

(Translation)

BEM/C/CDO/0095/23

December 27, 2023

Re: Execution of Connected Transaction on Maintenance and Improvement of the Civil Works of the Si Rat Expressway, the Prachin Rattaya Expressway and the Udon Rattaya Expressway

Attn.: The President of the Stock Exchange of Thailand

The Board of Directors' Meeting of Bangkok Expressway and Metro Public Company Limited (the "Company"), No. 6/2023 held on December 27, 2023 resolved to grant approval for the Company to enter into an agreement on engagement of CH. Karnchang Public Company Limited ("CH. Karnchang") to carry out maintenance and improvement of the civil works of the Si Rat Expressway and the Prachin Rattaya Expressway (the Si Rat - Outer Ring Road Expressway) in an amount of Baht 618,161,920 (excluding VAT), and grant approval for Northern Bangkok Expressway Company Limited (the "Subsidiary") to engage CH. Karnchang to carry out maintenance and improvement of the civil works of the Udon Rattaya Expressway in an amount of Baht 402,009,730 (excluding VAT), as such, the work value of the Company and the Subsidiary would be a total of Baht 1,020,171,650 (excluding VAT).

The execution of the transaction with CH. Karnchang, in its capacity as the Company's major shareholder, is considered execution of a transaction with a connected person in an ordinary course of business without any general trading conditions pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning Connected Transactions B.E. 2546 (2003) and their amendments (hereinafter collectively referred to as the "Connected Transaction Notifications"), with the total transaction size of the Company and the Subsidiary representing 2.78 percent of the net tangible asset value under the consolidated financial statements as at September 30, 2023.

In this regard, to ensure that arrangements relating to such connected transaction are made in accordance with the Connected Transaction Notifications, the Company hereby notifies information memorandum on connected transaction regarding engagement of CH. Karnchang to carry out maintenance and improvement of the civil works of the Si Rat Expressway, the Prachim Rattaya Expressway and the Udon Rattaya Expressway, as per the following details:

**1. Transaction Date** : By January 2024

**2. Related Parties**

**Employer** : Bangkok Expressway and Metro Public Company Limited (the “Company”) and Northern Bangkok Expressway Company Limited (the “Subsidiary”)

**Contractor** : CH. Karnchang Public Company Limited (“CH. Karnchang”)

**Relationship** : CH. Karnchang is the Company’s major shareholder.

**3. Nature of the Transaction**

The Company and the Subsidiary, as the operator of the Si Rat Expressway, the Prachim Rattaya and the Udon Rattaya Expressway, would engage CH. Karnchang to carry out maintenance and improvement of the civil works of such three expressways, for the operation period of 18 months, commencing from January 2024

The Company’s engagement of CH. Karnchang, as the Company’s major shareholder, to carry out the foregoing work then constitutes a connected transaction in an ordinary course of business of the Company without any general trading conditions pursuant to the Connected Transaction Notifications.

**4. Total Value of Consideration and Payment Method**

Total Value of Consideration : Baht 1,020,171,650 (excluding VAT)

Payment Method : By cheque according to work progress

## 5. Basis for Determination of Total Value of Consideration

In considering and inspecting the contractor price, the Company has still engaged PPS Oneworks Company Limited (formerly, PPS Design Co., Ltd.) as an independent consulting engineer to conduct the inspection and appraisal of the work price on this occasion in the same manner as before.

Having conducted the inspection and appraisal of the price, PPS Oneworks Company Limited is of the view that the work price for maintenance and improvement of the civil works of the Si Rat Expressway and the Prachin Rattaya Expressway, with six items, is Baht 661,322,710 (excluding VAT), and the work price for maintenance and improvement of the civil works of the Udon Rattaya Expressway, with five items, is Baht 438,959,940 (excluding VAT), as such, the total work prices of the Company and the Subsidiary would be Baht 1,100,282,650 (excluding VAT).

Furthermore, the independent consulting engineer has remarked that in considering procuring the contractor for repair of the structures of the expressways requiring the segmental box girder system, the project owner should pay significant attention to engagement of the company which carried out such construction in order to prevent any impact on the usage of the expressways. Normally, with respect to the repair of the bridge or expressway construction project of this specific nature overseas, the project owner would mostly consider engaging the company carrying out such construction to conduct maintenance and repair, due to its availability of appropriate information, personnel, and equipment.

Moreover, if there are numerous activities that need repair and maintenance on the expressways, only one contractor is considered and selected to manage and plan for traffic closures and deviations, as a result, the impact on users of the expressways will be lessened and safety will be improved because there is already a centralized planning in place for the area. In addition, if it is maintenance, replacement work according to maintenance schedule or improvement that must be carried out continuously, it will be most beneficial to consider choosing the same contractor who is currently in charge, in order to avoid wasting time in starting a new task. As for the maintenance and improvement of the civil works during the years 2023-2024 on this occasion, there are many maintenance works that must be carried out continuously.

Having considered CH. Karnchang by taking into account its potential, knowledge, capacity, and readiness of engineers, experts and working teams, availability of equipment and machinery for use in the construction and repair, the Company is of the view that CH. Karnchang has the potential to perform such works well, as it has the existing competent engineers with experience in expressway construction who can start working promptly, with knowledge and abilities comparable to international construction companies, as well as availability of full equipment and machinery for maintenance and improvement of the civil works of the Si Rat Expressway, the Prachin Rattaya Expressway and the Udon Rattaya Expressway to ensure prompt implementation, and previously carried out construction of the structures of such three expressways, thereby allowing it to gain knowledge and expertise in the projects and areas to be operated, including its ability to facilitate great coordination with relevant government authorities and communities.

The Company then contacted CH. Karnchang to have it consider proposing the price on this occasion, and CH. Karnchang proposed the price for the maintenance and improvement of the civil works of the Si Rat Expressway and the Prachin Rattaya Expressway, with six items, in the amount of Baht 618,161,920 (excluding VAT), and maintenance and improvement of the civil works of the Udon Rattaya Expressway, with five items, in the amount of Baht 402,009,730 (excluding VAT), as such, the work prices of the Company and the Subsidiary would be a total of Baht 1,020,171,650 (excluding VAT), which is lower than the price appraised by the independent consulting engineer under the same scope of work by Baht 80,111,000 (excluding VAT) or 7.28 percent. The Management have considered that the price proposed by CH. Karnchang is appropriate.

**6. Calculation of Size of the Connected Transaction**

This transaction has the total work value of Baht 1,020.17 Million (excluding VAT), representing 2.78 percent, as compared to the net tangible asset value under the consolidated financial statements as at September 30, 2023. According to the regulations of the Stock Exchange of Thailand, the transaction with its value of less than 3 percent (Baht 36,660.84 Million X 3% = Baht 1,099.82 Million) is subject to consideration and approval of the Board of Directors.

**7. Nature and Scope of Interests of Connected Persons**

CH. Karnchang is the Company's major shareholder, whereby according to the share register as at March 9, 2023, CH. Karnchang held 5,260,056,884 shares in the Company, representing 34.41 percent of the Company's registered capital.

Given that the Company and the Subsidiary engage CH. Karnchang, as the Company's major shareholder, to carry out such operations, it is therefore considered execution of a connected transaction in an ordinary course of business of the Company without any general trading conditions, due to the fact that the selection of the contractor is in accordance with the opinion provided by the independent consulting engineer that the contractor should be the same person who previously conducted the construction, with availability of information and knowledge in terms of construction technique, which is capable of maintaining and improving the structures in order to prevent any impact on the current expressway structures and not to affect the service users who regularly use the expressways.

## 8. Details of Connected Persons

The connected persons are listed below:

1. CH. Karnchang Public Company Limited is a major shareholder of Bangkok Expressway and Metro Public Company Limited, whereby according to the share register as at March 9, 2023, CH. Karnchang Public Company Limited held 5,260,056,884 shares in the Company, representing 34.41 percent of the registered capital.
2. Northern Bangkok Expressway Company Limited is a subsidiary of Bangkok Expressway and Metro Public Company Limited, with its holding of 599,999,980 shares as at January 23, 2023 representing 99.99 percent of the registered capital.
3. Mr. Plew Trivisvavet is the Company's Chairman of the Board of Directors and Chairman of the Executive Board; the Chairman of the Board of Directors and Chairman of the Executive Board of Northern Bangkok Expressway Company Limited; and concurrently is CH. Karnchang's director and Chairman of the Executive Board.
4. Mr. Phongsarit Tantisuvanitchkul is the Company's director and executive director; director and executive director of Northern Bangkok Expressway Company Limited; and concurrently is CH. Karnchang's director and Senior Executive Vice President.
5. Miss Supamas Trivisvavet is the Company's director and executive director, and concurrently is CH. Karnchang's director and Vice Chairman of the Executive Board.

## 9. Meeting Attendance and Vote Casting by Directors who are interested parties and/or connected persons

In the Board of Directors' Meeting No. 6/2023 which was held on December 27, 2023, the directors who were interested parties and/or connected persons were (1) Mr. Plew Trivisvavet, (2) Mr. Phongsarit Tantisuvanitchkul, and (3) Miss Supamas Trivisvavet, who neither attended the Meeting nor had the right to vote on this agenda item.

## 10. Opinion of the Board of Directors

The Board of Directors is of the opinion that execution of the connected transaction on engagement of CH. Karnchang to carry out maintenance and improvement of the civil works of the Si Rat Expressway and the Prachin Rattaya Expressway in the amount of Baht 618,161,920 (excluding VAT), and maintenance and improvement of the civil works of the Udon Rattaya Expressway in the amount

of Baht 402,009,730 (excluding VAT), is justifiable and beneficial to the Company and the Subsidiary by reasons of the following:

- (1) Execution of the transaction regarding engagement of CH. Karnchang as the contractor for maintenance and improvement of the civil works of the expressways is beneficial to the Company and the Subsidiary because CH. Karnchang is suitably qualified in many aspects, namely:
  - Being the person who did construct the structures of the Si Rat Expressway, the Prachin Rattaya Expressway and the Udon Rattaya Expressway, thereby allowing it to gain knowledge and expertise in the projects and areas to be operated, which is in line with the advice of the independent consulting engineer;
  - Having the operational potential, due to its availability of skilled engineers who have had experience in construction of the expressways to ensure prompt implementation, and have knowledge, abilities comparable to international construction companies;
  - Having full equipment and machinery for maintenance and improvement of the civil works of the Si Rat Expressway, the Prachin Rattaya Expressway and the Udon Rattaya Expressway, which can start working rapidly.
- (2) Having analyzed and compared the unit price of various works, the work price is appropriate and is 7.28 percent lower than the price appraised by the independent consulting engineer (the price appraised by PPS Oneworks Company Limited at Baht 1,100,282,650).
- (3) The Company has duly and completely complied with the rules on connected transactions pursuant to the relevant laws and requirements.

**11. Opinion of the Audit Committee and/or of the Company's Board of Directors which is different from the opinion of the Board of Directors as per Clause 10.**

-None-

Please be informed accordingly.

Very truly yours,

- Signature -

(Dr. Sombat Kitjalaksana)

Managing Director

Compliance and Director Office :

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