Limited (SEAN) were sold, with the book value of Baht 1,101 Million, to CK Power Limited (CKP). The details of long-term investments as at December 31, 2012 are as follows:

(Unit: Million Baht)

	Proportion of Shareholding	Cost	Fair Value		Changes	
			December 31, 2012	December 31, 2011	Amount	%
BMCL	11.23%	1,668	939	838	101	12.05
TTW	9.24%	1,137	3,374	1,862	1,512	81.20
SEAN	-	-	-	1,101	(1,101)	-100.00
XPCL	7.50%	148	148	75	73	97.33
Total		2,953	4,461	3,876	585	15.09

5. Rights to operate completed expressway sectors amounted to Baht 28,332 Million, representing a decrease from the end of the previous year by Baht 2,595 Million or 8.39 percent, because of the recording of amortization expenses in the income statement based on the traffic volume, while the increased cost of rights to operate completed expressway sectors was recorded due to its Subsidiary's improvement of the Expressway which was damaged by the flood.
6. Advance payment under expressway construction contract amounted to Baht 2,250 Million, representing advance payments for the Project Management Agreement for the Si Rat Outer Ring Road Expressway Project.
7. Advance for compensation for site acquisition cost amounted to Baht 177 Million, which was reclassified from provision for compensation for site acquisition cost under non-current liabilities to non-current assets. In 2012, the Company was obliged to pay a compensation for site acquisition cost to the Expressway Authority of Thailand in the amount of Baht 1,200 Million, in respect of which the Company already made such payment to the Expressway Authority of Thailand.
8. Deferred financial fee for the non-drawdown loan amounted to Baht 60 Million, representing an increase in full amount, due to the front-end fee and other financial fee for long-term loan for the construction of the Si Rat Outer Ring Road Expressway Project.

Liabilities

Total liabilities of the Company and its Subsidiary as at December 31, 2012 amounted to Baht 19,716 Million, representing a decrease from the end of the previous year by Baht 200 Million or 1.00 percent. The details of significant increases and decreases as compared to the end of the previous year are as follows:

(Unit: Million Baht)

	December 31, December 31,		Changes	
	2012	2011	Amount	%
Trade payables and other current liabilities	476	537	(61)	-11.36
Corporate income tax payable	151	183	(32)	-17.49
Long-term loans	2,806	3,949	(1,143)	-28.94
Debentures	16,197	15,095	1,102	7.30
Provision for compensation for site acquisition cost	-	76	(76)	-100.00
Provision for long-term employee benefits	86	76	10	13.16
Total liabilities	19,716	19,916	(200)	-1.00

1. Trade payables and other current liabilities amounted to Baht 476 Million, representing a decrease by Baht 61 Million or 11.36 percent, mainly from return of deposits for Easy Pass, the collection of which was cancelled since July 2012.

2. Corporate income tax payable amounted to Baht 151 Million, representing a net decrease by Baht 32 Million or 17.49 percent, from the payment of income tax for the last six-month period of the year 2011 and for the first six-month period of the year 2012 amounting to Baht 183 Million and Baht 550 Million, respectively, and the recording of income tax payable during the year 2012 amounting to Baht 701 Million.
3. Long-term loans amounted to Baht 2,806 Million, representing a decrease by Baht 1,143 Million or 28.94 percent from the repayment of loans in the ordinary course of the payment schedule.
4. Debentures amounted to Baht 16,197 Million, representing a net increase by Baht 1,102 Million or 7.30 percent due to Million, representing a net increase by Baht 1,102 Million or 7.30 percent due to the issuance of debentures during the year 2012, with the details as follows:

<u>No.</u>	<u>Maturity</u>	<u>Amount</u>	<u>Interest Rate</u>
1/2012	3 years	Baht 1,000 Million	Fixed interest rate at 4.12 p.a.
2/2012	4 years	Baht 2,000 Million	Fixed interest rate at 4.08 p.a.*

* Note: The Company entered into an interest rate swap contract in order to hedge against interest rate risk associated with debentures No. 2/2012, under which the interest rates are swapped from fixed interest rate to float interest rate at 4.08 percent per annum to MLR - 3.3 percent per annum.

Proceeds from the issuance of debentures No. 1/2012 in March 2012 were utilized for repayment of the existing debentures amounting to Baht 1,895 Million at the interest rate of 4.88 percent per annum, due for redemption in August 2012; and proceeds from the issuance of debentures No. 2/2012 in October 2012 were utilized for the advance payments for the Project Management Agreement for the Si Rat - Outer Ring Road Expressway Project.

5. Provision for compensation for site acquisition cost increased from the additional provision for compensation during the period in the amount of Baht 947 Million and decreased from the actual payment of compensation in the amount of Baht 1,200 Million to the Expressway Authority of Thailand (EXAT). In this year, provision for compensation for site acquisition cost was reclassified as advance for compensation for site acquisition cost under non-current assets.
6. Provision for long-term employee benefits amounted to Baht 86 Million, representing an increase by Baht 10 Million or 13.16 percent from the recording of transaction in accordance with Accounting Standard No. 19 on Employee Benefits, which was effective in 2011.

Shareholders Equity

Total shareholders equity of the Company and its Subsidiary as at December 31, 2012 amounted to Baht 21,601 Million, representing an increase from the end of the previous year by Baht 2,910 Million or 15.57 percent. The details of significant increases and decreases as compared to the end of the previous year are as follows:

(Unit: Million Baht)

	December 31	December 31	Changes	
	2012	2011	Amount	%
Issued and paid-up share capital	7,700	7,700	-	-
Premium on ordinary shares	4,848	4,848	-	-
Other components of shareholders equity	1,509	(172)	1,681	977.33
Retained earnings	7,571	6,333	1,238	19.55
Non-controlling interests of the subsidiary	(27)	(18)	(9)	-50.00
Total shareholders equity	21,601	18,691	2,910	15.57

1. Other components of shareholders equity were unrealized gain on changes in value of investments, which is an adjustment of investment value in TTW and BMCL in accordance with the market prices. As at December 31, 2012, the investment value of TTW and BMCL increased in the amount of Baht 1,512 Million and Baht 169 Million, respectively, in accordance with the market prices.
2. Retained earnings increased from the net operating profit for 2012 in the amount of Baht 2,254 Million and decreased from dividend payment in the amount of Baht 539 Million or Baht 0.70 per share for the operational results for the last-six month period of the year 2011 on May 18, 2012 and in the amount of Baht 477 Million or Baht 0.62 per share for the operational results for the first six-month period of the year 2012 on September 28, 2012.

Cash Flows

In 2012, the Company and its Subsidiary generated cash flows from operating activities amounting to Baht 4,122 Million, utilized cash of Baht 2,091 Million in investing activities due to (1) investment in associated company in the amount of Baht 2,730 Million, (2) investment in the Si Rat - Outer Ring Road Expressway Project in the amount of Baht 2,277 Million, (3) investment in the improvement of the Expressways due to the flood in the amount of Baht 114 Million, (4) investment in long-term investments in the amount of Baht 72 Million, (5) acquisition of fixed assets in the net amount of Baht 49 Million, (6) receipts of sales of long-term investments in the amount of Baht 2,789 Million, (7) receipts of dividend and interest from investments in the amount of Baht 213 Million, and (8) withdrawal of current investments in the amount of Baht 149 Million.

The Company and its Subsidiary utilized net cash of Baht 1,897 Million from financing activities due to (1) redemption of debentures amounting to Baht 1,895 Million, (2) dividend payment amounting to Baht 1,016 Million, (3) repayment of long-term loans amounting to Baht 1,143 Million, (4) interest payment amounting to Baht 777 Million, (5) payment of financial fee amounting to Baht 66 Million, and (6) receipts of issuance of debentures amounting to Baht 3,000 Million.

As at December 31, 2012, the Company and its Subsidiary had cash and cash equivalents amounting to Baht 262 Million, representing an increase from the end of the previous year by Baht 134 Million.

Financial Ratios

	2012	2011
Net Prot Margin	24.43%	18.40%
Return on Equity	11.18%	7.46%
Return on Total Assets	5.64%	3.56%
Interest Coverage (times)	8.28	6.14
Debt to Equity (times)	0.91	1.06

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 2012 of the Company and the Subsidiary, which have been reviewed by the Audit Committee in conjunction with the management, and audited by the Company's auditor, reflect accurate financial status and operational results as appropriate in material aspects in accordance with generally accepted accounting principles.



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



(Mrs. Payao Marittanaporn)
Managing Director

Information of Company Executives (As at 31 December 2012)

Name-Surname / Position	Age (Years)	Education/Training	Share-holding Ratio (%)	Family Relationship Among Executives	Work Experience for the Past 5 Years		
					Period	Position	Organization
1 Dr. Virabongsa Ramangkura Chairman of the Board of Directors	69	- Doctor of Law (Honorary) Webster University, St. Louis, USA - Ph. D. (Economics) University of Pennsylvania, USA - M.A. (Economics) University of Pennsylvania, USA - B.A. Political Science (First Class Honors) Chulalongkorn University - Director Certification Program (DCP 43/2004) Thai Institute of Directors Association	-	-	May 2012 - present 2008 - present 2006 - present 2005 - present 2004 - present 1995 - present 1996 - May 2012 2006 - Mar 2008 2005 - Feb 2007 2005 - May 2007	- Chairman of the Board of Directors - Chairman of the Board of Directors - Chairman of the Board of Directors - Chairman of the Board of Directors - Audit Committee Member - President - Chairman of the Executive Board - Director - Member of the National Legislative Assembly - Chairman of the Board of Directors - Advisor to the Board of Directors - Advisor to the Chairman of the Executive Board	The Bank of Thailand Nam Ngum 2 Power Company Limited SouthEast Asia Energy Limited Finansa Public Company Limited Polyplex (Thailand) Public Company Limited Thai-Lao Association Ministry of Foreign Affairs Double A (1991) Public Company Limited Bangkok Airways Public Company Limited The National Legislative Assembly Export-Import Bank of Thailand Wang Kanai Group
2 Prof. Suphachai Phisitvanich Director Chairman of the Audit Committee Chairman of the Corporate Governance and Risk Management Committee	72	- Honorary Ph.D. (Accounting) Thammasat University - Certificate, National Defence College (Class 32) - M.B.A. (Finance) Ohio State University, USA - B.A. (Accounting) Thammasat University - B.A. (Commerce) Thammasat University - Director Certification Program (DCP 38/2003) Thai Institute of Directors Association - 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 2006 - present 2004 - present 2003 - May 2010 2005 - 2008 2004 - 2008	- Chairman of the Board of Directors - Independent Director - Chairman of the Board of Directors - Chairman of the Board of Directors - Chairman of the Board of Directors and Independent Director - Chairman of the Board of Directors and Chairman of the Audit Committee - Chairman of the Audit Committee - Chairman of the Audit Committee - Chairman of the Board of Directors - Appellate Committee Member	AIRA Capital Company Limited CP All Public Company Limited AIRA Securities Public Company Limited Sena Saithong Company Limited Samart I-Mobile Public Company Limited Matching Studio Public Company Limited CPPC Public Company Limited Business Development Bank (Shanghai-China) Merit Land Company Limited Office of the Securities and Exchange Commission (SEC)
3 General Sampao Choosri Director Audit Committee Member Chairman of the Nomination and Remuneration Committee Corporate Governance and Risk Management Committee Member	71	- Chulachomklao Royal Military Academy - Royal Military Academy (Saint Cyr), France - The Army Command and General Staff College Class 51 - The Joint State - Private Sectors Regular Course Class 6, National Defence College of Thailand - Director Accreditation Program (DAP 15/2004) Thai Institute of Directors Association	-	-	2012 - present 2001 - present 2006 - present	- Chairman of the Board of Directors - Chairman of the Board of Directors - Chief Advisor to the Company	TIPS Company Limited Dhospaak Company Limited Thai Agro Exchange Company Limited

Information of Company Executives (As at 31 December 2012)

Name-Surname / Position	Age (Years)	Education/Training	Share-holding Ratio (%)	Family Relationship Among Executives	Work Experience for the Past 5 Years		
					Period	Position	Organization
4 Dr. Annop Tanlamai Director Audit Committee Member Nomination and Remuneration Committee Member Corporate Governance and Risk Management Committee Member	62	- 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	-	-	Oct 2012 - present	- Dean of College of Management	Mahidol University
					Jun 2012 - present	- Director and Chairman of the Audit Committee	MK Restaurant Company Limited
					2011 - 2012	- Advisor for Master of Business Administration Program, Faculty of Commerce and Accountancy	Chulalongkorn University
					1988 - 2011	- Instructor for Department of Commerce Faculty of Commerce and Accountancy	Chulalongkorn University
					2007 - 2011	- Dean of Faculty of Commerce and Accountancy	Chulalongkorn University
					1999 - 2007	- Chairman of the Committee for Master of Business Administration (MBA) Program Faculty of Commerce and Accountancy	Chulalongkorn University
					1995 - 1999	- Head of Department of Commerce Faculty of Commerce and Accountancy	Chulalongkorn University
					1989 - 1995	- Chairman of the Committee for Master of Business Administration (MBA) Program Faculty of Commerce and Accountancy	Chulalongkorn University
					1986 - 1988	- Assistant Professor	Bentley University, Massachusetts, USA
5 Mr. Plew Trivisavet Director Chairman of the Executive Board Nomination and Remuneration Committee Member Authorized Signatory Director	67	- M.Sc. (Electrical Engineering) Osaka University, Japan - B.Sc. (Electrical Engineering) Osaka University, Japan - Director Certification Program (DCP 50/2004) Thai Institute of Directors Association - Capital Market Academy Leader Program Class 4/2007, Capital Market Academy	-	-	2011 - present	- Director	CK Power Limited
					2010 - present	- Director	Xayaburi Power Company Limited
					2009 - present	- Director	Thai Tap Water Supply Public Company Limited
					2006 - present	- Director and Chairman of the Executive Board	Nam Ngum 2 Power Company Limited
					2006 - present	- Chairman of the Executive Board	SouthEast Asia Energy Limited
					2004 - present	- Chairman of the Board of Directors - Chairman of the Executive Committee and Nomination and Remuneration Committee Member	Bangkok Metro Public Company Limited
					1996 - present	- Chairman of the Board of Directors - Chairman of the Executive Board	Northern Bangkok Expressway Company Limited
					1994 - present	- Chairman of the Executive Board and Chief Executive Officer	CH. Karnchang Public Company Limited
6 Mr. Supong Chayutsahakij Director Vice Chairman of the Executive Board Nomination and Remuneration Committee Member Corporate Governance and Risk Management Committee Member Authorized Signatory Director	71	- Honorary Ph.D. (Management Science) Phranakhon Rajabhat University - Executive Master of Business Administration Sasin Graduate Institute of Business Administration of Chulalongkorn University - Master of Engineering (Electrical) University of Tokyo, Japan - Bachelor of Engineering (Electrical) University of Tokyo, Japan - Director Certification Program (DCP 8/2001) Thai Institute of Directors Association - Audit Committee Program (ACP 17/2007) Thai Institute of Directors Association	-	-	2011 - present	- Director	CK Power Limited
					2009 - present	- Vice Chairman of the Board of Directors	Bangkok Metro Public Company Limited
					2002 - present	- Director and Executive Committee Member	
					2009 - present	- Chairman of the Board of Directors	Bangkok Metro Networks Company Limited
					2008 - present	- Director	SouthEast Asia Energy Limited
						- Director	Nam Ngum 2 Power Company Limited
					1996 - present	- Director and Executive Director	Northern Bangkok Expressway Company Limited
					2006 - present	- Chairman of the Institute - Director and Audit Committee Member	Thai-Nichi Institute of Technology Siam Steel International Public Company Limited
					2004 - 2009	- Chairman of the Board of Directors - Chairman of the Board of Directors - Chairman of the Board of Directors	BMCL Network Limited Metro Mall Development Limited Triads Networks Company Limited

Information of Company Executives (As at 31 December 2012)

Name-Surname / Position	Age (Years)	Education/Training	Share-holding Ratio (%)	Family Relationship Among Executives	Work Experience for the Past 5 Years		
					Period	Position	Organization
7 M.L. Prasobchai Kasemsant Director Executive Director Authorized Signatory Director	57	- M.S. (Civil Engineering) Stanford University, USA - M.S. (Operations Research) Stanford University, USA - B.S. (Civil Engineering, Mathematics) Virginia Military Institute, Virginia, USA - Director Certification Program (DCP 33/2003) Thai Institute of Directors Association - Graduate Diploma Program in Public Law (2007) Thammasat University - Graduate Diploma Program in International Trade Law (2007) Thammasat University	-	-	Oct 2012 - present	- Deputy Permanent Secretary for Defence	Ministry of Defence
					1996 - present	- Director and Executive Director	Northern Bangkok Expressway Company Limited
					Oct 2010 - Sep 2012	- Special Advisor to the Permanent Secretary for Defence	Ministry of Defence
					2009 - Sep 2010	- Director-General, Office of Defence Logistics Office of Permanent Secretary	Ministry of Defence
					2007 - 2009	- Chief of the Office of Inspector General	Ministry of Defence
8 Mr. Panit Dunnvatanachit Director	56	- M.B.A. (Finance) Washington University, St. Louis, USA - Bachelor of Arts & Science Washington University, St. Louis, USA - Board and CEO Assessment Program Thai Institute of Directors Association - Director Certification Program (DCP 10/2001) Thai Institute of Directors Association	0.0035	-	2006 - present	- Director	Thai Yamaha Motor Co., Ltd.
					2003 - present	- Director and Executive Director	Northern Bangkok Expressway Company Limited
					2000 - present	- Executive Vice President	Bangkok Bank Public Company Limited
					1994 - present	- Director	Krunghthep Engineering Consultants Co., Ltd.
					2000 - 2010	- Director and Member of the Executive Committee	CBNP (Thailand) Limited
9 Miss Arisara Dharamadhaj Director	55	- M.B.A., Roosevelt University, USA - Bachelor of Economics (Second Class Honors) University of the Thai Chamber of Commerce - Director Certification Program (DCP 75/2006) Thai Institute of Directors Association - The Joint State - Private Sectors Regular Course Class 24, National Defence College of Thailand National Defence Studies Institute	-	-	Oct 2012 - present	- First Executive Vice President - Managing Director Government and State Enterprise Relations Group	Krung Thai Bank Public Company Limited
					2006 - 2010	- Director and Executive Director	Northern Bangkok Expressway Company Limited
					2005 - Sep 2012	- Executive Vice President - Director Corporate Banking Group 2 Corporate Banking Group 1	Krung Thai Bank Public Company Limited
					present	- Director	Krung Thai Asset Management Public Company Limited
10 Mrs. Vallapa Assakul Director Executive Director	63	- 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	0.016	-	2010 - present	- Director and Executive Director	Northern Bangkok Expressway Company Limited
					2010 - present	- Director	Siam Estate Company Limited
					2009 - present	- Director	Bangkok Metro Public Company Limited
					2005 - 2007	- Director	
					2009 - present	- Risk Management Committee Member	Ocean Life Insurance Company Limited
					2008 - present	- Audit Committee Member	
					2006 - present	- Director and Chairman of the Nomination and Remuneration Committee	
					2008 - present	- Director	Amphan Company Limited
					2004 - 2007	- Vice Managing Director Corporate and Investment Banking	TMB Bank Public Company Limited

Information of Company Executives (As at 31 December 2012)

Name-Surname / Position	Age (Years)	Education/Training	Share- holding Ratio (%)	Family Relationship Among Executives	Work Experience for the Past 5 Years		
					Period	Position	Organization
11 Mr. Chavalit Wathanakul * Director	60	- Master of Science, University of Wales, UK - Bachelor of Engineering King Mongkut's University of Technology Thonburi	-	-	2009 - present 2007	- Deputy Governor for Construction and Maintenance - Director of Expressway Construction Department	Expressway Authority of Thailand
12 Mrs. Payao Marittanaporn ** Director Executive Director Managing Director Authorized Signatory Director	55	- M.B.A. Chulalongkorn University - Higher Diploma in Auditing Thammasat University - Bachelor of Accountancy Chulalongkorn University - Director Certification Program (DCP 49/2004) 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	-	-	present 2011 - present 2007 - present 2004 - present	- Director - Nomination and Remuneration Committee Member - Risk Management Committee Member - Director - Managing Director - Director and Executive Director	Thai Tap Water Supply Public Company Limited Xayaburi Power Company Limited Bangkok Expressway Public Company Limited Northern Bangkok Expressway Company Limited
13 Mr. Sanguan Kunatinun Assistant Managing Director (Engineering)	51	- M.B.A. Thammasat University - Bachelor of Engineering Chulalongkorn University - Director Certification Program (DCP 101/2008) Thai Institute of Directors Association	-	-	2006 - present	- Assistant Managing Director (Engineering)	Bangkok Expressway Public Company Limited
14 Mrs. Sudruthai Prommart Assistant Managing Director (Operation)	49	- M.B.A. (Financial Accounting) Northrop University, Inglewood, California, USA - Bachelor of Business Administration Assumption University - Director Certification Program (DCP 151/2011) Thai Institute of Directors Association	-	-	2007 - present	- Assistant Managing Director (Operation)	Bangkok Expressway Public Company Limited
15 Mrs. Ngamnit Kanokgarnjanar Assistant Managing Director (Compliance Unit)	57	- 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	-	-	Jan 2012 - present 2007 - 2011 2003 - 2007	- Assistant Managing Director (Compliance Unit) - Assistant Managing Director (Administration) - General Manager of Administration Division	Bangkok Expressway Public Company Limited

Remarks: * Appointed as director effective from 27 February 2013 to replace Mr. Lertsak Chingharanon who resigned from office since 11 January 2013.

** Appointed as director of Thai Tap Water Supply Public Company Limited on 30 January 2013.

Information of Company Executives (As at 31 December 2012)

Name-Surname / Position	Age (Years)	Education/Training	Shareholding Ratio (%)	Family Relationship Among Executives	Work Experience for the Past 5 Years		
					Period	Position	Organization
16 Mr. Phakpoom Thaweewittayarat Assistant Managing Director (Administration) and Company Secretary	46	- 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	-	-	Jan 2012 - present 2008 - present Sep 2011 - Dec 2011 2008 - Aug 2011 2007	- Assistant Managing Director (Administration) and Acting General Manager of Administration Division - Company Secretary - Senior General Manager of Administration Division - Senior General Manager of Managing Director Office - General Manager of Internal Audit Office	Bangkok Expressway Public Company Limited
17 Miss Panan Tosuwanthaworn Assistant Managing Director (Finance)	45	- Master of Accountancy Thammasat University - Bachelor of Accountancy Thammasat University - Director Certification Program (DCP 158/2012) Thai Institute of Directors Association	-	-	Jan 2012 - present 2008 - 2011 2006 - 2007	- Assistant Managing Director (Finance) - Senior General Manager of Finance Division - General Manager of Finance Division	Bangkok Expressway Public Company Limited
18 Mrs. Wattana Sittiwattayaporn Senior General Manager Construction Division	49	- M.B.A. Thammasat University - Bachelor of Accountancy Thammasat University	-	-	Jan 2012 - present 2008 - 2011	- Senior General Manager of Construction Division - General Manager of Planning and Development Division	Bangkok Expressway Public Company Limited
19 Mr. Phaisan Lertsalaluck General Manager Traffic Division	49	- Master Degree in Energy Technology King Mongkut's University of Technology Thonburi - Bachelor of Engineering King Mongkut's University of Technology Thonburi	-	-	2007 - present 2004 - Jul 2007	- General Manager of Traffic Division - General Manager of Maintenance Division	Bangkok Expressway Public Company Limited
20 Miss Vasana Wattananukulchai General Manager Internal Audit Office	51	- M.B.A. The National Institute of Development Administration - Bachelor of Accountancy Bangkok University	-	-	2008 - present 2006 - 2007	- General Manager of Internal Audit Office - General Manager of Toll Revenue Division	Bangkok Expressway Public Company Limited
21 Mr. Omsyn Pitulwarangkur General Manager Maintenance Division	51	- M.B.A. The National Institute of Development Administration - Master of Information Engineering NIGATA University, Japan - Bachelor of Engineering King Mongkut's Institute of Technology Ladkrabang	-	-	Jan 2012 - present 2008 - 2011 2007	- General Manager of Maintenance Division - General Manager of Construction & Maintenance Division - Deputy Director, IT and HR Department	Bangkok Expressway Public Company Limited JVC Manufacturing (Thailand) Co., Ltd.
22 Mrs. Supattra Bumnetphan General Manager Toll Revenue Division	51	- Master of Public Administration The National Institute of Development Administration - Bachelor of Political Science Chiang Mai University	-	-	2009 - present 2007 - 2008 2005 - 2007	- General Manager of Toll Revenue Division - Deputy General Manager of Toll Revenue Division - Senior Manager of Toll Collection Department	Bangkok Expressway Public Company Limited

Information of Company Executives (As at 31 December 2012)

Name-Surname / Position	Age (Years)	Education/Training	Share-holding Ratio (%)	Family Relationship Among Executives	Work Experience for the Past 5 Years		
					Period	Position	Organization
23 Mr. Chalermkiat Sakonwisansak Deputy General Manager Maintenance Division	50	- Bachelor of Engineering Rajamangala University of Technology	-	-	Jan 2012 - present 2009 - 2011 2003 - 2008	- Deputy General Manager of Maintenance Division - Deputy General Manager of Construction & Maintenance Division - Engineer 6 of Maintenance Division	Bangkok Expressway Public Company Limited
24 Miss Phenporn Kittiyopars Deputy General Manager Information Technology Office	46	- Master of Information Technology Management The National Institute of Development Administration - Bachelor of Science (Statistics) Silpakorn University	-	-	Jan 2012 - present 2008 - 2011 2004 - 2007	- Deputy General Manager of Information Technology Division - Deputy General Manager of Planning and Development Division - Senior Manager of Information Technology Department	Bangkok Expressway Public Company Limited
25 Mr. Rungsak Luengrattanasak Deputy General Manager Maintenance Division	40	- M.S. (Computer Engineering and Management) Assumption University - Bachelor of Engineering (Electrical) King Mongkut's Institute of Technology Ladkrabang	-	-	Jan 2012 - present 2010 - 2011 2008 - 2009 2005 - 2007	- Deputy General Manager of Maintenance Division - Deputy General Manager of Construction & Maintenance Division - Senior Manager of System Engineering Department - Manager of Equipment Maintenance Department	Bangkok Expressway Public Company Limited
26 Mrs. Manatsavee Subchavaroj Deputy General Manager Managing Director Office	46	- 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 Minute Taking (EMT 4/2006) Thai Institute of Directors Association	-	-	Jan 2012 - present 2005 - 2011	- Deputy General Manager of Managing Director Office - Senior Manager of Legal & Compliance Department	Bangkok Expressway Public Company Limited
27 Mrs. Suttida Sukhanindr Deputy General Manager Business Development Division	39	- M.B.A. Assumption University - Bachelor of Economics Chulalongkorn University - Fundamental Practice for Corporate Secretary (FPCS 23/2011) Thai Listed Companies Association	-	-	Jan 2012 - present 2007 - 2011	- Deputy General Manager of Business Development Division - Senior Manager of Investor Relations Department	Bangkok Expressway Public Company Limited
28 Mr. Kitti Aphornrat Deputy General Manager Finance Division	44	- M.B.A (Finance) Chulalongkorn University - Bachelor of Business Administration Program in Marketing Chulalongkorn University	-	-	Jan 2012 - present Sep 2011 - Dec 2011 2008 - Aug 2011 2007	- Deputy General Manager of Finance Division - Senior Manager of Finance Department - Senior Manager of Planning Department - Senior Manager of Business Development Department	Bangkok Expressway Public Company Limited

Executives Holding Positions in the Subsidiary and Related Companies

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

Remarks

1. / = Director; X = Chairman of the Board of Directors; // = Executive Director
2. Related company shall refer to the definition of a legal entity of parties who may have conflict of interest as per the Notification of the Securities and Exchange Commission No. GorJor. 40/2540.
- * Appointed as director effective from 27 February 2013 to replace Mr. Lertsak Chingnaranon who resigned from office on 11 January 2013.
- ** Appointed as director of Thai Tap Water Supply Public Company Limited on 30 January 2013.

Information of Directors in the Subsidiary

Name of Director	Northern Bangkok 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. Chavalit Wathanakul *	/
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.
- * Appointed as director effective from 27 February 2013 to replace Mr. Sintop Sirisingha who resigned from office on 30 January 2013.

Independent Auditor's Report

To the shareholders of Bangkok Expressway Public Company Limited

I have audited the accompanying consolidated financial statements of Bangkok Expressway Public Company Limited and its subsidiary, which comprise the consolidated statements of financial position as at 31 December 2012, and the related consolidated statements of income, comprehensive income, changes in shareholders equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Bangkok Expressway Public Company Limited for the same period.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bangkok Expressway Public Company Limited and its subsidiary and of Bangkok Expressway Public Company Limited as at 31 December 2012, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Other matter

The financial statements of Bangkok Expressway Public Company Limited and its subsidiary for the year ended 31 December 2011 were audited by another auditor of our office who, under her report dated 17 February 2012, expressed an unqualified opinion on those financial statements but drew attention to the operation losses of the subsidiary and the substantial loans provided to the subsidiary.



Sophon Permsirivallop

Certified Public Accountant (Thailand) No. 3182

Ernst & Young Office Limited

Bangkok: 27 February 2013

Statement of financial position

Bangkok Expressway Public Company Limited and its subsidiary

As at 31 December 2012

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Assets					
Current assets					
Cash and cash equivalents	6, 7	261,656,094	128,259,054	222,998,013	113,035,677
Current investments	8	2,937,978,113	3,014,319,406	2,935,102,213	2,936,230,423
Other receivables	7, 9	30,912,257	94,000,000	3,142,590	2,675,000
Advance payment under service contract	7	9,749,139	5,729,368	9,749,139	5,729,638
Other current assets	7	55,411,588	69,671,303	48,418,406	59,045,361
Total current assets		3,295,707,191	3,311,979,131	3,219,410,361	3,116,716,099
Non-current assets					
Investment in associated company	7, 11	2,269,620,908	18,707,925	2,760,000,000	30,000,000
Other long-term investments	7, 12	4,460,908,575	3,875,946,874	4,460,908,575	3,875,946,874
Long-term loans to and interest receivable	7				
from related companies	13	42,738,596	40,124,089	8,769,235,032	9,300,312,604
Investment properties	14	120,357,493	120,357,493	120,357,493	120,357,493
Building and equipment	15	250,282,701	263,700,420	249,166,416	262,491,551
Construction in process	16	26,626,638	-	26,626,638	-
Rights to operate completed expressway sectors		28,305,131,772	30,926,664,653	19,543,302,716	21,779,908,567
Intangible assets	17	39,483,799	41,652,525	39,483,799	41,652,525
Advance payment under expressway					
construction contract	7	2,250,000,000	-	2,250,000,000	-
Advance for compensation for site acquisition cost	21, 30.1	177,180,000	-	177,180,000	-
Deferred financial fee	19	60,496,185	-	60,496,185	-
Other non-current assets		18,379,077	7,814,645	7,162,797	4,609,202
Total non-current assets		38,021,205,744	35,294,968,624	38,463,919,651	35,415,278,816
Total assets		41,316,912,935	38,606,947,755	41,683,330,012	38,531,994,915

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

Statement of financial position (continued)

Bangkok Expressway Public Company Limited and its subsidiary

As at 31 December 2012

(Unit: Baht)

Consolidated financial statements				Separate financial statements	
	Note	2012	2011	2012	2011
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables		227,320,702	195,509,895	219,333,748	192,438,176
Current portion of long-term loans	7, 18	1,996,000,000	1,142,790,000	1,996,000,000	1,142,790,000
Current portion of debentures	7, 19	5,100,000,000	1,895,000,000	5,100,000,000	1,895,000,000
Income tax payable	20	150,776,958	182,660,977	150,776,958	182,660,977
Other current liabilities					
Retention guarantees	7	56,919,452	64,015,877	55,211,339	62,970,204
Deposits for Easy Pass		21,293	157,150,609	21,293	157,150,609
Others		192,041,988	120,165,787	162,827,959	112,037,047
Total current liabilities		7,723,080,393	3,757,293,145	7,684,171,297	3,745,047,013
Non-current liabilities					
Provision for compensation for site acquisition cost	21, 30.1	-	75,740,000	-	75,740,000
Long-term loans, net of current portion	7, 19	810,323,512	2,806,323,512	810,323,512	2,806,323,512
Debentures, net of current portion	20	11,096,624,703	13,200,000,000	11,096,624,703	13,200,000,000
Provision for long-term employee benefits	22	86,008,478	76,203,308	86,008,478	76,203,308
Total non-current liabilities		11,992,956,693	16,158,266,820	11,992,956,693	16,158,266,820
Total liabilities		19,716,037,086	19,915,559,965	19,677,127,990	19,903,313,833
Shareholders' equity					
Share capital					
Registered					
800,000,000 ordinary shares of Baht 10 each		8,000,000,000	8,000,000,000	8,000,000,000	8,000,000,000
Issued and paid-up					
770,000,000 ordinary shares of Baht 10 each		7,700,000,000	7,700,000,000	7,700,000,000	7,700,000,000
Premium on ordinary shares		4,848,492,969	4,848,492,969	4,848,492,969	4,848,492,969
Retained earnings					
Appropriated - statutory reserve	23	800,000,000	800,000,000	800,000,000	800,000,000
Unappropriated		6,770,739,476	5,533,230,050	7,149,219,074	5,452,518,801
Other components of shareholders' equity		1,508,489,979	(172,330,688)	1,508,489,979	(172,330,688)
Equity attributable to shareholders of the Company		21,627,722,424	18,709,392,331	22,006,202,022	18,628,681,082
Non-controlling interests of the subsidiary		(26,846,575)	(18,004,541)	-	-
Total shareholders' equity		21,600,875,849	18,691,387,790	22,006,202,022	18,628,681,082
Total liabilities and shareholders' equity		41,316,912,935	38,606,947,755	41,683,330,012	38,531,994,915

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

Income statement

Bangkok Expressway Public Company Limited and its subsidiary
For the year ended 31 December 2012

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2012	2011	2012	2011
Profit or loss:					
Revenues					
Toll revenue	25	7,732,222,618	7,308,190,551	6,747,831,630	6,506,651,272
Other income					
Interest income	7	58,849,981	62,677,441	363,511,961	310,918,017
Dividend income	7	173,312,500	129,062,500	173,312,500	129,062,500
Gain on investments	7, 12	1,197,520,734	16,064,535	1,691,708,276	35,872,737
Gain on sales of fixed assets		5,403,339	112,207,879	5,403,342	112,207,227
Others	7	57,009,234	23,588,299	58,136,810	43,038,295
Total revenues		9,224,318,406	7,651,791,205	9,039,904,519	7,137,750,048
Expenses					
Amortisation of rights to operate completed expressway sectors					
	16	(2,735,674,982)	(2,515,329,075)	(2,236,605,851)	(2,105,288,712)
Provision for compensation for site acquisition cost					
	21	(947,080,000)	(842,020,000)	(947,080,000)	(842,020,000)
Selling expenses	7	(1,142,891,340)	(1,035,567,817)	(970,050,901)	(899,113,521)
Administrative expenses	7	(564,327,153)	(472,297,396)	(540,393,685)	(448,600,392)
Loss on impairment of investment		-	-	(29,999,999)	(59,999,998)
Total expenses		(5,389,973,475)	(4,865,214,288)	(4,724,130,436)	(4,355,022,623)
Profit before share of profit from investment in associate, finance costs and income tax expenses					
		3,834,344,931	2,786,576,917	4,315,774,083	2,782,727,425
Share of profit from investment in associate	11	16,419,233	8,666,714	-	-
Profit before finance cost and income tax expenses		3,850,764,164	2,795,243,631	4,315,774,083	2,782,727,425
Finance cost	7	(828,902,000)	(896,443,228)	(825,879,038)	(893,495,748)
Profit before income tax expenses		3,021,862,164	1,898,800,403	3,489,895,045	1,889,231,677
Income tax expenses		(776,794,772)	(509,050,977)	(776,794,772)	(509,050,977)
Profit for the year		2,245,067,392	1,389,749,426	2,713,100,273	1,380,180,700
Profit attributable to:					
Equity holders of the Company		2,253,909,426	1,407,753,967	2,713,100,273	1,380,180,700
Non-controlling interests of the Company		(8,842,034)	(18,004,541)		
		2,245,067,392	1,389,749,426		
Earnings per share					
Basic earnings per share					
Profit attributable to equity holders of the Company		2.93	1.83	3.52	1.79

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

Statement of comprehensive income

Bangkok Expressway Public Company Limited and its subsidiary

For the year ended 31 December 2012

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Profit for the year	2,245,067,392	1,389,749,426	2,713,100,273	1,380,180,700
Other comprehensive income:				
Gain (loss) on changes in value of available-for-sale investments	1,680,820,667	(614,503,804)	1,680,820,667	(614,503,804)
Other comprehensive income for the year	1,680,820,667	(614,503,804)	1,680,820,667	(614,503,804)
Total comprehensive income for the year	3,925,888,059	775,245,622	4,393,920,940	765,676,896
Total comprehensive income attributable to:	3,934,730,093	793,250,163	4,393,920,940	765,676,896
Equity holders of the Company	(8,842,034)	(18,004,541)		
Non-controlling interests of the subsidiary	3,925,888,059	775,245,622		

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 company

For the year ended 31 December 2012

(Unit: Baht)

Consolidated financial statements

	Equity attributable to the parent's shareholders						Equity attributable to non-controlling interests of the subsidiary	Total
	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Other components of shareholders' equity	Total other components of shareholders' equity		
					Other comprehensive income			
			Appropriated statutory reserve	Unappropriated	Surplus (deficit) on changes in value of available-for-sale investments			
Balance as at 1 January 2011	7,700,000,000	4,848,492,969	797,555,569	5,167,420,514	442,173,116	18,955,642,168	-	18,955,642,168
Dividend paid (Note 29)	-	-	-	(1,039,500,000)	-	(1,039,500,000)	-	(1,039,500,000)
Total comprehensive income for the year	-	-	-	1,407,753,967	(614,503,804)	793,250,163	(18,004,541)	775,245,622
Statutory reserve	-	-	2,444,431	(2,444,431)	-	-	-	-
Balance as at 31 December 2011	7,700,000,000	4,848,492,969	800,000,000	5,533,230,050	(172,330,688)	18,709,392,331	(18,004,541)	18,691,387,790
Balance as at 1 January 2012	7,700,000,000	4,848,492,969	800,000,000	5,533,230,050	(172,330,688)	18,709,392,331	(18,004,541)	18,691,387,790
Dividend paid (Note 29)	-	-	-	(1,016,400,000)	-	(1,016,400,000)	-	(1,016,400,000)
Total comprehensive income for the year	-	-	-	2,253,909,426	1,680,820,667	3,934,730,093	(8,842,034)	3,925,888,059
Balance as at 31 December 2012	7,700,000,000	4,848,492,969	800,000,000	6,770,739,476	1,508,489,979	21,627,722,424	(26,846,575)	21,600,875,849

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 company

For the year ended 31 December 2012

(Unit: Baht)

Separate financial statements

	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Other components of shareholders' equity	Total
			Appropriated statutory reserve	Unappropriated	Other comprehensive income	
					Surplus (deficit) on changes in value of available-for-sale investments	
Balance as at 1 January 2011	7,700,000,000	4,848,492,969	797,555,569	5,114,282,532	442,173,116	18,902,504,186
Dividend paid (Note 29)	-	-	-	(1,039,500,000)	-	(1,039,500,000)
Total comprehensive income for the year	-	-	-	1,380,180,700	(614,503,804)	765,676,896
Statutory reserve	-	-	2,444,431	(2,444,431)	-	-
Balance as at 31 December 2011	7,700,000,000	4,848,492,969	800,000,000	5,452,518,801	(172,330,688)	18,628,681,082
Balance as at 1 January 2012	7,700,000,000	4,848,492,969	800,000,000	5,452,518,801	(172,330,688)	18,628,681,082
Dividend paid (Note 29)	-	-	-	(1,016,400,000)	-	(1,016,400,000)
Total comprehensive income for the year	-	-	-	2,713,100,273	1,680,820,667	4,393,920,940
Balance as at 31 December 2012	7,700,000,000	4,848,492,969	800,000,000	7,149,219,074	1,508,489,979	22,006,202,022

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

Statement of cash flows

Bangkok Expressway Public Company Limited and its subsidiary

For the year ended 31 December 2012

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Cash flows from operating activities				
Profit before tax	3,021,862,164	1,898,800,403	3,489,895,045	1,889,231,677
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	2,804,721,597	2,575,485,437	2,305,559,886	2,165,402,697
Gain on investments	(1,197,520,734)	(16,064,535)	(1,691,708,276)	(35,872,737)
Gain on sales of investment properties	-	(106,736,368)	-	(106,736,368)
Gain on sales of fixed assets	(5,403,339)	(5,471,511)	(5,403,342)	(5,470,859)
Written-off damaged assets	-	83,512,871	-	-
Amortisation of financial fee	2,151,165	-	2,151,165	-
Loss (gain) on other written-off	-	5,133,983	-	(1,605,773)
Provision for compensation for site acquisition	947,080,000	842,020,000	947,080,000	842,020,000
Provision for long-term employee benefits	11,640,070	10,514,754	11,640,070	10,514,754
Share of profit from investment in associate	(16,419,233)	(8,666,714)	-	-
Loss on impairment of investment	-	-	29,999,999	59,999,998
Interest income	(58,849,981)	(62,677,441)	(363,511,961)	(310,918,017)
Dividend income	(173,312,500)	(129,062,500)	(173,312,500)	(129,062,500)
Interest expenses	801,126,453	873,254,530	801,126,453	873,254,530
Income from operating activities before changes in operating assets and liabilities	6,137,075,662	5,960,042,909	5,353,516,539	5,250,757,402
Decrease (increase) in operating assets				
Other receivables	63,087,743	(94,000,000)	(467,590)	(107,000)
Advance payment under service contract	(4,019,771)	8,293,619	(4,019,771)	8,293,619
Other current assets	(7,995,865)	1,861,376	(13,408,644)	(6,964,159)
Other non-current assets	(2,553,596)	(612,748)	(2,553,596)	(612,748)
Increase (decrease) in operating liabilities				
Trade and other payables	7,998,224	(11,230,865)	3,082,989	(13,900,815)
Other current liabilities	(94,184,440)	12,573,373	(115,932,169)	17,856,235
Cash paid for compensation for site acquisition	(1,200,000,000)	(1,200,000,000)	(1,200,000,000)	(1,200,000,000)
Net cash flows from operating activities	4,899,407,957	4,676,927,664	4,020,217,758	4,055,322,534
Cash received for interest income	40,577,957	1,369,752	40,341,595	744,823
Cash paid for corporate income tax	(818,481,296)	(647,369,072)	(808,678,791)	(639,358,234)
Net cash flows from operating activities	4,121,504,618	4,030,928,344	3,251,880,562	3,416,709,123

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

Statement of cash flows (continued)

Bangkok Expressway Public Company Limited and its subsidiary
For the year ended 31 December 2012

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Cash flows from investing activities				
Decrease (increase) in current investments	148,722,649	(1,041,314,233)	72,190,857	(965,414,233)
Increase in investment in subsidiary company	-	-	(29,999,999)	(59,999,998)
Increase in investment in associated company	(2,730,000,000)	(42,000,000)	(2,730,000,000)	(42,000,000)
Cash received from sales of investment in associated company	-	12,000,000	-	12,000,000
Cash received from sales of long-term investments	2,788,954,594	-	2,788,954,594	-
Increase in other long-term investments	(72,450,000)	(104,455,115)	(72,450,000)	(104,455,115)
Cash received from long-term loans to related company	-	-	410,588,800	317,047,400
Cash received from interest income	39,704,765	31,608,458	467,695,008	308,745,823
Dividend received	173,312,500	129,062,500	173,312,500	129,062,500
Purchase of equipment	(48,575,312)	(70,541,458)	(48,575,312)	(69,310,376)
Cash received from sales of investment properties	-	155,666,875	-	155,666,875
Cash received from sales of equipment	5,460,981	7,126,339	5,460,981	7,125,217
Advance payment under expressway construction contract	(2,250,000,000)	-	(2,250,000,000)	-
Additional construction of Second Stage Expressway	-	(742,500)	-	(742,500)
Increase in construction on process	(140,768,738)	(47,759,415)	(26,626,638)	(47,759,415)
Increase in intangible assets	(4,942,500)	(39,044,323)	(4,942,500)	(39,044,323)
Net cash flows used in investing activities	(2,090,581,061)	(1,010,392,872)	(1,244,391,709)	(399,078,145)
Cash flows from financing activities				
Cash received from issuance of debentures	3,000,000,000	2,900,000,000	3,000,000,000	2,900,000,000
Cash paid for long-term loans	(1,142,790,000)	(1,081,664,088)	(1,142,790,000)	(1,081,664,088)
Cash paid for redemption of debentures	(1,895,000,000)	(2,900,000,000)	(1,895,000,000)	(2,900,000,000)
Cash paid for financial fee	(66,022,647)	-	(66,022,647)	-
Cash paid for interest expenses	(777,313,870)	(871,586,288)	(777,313,870)	(871,586,288)
Cash paid for dividend	(1,016,400,000)	(1,039,500,000)	(1,016,400,000)	(1,039,500,000)
Net cash flows used in financing activities	(1,897,526,517)	(2,992,750,376)	(1,897,526,517)	(2,992,750,376)
Net increase in cash and cash equivalents	133,397,040	27,785,096	109,962,336	24,880,602
Cash and cash equivalents at beginning of year	128,259,054	100,473,958	113,035,677	88,155,075
Cash and cash equivalents at end of year	261,656,094	128,259,054	222,998,013	113,035,677
Supplemental cash flows information				
Non-cash items consist of: -				
Unrealised gain (loss) on changes in value of investments	1,680,820,667	(614,503,804)	1,680,820,667	(614,503,804)
Transfer of construction in process to additional construction of Second Stage Expressway	114,142,100	166,426,531	-	166,426,531
Transfer withholding tax deducted at source over 1 year to non-current assets	8,010,838	-	-	-
Adjustment of provision for long-term employee benefits with the beginning balance of retained earnings	-	65,688,554	-	65,688,554

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

Notes To Consolidated Financial Statements

Bangkok Expressway Public Company Limited and its subsidiary

For the year ended 31 December 2012

1. General information

1.1 Corporate information

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

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

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

1.2 Revision of toll rates

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

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

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

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

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

On 25 April 2012, the 2012 Annual General Meeting of the Company's shareholders approved the investment in the Si Rat - Outer Ring Road Expressway Project, which is to be expanded and connected to the existing expressway system that is currently managed by the Company. In addition, the meeting approved the engagement of CH. Karnchang Public Company Limited as project manager for construction of such project.

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

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

2. Basis of preparation

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

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

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

2.2 Basis of consolidation

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

Company's name	Nature of business	Country of incorporation	Proportion of investment as at 31 December	
Northern Bangkok Expressway Company Limited	Operation and management of Bang Pa-In - Pakkret Expressway	Thailand	2012	2011
			%	%
			46.67	46.36

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 2012, 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 accounting standards not yet effective

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

Accounting standards:

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

Financial Reporting Standard:

TFRS 8

Operating Segments

Accounting Standard Interpretations:

SIC 10

Government Assistance - No Specific Relation to Operating Activities

SIC 21

Income Taxes - Recovery of Revalued Non-Depreciable Assets

SIC 25

Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

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

TAS 12 Income Taxes

This accounting standard requires an entity to identify temporary differences, which are differences between the carrying amount of an asset or liability in the accounting records and its tax base, and to recognise deferred tax assets and liabilities under the stipulated guidelines. The management of the Company expects the adoption of this accounting standard to have the effect of decreasing brought-forward retained earnings of the year 2013 to the Company and its subsidiary by approximately Baht 510 million in total (the Company only: approximately Baht 625 million).

In addition, the Federation of Accounting Professions has issued Notification No. 30/2555 - 34/2555, published in the Royal Gazette on 17 January 2013, mandating the use of accounting treatment guidance and accounting standard interpretations as follows.

		<u>Effective date</u>
Accounting Treatment Guidance for Transfers of Financial Assets		1 January 2013
Accounting Standard Interpretation:		
SIC 29	Service Concession Arrangements: Disclosures	1 January 2014
Financial Reporting Standard Interpretations:		
TFRIC 4	Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 12	Service Concession Arrangements	1 January 2014
TFRIC 13	Customer Loyalty Programmes	1 January 2014

The management of the Company has assessed the effect of these standards and believes that Accounting Treatment Guidance for Transfers of Financial Assets and TFRIC 4 are not relevant to the business of the Company. Management is still evaluating the first-year impact to the financial statements of the adoption of SIC 29, TFRIC 12 and TFRIC 13 and has yet to reach a conclusion.

4. Significant accounting policies**4.1 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.

4.2 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.

4.3 Investments

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

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

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

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

4.4 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.

4.5 Building and equipment and depreciation

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

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

Building and construction improvement	5 years
Furniture and fixture	5 years
Tools, instruments and equipment	3 - 5 years
Easy Pass	7 years
Vehicles	5 - 16 years

Depreciation is included in determining income.

No depreciation has been provided for construction in process.

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

4.6 Amortisation of rights to operate completed expressway sectors

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

Annual amortisation = Net rights to operate completed expressway sectors x Percentage of the number of vehicle volume for the year

Percentage of the number of vehicle volume for the year =
$$\frac{\text{Current year's number of actual vehicle volume}}{(\text{Current year's number of actual vehicle volume} + \text{Projected vehicle volume after current year to the remaining years of the agreement})}$$

Net rights to operate completed expressway sectors = Total actual cost of rights to operate completed expressway sectors - Accumulated amortisation

4.7 Intangible assets and amortisation

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

Intangible assets with finite lives are amortised on a systematic basis over the useful economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

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

Computer software	10 years
-------------------	----------

4.8 Deferred financial fees

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

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

4.9 Related party transactions

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

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

4.10 Impairment of assets

At the end of each reporting period, the Company performs impairment reviews in respect of the property, plant and equipment, rights to operate completed expressway sectors and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company could obtain from the disposal of the asset in an arms length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

4.11 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

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

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

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

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

For the first-time adoption of TAS 19 Employee Benefits in 2011, the Company elected to recognise the transitional liability, which exceeds the liability that would have been recognised at the same date under the previous accounting policy, through an adjustment to the beginning balance of retained earnings in 2011.

4.12 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability.

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

4.13 Periodic maintenance

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

4.14 Income tax

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

4.15 Derivatives - Interest rate swap contracts

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

5. Significant accounting judgments and estimates

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

Fair value of financial instruments

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

Impairment of equity investments

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

Building and equipment/Depreciation

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

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

Amortisation of rights to operate completed expressway sectors

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

Post-employment benefits under defined benefit plans

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

Litigation

The Company and its subsidiary have contingent liabilities as a result of litigation. The Companys 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.

6. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Cash	6,545	6,260	5,300	5,130
Bank deposits	255,111	121,999	217,698	107,906
Total	261,656	128,259	222,998	113,036

As at 31 December 2012, bank deposits in saving accounts and current accounts carried interests between 0.63% and 3.21% per annum (2011: between 0.50% and 0.75% per annum).

7. Related party transactions

During the years, the Company and its subsidiary had significant transactions with its related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	2012	2011	2012	2011	
Transactions with subsidiary company					
Payment for additional share subscription Northern Bangkok Expressway Company Limited	-	-	30,000	60,000	300,000,000 shares of Baht 0.10 each (2011: 300,000,000 shares of Baht 0.20 each)
Cash receipt from repayment of long-term loans and interest receivable Northern Bangkok Expressway Company Limited	-	-	533,693	383,000	
Interest receipt on long-term loans Northern Bangkok Expressway Company Limited	-	-	304,887	248,877	At the rates of 2.63% - 4.37% per annum (2011: 1.33% - 4.35% per annum)
Management income Northern Bangkok Expressway Company Limited	-	-	31,800	30,000	
Transactions with associated company					
Payment for share subscription CK Power Limited	2,730,000	42,000	2,730,000	42,000	273,000,000 shares of Baht 10 each (2011: 4,200,000 shares of Baht 10 each)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	2012	2011	2012	2011	
Gain on sales of investment in SouthEast Asia Energy Limited					Stated in the agreement and compared to the amounts as estimated by independent consultant
CK Power Limited	1,156,181	-	1,651,688	-	
Management service income					Contracted price
CK Power Limited	287	-	287	-	
Transactions with related companies					
Dividend income					368,750,000 shares of Baht 0.47 each (2011: 368,750,000 shares of Baht 0.35 each)
Thai Tap Water Supply Public Company Limited	173,312	129,062	173,312	129,062	
Sales of investment in CK Power Limited					1,200,000 shares of Baht 10 each
Thai Tap Water Supply Public Company Limited	-	12,000	-	12,000	
Interest receipt on long-term loans					At the rate of MLR+1% per annum
SouthEast Asia Energy Limited	2,615	2,526	2,615	2,526	
Second Stage Expressway maintenance expenses					Stated in the agreement and compared to the amounts as estimated by independent consultant
CH. Karnchang Public Company Limited	49,658	54,946	35,472	54,946	

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	2012	2011	2012	2011	
Cost incurred under construction contracts for Second Stage Expressway and Bang Pa-In - Pakkret Expressway					
CH. Kanchang-Tokyu Construction Company Limited	-	33,878	-	33,878	Contracted price
Rental expenses					
CH. Karnchang Public Company Limited	120	120	-	-	Baht 10,000 per month
Financial arrangement fee					
Krungthai Bank Public Company Limited	12,000	12,000	9,500	9,500	Baht 2,500,000 to Baht 9,500,000 per annum
Financial fee					
Krungthai Bank Public Company Limited	22,450	-	22,450	-	At the rate of 0.5% of loan facility and Baht 1,200,000 per annum
Bangkok Bank Public Company Limited	22,450	-	22,450	-	At the rate of 0.5% of loan facility and Baht 1,200,000 per annum
Finansa Securities Limited	10,000	-	10,000	-	Contract price
Total	54,900	-	54,900	-	
Debenture issuing cost					
Krungthai Bank Public Company Limited	3,000	-	3,000	-	At the rate of 0.15% of debenture value
Interest payment on long-term loans					
Krungthai Bank Public Company Limited	45,622	57,537	45,622	57,537	At the rates of 3.75% and 4.00% per annum
Bangkok Bank Public Company Limited	33,561	42,327	33,561	42,327	
Total	79,183	99,864	79,183	99,864	
Payment for additional share subscription					
SouthEast Asia Energy Limited	-	29,455	-	29,455	2011: 60,112,500 shares of Baht 0.49 each
Xayaburi Power Company Limited	72,450	75,000	72,450	75,000	43,125,000 shares of Baht 1.68 each (2011: 7,499,999 shares of Baht 10 each)
Total	72,450	104,455	72,450	104,455	

The balances of the accounts as at 31 December 2012 and 2011 between the Company and those related companies are as follows:

(Unit: Thousand Baht)

	Relationship	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Cash and cash equivalents					
Krungthai Bank Public Company Limited*	*The Company's director has authority in bank	96,456	77,095	83,882	68,003
Bangkok Bank Public Company Limited*		32	2	32	2
Total		96,488	77,097	83,914	68,005
Other receivable					
Northern Bangkok Expressway Company Limited	Subsidiary	-	-	2,835	2,675
CK Power Limited	Associated company	307	-	307	-
		307	-	3,142	2,675
Advance payment under service contract (shown under other current assets)					
CH. Karnchang Public Company Limited	Common directors	9,352	-	9,352	-

(Unit: Thousand Baht)

	Relationship	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Prepaid expenses (shown under other current assets)					
Krungthai Bank Public Company Limited*	*The Company's director has authority in bank	5,234	5,234	2,929	2,929
Investment in associated company					
CK Power Limited	Associated company	2,269,621	18,708	2,760,000	30,000
Other long-term investments					
Bangkok Metro Public Company Limited	Common directors	939,396	837,634	939,396	837,634
SouthEast Asia Energy Limited	Common directors	-	1,101,125	-	1,101,125
Thai Tap Water Supply Public Company Limited	Common directors	3,374,063	1,862,188	3,374,063	1,862,188
Xayaburi Power Company Limited	Common directors	147,450	75,000	147,450	75,000
Total		4,460,909	3,875,947	4,460,909	3,875,947
Long-term loans to and interest receivable from related companies					
Northern Bangkok Expressway Company Limited	Subsidiary	-	-	8,726,496	9,260,189
SouthEast Asia Energy Limited	Common directors	42,739	40,124	42,739	40,124
Total		42,739	40,124	8,769,235	9,300,313
Advance payment under construction contract					
CH. Karnchang Public Company Limited	Common directors	2,250,000	-	2,250,000	-

(Unit: Thousand Baht)

	Relationship	Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Trade and other payables					
CH. Karnchang Public Company Limited	Common directors	11,041	10	11,031	-
Thai Tap Water Supply Public Company Limited	Common directors	4	14	4	14
Construction Material Supply Company Limited	Common directors	390	-	390	-
Total		11,435	24	11,425	14
Retention guarantees					
CH. Karnchang Public Company Limited	Common directors	8,713	14,358	8,004	14,358
CH. Karnchang-Tokyu Construction Company Limited	Common directors	574	1,215	574	976
Construction Material Supply Company Limited	Common directors	34	-	18	-
Total		9,321	15,573	8,596	15,334
Long-term loans and current portion of long-term loans					
Krungthai Bank Public Company Limited*	The Company's director has authority in bank	965,465	1,360,138	965,465	1,360,138
Bangkok Bank Public Company Limited*		710,229	1,000,565	710,229	1,000,565
Total		1,675,694	2,360,703	1,675,694	2,360,703

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 2012	2,360,703	3.75% per annum
Less: Payment during the year	(685,009)	
Balance as at 31 December 2012	1,675,694	4.00% per annum

During the year 2012, movements of long-term loans to and interest receivable from related companies were as follow: -

(Unit: Thousand Baht)

	Consolidated financial statements				
	31 December 2011	Increase during the year	Decrease during the year	31 December 2012	Interest rate
SouthEast Asia Energy Limited					
Long-term loans	31,250	-	-	31,250	MLR+1% per annum
Interest receivable	8,874	2,615	-	11,489	
Total	40,124	2,615	-	42,739	

(Unit: Thousand Baht)

	Consolidated financial statements				
	31 December 2011	Increase during the year	Decrease during the year	31 December 2012	Interest rate
Northern Bangkok Expressway Company Limited					
Long-term loans	7,634,058	-	(410,589)	7,223,469	2.63% to 4.37% per annum
Interest receivable	1,626,131	304,887	(427,991)	1,503,027	
Total	9,260,189	304,887	(838,580)	8,726,496	
SouthEast Asia Energy Limited					
Long-term loans	31,250	-	-	31,250	MLR+1% per annum
Interest receivable	8,874	2,615	-	11,489	
Total	40,124	2,615	-	42,739	
Grand total	9,300,313	307,503	(838,581)	8,769,235	

On 4 September 2007, the Company entered into Loan Agreement, whereby the Company agreed to provide loans to SouthEast Asia Energy Limited in proportion to its shareholding, or in total not more than Baht 31.25 million, to be used for conducting a survey and development of its project. The loans are subject to interest at MLR+1% per annum and payment of principal and interest is to be made in full on the earlier of the approval date of the loans from financial institutions and a date 18 months after the drawdown date. However, the Company has entered into an amendment of the agreement to extend the debts repayment to the date within 4 September 2013.

Directors and managements benefits

During the year ended 31 December 2012 and 2011, the Company and its subsidiaries had employee benefit expenses of their directors and management as below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Short-term employee benefits	85,183	73,384	84,303	72,444
Post-employment benefits	4,512	2,411	4,512	2,411
Total	89,695	75,795	88,815	74,855

8. Current investments

(Unit: Thousand Baht)

	Consolidated financial statements				Separate financial statements			
	2012		2011		2012		2011	
	Cost	Fair value	Cost	Fair value	Cost	Fair value	Cost	Fair value
Fixed deposit	200,000	200,000	1,100,000	1,100,000	200,000	200,000	1,100,000	1,100,000
Unit trusts	2,091,346	2,137,114	729,806	736,219	2,088,470	2,134,238	679,893	686,230
Bills of exchange	600,864	600,864	1,178,100	1,178,100	600,864	600,864	1,150,000	1,150,000
	2,892,210	2,937,978	3,007,906	3,014,319	2,889,334	2,935,102	2,929,893	2,936,230

9. Other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Other receivable - unrelated party				
Receivable from damages (Note 16)	30,605	94,000	-	-
Total other receivable - unrelated party	30,605	94,000	-	-
Other receivable - related party				
Accrued income	307	-	3,142	2,675
Total other receivable - related party	307	-	3,142	2,675
Total other receivable	30,912	94,000	3,142	2,675

10. Investment in subsidiary company

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

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

(Unit: Million Baht)

Company's name	Registered capital		Paid-up capital		Proportion of investment		Cost method	
	2012	2011	2012	2011	2012	2011	2012	2011
					%	%		
Northern Bangkok Expressway Company Limited	6,000	6,000	5,250	5,220	46.67	46.36	2,450	2,420
Less: Allowance for impairment of investment							(2,450)	(2,420)
Investment, net							-	-

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

In December 2012, the subsidiary company called up an additional 1% of the value of the 300 million shares held by the Company (par value of Baht 10 each), a total of Baht 30 million. The Company made payment of this share subscription on 13 December 2012, the Companys proportion of investment increased from 46.36% to 46.67% of its paid-up share capital.

As at 31 December 2012, the Company invested in 320 million shares the subsidiary company, represented 53.33% of the subsidiarys shares issued of 600 million shares.

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

11. Investment in associated company

11.1 Details of associated company:

(Unit: Million Baht)

Company's name	Nature of business	Incorporated country	Consolidated financial statements					
			Proportion of shareholding		Cost		Carrying amounts based on equity method	
			2012 %	2011 %	2012	2011	2012	2011
CK Power Limited	Holding company	Thailand	30	30	2,760	30	2,270	19

(Unit: Million Baht)

Company's name	Nature of business	Incorporated country	Separate financial statements			
			Proportion of shareholding		Cost	
			2012 %	2011 %	2012	2011
CK Power Limited	Holding company	Thailand	30	30	2,760	30

CK Power Limited

In November 2011, the Annual General Meeting of the shareholders of CK Power Limited approved an increase of its registered share capital of Baht 9,100 million through the issuance of 910 million shares at a par value of Baht 10 each. The Company exercised its right to purchase 273 million shares, in proportion of its shareholding, a total of Baht 2,730 million. The Company made payment for such shares on 10 May 2012.

In May 2012, the Company agreed to provide sponsor support to CK Power Limited, whereby it will provide financial support to a subsidiary of CK Power Limited in proportion to its shareholding, or a total of not more than 153.75 million, should the subsidiary be unable to comply with its obligations under the Financing Documents or default on loan repayment.

In November 2012, the Extraordinary General Meeting of the shareholders of CK Power Limited passed a resolution to decrease its registered share capital from Baht 9,200 million to Baht 3,067 million though the decrease of 613 million ordinary shares with a par value of Baht 10 each. The capital decrease is to be returned to the shareholders in proportion of their shareholding.

Subsequently, in February 2013, the Extraordinary General Meeting of CK Power Limited passed the following resolutions.

- a) Approved the increase of registered share capital from Baht 3,067 million to Baht 4,600 million through the issuance of 153 million shares with a par value of Baht 10 each, to be offered to the existing shareholders in proportion to their shareholdings, at a price of Baht 40 per share.
- b) Approve a change of the value of the ordinary shares from Baht 10 (460 million shares) to Baht 5 million (920 million shares).
- c) Approved the change of the Company's status from a company limited to a public company limited, and the listing of its shares on the Stock Exchange of Thailand.
- d) Approved the increase of its registered capital from Baht 4,600 million to Baht 5,500 million, through the issuance of 180 million shares with a par value of Baht 5 each to be reserved for the initial public offering.

11.2 Share of profit

During the years, the Company has recognised its share of profit from investment in associated company 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 investment in associated company		Dividend received during the year	
	2012	2011	2012	2011
CK Power Limited	16	9	-	-

11.3 Summarised financial information of associated company

Financial information of the associated company 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 (loss) for the year ended 31 December	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
CK Power Limited	9,200	100	45,155	6,499	22,881	6,437	2,688	48	56	(38)

12. 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	
			2012	2011	2012	2011	2012 %	2011 %	2012	2011	2012	2011
<u>Investment in marketable equity securities</u>												
Bangkok Metro Public Company Limited	MRT concession	Thailand	11,950	11,950	11,950	11,950	11.23	11.68	1,668	1,735	940	838
Unrealised loss on changes in value of investment									(728)	(897)		
									940	838		
Thai Tap Water Supply Public Company Limited	Manufacture and distribution of treated water	Thailand	3,990	3,990	3,990	3,990	9.24	9.24	1,137	1,137	3,374	1,862
Unrealised gain on changes in value of investment									2,237	725		
									3,374	1,862		
<u>Other investments</u>												
SouthEast Asia Energy Limited	Manufacture and distribution of electricity	Thailand	6,607	6,607	6,607	6,607	-	16.67	-	1,101	-	-
Xayaburi Power Company Limited	Manufacture and distribution of electricity	Lao	16,250	6,750	1,966	1,000	7.50	7.50	147	75	-	-
Investment, net									4,461	3,876		

Bangkok Metro Public Company Limited

During the current year, the Company sold 54 million shares of Bangkok Metro Public Company Limited and recorded losses on sales of investment of Baht 31 million in the income statements. As a result of the sale of such investment, the Company's proportion of investment decreased from 11.68% to 11.23%

In January and February 2013, the Company sold 147 million shares of Bangkok Metro Public Company Limited. As a result of the sale of such investment, the Company's proportion of investment decreased from 11.23% to 10.00%.

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

SouthEast Asia Energy Limited

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

On 25 April 2012, the 2012 Annual General Meeting of the Company's shareholders approved the sales all of the shares of SouthEast Asia Energy Limited held by the Company to CK Power Limited at a price of Baht 25 per share, a total of Baht 2,752.8 million. The Company received payment of such shares and transferred the shares, including obligation to provide financial support to SouthEast Asia Energy Limited and Nam Ngum 2 Power Company Limited, to CK Power Limited on 10 May 2012. The Company recorded a gain on sales of such investment in the income statements of the current year of Baht 1,156 million (net of unrealised gain in proportion to the Company's investment in CK Power Limited of Baht 496 million).

Xayaburi Power Company Limited

In December 2011, Xayaburi Power Company Limited increased its registered share capital from Baht 1,000 million to Baht 6,750 million through the issuance of 575 million new ordinary shares of Baht 10 each (the Company's proportion is 43.1 million shares).

During the current year, Xayaburi Power Company Limited called up an additional 16.8% of the unpaid portion of 43.1 million shares held by the Company (par value of Baht 10 each), or a total of Baht 72 million. The Company has already made payment for those shares.

In addition, in December 2012, January and February 2013, Xayaburi Power Company Limited called up an additional 13.9% of the unpaid portion of 43.1 million shares held by the Company (par value of Baht 10 each), or a total of Baht 60 million. The Company made payment of Baht 53 million for those shares in January and February 2013, and the remaining Baht 7 million is to be paid in March 2013.

In June 2012, Xayaburi Power Company Limited increased its registered share capital from Baht 6,750 million to Baht 16,250 million through the issuance of 950 million new ordinary shares of Baht 10 each (the Company's proportionate interest is 71.3 million shares). As at 31 December 2012, such company has not called up payment of the additional share.

The 121.9 million ordinary shares of Xayaburi Power Company Limited have been pledged to secure of long-term loans of such company.

13. Investment properties

The net book value of investment properties as at 31 December 2012 and 2011 is presented below.

(Unit: Thousand Baht)

	Consolidated and separate financial statements
Land awaiting sales - at cost	
1 January 2011	169,288
Disposal	(48,931)
31 December 2011	120,357
31 December 2012	120,357

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

The fair value of the investment properties as determined based on valuations performed by an accredited independent valuer and reported in August 2011, was Baht 270 million. However, the management believes that the fair value of the investment properties as at 31 December 2012 was not significantly differ from that appraisal value.

The Company has pledged investment properties amounting to Baht 120 million (2011: Baht 120 million) as collateral against credit facilities granted by group of lenders.

14. 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 2011	25,746	6,799	44,824	264,459	129,101	470,929
Acquisitions	248	303	2,379	24,663	42,947	70,540
Transfer in (out)	(688)	354	334	-	-	-
Disposals	-	(124)	(39)	(26,315)	-	(26,478)
Write-off	-	(945)	(5,460)	(16)	-	(6,421)
31 December 2011	25,306	6,387	42,038	262,791	172,048	508,570
Acquisitions	5,334	245	5,444	29,602	7,950	48,575
Transfer in (out)	(461)	224	237	-	-	-
Disposals	-	(32)	(2,549)	(37,408)	-	(39,989)
Write-off	-	(64)	(2,253)	-	-	(2,317)
31 December 2011	30,179	6,760	42,917	254,985	179,998	514,839
Accumulated depreciation						
1 January 2011	8,025	5,464	33,623	165,700	5,592	218,404
Depreciation for the year	4,077	452	4,627	28,513	20,042	57,711
Accumulated depreciation for transfer	(56)	-	56	-	-	-
Accumulated depreciation for disposals	-	(117)	(12)	(24,724)	-	(24,853)
Accumulated depreciation for write-off	-	(945)	(5,431)	(16)	-	(6,392)
31 December 2011	12,046	4,854	32,863	169,473	25,634	244,870
Depreciation for the year	4,079	527	4,176	27,575	25,578	61,935
Accumulated depreciation for disposals	-	(32)	(2,493)	(37,408)	-	(39,933)
Accumulated depreciation for write-off	-	(62)	(2,254)	-	-	(2,316)
31 December 2012	16,125	5,287	32,292	159,640	51,212	264,556

(Unit: Thousand Baht)

	Consolidated financial statements					
	Building and construction improvement	Furniture and fixture	Tools, instruments and equipment	Vehicles	Easy Pass	Total
Net book value						
1 January 2011	17,721	1,335	11,201	98,759	123,509	252,525
31 December 2011	13,260	1,533	9,175	93,318	146,414	263,700
31 December 2012	14,054	1,473	10,625	95,345	128,786	250,283
Depreciation for the year (included in selling and administrative expenses)						
2011						57,711
2012						61,935

(Unit: Thousand Baht)

	Separate financial statements					
	Building and construction improvement	Furniture and fixture	Tools, instruments and equipment	Vehicles	Easy Pass	Total
Cost						
1 January 2011	25,711	5,824	41,617	263,431	129,101	465,684
Acquisitions	248	303	2,380	23,432	42,947	69,310
Transfer in (out)	(688)	354	334	-	-	-
Disposals	-	(118)	(39)	(26,315)	-	(26,472)
Write-off	-	(38)	(3,289)	-	-	(3,327)
31 December 2011	25,271	6,325	41,003	260,548	172,048	505,195
Acquisitions	5,334	245	5,444	29,602	7,950	48,575
Transfer in (out)	(461)	224	237	-	-	-
Disposals	-	(32)	(2,549)	(37,408)	-	(39,989)
Write-off	-	(64)	(2,209)	-	-	(2,273)
31 December 2012	30,144	6,698	41,926	252,742	179,998	511,508
Accumulated depreciation						
1 January 2011	7,934	4,489	30,473	164,691	5,592	213,179
Depreciation for the year	4,077	452	4,627	28,471	20,042	57,669
Accumulated depreciation for disposals	-	(111)	(12)	(24,724)	-	(24,847)
Accumulated depreciation for write-off	-	(38)	(3,260)	-	-	(3,298)
31 December 2011	12,011	4,792	31,828	168,438	25,634	242,703

(Unit: Thousand Baht)

	Separate financial statements					
	Building and construction improvement	Furniture and fixture	Tools, instruments and equipment	Vehicles	Easy Pass	Total
Depreciation for the year	4,079	527	4,176	27,482	25,578	61,842
Accumulated depreciation for disposals	-	(32)	(2,493)	(37,408)	-	(39,933)
Accumulated depreciation for write-off	-	(62)	(2,208)	-	-	(2,270)
31 December 2012	16,090	5,225	31,303	158,512	51,212	262,342
Net book value						
1 January 2011	17,777	1,335	11,144	98,740	123,509	252,505
31 December 2011	13,260	1,533	9,175	92,110	146,414	262,492
31 December 2012	14,054	1,473	10,623	94,230	128,786	249,166
Depreciation for the year (included in selling and administrative expenses)						
2011						57,669
2012						61,842

As at 31 December 2012, the Company and its subsidiary have certain of plant and equipment which have been fully depreciated but are still in use. The gross carrying amount (after deducting accumulated depreciation) of those assets amounted to Baht 120 million (2011: Baht 141 million) and the Company only amounted to Baht 118 million (2011: Baht 139 million).

15. Construction in process

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2011	118,667	118,667
Addition during the year	47,759	47,759
Transfer to rights to operate completed expressway sectors	(166,426)	(166,426)
Balance as at 31 December 2011	-	-
Addition during the year	140,769	26,627
Transfer to rights to operate completed expressway sectors	(114,142)	-
Balance as at 31 December 2012	26,627	26,627

16. Rights to operate completed expressway sectors

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Cost		
1 January 2011	61,115,842	48,315,712
Transfer from construction in process	166,426	166,426
Increase during the year	743	743
Written-off damaged assets	(83,513)	-
31 December 2011	61,199,498	48,482,881
Transfer from construction in process	114,142	-
31 December 2012	61,313,640	48,482,881
Accumulated amortisation of rights to operate completed expressway sectors		
1 January 2011	27,757,504	24,597,684
Amortisation for the year	2,515,329	2,105,289
31 December 2011	30,272,833	26,702,973
Amortisation for the year	2,735,675	2,236,606
31 December 2012	33,008,508	28,939,579
Net book value		
1 January 2011	33,358,338	23,718,028
31 December 2011	30,926,665	21,779,908
31 December 2012	28,305,132	19,543,302
Amortisation expenses included in income statements for the year		
2011	2,515,329	2,105,289
2012	2,735,675	2,236,606

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

Subsequently on 17 December 2012, the insurance company notified the subsidiary that it would pay additional compensation of Baht 31 million, and the subsidiary recorded this amount as other income in the statement of income for the year. The subsidiary received such compensation in full in February 2013.

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

17. Intangible assets

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

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	2012	2011
Cost	47,043	7,999
Additions	4,943	39,044
	51,986	47,043
Less: Accumulated amortisation	(12,502)	(5,390)
Net book value	39,484	41,653
Amortisation expenses included in the income statements for the year	7,112	2,444

18. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Trade payables - related parties	11,435	24	11,425	14
Trade payables - unrelated parties	43,112	46,526	35,135	43,464
Accrued interest	172,773	148,960	172,773	148,960
Total trade and other payables	227,320	195,510	219,333	192,438

19. Long-term loans

(Unit: Thousand Baht)

	Credit (Million Baht)	Objective	Interest rate	Period of repayment	Balance as at 31 December	
					2012	2011
Tranche Gor	29,888	Refinance remaining long-term loans (Drew down on 30 September 2003)	MLR - 2.0% from October 2008 to August 2010 3.75% p.a. from September 2010 to June 2012 4.0% p.a. from July 2012 onward	Within September 2014	2,332,533	3,284,853
Tranche Khor	4,998	Lending to subsidiary company to repay its long-term loans from commercial banks (Drew down on 30 September 2003)	MLR - 2.0% from October 2008 to August 2010 3.75% p.a. from September 2010 to June 2012 4.0% p.a. from July 2012 onward	Within September 2014	387,142	546,602
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	86,649	117,659
Tranche Ngor	120	Working capital	MOR of commercial bank granting	-	-	-
Total	36,006				2,806,324	3,949,114
Less: Current portion for long-term loans					(1,996,000)	(1,142,790)
Long-term loans, net of current portion					810,324	2,806,324
Deferred financial fee for undrawn down loan					60,496	-

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

Movements in the long-term loans account during the year ended 31 December 2012 are summarised below.

(Unit: Thousand Baht)

	Consolidated and separate financial statements
Balance as at 1 January 2012	3,949,114
Less: Repayment during the year	(1,142,791)
Balance as at 31 December 2012	2,806,323

Under the loan agreement, the Company must comply with normal financial covenants relating to various matters, such as the maintenance of debt service coverage ratio, debt to equity ratio, shareholding proportion in subsidiary company, dividend payment and conditions for mandatory prepayment. In this respect, the Company has the total financial expenses of Baht 2.4 million per year which they must pay to the agents of the lenders (2011: Baht 2.4 million).

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

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 payment of principal is to be made in September 2027. The Company drew down such facilities amounting to Baht 400 million on 13 February 2013.

As at 31 December 2012, the long-term credit facilities and overdraft credit facilities of the Company which have not yet been drawn down amounted to Baht 10,000 million and Baht 120 million, respectively (2011: overdraft credit facilities amounted to Baht 120 million).

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

20. Debentures

Debentures as at 31 December 2012 and 2011 have the following details: -

				Consolidated and separate financial statements			
				Number of debentures (Units)		Amount (Thousand Baht)	
Type of debenture	Age	Interest rate	Maturity date	2012	2011	2012	2011
Unsubordinated, unsecured, registered debentures, with debentureholders representative							
- No. 1/2550							
- Tranche II	5 years	4.88% p.a.	2 August 2012	-	1,895,000	-	1,895,000
- Tranche III	7 years	5.20% p.a.	2 August 2014	1,700,000	1,700,000	1,700,000	1,700,000
- No. 1/2551							
- Tranche II	5 years	Years 1-2: 5.20% p.a. Years 3-4: 5.65% p.a. Years 5: 6.00% p.a.	7 November 2013	1,100,000	1,100,000	1,100,000	1,100,000
- No. 1/2552	4 years	4.25% p.a.	11 September 2013	1,000,000	1,000,000	1,000,000	1,000,000
- No. 2/2552	3 years	4.10% p.a.	15 March 2013	1,000,000	1,000,000	1,000,000	1,000,000
	6 months						
- No. 3/2552	5 years	MLR-3% p.a.	30 May 2015	2,000,000	2,000,000	2,000,000	2,000,000
	5 months						
- No. 1/2553	3 years	6M FDR+1.33%	3 June 2013	1,000,000	1,000,000	1,000,000	1,000,000
	3 months						
- No. 2/2553	3 years	6M FDR+1.33%	17 May 2013	1,000,000	1,000,000	1,000,000	1,000,000
	2 months						
- No. 3/2553	7 years	6M FDR+1.65%	31 March 2017	1,500,000	1,500,000	1,500,000	1,500,000
- No. 1/2554							
- Tranche I	3 years	3.70% p.a.	29 April 2014	1,000,000	1,000,000	1,000,000	1,000,000
- Tranche II	10 years	4.72% p.a.	29 April 2024	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	-
- No 2/2555	4 years	4.08% p.a.	10 October 2016	2,000,000	-	2,000,000	-
Total				16,200,000	15,095,000	16,200,000	15,095,000
Less: Current portion of debentures						(5,100,000)	(1,895,000)
Less: Deferred debenture issuing costs						(3,375)	-
Debentures, net of current portion						11,096,625	13,200,000

Movements in the debentures account during the year ended 31 December 2012 are summarised below.

(Unit: Thousand Baht)

	Consolidated and separate financial statements
Balance as at 1 January 2012	15,095,000
Add: Issuance of debentures during the year	3,000,000
Less: Redemption of debentures during the year	(1,895,000)
Balance as at 31 December 2012	16,200,000

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

On 25 April 2012, the 2012 Annual General Meeting of the Company's shareholders approved the issue and offer of secured and/or unsecured debentures in an amount not exceeding Baht 19,000 million with a tenor of not more than 15 years, for sale in domestic and/or international markets to the general public and institutional investors, whether in whole or in part, and whether on a single or several tranches.

On 10 October 2012, the Company issued debenture No. 2/2555, comprising 2 million unsubordinated, unsecured, registered debentures, without a debentureholders' representative, with a face value of Baht 1,000 each, or a total of Baht 2,000 million. The debentures bear interest at a fixed rate of 4.08% per annum and have a tenor of 4 years from the issue date, maturing on 10 October 2016.

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.

21. Provision (advance) for compensation for site acquisition costs

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	Provision (advance) for compensation for site acquisition costs	
As at 1 January 2011	433,720	
Increase during the year	842,020	
Utilised	(1,200,000)	
As at 31 December 2011	75,740	
Increase during the year	947,080	
Utilised	(1,200,000)	
As at 31 December 2012	(177,180)	

22. Provision for long-term employee benefits

Provision for long-term employee benefits as at 31 December 2012, which is compensations on employees retirement, was as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	2012	2011
Defined benefit obligation at beginning of year	76,203	65,689
Current service cost	8,211	7,559
Interest cost	3,429	2,955
Past service costs	(1,835)	-
Provisions for long-term employee benefits at end of year	86,008	76,203

Long-term employee benefit expenses included in selling and administrative expenses in profit or loss for the year ended 31 December 2012 amounting to Baht 12 million (2011: Baht 11 million).

Principal actuarial assumptions at the valuation date were as follows:

	Consolidated and separate financial statements	
	2012 (% p.a.)	2011 (% p.a.)
Discount rate	4.5%	4.5%
Future salary increase rate (depending on age of employee)	7.0%	7.0%
Staff turnover rate	1.0% - 10.0%	1.0% - 10.0%

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

(Unit: Thousand Baht)

	Experience adjustments arising on the plan liabilities
Year 2012	86,008
Year 2011	76,203
Year 2010	65,689
Year 2009	56,190
Year 2008	47,736

23. 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.

24. Expenses by nature

Significant expenses by nature are as follow:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Depreciation and amortisation	2,804,722	2,575,485	2,305,560	2,165,403
Provision for compensation for site acquisition cost	947,080	842,020	947,080	842,020
Salary, wages and other employee benefits for EXATs staff	589,250	508,445	475,353	410,762
Salary, wages and other employee benefits for the Company's staff	439,004	371,313	439,004	371,313
Expenses with respect to facilitation and safety on expressway	477,332	442,672	403,375	397,377

25. Toll revenues

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

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

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

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

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

26. 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 statement	
	2012	2011	2012	2011
Profit for the year (Thousand Baht)	2,253,909	1,407,754	2,713,100	1,380,181
Weighted average number of ordinary shares (Thousand shares)	770,000	770,000	770,000	770,000
Earnings per share (Baht/share)	2.93	1.83	3.52	1.79

27. Segment information

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

28. 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 2012, the Company contributed Baht 21 million (2011: Baht 18 million) to the fund.

29. Dividend

	Approved by	Total dividend (Million Baht)	Dividend per share (Baht)	Paid on
Dividend from the operating results of the period July to December 2011	Annual General Meeting of the shareholders on 25 April 2012	539	0.70	18 May 2012
Dividend from the operating results of the period January to June 2012	Meeting of the Board of Directors on 5 September 2012	477	0.62	28 September 2012
Total dividend for the year 2012		1,016	1.32	
Dividend from the operating results of the period July to December 2010	Annual General Meeting of the shareholders on 7 April 2011	578	0.75	6 May 2011
Dividend from the operating results of the period January to June 2011	Meeting of the Board of Directors on 14 September 2011	462	0.60	12 October 2011
Total dividend for the year 2011		1,040	1.35	

30. Commitments

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

(Unit: Million Baht)

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

As at 31 December 2012, the Company has a commitment of compensation for site acquisition cost of Baht 10,116 million (2011: Baht 11,316 million). The Company made payment for such compensation that exceeded the liability recorded in the accounts by Baht 177 million, and presented this as non-current assets in the statement of financial position (2011: presenting it as non-current liabilities amounting to Baht 76 million).

30.2 Other commitments

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
Commitments in respect of the uncalled portion of investments				
Northern Bangkok Expressway Company Limited	750	780	750	780
Xayaburi Power Company Limited	1,071	431	1,071	431
Commitments in respect of undertaking to provide				
Equity contribution to CK Power Limited (as detailed in Note 11)	154	-	154	-
Equity contribution to SouthEast Asia Energy Limited (as detailed in Note 12)	-	157	-	157
Commitments in respect of various service contracts				
Project management agreement for the Si Rat - Outer Ring Road Expressway Project	20,250	-	20,250	-
Inspection, replacement and improvement agreements for the Bang Pa-In - Pakkret Expressway System	-	14	-	-
Inspection and improvement of expressway structure from flood damage	22	-	-	-
Installation of electronic toll collectors and repairment of cash toll collectors	4	53	4	52
Inspection, replacement and improvement agreements for Second Stage Expressway	42	-	42	-
Purchase of equipment and other service contracts	28	51	26	40
Other commitment				
Bank guarantee	511	210	511	210

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

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

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

31.1.1 Priority Component Opening Date under the Second Stage Expressway Agreement

The Company completed the construction of the Priority Component of the Si Rat Expressway on 13 November 1992, in respect of which the Agreement specified that the date on which the Construction Completion takes place in respect of the Priority Component shall be deemed as the Priority Component Opening Date, and the Company would then be entitled to receive the toll revenue sharing, but EXAT 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 should be the commencement date for toll revenue sharing.

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

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

On 20 April 2009, EXAT submitted a petition to the Central Administrative Court requesting the Court to revoke the arbitral award or order refusing to enforce compliance with the arbitral award. The Company submitted its answer to such petition to the Central Administrative Court.

On 19 October 2011, the Company submitted a petition to the Central Administrative Court requesting a judgment to enforce compliance with the arbitral award as another case, with the disputed amount of Baht 5,021.1 million. In this regard, EXAT submitted its objection to the Central Administrative Court.

At present, both cases are pending the consideration of the Central Administrative Court.

31.1.2 Competing road with the Udon Rathaya Expressway

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

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

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

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

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

On 3 March 2009, EXAT submitted a petition to the Central Administrative Court requesting the Court to revoke the arbitral award, and the subsidiary submitted its answer to such petition to the Central Administrative Court.

On 1 September 2011, the subsidiary submitted a petition to the Central Administrative Court requesting a judgment to enforce compliance with the arbitral award as another case, with the disputed amount of Baht 3,296.7 million. In this regard, EXAT submitted its objection to the Central Administrative Court.

At present, both cases are pending the consideration of the Central Administrative Court.

31.1.3 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, thereby rendering such costs until the date of submission of the dispute to the Panel (excluding interest) to Baht 238 million. EXAT refused to make such payment as certified by the Independent Certification Engineer, thereby resulting in such dispute.

On 3 May 2006, the Panel terminated its consideration since both parties could not reach an agreement.

On 9 December 2009, the Company submitted a statement of claim to the Thai Arbitration Institute, demanding EXAT to compensate the Company for damages caused by EXATs 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. Subsequently, on 12 May 2010, EXAT submitted its statement of defense to the Thai Arbitration Institute.

The Company and EXAT appointed one arbitrator each, and the Chairman of the Arbitral Tribunal was appointed.

The dispute is currently in course of witness examination, whereby the Company had three witnesses testify and EXAT had one witness testify. The next hearings for examination of EXATs witnesses were scheduled to be held on 29 January and 18 February 2013.

31.1.4 Delayed opening of Sector D of the Si Rat Expressway and the Udon Rattaya Expressway

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

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

31.1.5 Revision of toll rates of the Chalerm Mahanakorn Expressway and the Si Rat Expressway for the year 2003

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

On 14 May 2008, the Company submitted the statement of claim to the Thai Arbitration Institute, demanding EXAT to compensate the Company for damages caused by the revision of toll rates for 2003, which was not in accordance with the Agreement. 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 bringing the total damages claimed by the Company against EXAT, together with interest up to 31 March 2008, to Baht 4,368 million. On 19 June 2009, EXAT submitted its statement of defense to the Thai Arbitration Institute.

At present, the Company and EXAT have appointed their arbitrators and the arbitrators have jointly selected the Chairman of the Arbitral Tribunal. In this regard, the Arbitral Tribunal has scheduled the date for examination of the Companys witnesses to be held on 15 and 22 February 2013.

31.1.6 Revision of toll rates of Sector D of the Si Rat Expressway for the year 2003

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

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

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

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

31.1.7 Revision of toll rates of the Udon Raththaya Expressway for the year 2003

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

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

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

31.2 Disputes submitted by EXAT claiming for damages

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

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

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

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

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

31.2.2 Other disputes

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

On 25 September 2009, the Arbitral Tribunal issued its arbitral award on one dispute, requiring the Company to reimburse EXAT for the amount advanced by EXAT for mitigation of damage for complainants, in the amount of Baht 1.4 million, together with interest in the amount of Baht 0.3 million, totaling Baht 1.7 million. On 14 January 2010, the Company submitted a petition to the Central Administrative Court requesting the Court to revoke the arbitral award. On 2 June 2010, EXAT submitted an objection to the petition requesting compliance with the arbitral award to the Court. At present, the case is pending the consideration of the Central Administrative Court. Subsequently, on 22 February 2012, EXAT submitted a petition requesting compliance with the arbitral award to the Central Administrative Court as another case, in which the Company submitted its answer to such petition to the Central Administrative Court on 15 June 2012. EXAT filed its objection to such answer to the petition to the Administrative Court on 21 September 2012. The Company submitted its additional answer to such objection to the Central Administrative Court on 25 December 2012.

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

32. Lawsuit

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

On 26 September 2007, the Court of First Instance adjudged to dismiss the plaintiffs claim. Subsequently, on 8 November 2007, the plaintiff filed an appeal with the Appeal Court. The Appeal Court rendered its judgment on 24 April 2012 requiring EXAT and the Company to jointly compensate the plaintiff in a total amount of Baht 2,309,977, 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 lodged an appeal with the Supreme Court. At present, the case is pending the Supreme Courts consideration.

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

33. Financial instruments

33.1 Financial risk management and policies

The Company and its subsidiarys financial instruments, as defined under Thai Accounting Standard No. 107 Financial Instruments: Disclosure and Presentations, principally comprise cash and cash equivalents, accounts receivable, loans, investments, short-term loan, long-term loans and debentures. The financial risks associated with these financial instruments and how they are managed is described below.

Interest rate risk

Interest rate risk is the risk that future fluctuations in market interest rates will affect the operating results and cash flows of the Company and its subsidiary.

The Company and its subsidiarys exposure to interest rate risk relates primarily to its cash at financial institutions, long-term loans and debentures which are subject to interest. The Company entered into interest rate swap contract to manage its interest rate risk associated with a Baht 2,000 million debenture. Details of long-term loans and debentures are set out in Notes 19 and Note 20, respectively.

As at 31 December 2012 and 2011, the significant financial assets and liabilities classified by type of interest rate and, for those financial assets and liabilities carrying interest at fixed rates, by the contractual repricing or maturity date (whichever is earlier) are as follows: -

(Unit: Million Baht)

	Consolidated financial statements As at 31 December 2012						
	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1-5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	-	-	-	255	7	262	0.63% - 3.21%
Current investments	200	-	-	2,738	-	2,938	2.38% - 3.69%
Other receivables	-	-	-	-	31	31	-
Long-term loans and interest receivable from related companies	-	-	-	31	12	43	MLR + 1%
Other long-term investments	-	-	-	-	4,461	4,461	
	200	-	-	3,024	4,511	7,735	
Financial liabilities							
Trade and other payables	-	-	-	-	227	227	-
Long-term loans	1,996	810	-	-	-	2,806	4.00%
Debentures	3,100	3,700	1,900	7,497	-	16,197	Note 20
	5,096	4,510	1,900	7,497	227	19,230	

(Unit: Million Baht)

	Consolidated financial statements As at 31 December 2011						
	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1-5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	-	-	-	122	6	128	0.50% - 0.75%
Current investments	1,100	-	-	1,914	-	3,014	1.54% - 4.21%
Other receivables	-	-	-	-	94	94	-
Long-term loans and interest receivable from related companies	-	-	-	31	9	40	MLR+1%
Other long-term investments	-	-	-	-	3,876	3,876	-
	1,100	-	-	2,067	3,985	7,152	
Financial liabilities							
Trade and other payables	-	-	-	-	196	196	-
Long-term loans	1,143	2,806	-	-	-	3,949	3.75%
Debentures	1,895	5,800	1,900	5,500	-	15,095	Note 20
	3,038	8,606	1,900	5,500	196	19,240	

(Unit: Million Baht)

	Separate financial statements As at 31 December 2012						
	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1-5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	-	-	-	218	5	223	0.63% - 3.21%
Current investments	200	-	-	2,735	-	2,935	2.38% - 3.69%
Other receivables	-	-	-	-	3	3	-
Long-term loans and interest receivable from related companies	-	-	-	7,255	1,514	8,769	MLR+1% and 2.63% - 4.37%
Other long-term investments	-	-	-	-	4,461	4,461	-
	200	-	-	10,208	5,983	16,391	
Financial liabilities							
Trade and other payables	-	-	-	-	219	219	-
Long-term loans	1,996	810	-	-	-	2,806	4.00%
Debentures	3,100	3,700	1,900	7,497	-	16,197	Note 20
	5,096	4,510	1,900	7,497	219	19,222	

(Unit: Million Baht)

	Separate financial statements As at 31 December 2011						
	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1-5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	-	-	-	108	5	113	0.50% - 0.75%
Current investments	1,100	-	-	1,836	-	2,936	1.54% - 4.21%
Other receivables	-	-	-	-	3	3	-
Long-term loans and interest receivable from related companies	-	-	-	7,665	1,635	9,300	MLR+1% and 1.33% - 4.35%
Other long-term investments	-	-	-	-	3,786	3,786	-
	1,100	-	-	9,609	5,429	16,138	
Financial liabilities							
Trade and other payables	-	-	-	-	192	192	-
Long-term loans	1,143	2,806	-	-	-	3,949	3.75%
Debentures	1,895	5,800	1,900	5,500	-	15,095	Note 20
	3,038	8,606	1,900	5,500	192	19,236	

Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates.

As at 31 December 2012, 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 2012, 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.

33.2 Fair values of financial instruments

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

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

Set out below is a comparison, by category of carrying amount and fair value, of the financial assets and liabilities as of 31 December 2012.

(Unit: Million Baht)

	31 December 2012		31 December 2011	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Cash and cash equivalents	262	262	128	128
Current investments	2,938	2,938	3,014	3,014
Other receivable	31	31	94	94
Other long-term investments	4,461	4,447	3,876	3,979

(Unit: Million Baht)

	31 December 2012		31 December 2011	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities				
Trade and other payables	227	227	196	196
Long-term loans	2,806	2,709	3,949	3,311
Debentures	16,197	16,324	15,095	15,238

The estimated fair value of the derivatives is as follows:

(Unit: Million Baht)

	As at 31 December 2012	As at 31 December 2011
	Fair value	Fair value
	Gain (loss)	Gain (loss)
Derivatives		
Interest rate swap contracts	2	-

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, accounts receivable 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.

34. 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 (2011: 2.5:1 and 2.5:1, respectively).

No changes were made in the objectives, policies or processes during the years end 31 December 2012 and 2011.

35. Events after the reporting period

35.1 Purchase of an additional shares of Thai Tap Water Supply Public Company Limited

On 6 February 2013, the Extraordinary General Meeting of the Company's Shareholders passed a resolution to approve the purchase of an additional 438.9 million ordinary shares of Thai Tap Water Supply Public Company Limited from CH. Karnchang Public Company Limited, representing 11% of the registered share capital, at a price of Baht 7.55 per share, or a total of Baht 3,314 million, since investment in that company generates a good returns in long-term.

After the purchase of the additional shares, the Company will hold 807.7 million shares in Thai Tap Water Supply Public Company Limited, representing 20.24% of registered shares of such company.

35.2 Dividend payment

On 28 February 2013, the meeting of the Board of Directors passed a resolution to propose a dividend payment for the year 2012 of Baht 1.50 per share to the Annual General Meeting of the Company's shareholders for their approval.

The Company paid an interim dividend of Baht 0.62 per share on 28 September 2012 and will pay a final dividend of Baht 0.88 per share within May 2013. The payment of the final dividend is dependent on an approval being granted by the shareholders.

36. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 27 February 2013.

General Information

1. General information of the Company

Company Issuing Securities	Bangkok Expressway Public Company Limited (BECL)
Business Operation	Construction and management of the Si Rat Expressway and its extensions, including related businesses as described in the Second Stage Expressway Agreement entered into between Bangkok Expressway Public Company Limited and the Expressway Authority of Thailand.
Head Office	238/7 Asoke-dindaeng Road, Bangkapi Subdistrict, Huaykwang District, Bangkok 10310
Company Registration No.	0107537002320 (formerly, BorMorJor.479)
Registered Capital	Baht 8,000 Million, Baht 7,700 Million of which is paid up.
Telephone	0 2641 4611
Fax	0 2641 4610
Homepage	www.becl.co.th
E-mail	webmaster@becl.co.th

2. Legal entities in which the Company holds more than 10 percent of shares

Company Issuing Securities	Northern Bangkok Expressway Company Limited (“NECL”)
Business Operation	Construction and management of the Udon Rattaya Expressway
Head Office	587 Sutthisarnvinitchai Road, Dindaeng Subdistrict, Dindaeng District, Bangkok 10400
Registered Capital	Baht 6,000 Million, Baht 5,250 Million of which is paid up.
Shareholding Percentage	53.33 percent
Telephone	0 2641 4647
Fax	0 2641 4646
Company Issuing Securities	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 11,950 Million, Baht 11,950 Million of which is paid up.
Shareholding Percentage	11.23 percent
Telephone	0 2354 2000
Fax	0 2354 2020
Homepage	www.bangkokmetro.co.th
Company Issuing Securities	CK Power Limited (“CKP”)
Business Operation	Holding Company
Head Office	587, Viriyathavorn Building, 19 th Floor, Sutthisarnvinitchai Road, Dindaeng Subdistrict, Dindaeng District, Bangkok 10400
Registered Capital	Baht 9,200 Million, Baht 9,200 Million of which is paid up.
Shareholding Percentage	30 percent
Telephone	0 2691 9720-2
Fax	0 2691 9723

3. Reference

Securities Registrar

Thailand Securities Depository Company Limited
62 The Stock Exchange of Thailand Building
4th and 7th Floors, Rachadapisek Road, Klongtoey Subdistrict
Klongtoey District, Bangkok 10110
Telephone : 0 2229 2800
Fax : 0 2359 1262-3

Capital Market Academy Building
2/7 Moo 4 (North Park Project), Vibhavadi Rangsit Road
Thungsonghong Subdistrict, Laksi District Bangkok 10210
Telephone : 0 2596 9000
Fax : 0 2832 4994-6

Auditor

Ernst & Young Office Limited
193/136-137 Lake Rajada Office Complex, 33rd Floor
New Ratchadaphisek Road
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 8045
Fax : 0 2256 8147

Siam Commercial Bank Public Company Limited

9 Ratchadaphisek Road, Chatuchak Subdistrict
Chatuchak District, Bangkok 10900
Telephone : 0 2544 1828
Fax : 0 2937 7645

Thanachart Bank Public Company Limited

1101 New Petchburi Road, Makkasan Subdistrict
Ratchathewi District, Bangkok 10400
Telephone : 0 2208 6301
Fax : 0 2253 5704

Bangkok Bank Public Company Limited

333 Silom Road, Bangrak Subdistrict
Bangrak District, Bangkok 10500
Telephone : 0 2626 4056
Fax : 0 2626 4959

TMB Bank Public Company Limited

3000 Phaholyothin Road, Chatuchak Subdistrict
Chatuchak District, Bangkok 10900
Telephone : 0 2299 1561
Fax : 0 2299 2611

KASIKORNBANK Public Company Limited

1 Rat Burana Road, Rat Burana Subdistrict
Rat Burana District, Bangkok 10140
Telephone : 0 2470 6221
Fax : 0 2470 2881



Bangkok Expressway Public Company Limited (BECL)

238/7 Asoke-Dindaeng Rd., Bangkoki, Huai khwang, Bangkok 10310
Phone (66) 2641-4611 Fax (66) 2641-4610

Accident / Breakdown Car / Traffic Information
Tel. 1543 / 0-2664-6400

www.becl.co.th