
Part 1 Business Operations

1. Business Policy and Overview

Bangkok Expressway and Metro Public Company Limited (the “Company”) is a company incorporated from the amalgamation, pursuant to the Public Limited Company Act B.E. 2535 (1992), and its amendments, between Bangkok Expressway Public Company Limited (“BECL”) and Bangkok Metro Public Company Limited (“BMCL”) on December 30, 2015, and the Company has assumed all assets, rights, duties and responsibilities of both companies by operation of law. As at December 31, 2015, the Company’s registered and paid-up capital amounted to Baht 15,285,000,000, divided into a total of 15,285,000,000 ordinary shares, at the par value of Baht 1 per share.

The Company’s businesses comprise the provision of the expressway and metro services, including commercial development relating to the expressway systems and metro, which will lay a foundation for business expansion through future extension of the network routes, both in the expressway and metro systems, thereby enabling the Company to be a leading mass rapid transit and transportation service operator in Thailand and in the region. In addition, the Company may extend its businesses to other fast-growing businesses with good returns, such as, other infrastructure projects, commercial development or real estate development, both at home and abroad, etc.

1.1 Business Overview of the Company

1.1.1 Expressway Business

The Company has been granted concessions for construction and operation of the expressways, namely, (1) the Si Rat Expressway (Second Stage Expressway) under the Second Stage Expressway Agreement with the Expressway Authority of Thailand (“EXAT”) for a concession period of 30 years from March 1, 1990, and the Extension of the Second Stage Expressway System, Sector D, under the Agreement for the Extension of the Second Stage Expressway System, Sector D, with EXAT for a period of 30 years from April 17, 1997; (2) the Si Rat - Outer Ring Road Expressway under the Concession Agreement for Investment, Design, Construction, Operation, Service and Maintenance of the Si Rat - Outer Ring Road Expressway Project, with EXAT for a concession period of 30 years from December 15, 2012; and (3) the Udon Rattaya Expressway (Bang Pa-in - Pak Kret Expressway), operated by a subsidiary, namely, Northern Bangkok Expressway Company Limited (“NECL”) under the Bang Pa-in - Pak Kret Expressway Agreement with EXAT for a period of 30 years from September 27, 1996.

1.1.2 Metro Business

The Company has been granted concessions for two mass rapid transit rail system projects from the Mass Rapid Transit Authority of Thailand (“MRTA”), namely, (1) the M.R.T. Chaloe M Ratchamongkhon Line (Blue Line) (Hua Lamphong Station - Bang Sue Station) (“MRT Blue Line Project”), whereby the Company has the exclusive right to collect fare box revenue and undertake activities and commercial development, including advertising, leasing space and telecommunications services in the metro stations and in the trains for a period of 25 years from July 2, 2004; and (2) the MRT Purple Line Project, Bang Yai - Rat Burana, Bang Yai - Bang Sue Section (Khlomg Bang Phai Station - Tao Poon Station) (“MRT Purple Line Project”), Contract 4: Concession for Supply of M&E Systems and O&M Services, whereby MRTA invests in all civil works and the Company invests in the M&E Systems and the rolling stocks, as well as provides the operation and maintenance services in accordance with the specified service standards, whereby MRTA is entitled to all fare box revenue and commercial development revenue from the utilization of the civil infrastructure and the railway systems and MRTA shall make repayment to the Company in the form of service fee for the O&M Services and the M&E Systems throughout the concession period of 30 years from the date of execution of the Agreement.

In addition, the Company has been selected to operate the MRT Purple Line Project, Bang Yai - Rat Burana, Bang Yai - Bang Sue Section (Tao Poon Station - Bang Sue Station, excluding stations), Contract 5: Concession for Investment, Supply of M&E Systems and O&M Services under the resolution of the Council of Ministers on October 28, 2014, implemented under Section 16 of the Act on Private Participation in State Undertaking B.E. 2535 (1992) (“Private Participation Act”) by negotiating directly with the Company

(formerly, BMCL), whereby the Company shall have the duties to design, supply, install and test the operation of the M&E Equipment and other relevant systems, and trial run for the public service to the extent of commencement of the train operation service in connection with the MRT Blue Line Project within the specified time, as well as providing all financing for operation of Phase 1 of the Concession Agreement, Contract 5, which shall complete the works under the scope of Works in Phase 1 within 15 months, and under the scope of Works in Phase 2, O&M Services for a period of 12 months from the commencement date of train operation service for the MRT Purple Line Project under the Concession Agreement, Contract 5. At present, the draft Concession Agreement, Contract 5, is in the process of consideration and review of the contract term for further seeking approval of the Council of Ministers.

1.1.3 Commercial Development Business

The Company and one of its subsidiaries, namely, Bangkok Metro Networks Limited (“BMN”), operate the commercial development business of the MRT Blue Line Project for 1) procurement and/or production of advertising media of various forms in the trains and metro stations; 2) lease of retail spaces in the MRT Blue Line stations and spaces in the basement level of the Lat Phrao park and ride facility; and 3) provision of service and maintenance of telecommunications system equipment inside the metro stations. In addition, as for the expressways, the Company and another subsidiary, namely, NECL, allowed private entities and individuals to take on lease of spaces for commercial operation for installation of Intelligent Traffic Signs and various advertising boards, including retail spaces around toll plazas, and other business activities, such as, the use of the expressway areas for installation of 3G signal boosters, etc.

1.1.4 Investment in Other Companies

The Company invests in the companies operating the public utility businesses, as follows: (1) CK Power Public Company Limited (“CKP”) operates its core business by holding shares in other companies (Holding Company) operating the business of production and distribution of energy of various types; (2) TTW Public Company Limited (“TTW”) operates the business of production and distribution of tap water to the Provincial Waterworks Authority and invests in companies which operate the business of other public utilities; and (3) Xayaburi Power Company Limited (“XPCL”) operates the main business for construction and operation of the Xayaburi Hydroelectric Power Project, located on the Mekong River, for the installed capacity of 1,285 MW.

1.2 Vision, Mission and Goals of Operations

1.2.1 Vision

The Company’s vision is:

“To become a leading, fully-integrated transportation service provider in Thailand and ASEAN.”

1.2.2 Mission

The Company is committed to:

1. Providing services of the expressway and metro systems with safety, convenience, rapidity, reliability, punctuality and efficiency, in order to improve the quality of people’s life;
2. Improving the quality and efficiency of the modern and full service transportation network in order to alleviate traffic problems, preserve the environment, and improve society and the country;
3. Creating value added and utmost benefit to shareholders based on fairness to all stakeholders.

1.2.3 Goals and Business Strategies

To achieve the Company's objectives and mission, the Company has formulated major strategies in its business operations, as follows:

1. To invest in the transportation system projects, expressway and connecting road projects, metro system projects, and related projects under the government policy for public private partnership (PPP) in respect of infrastructure, including related business, such as, various commercial development, taking into consideration the projects which are beneficial to society and the country, with reasonable business yields;
2. To strengthen the businesses by generating revenues for continued growth, and managing costs and expenses efficiently, in order to maintain good financial standing;
3. To build relationships with stakeholders through the corporate social responsibility process and communicate with internal and external personnel about it;
4. To develop personnel ready for provision of quality services of the expressway and metro systems;
5. To build social recognition of the corporate good image.

1.3 Significant Changes and Developments

The Company was incorporated from the amalgamation, under the Public Limited Company Act B.E. 2535 (1992) and its amendments, between BECL and BMCL on December 30, 2015, for construction and operation of the expressways and for operation of the metro system, including commercial development relating to the metro and expressway systems.

BECL was founded on December 23, 1987 and listed on the Stock Exchange of Thailand ("Stock Exchange") since August 31, 1995. Prior to the amalgamation, BECL's registered and paid-up capital amounted to Baht 7,700,000,000, divided into 770,000,000 ordinary shares, at the par value of Baht 10 per share.

BECL constructed and operated the expressways, namely, the Si Rat Expressway (Second Stage Expressway) under the Second Stage Expressway Agreement with EXAT for a concession period of 30 years from March 1, 1990, and the Extension of the Second Stage Expressway System, Sector D, under the Agreement for the Extension of the Second Stage Expressway System, Sector D, with EXAT for a period of 30 years from April 17, 1997.

On September 14, 2012, the Company entered into the Concession Agreement for Investment, Design, Construction, Operation, Service and Maintenance of the Si Rat - Outer Ring Road Expressway Project with EXAT for a concession period of 30 years from December 15, 2012, with a construction period of not exceeding 48 months from the date of the Notice to Proceed.

BMCL registered its incorporation on February 18, 1998, and was listed on the Stock Exchange since September 21, 2006. Prior to the amalgamation, BMCL's registered and paid-up capital amounted to Baht 7,585,000,000, divided into 20,500,000,000 ordinary shares, at the par value of Baht 0.37 per share.

BMCL entered into the Agreement for the MRT Blue Line Project with MRTA on a PPP Net Cost (AOT) basis, and BMCL had the exclusive right to collect fare box revenue and undertake activities and commercial development, including advertising, leasing space and telecommunications services in the metro stations and in the trains for a period of 25 years, from July 2, 2004 to July 1, 2029. Under such Agreement, BMCL was obliged to make payment of remuneration from fares and commercial development to MRTA at the rates as mentioned in the Agreement.

Subsequently, on September 4, 2013, BMCL entered into the Agreement for the MRT Purple Line Project with MRTA for a period of 30 years on a PPP Gross Cost (ATO) basis, namely, MRTA invested in all civil works and BMCL invested in the M&E Systems and the rolling stocks, provided that MRTA shall make a gradual repayment of the M&E Equipment to BMCL after the delivery of the ownership, and BMCL shall provide the O&M services in accordance with the service provision standards as specified in the Agreement. In this regard, MRTA is entitled to all fare box revenue and commercial development revenue from the utilization of the civil infrastructure and the railway systems and MRTA shall make payment to BMCL in the form of service fee for the O&M Services from the date of BMCL's operation service until the end of the Concession Agreement.

On October 28, 2014, the Council of Ministers resolved to grant approval for implementation under Section 16 of the Act on Private Participation in State Undertaking B.E. 2535 (1992) (“Private Participation Act”) by negotiating directly with BMCL for the MRT Purple Line Project, Contract 5, on a PPP Gross Cost basis. MRTA proceeded under the procedures of the Private Participation Act and established a committee for consideration and selection of a private sector to participate in state undertaking, as well as entered into negotiations and other undertakings relating to the Project. At present, the draft Concession Agreement, Contract 5, is in the process of consideration and review of the contract term for seeking further approval of the Council of Ministers.

The MRT Purple Line Project, Contract 4, under BMCL’s responsibility, and the MRT Purple Line Project, Contract 5, will connect the MRT Purple Line Project with the existing MRT Blue Line Project at Tao Poon Station, thereby increasing the passenger volume and revenues for the existing MRT Blue Line Project under BMCL.

Significant Changes and Development in 2015

Amalgamation Timeline

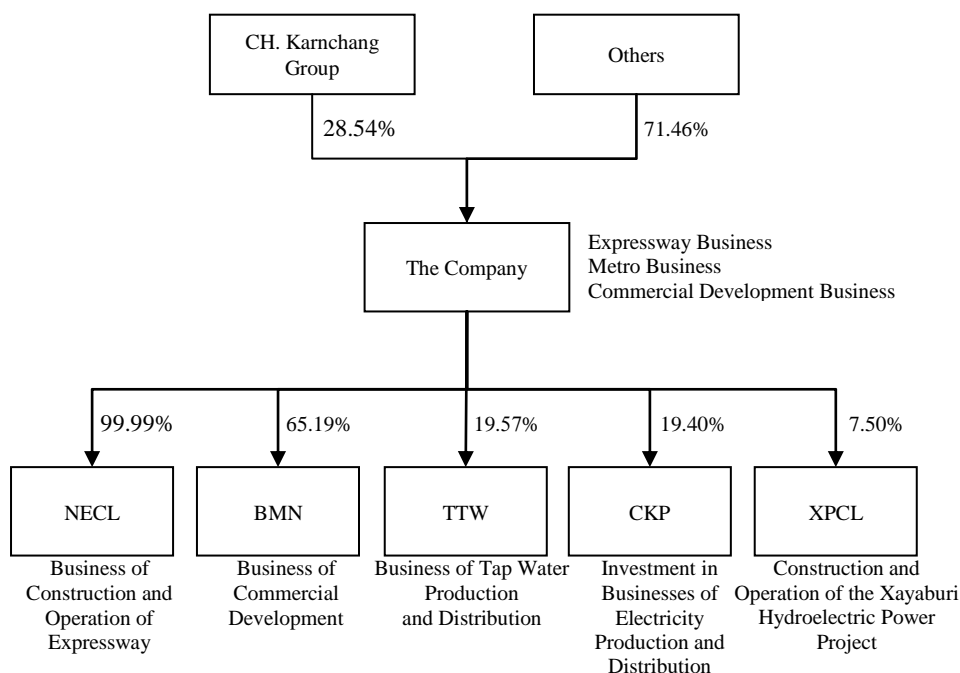
January 21, 2015	The Boards of Directors of BECL and BMCL resolved to grant approval to propose the matter to their respective shareholders’ meetings for further consideration and approval of the amalgamation.
April 2, 2015	The shareholders’ meetings of BECL and BMCL resolved to approve the amalgamation.
April 3, 2015	BECL registered its capital decrease from Baht 8,000 Million to Baht 7,700 Million.
June 24, 2015	BMCL registered the decrease of its registered capital and its paid-up capital with the Department of Business Development from Baht 20,500 Million, by Baht 12,915 Million, thereby remaining the registered capital of Baht 7,585 Million, by decreasing the par value from Baht 1 per share to Baht 0.37 per share.
July 2, 2015	BECL sold its 2,050,134,895 ordinary shares in BMCL to CH. Karnchang Public Company Limited (“CH. Karnchang Plc.”)
August 11, 2015	The Boards of Directors of BECL and BMCL resolved to grant approval to propose the matter to the Joint Shareholders’ Meeting of BECL and BMCL for consideration and approval for an extension of time for the amalgamation for another six months.
September 29, 2015	The Joint Shareholders’ Meeting No. 1/2015 between BECL and BMCL resolved to approve the extension of time for the amalgamation for another six months.
November 5, 2015	The Boards of Directors of BECL and BMCL resolved to grant approval to propose the matter to the Joint Shareholders’ Meeting of BECL and BMCL for consideration of various issues of the new company as a result of the amalgamation.
December 28, 2015	The Joint Shareholders’ Meeting No. 2/2015 between BECL and BMCL resolved to approve various issues of the new company as a result of the amalgamation.
December 30, 2015	The amalgamation was registered with the Ministry of Commerce as Bangkok Expressway and Metro Public Company Limited, whereby the Stock Exchange of Thailand listed the Company’s ordinary shares as “BEM” securities on the Stock Exchange, which started trading on January 5, 2016.
December 30, 2015	BEM executed the Amendments to the Concession Agreements, by changing name of the contractual party with the Expressway Authority of Thailand (EXAT) and the Mass Rapid Transit Authority of Thailand (MRTA).

Significant Changes and Developments of BECL and BMCL prior to the Amalgamation

May 26, 2015	BECL exercised its right to acquire CKP's ordinary shares for capital increase as per its shareholding proportion in the total amount of Baht 1,088,470,044.
August 11, 2015	The Board of Directors of BMCL resolved and approved to propose the matter to its shareholders' meeting for consideration and approval for execution of the connected transactions on engagement of CH. Karnchang Plc. for repair and maintenance of the civil infrastructure and M&E Equipment of the MRT Blue Line Project and the MRT Purple Line Project.
August 13, 2015	MRTA approved in principle for execution of the Concession Agreement for the MRT Purple Line Project, Contract 5, with BMCL, awaiting the Council of Ministers' resolution granting approval for MRTA to execute the Agreement with the Company.
August 20, 2015	<p>The Board of Directors of BMCL resolved to grant approval for execution of the Concession Agreement for the MRT Purple Line Project, Contract 5, with MRTA, and resolved to propose the matter to its shareholders' meeting for consideration and approval for execution of three connected transactions on engagement of CH. Karnchang Plc., as follows:</p> <ol style="list-style-type: none"> 1) Project management, including supply, installation of the M&E Equipment, and maintenance of the civil infrastructure and M&E Equipment of the MRT Purple Line Project, Contract 5, including supply and installation of equipment for improvement of the communication system of the MRT Blue Line Project; 2) Project management for maintenance of the civil infrastructure and M&E Equipment of the MRT Blue Line Project; 3) Amendment of the Project Management Agreement with CH. Karnchang Plc., including supply and installation of the M&E Equipment of the MRT Purple Line Project with the scope of additional works.
October 14, 2015	The shareholders' meeting of BMCL resolved to approve execution of all three connected transactions on engagement of CH. Karnchang Plc. as proposed.
November 5, 2015	The Board of Directors resolved to grant approval for BECL to acquire 280 million shares in NECL in the total amount of Baht 154 Million.
November 5, 2015	To ensure continued train operation between the existing MRT Blue Line Project and the MRT Purple Line Project, as well as to provide facilitation to metro service users, BMCL then executed the Project Management Agreement with CH. Karnchang Plc., including supply and installation of the M&E Equipment under the Concession Agreement, Contract 5 (Bang Sue Station - Tao Poon Station, excluding stations), including supply and installation of equipment for improvement of the communication system of the MRT Blue Line Project.
November 17, 2015	BMCL entered into the Agreement for engagement of CH. Karnchang Plc. for repair and maintenance of the civil infrastructure and the M&E Equipment of the MRT Blue Line Project and the MRT Purple Line Project.
December 25, 2015	BECL made redemption of all debentures from the debenture holders under the resolution of the debenture holders' meeting which was held on June 8, 2015.

1.4 Shareholding Structure of Company Group

Chart of Shareholding Structure and the Company's Shareholding Percentage as at December 31, 2015



Remark : CH. Karnchang Group comprises 1) CH. Karnchang Plc., 2) CH. Karnchang-Tokyu Construction Company Limited, 3) Mahasiri Siam Co., Ltd., and 4) CH. Karnchang Holding Co., Ltd.

1.4.1 Investment in Subsidiaries, Associated Companies and Other Company

The Company has a policy on investment in businesses of infrastructure or businesses supporting the Company's operations and creating opportunity and long-term yields to the Company. The Company's investment as at December 31, 2015 was as follows:

(1) Names of Companies invested by the Company and its Shareholding Percentage

Unit: Million Baht

Names of Companies	Nature of Business	Registered Capital	Paid-up Capital	Shareholding Percentage	Investment Value at Cost
Subsidiaries					
Northern Bangkok Expressway Company Limited	Construction and operation of the Udon Ratthaya Expressway	6,000	5,250	99.99%	2,604
Bangkok Metro Networks Limited	Operation of the commercial development business	254	254	65.19%	166
Associated Companies					
CK Power Public Company Limited	Investment by holding shares in other companies (Holding Company) operating a business of electricity production and distribution	9,240	7,370	19.40%	3,223
TTW Public Company Limited	Tap water production and distribution	3,990	3,990	19.57%	4,303

Unit: Million Baht

Names of Companies	Nature of Business	Registered Capital	Paid-up Capital	Shareholding Percentage	Investment Value at Cost
Other Company					
Xayaburi Power Company Limited	Construction and operation of the Xayaburi Hydroelectric Power Project	26,861	12,175	7.50%	913

(2) Details of Companies Invested by the Company

Expressway Business

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

NECL’s registered capital amounts to Baht 6,000 Million, divided into 294 million ordinary shares and 306 million preferred shares, at the par value of Baht 10 per share, with the paid-up capital of Baht 5,250 Million. As at December 31, 2015, the Company’s shareholding was 99.99 percent of its registered capital. NECL entered into the Agreement with EXAT for construction and operation of the Udon Rattaya Expressway (Bang Pa-in - Pak Kret Expressway) for a period of 30 years from September 27, 1996. The Udon Rattaya Expressway is northbound and continues from the Si Rat Expressway around Chaeng Watthana Road and passes Bang Phun, Chiang Rak and ends at Bang Sai.

Commercial Development Business

1. Bangkok Metro Networks Limited (“BMN”)

BMN has a total registered capital of Baht 254 Million, divided into 25.4 million ordinary shares, at the par value of Baht 10 per share, with the paid-up capital of Baht 254 Million. As at December 31, 2015, the Company’s shareholding in BMN was 65.19 percent of its registered capital.

BMN was established by the amalgamation of three companies, namely, BMCL Network Limited, Metro Mall Development Limited, and Triads Networks Co., Ltd. BMN accepted the transfer of all three companies’ businesses, as well as all rights, duties, assets, liabilities and staff.

BMN currently operates the business of procurement and production of advertising media of various forms in the metro stations and trains, lease of retail spaces in stations of the MRT Blue Line Project and at the basement level of the park and ride facility at the Lat Phrao Station, as well as providing service and maintenance of telecommunications system equipment in the stations and tunnels.

Other Infrastructure Businesses

1. CK Power Public Company Limited (“CKP”)

CKP is a listed company on the Stock Exchange, operating its main business by investing in other companies (Holding Company) which operate the business of electricity production and distribution. CKP has a total registered capital of Baht 9,240 Million, divided into 9,240 million ordinary shares, at the par value of Baht 1 per share, with the paid-up capital of Baht 7,370 Million. As at December 31, 2015, the Company’s shareholding was 19.40 percent of its registered capital. CKP invests in companies operating the business of electricity production and distribution from three types of energy, namely, hydropower business, by investing in SouthEast Asia Energy Limited, operating a business of investment and development of electricity business in the Lao People’s Democratic Republic, and Xayaburi Power Company Limited; cogeneration power business, by investing in Bangpa-in Cogeneration Limited; and solar power business, by investing in Bangkhenchai Company Limited, Nakhon Ratchasima Solar Limited, Chiangrai Solar Limited, CKP Solar Limited, Vis Solis Limited, Helios Power Limited, Apollo Power Limited, and Sole Power Limited.

2. TTW Public Company Limited (“TTW”)

TTW is a listed company on the Stock Exchange, having a total registered capital of Baht 3,990 Million, divided into 3,990 million ordinary shares, at the par value of Baht 1 per share, with the paid-up capital of Baht 3,990 Million. As at December 31, 2015, the Company’s shareholding was 19.57 percent of its registered capital. TTW operates the business of production and distribution of tap water to the Provincial Waterworks Authority in the areas of Nakhon Pathom Province and Samut Sakhon Province, under the Water Purchase and Sale Agreement with the Provincial Waterworks Authority for a period of 30 years from July 21, 2004. In addition, TTW invests in Pathum Thani Water Co., Ltd., representing 98 percent of its registered capital, which operates the business of tap water production and distribution in the areas of Pathum Thani and Rangsit, under the Water Purchase and Sale Agreement with the Provincial Waterworks Authority for a period of 25 years from October 15, 1998, and also invests in Thai Water Operations Company Limited, which operates the business of management and operation of tap water production and distribution systems and water treatment system, as well as invests in the energy business by holding shares in CKP representing 25 percent of its registered capital.

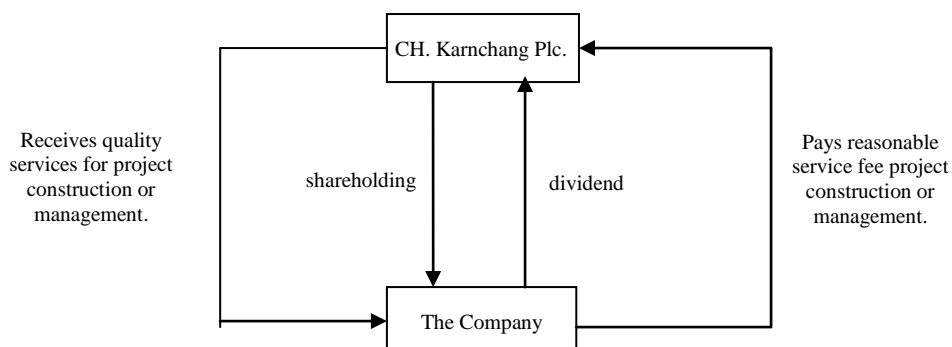
3. Xayaburi Power Company Limited (“XPCL”)

XPCL’s total registered capital is Baht 26,861 Million (at the exchange rate of USD 1 to Baht 34), with the paid-up capital of Baht 12,175 Million. As at December 31, 2015, the Company’s shareholding was 7.50 percent of its registered capital. XPCL’s main business is to operate the Xayaburi Hydroelectric Power Project, located on the Mekong River, with around 100 kilometers distance from Luang Prabang. The Xayaburi Hydroelectric Power Project is a run-of-river hydroelectric project, generating electricity by building a diversion weir on the Mekong River to raise the water level without water diversion from the Mekong River and without water impounding like other reservoir dams.

1.4.2 Relationship with Business Alliance of Major Shareholder

CH. Karnchang Plc. is the Company’s major shareholder. As at December 31, 2015, CH. Karnchang Plc. was holding 4,199,031,529 shares in the Company, representing 27.47 percent of the Company’s paid-up capital. From the past until the present, the Company engaged CH. Karnchang Plc. for construction and operation of various projects, as CH. Karnchang Plc. is a large construction company in Thailand, with potential, knowledge and expertise, and is familiar with the civil infrastructure of the expressway and metro projects, as well as M&E Equipment. In addition, CH. Karnchang Plc. has experience in the operation on a Lump Sum Turnkey basis, which enables it to deliver quality works timely, and is also the Company’s strategic investment partner, and as a result, CH. Karnchang Plc. has responsibility and commitment to operating the projects with success. Therefore, in the future, it is possible that the Company will engage CH. Karnchang Plc. for project construction or management. However, in the execution of transactions with CH. Karnchang Plc., which may have a conflict of interests, the Company will comply with its policy on execution of connected transactions per details as disclosed in Item 12. Connected Transactions.

Chart of Relationship with Business Alliance of Major Shareholder



2. Nature of Business Operations

The Company and its subsidiaries are 1) concessionaires for the expressway construction and operation, namely, the Si Rat Expressway (Second Stage Expressway) and the Udon Raththaya Expressway (Bang Pa-in - Pak Kret Expressway) and for the pending construction of the Si Rat - Outer Ring Road Expressway Project, which is expected to open for service by 2016; 2) concessionaires for operation of the MRT Blue Line Project and the MRT Purple Line Project, which are expected to open for service by 2016; and 3) commercial development business operators, pursuant to the relevant Concession Agreements. Currently, the revenue structure of the Company and its subsidiaries is set forth below.

	Operated by	Shareholding Percentage of the Company	Pro Forma Consolidated Financial Information					
			For Nine-Month Period Ended September 30, 2015		For Year Ended December 31, 2014		For Year Ended December 31, 2013	
Total revenue structure (pro forma amalgamation)			Million Baht	%	Million Baht	%	Million Baht	%
Revenue from expressway business			8,815	67.3%	8,485	71.4%	8,040	58.1%
Toll revenue	Company		7,606	58.0%	7,352	61.9%	6,990	50.5%
Toll revenue	Subsidiary	99.99 ⁽¹⁾	1,209	9.2%	1,133	9.5%	1,050	7.6%
Revenue from metro business			2,374	18.1%	2,248	18.9%	2,106	15.2%
Fare box revenue	Company		2,374	18.1%	2,248	18.9%	2,106	15.2%
Commercial development revenue			549	4.2%	501	4.2%	451	3.3%
Commercial development revenue	Company		81	0.6%	285	2.4%	256	1.8%
Commercial development revenue	Subsidiary	65.19	468	3.6%	216	1.8%	195	1.4%
Gain on investments ⁽²⁾	Company		1,298	9.9%	537	4.5%	309	2.2%
Other income ⁽³⁾	Company		69	0.5%	113	1.0%	2,944 ⁽⁴⁾	21.3%
Total revenues			13,105	100%	11,884	100%	13,850	100%

Remarks: (1) The Company (formerly BECL) acquired additional shares in NECL in November 2015, as a result, the Company's shareholding in NECL increased from 53.33 percent to 99.99 percent of its registered capital.

(2) Gain on investments includes gain on sales of investment in BMCL TTW and CKP.

(3) Other income comprises interest income, gain on fair value adjustment of investment, and flood compensation.

(4) Total gain on fair value adjustment of investment from changing status of investment amounts to Baht 2,808 Million.

2.1 Expressway Business

2.1.1 Nature of Services

The Company and its subsidiary, i.e., NECL, constructs and operates the expressways, namely, the Si Rat Expressway (Second Stage Expressway), the Si Rat - Outer Ring Road Expressway, and the Udon Raththaya Expressway (Bang Pa-in - Pak Kret Expressway), as per the following details:

1) The Si Rat Expressway (Second Stage Expressway)

The Si Rat Expressway (Second Stage Expressway) is the first large-scale construction project in Thailand on the basis of public private partnership to help alleviate the traffic congestion problems in Bangkok and its vicinity. This project is implemented on a Build Transfer and Operate (BTO) basis, namely, the Company (formerly BECL) invested in the design, construction and operation of the Si Rat Expressway (Second Stage Expressway), comprising 4 Sectors, namely, Sector A (Rama 9 - Ratchadapisek), Sector B (Phayathai - Bangkok), Sector C (Ratchadapisek - Chaeng Watthana), and Sector D (Rama 9 - Srinagarindra), covering a total distance of 38.5 kilometers. In this regard, the title to various permanent constructions pertaining to or useful for the Si Rat Expressway shall be vested in EXAT. EXAT invested in the construction and operation of the Chalerm Mahanakorn Expressway (First Stage Expressway), covering a total distance of

27.1 kilometers. The Company has assumed the right to operate the Si Rat Expressway and the right to receive toll revenue sharing in respect of the Chaler Mahanakorn Expressway and the Si Rat Expressway in such proportions as specified in the Second Stage Expressway Agreement for the concession period of 30 years from March 1, 1990, and the Agreement for Extension of the Second Stage Expressway (Sector D) for the concession period of 30 years from April 17, 1997.

2) The Si Rat - Outer Ring Road Expressway Project

The Company has assumed the Concession Agreement for Investment, Design, Construction, Operation, Service and Maintenance of the Si Rat - Outer Ring Road Expressway Project, with the duties to carry out design and construction, supply and installation of various equipment and systems, together with operation and maintenance of the expressway, including toll collection, in consideration of the right to receive toll revenue and other revenues (if any). The project starts from Kanjanapisek Road and connects to the Si Rat Expressway at the North of the Mo Chit 2 Bus Terminal, for a total distance of 16.7 kilometers. In this regard, the Company is responsible for investment and all operating expenses, and share returns with or provides benefits to EXAT as specified in the Agreement, for the concession period of 30 years from December 15, 2012, and with the construction period not exceeding 48 months from such date.

3) The Udon Ratthaya Expressway (Bang Pa-in - Pak Kret Expressway)

The Company holds shares in NECL, which engages in the business of construction and operation of the Udon Ratthaya Expressway, connecting to the Si Rat Expressway at Chaeng Watthana Road and ending at Amphoe Bang Pa-in, Phra Nakhon Si Ayutthaya Province, covering a total distance of approximately 32 kilometers. This project is implemented on a Build Transfer and Operate (BTO) basis like the Si Rat Expressway, namely, NECL invested in the design, construction, and operation of the Udon Ratthaya Expressway, whereby the title to various permanent constructions pertaining to 8or useful for the expressway shall be vested in EXAT, and EXAT is responsible to collect and deliver all tolls to NECL as specified in the Agreement, for the concession period of 30 years from September 27, 1996.

The details of the expressway network connections are as follows:

Expressway Systems	Length (kilometers)	Constructed and Operated by
1. Chaler 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	Company
3. Udon Ratthaya Expressway (Bang Pa-in - Pak Kret)	32.0	NECL
4. Uttaraphimuk Elevated Way (Don Muang Tollway)	28.0	Don Muang Tollway Public Company Limited
5. Chalong Rat Expressway including its Extension (Ramindra - At Narong and Ramindra - Outer Ring Road)	37.7	EXAT
6. Burapha Withi Expressway (Bang Na - Chonburi)	55.0	EXAT
7. Kanjanapisek Expressway (Bang Pli - Suksawad) and Highway No. 37 (Suksawad - Bang Khun Thien Section) including a connecting road to the Industrial Ring Road	37.8	EXAT
8. Si Rat - Outer Ring Road Expressway (under construction)	16.7	Company
Total length	272.8	

2.1.2 Marketing and Competition

2.1.2.1 Customer Characteristics and Target Customers

(1) Customer characteristics and target customers of the expressway business

Target customers of the Chalerm 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 may be divided into four-wheeled vehicles; six-wheeled to ten-wheeled vehicles; and more than ten-wheeled vehicles, which on December 31, 2015, accounted for 97.90 percent, 1.85 percent and 0.25 percent, respectively. The traffic volume during January 1 to December 31, 2015 using the expressways may be described by areas as follows:

Expressway Systems	Average Traffic Volume (trips/day)	%
1. Chalerm Mahanakorn Expressway (First Stage Expressway) ⁽¹⁾ (Bang Na - Din Daeng - Dao Khanong)	375,087	21.96
2. Si Rat Expressway (Second Stage Expressway)		
2.1 Urban Network (Prachachuen - Phayathai - Bangkhlo - Asoke)	323,116	18.91
2.2 Suburban Network (Prachachuen - Chaeng Watthana and Asoke - Srinagarindra)	368,544	21.57
3. Udon Ratthaya Expressway (Bang Pa-in - Pak Kret)	75,078	4.40
4. Chalong Rat Expressway (Ramindra - At Narong and Ramindra - Outer Ring Road) ⁽¹⁾	200,578	11.74
5. Burapha Withi Expressway (Bang Na - Chonburi) ⁽¹⁾	139,775	8.18
6. Kanjanapisek Expressway (Bang Pli - Suksawad) ⁽¹⁾ and Highway No. 37 (Suksawad - Bang Khun Thien Section)	226,189	13.24
Total Traffic Volume	1,708,367	100.00

Remark: ⁽¹⁾ Source: EXAT.

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

2.1.2.2 Marketing Policy and Strategies

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 Chalerm Mahanakorn Expressway and the Si Rat Expressway, as well as the Chalong Rat Expressway (Ramindra - At Narong) which cover the areas from the North to the South and from the West to the East of Bangkok. Motorists may use the expressway to connect to the Burapha Withi Expressway (Bang Na - Chonburi), and the Chalerm Mahanakorn Expressway and the Chalong Rat Expressway, thereby rendering the service of the expressway systems to become more complete for users to reach their destinations more conveniently and rapidly than using at-grade roads.

The marketing disadvantage is the physical limitation which prevents the release of traffic around the expressway exits during rush hour, which depends on the traffic on at-grade roads, representing an uncertain factor beyond the Company's control. However, the Company continuously coordinates with traffic police in police stations of such areas, including linking video signal from CCTVs on the expressways to police stations of such areas, to provide assistance in releasing and facilitating traffic flow in the expressway systems by improving various on- and off-ramps for motorists to save time and facilitate motorists with more convenience and better quality of living in their commute in the downtown. Motorists should then appreciate these benefits over price factor.

In May 2014, the Company opened for service the Asoke 3 Toll Plaza extension to connect between Sector D of the Si Rat Expressway (Asoke - Srinagarindra) and Section C of Chaturathit Road. As a result, there are four more toll booths at Asoke 3 Toll Plaza to accommodate vehicles coming from Section C of Chaturathit Road. This helps alleviate the traffic problem and allow motorists coming from the Victory Monument, Sri Ayutthaya Road, Ratchaprarop Road, Phetchaburi Road and Din Daeng Road to avoid traffic congestions during rush hour by using Chaturathit Road to enter the Si Rat Expressway for further traveling to Suvarnabhumi Airport, Motorway or to pass through the Chalong Rat Expressway to exit at Lat Phrao Road and Ram Inthra Road conveniently and rapidly.

In addition, EXAT improved the on- and off-ramps of the Chalerm Mahanakorn Expressway (First Stage Expressway) and the old railway around At Narong Interchange (At Narong 3) as an alternative route for motorists coming from Old Railway Road and Sanphawut Road, as well as to mitigate the traffic problem in adjacent areas. At Narong 3 Toll Plaza was opened for service in October 2014.

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. The Company has added Easy Pass lanes at various Toll Plazas on the Si Rat Expressway to accommodate the increased volume of Easy Pass users. In addition, the Company has moved the Easy Pass lanes for more convenience and safety of the Easy Pass service users and to minimize the cross traffic between the cash lanes and the Easy Pass lanes, which will mitigate the traffic congestions at the front of the toll plazas.
4. The study on new routes in response to the urbanization in the future, particularly in Bangkok, as well as the study on traveling behavior of motorists are conducted to prepare for the expansion of the scope of the expressway services, and serve well as additional channels of services in response to needs of the motorists in the future.
5. The Company has added communication channels on traffic information via Smart Traffic and Variable Message Signs (VMS) to keep motorists informed of the traffic conditions on expressways, as well as suggesting routes on expressways for more convenience and

rapidity.

6. The Company has also improved signboards regarding the expressway usage on the at-grade main road and various alleys in Bangkok and its vicinity so as to facilitate motorists and boost confidence to access and use the expressways. To this effect, the Company focuses on introducing such landmarks adjacent to the on- and off-ramps of the expressways on the website and various public relations media to ensure that customers, as the expressway users, would travel more conveniently and rapidly.

2) Toll Rates (Price)

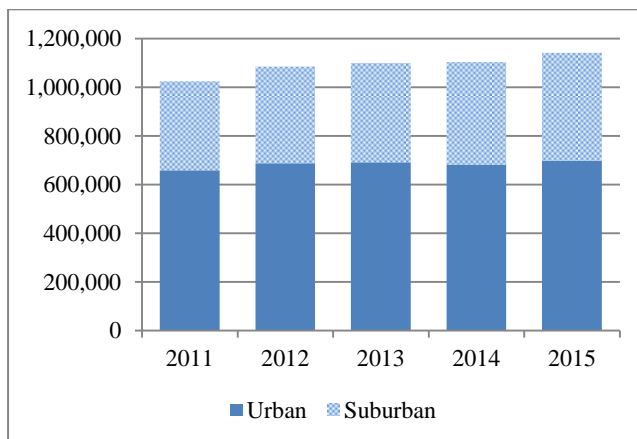
1. Toll rates are agreed upon and specified in the Agreements, including the calculation for revisions of toll rates ahead of time. It is mutually agreed that the rates are considered reasonable and based on the feasibility study for investment of each Project. Under the Second Stage Expressway Agreement and the Bang Pa-in - Pak Kret Agreement, toll rates shall be revised at every five years interval in accordance with changes in Consumer Price Index of Bangkok as announced by the Ministry of Commerce, which serves as the basis of calculation for the intrinsic value of the toll rates during the given periods under the Agreements.
2. The Company continues to provide discount on tolls on certain routes for a limited period of time to attract motorists to increasingly use the expressway services, especially such routes with connections between the expressway systems, e.g., At Narong 1 Toll Plaza (from the Chalong Rat Expressway to enter the Chalerm Mahanakorn Expressway around Bang Na), and Muang Thong Thani Toll Plaza of the Udon Rattaya Expressway, which the Company, together with EXAT, continued to provide discount which has been extended until December 31, 2016.

3) Distribution Channels (Place)

Traffic volume in the Chalerm Mahanakorn Expressway (First Stage Expressway), the Si Rat Expressway (Second Stage Expressway) and the Udon Rattaya Expressway (Bang Pa-in - Pak Kret Expressway) in 2015 may be categorized by urban and suburban, which equals 61:39.

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

(Unit: Trips/Day)



	Urban	Suburban	Total
2011	658,276	366,317	1,024,593
2012	688,139	396,626	1,084,765
2013	691,333	408,318	1,099,651
2014	682,816	420,746	1,103,562
2015	698,203	443,622	1,141,825

1. Payment of Tolls

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

2. 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 an alternative channel for motorists and facilitate and speed up the toll payment at the front of the Toll Plazas during rush hour, as well as accommodating the increasing traffic volume in the future.

4) Sales Promotion and Public Relations (Promotion)

The Company provides discount on tolls on certain routes within a limited period of time, aimed at attracting target customers to continue to use the expressway services and eventually become regular customers. In 2015, the Company provided discount at the connection from the Chalerm Mahanakorn Expressway to the Chalerm Mahanakorn Expressway at At Narong 1 Toll Plaza only on the route to Bang Na, including the Udon Rathaya Expressway of the subsidiary, which continued to provide discount to motorists at Muang Thong Thani Toll Plaza.

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

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

The channels of public relations used by the Company to disseminate information comprise documentary programs on radio and television, radio spot, leaflets, Variable Message Signs (VMS), and our website: www.bemplc.co.th, as well as social media (www.facebook.com/bangkokexpresswayandmetro), including Si Rat bimonthly newsletters as a medium for sharing information and news between the Company and motorists, and to educate, satisfy and attract new customers to use the services more, as well as organizing various social activities throughout the year to ensure the positive attitude of our services towards customers and society.

2.1.2.3 Industrial Outlook and Competition

In 2015, Thailand sustained an economic slowdown in all industrial sectors, particularly the automobile industry. Despite the overall car sales decrease as compared with that of 2014, the sales figures in November-December 2015 alone were rising as compared with that in the same period of the previous year. This was the first growth over the past 31 months thanks to the launch of new car models with special offers to attract consumers to buy new cars before price increases under the new excise tax structure, effective from January 1, 2016. However, the overall car sales in 2015 decreased as compared with that of 2014, which would affect the traffic volume on the expressways. According to the information of the Department of Land Transport, the number of new vehicles registered in Bangkok in 2015 was 388,057 vehicles, lower than 425,033 vehicles in the same period of 2014, thereby bringing the cumulative number of vehicles in Bangkok at the end of 2015 to a total of 5,536,477 vehicles. Furthermore, despite the fact that the growing number of newly registered vehicles this year was less than that of the previous year, and when compared with the limited road space in Bangkok for a total distance of only 5,400 - 5,500 kilometers, the available capacity to accommodate the volume of vehicles in Bangkok is lower.

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 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.

2.1.3 Procurement of Products and Services

2.1.3.1 Nature of Procurement of Products

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

The expressway projects under the Second Stage Expressway Agreement, the Bang Pa-in - Pak Kret Expressway Agreement, the Agreement for Extension of the Second Stage Expressway (Sector D), and the Concession Agreement for the Si Rat - Outer Ring Road Expressway Project are implemented on a BTO basis. According to the essence of the Agreements, EXAT shall have the duty to determine the characteristics of the expressways, expressway routes and areas to be used for construction and arrange for land expropriation for delivery to the Company for construction within the time specified in the Agreements. Thereafter, the Company would carry out construction in accordance with the designs approved by EXAT, subject to the supervision of the quality of construction work by EXAT's Consulting Engineer, Independent Certification Engineer and Independent Design Checker. Upon completion of the construction, the Independent Certification Engineer shall inspect the work and issue Certificate of Completion to evidence that the construction work is completed in accordance with the specified standards and is ready for service, at which time, the Company shall be entitled to obtain toll revenue under the conditions of the Agreements. In the previous constructions, the Company engaged project managers to carry out construction and operate the Expressway Projects on a lump sum turnkey basis. This was due to the fact that the expressway projects are large-scale projects, which may sustain cost overrun issues and delayed completion of the construction. The lump sum turnkey engagement is intended to prevent such risk. In the engagement of project managers, the Company will select specialists with experience to act as project managers and construction contractor to ensure the accomplishment of quality work on time.

With respect to the Si Rat - Outer Ring Road Expressway Project, the Company and EXAT executed the Concession Agreement for Investment, Design, Construction, Operation, Service and Maintenance of the Project on September 14, 2012, for a concession period of 30 years from December 15, 2012 to December 15, 2042, and with a construction period of not exceeding 48 months. EXAT shall determine the

expressway route and areas to be used for construction and arrange for land expropriation for delivery to the Company within the specified time. The Company shall have the duty to carry out the design and construction in accordance with the designs approved by EXAT, subject to the supervision of the quality of construction work by EXAT's Engineer and Independent Certification Engineer. Upon completion of the construction, the Independent Certification Engineer shall inspect the work and issue Certificate of Completion to evidence that the construction work is completed in accordance with the specified standards and is ready for service. The Company engaged CH. Karnchang Public Company Limited, which specializes and has extensive experience in construction and management of all expressway projects under the concessions of the Company, to act as project manager and construction contractor as well as operator of the Project on a lump sum turnkey basis.

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

2.1.3.2 Environmental Impact

The Company (formerly BECL) and its subsidiary have been environmentally responsible in operating its expressway business, and will continue to adhere to the practices of BECL and its subsidiary for the expressway business with the environmental responsibility which can be summarized as follows:

In the construction of the expressways, BECL and its subsidiary complied 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. BECL 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, BECL employed the Segmental Box Girder construction technique, which allowed 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, BECL had no records of committing any environment-related offenses.

Even during the course of the current operation of the expressway systems, BECL remained concerned about the quality of life of staff, motorists and communities surrounding the expressways. In addition, since 2008, BECL improved its internal procedures to conform to the environmental requirements to apply for the Certificate of ISO 14001 : 2004 Environmental Management System, and BECL eventually obtained such certification from SGS (Thailand) Limited on November 14, 2008, and continued to review for renewal of the certificate of such Environmental Management System, with the commitment 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 2015, BECL 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. BECL conducted a study and test on the use of LED technology to replace the existing lighting on roads at the distance of approximately 10 kilometers which could help save energy up to 15 percent, as compared with high pressure sodium lamps, and the lighting around toll plazas which could help save energy up to 15 percent, whereby the Company did change to use more efficient lamps on the expressways and around toll plazas, as follows:

1. The existing high pressure sodium lamps on the Si Rat Expressway, Sectors A, B, and C, were replaced by more efficient high pressure sodium lamps, covering a distance of approximately 29 kilometers, to ensure more brightness and save energy up to 20 percent. In 2016, the Company will expand the lamp replacement to the main road of the Si Rat Expressway, Sector D, and on- and off-ramps of the Si Rat Expressway.
2. Mercury vapor lamps were replaced by LED lamps at every toll plaza, resulting in greater brightness than the existing lamps, which could help reduce energy up to 70 percent and minimize utilization of mercury.

With respect to the safety management, BECL had 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 was 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 to minimize environmental impact. BECL applied such study results as follows:

- (a) The safety on expressways was improved by inspecting and assessing the safety of the gore areas and installing safety equipment, e.g., crash cushions, cushion tanks, flexible guide posts, red-colored cold plastic road paint to alert for high accident risk areas.
- (b) More Easy Pass lanes were 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.
- (c) Easy Pass lanes at Asoke Toll Plaza 4, Prachachuen Toll Plazas (inbound) and (outbound), were relocated to the farthest right lane for motorists to more efficiently and rapidly access the Easy Pass lanes.
- (d) Traffic report and Easy Pass signboards were improved to provide suggestions to expressway motorists for convenient and rapid passage through the Easy Pass lanes.
- (e) Easy Pass lanes at Asoke Toll Plazas 1, 3 and Prachachuen Toll Plaza (outbound) were improved as fast lanes to accommodate more rapid passage and minimize slow traffic in front of the Easy Pass lanes.

In addition, BECL continued to provide training for staff and executives on know-how and techniques for environmental management in accordance with the ISO 14001 : 2004 Environmental Management System, as well as various activities to raise an awareness of environmental protection in the organization and social contributions in association with the communities nearby.

2.1.3.3 Insurance

Insurance Policy	Coverage Value	Coverage
Property Damage, Machinery Breakdown, Business Interruption	USD 500,000,000	Insured property: Assets used in business operations of the Si Rat Expressway Coverage period: January 1, 2015 - December 31, 2015
Property Damage, Machinery Breakdown, Business Interruption	USD 500,000,000	Insured property: Assets used in business operations of the Udon Raththaya Expressway Coverage period: January 1, 2015 - December 31, 2015
Public Liability Insurance	Baht 500,000,000	Insured property: Assets used in business operations of the Si Rat Expressway Coverage period: January 1, 2015 - December 31, 2015
Public Liability Insurance	Baht 500,000,000	Insured property: Assets used in business operations of the Udon Raththaya Expressway Coverage period: January 1, 2015 - December 31, 2015

2.1.4 Works Pending Delivery

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

The Company started the construction since December 15, 2012, for the construction period of not exceeding 48 months, with the project value of Baht 25,491 Million. As at December 31, 2015, the construction progressed approximately 85.37 percent as planned. It is expected to open for service in 2016.

2.2 Metro Business

The Company has been granted concessions for two mass rapid transit rail system projects from MRTA, as per the following details:

(1) The M.R.T. Chaloem Ratchamongkhon Line (Blue Line) (Hua Lamphong - Bang Sue) ("MRT Blue Line Project")

The Company has operated the MRT Blue Line Project from Hua Lamphong Station – Bang Sue Station, with the total distance of 20 kilometers, totaling 18 stations. The Company has the exclusive right to collect fare box revenue and undertake activities and commercial development, including advertising, leasing space and telecommunications services in the metro stations and in the trains for a period of 25 years from July 2, 2004 to July 1, 2029. Under such Agreement, the Company is obliged to make payment of remuneration from fares and commercial development to MRTA at the rates as mentioned in the Agreement. Currently, there are a total of 19 trains in service every day without holiday from 6.00 hours - 24.00 hours.

(2) The MRT Purple Line Project, Bang Yai-Rat Burana, Bang Yai-Bang Sue Section (Klong Bang Phai Station-Tao Poon Station) (“MRT Purple Line Project”), Contract 4

The Company has operated the MRT Purple Line Project from Klong Bang Phai Station - Tao Poon Station, with the total distance of 22 kilometers, totaling 16 stations, on a PPP Gross Cost (ATO) basis. MRTA invests in all civil works and the Company invests in the M&E Systems and the rolling stocks, as well as provides the operation and maintenance services in accordance with the specified service standards. MRTA is entitled to all fare box revenue and commercial development revenue from the utilization of the civil infrastructure and the railway systems and MRTA shall make repayment to the Company in the form of service fee for the O&M Services and the M&E Systems throughout the concession period of 30 years from September 4, 2013, the date of execution of the Agreement. Currently, the project is underway and expected to open for service by 2016, with Tao Poon Station as the interchange station for both projects.

Projects	MRT Blue Line Project (Hua Lamphong Station – Bang Sue Station)	MRT Purple Line Project (Klong Bang Phai Station – Tao Poon Station)
Concession Type	PPP Net Cost	PPP Gross Cost
Concession Period	25 years (2004-2029)	30 years (2013-2043)
Number of Stations	18 stations (underground metro project throughout the route)	16 stations (elevated railway system throughout the route)
Distance	20 kilometers	22 kilometers
Parking Buildings	11 parking buildings and areas	4 parking buildings

On October 28, 2014, the Council of Ministers resolved to grant approval for implementation under Section 16 of the Private Participation Act by negotiating directly with the Company (formerly BMCL) for the MRT Purple Line Project, Contract 5, on a PPP Gross Cost basis. MRTA proceeded under the procedures of the Private Participation Act and established a committee for consideration and selection of a private sector to participate in state undertaking, as well as entered into negotiations and other undertakings relating to the project. At present, the draft Concession Agreement, Contract 5, is in the process of consideration and review of the contract term for seeking further approval of the Council of Ministers.

Should the Council of Ministers approve such draft Concession Agreement, Contract 5, the Company will operate the MRT Purple Line Project, Contract 5, which will be opened for service between Tao Poon Station – Bang Sue Station, with the total distance of 1.2 kilometers, totaling 1 station, on a PPP Gross Cost (ATO) basis, divided into Phase 1: design and construction, and Phase 2: operation and maintenance services.

2.2.1 Nature of Services

The Company’s revenue from operation service can be divided into two categories, comprising revenue from fares and revenue from O&M services.

2.2.1.1 Revenue from Fares

Pursuant to the Agreement for the MRT Blue Line Project between the Company and MRTA, the Company (formerly BMCL) has the exclusive right to operate the train and collect fare box revenue and undertake commercial development for a period of 25 years from July 2, 2004, which was the date MRTA issued the Notice of No Objection to commencement of revenue service. The Company is obliged to make payment of remuneration from fares and commercial development to MRTA at the rates as mentioned in the Concession Agreement.

The fare rates of the metro as of the commencement date would be in accordance with the basic reference fare rates in force at the time of the revenue service commencement date. Under the Concession Agreement, the reference fare rates would be adjusted every 24 months based on the actual changes of the Bangkok

Non-Food Consumer Price Index compared to the basic reference fare rates.

The Company adjusted the fare rates under the terms of the Concession Agreement accordingly. The current fare rates in force were adjusted on July 3, 2014, which will remain in force until July 2, 2016.

2.2.1.2 Revenue from O&M Services

The Company receives service fees for train operation and maintenance from the MRT Purple Line Project Concession Agreement, Contract 4, Concession for Supply of M&E Systems and O&M Services (Klong Bang Yai Station – Tao Poon Station), Phase 2 (for a period of approximately 27 years). It is expected to start generating revenue from such services in 2016.

2.2.2 Marketing and Competition

2.2.2.1 Customer Characteristics and Target Customers

The Company's target customers can be divided into two groups, namely, residents nearby the metro routes and those who need to pass or head for other destinations along the metro routes, and categorized by purposes of journeys as follows:

1. Commute for work;
2. Commute to schools/educational institutes;
3. Commute by tourists/for leisure;
4. Commute for special activities, e.g., seminars or conferences; and
5. Commute for other purposes, e.g., business dealings.

2.2.2.2 Marketing Policy and Strategies

(1) Service and Product Strategies

(1.1) Creative and Convenient Services for MRT Passengers

At present, the MRT route starts from Hua Lamphong Station and ends at Bang Sue Station, covering a total distance of 20 kilometers, passing through central business districts (CBD), residential areas and connecting with other mass rapid transit systems which may increase the number of passengers, e.g., connection with the Green Line (BTS) at Chatuchak Park Station, connection with Airport Rail Link at Phetchaburi Station heading for Suvarnabhumi Airport, new connection with the MRT Purple Line Project at Tao Poon Station during 2016-2017, and connections with Hua Lamphong and Bang Sue Railway Stations. Other connections between the metro stations and four buildings currently include 1) Chamchuri Square (residential, office and edutainment complex) at Sam Yan Station; 2) Union Mall at Phahon Yothin Station; 3) Interchange 21 Tower (office building) and Terminal 21 Tower (shopping center, hotel, office and residential building) at Sukhumvit Station; and 4) Central Plaza Grand Rama 9 at Phra Rama 9 Station, with a new connection with G Tower which is under construction.

Traveling behavior of service users mostly accounts for work, followed by schools, and they usually travel during rush hour, while other purposes account for off-peak journeys with potential higher number of trips. The Company thus strategically increases the number of off-peak journeys, which can be handled by the currently available capacity, and promotes more journeys by passengers using the metro cards in order to increase revenues and the number of passengers. This strategy has been continuously implemented since 2013 in alliance with its partners along the routes by way of discounts or special benefits for metro card issuance or top-up, and information services by partners on highlighted events and destinations for the MRT passengers, e.g., Central Plaza Grand Rama 9, Queen Sirikit National Convention Center, Terminal 21,

Esplanade, etc.

(1.2) Quality Services

The Company focuses on quality services on the motto “Service above all else”, so that the MRT service becomes “lifestyle of Bangkok residents” under the Company’s professional operations. Various activities have been undertaken to promote image of the current MRT services and create value added to Bangkok residents’ lifestyle. Based on this policy, the Company sets out the following signs for quality services:

- (1.2.1) Safety: The MRT passengers’ life and property safety is the Company’s top priority. All staff must be well aware of and expected to strictly follow the Company’s safety requirements. In the past, the Company conducted regular training on safety and supervised to ensure that the Company’s services meet Thailand’s safety standard requirements and comparable to those of the world’s leading mass rapid transit operators.
- (1.2.2) Convenience: The Company takes care of all equipment and facilities in the MRT system to function properly, and proactively facilitates the passengers’ convenient commute during high seasons, such as, festival events and activities or exhibitions along the routes, by arranging for more ticketing points to best serve the passengers.
- (1.2.3) Fast: The Company keeps the average train speed aligned with the timetable in response to passengers’ needs during different periods.
- (1.2.4) Reliability: The Company maintains the trains and signaling systems in good conditions without any impact on its services.
- (1.2.5) Punctuality: The Company keeps the timetable and stop time at every station punctual with the least possible deviations.

(1.3) Metro Cards for Everyone

The Company analyzes the customer characteristics and target customers, both regular and non-regular passengers, and then plans for and produces various styles of metro cards to suit every group of customers and to attract non-regular passengers to increasingly use the MRT service. These arrangements include, for example, issuance of special-sized metro cards, and co-branded cards for financial transactions and MRT services in alliance with financial institutions, namely, KASIKORNBANK Public Company Limited and Siam Commercial Bank Public Company Limited, including Chulalongkorn University, Chulalongkorn Hospital, and other institutions or agencies.

(2) **Price Strategy**

The Company collects distance-related fares in fairness to passengers according to different distance of their journeys, and provides discounts to school/college students, and children/elderly, which are in line with the fare collection by other mass rapid transit systems. The fare rates are adjusted in accordance with the relevant Concession Agreements. In addition, the Company provides special discounts to those organizations or agencies that purchase metro cards in the quantity as specified by the Company.

(3) **Marketing Promotion Strategies**

The Company’s classification of target customers is intended to draw up a strategy on sales promotion to effectively cover all target customer groups. As such, the Company’s sales promotion and marketing plans based on

target customers' lifestyle and settings are described as follows:

- (3.1) To promote the park and ride facilities to encourage more passengers to park their personal cars at the service locations and use the MRT service to commute to such business districts as Sukhumvit Road, Silom Road, Ratchadaphisek Road, in order to help alleviate traffic congestions and minimize global warming.
- (3.2) To accept credit card payments for passengers' convenience, collaborate with leading banks, e.g., Citibank for 10% cash back, and KTC for reward points, in order to create value added to the MRT service, and offer special benefits to metro card holders with an aim to change passengers' behavior from using token to using metro cards for the sake of convenience and special benefits.
- (3.3) To increase the number of passengers or trips in the system through information services on highlighted events along the MRT routes, and offer various types of customized metro cards bearing specific logos or signs of agencies, organizations, office buildings or hotels both along and beyond the routes, for public relations and sales promotion, in order to distribute the metro cards to both current and new target customers.
- (3.4) To create the Customer Relations Management (CRM) and build a network compatible with the CRM process, which will serve as a central mechanism for loyalty marketing, focusing on efficient and effective response to ensure customers' satisfaction and creation of the MRT Club community for relationship building using social network and communication channels in the MRT stations to offer special benefits, organize marketing activities and co-promotion in alliance with partners on the win-win strategy through MRT Club memberships.
- (3.5) To create brand loyalty and awareness through various activities to promote marketing campaigns, rewards to customers and society, and corporate image towards young customers and passengers by creating value added collaboration on a regular basis, namely:
 - Collaboration with AIS to provide discounts for the MRT service in the "Safe Journey with MRT" campaign.
 - Collaboration with WeChat to provide discounts for the MRT service when purchasing or topping up metro cards with a minimum value of Baht 300.
 - Collaboration with K-Mobile Banking to provide Baht 30 discount to any MRT customers using K-Mobile Banking Application or K-Cyber Banking to purchase or top up metro cards with a minimum value of Baht 300.
 - Collaboration with KTC to use KTC reward points for metro card value top-up or issuance.
 - Collaboration with Major Cineplex Group, SF Cinema and GTH for special movie tickets or movie ticket discounts, and collaboration with Scenario for theatre tickets to MRT Club members or metro card purchasers.

(4) Marketing Communication Strategies

- (4.1) To select effective channels of communication and public relations which are accessible to target groups of different marketing events through management of space and flows in the MRT system, e.g., posters, J-flags, standees, leaflets, digital media, social PR media, etc., to provide service users with journey information in the MRT system.
- (4.2) To publicize news and information to new customers at exhibition

booths, public relations events to introduce the MRT service to customers focusing on punctuality, convenience, fast journey, family time-saving, and definite timetable, in order to attract new customer groups to try the service.

(4.3) To create destinations via regular communication, public relations and journey information along the MRT routes, and post on the Company's website route maps with attractive destinations, e.g., office buildings, schools, hotels, shopping centers, tourist attractions and other landmarks, as well as convenient and rapid links to other mass rapid transit systems, in the form of MRT Directory, which includes suggestions from partners or organizers for using the MRT services.

(4.4) To assure people of the safety of the MRT system through television, radio and other media, and organize safety-related activities at various venues, e.g., schools, office buildings, to present the safety of the MRT system to people for their understanding and confidence in the services.

(5) Development Strategy

The Company adopts a strategy for regular development of quality and its services to ensure service users' utmost satisfaction with convenience, rapidity and safety, which would attract more users of the MRT service. At present, the Company collaborates with financial institutions to hold single co-branded cards for multi-transactions.

(6) Distribution Strategies and Channels

The Company provides more sales outlets in addition to the ticket vending machines and ticket offices in the stations, by means of direct sales to various agencies, organizations, banks, schools, hotels and private sectors, etc., with customized cards on various occasions, such as, gifts for staff, customers or for brand promotion and public relations materials, as a result, the metro cards become even more flexible for various uses than just for the MRT service.

2.2.2.3 Industrial Outlook and Competition

Mass Rapid Transit Systems in Bangkok and its Vicinity

Bangkok is a large capital city, with a dense population and various modes of transportation systems, for example, personal cars, public buses, metro, micro buses, taxis. The traffic problem in Bangkok has intensified due to the population density in urban areas and the rising travel demand of people, a major problem which is not different from the problem in other highly populated capital cities around the World. The government has a policy focusing on developing various public mass transit networks to resolve traffic problems and overpopulation in order to accommodate the economic growth of the country.

Traveling by residents in Bangkok can be divided into two modes of transport systems, namely, personal transport system and public transport system.

(1) Personal Transport System

People's residences in Bangkok and its vicinity are spread all over, traveling by personal cars thus is popular. The growing number of highly-paid or middle-class people, together with the inadequacy of the existing transport systems as well as the service quality and safety, has also caused personal cars to become essential and convenient for traveling, despite the limited and inadequate expansion of traffic area in Bangkok to accommodate an ongoing increase in volume of vehicles every year.

(2) Public Transport System

Based on the daily average passenger volume traveling by a variety of land transport systems, public bus service is the most popular choice, although the number of public bus service users is likely to continuously decrease;

while the volume of passengers in the mass rapid transit rail system has substantially increased, resulting from traffic congestions, particularly in rush hour, and increased population in Bangkok and its vicinity, including the growth of real estate projects surrounding the metro routes, and as such, there is a growing demand for using the metro system accordingly.

2.1 Public Bus Service

At present, there are various types of public buses for service at different service rates, but currently, the number of public buses in service in Bangkok is inadequate. As a result of ongoing traffic congestion on roads, especially rush hours in the morning from 6:30 to 8:30 hours, and in the evening from 16:30 to 18:30 hours, traveling has become inefficient and time-consuming. In addition, passengers are also affected by safety issues and by pollution caused by carbon emissions. These negative factors have likely caused the volume of BMTA passengers to decline and change to use the mass rapid transit rail service more.

2.2 Trains

In the past, the State Railway of Thailand (“SRT”) provided train service in Bangkok at a special low rate in order to serve low-paid people to travel from the outskirts of Bangkok to downtown. However, such system is rather inconvenient and unsafe in terms of train condition, non-air conditioning, limited routes which do not cover the entire city, and as a result, the growth rate of train service is declining. In this regard, the SRT’s train service is not considered as the Company’s direct competitor due to different service routes, as the SRT aims to provide service to suburban areas.

2.3 BTS

BTS Skytrain was Thailand’s first mass rapid transit rail system on the elevated dual tracks and directions. BTS opened for service on December 5, 1999 on 2 lines, namely, Sukhumvit Line and Silom Line, and currently, has a total distance of 36.9 kilometers, with 34 stations, and as such, traveling by BTS was the convenient alternative for commuters. The extension of Silom Line, the growth of population, real estate development around the routes, and connection with the MRT system, all of which caused an increase in service user volume.

2.4 ARL

The Suvarnabhumi Airport Rail Link or Airport Rail Link or Airport Link is a special mass rapid transit rail system project, as part of the project for construction of suburban and commuter rail systems, carried out and operated by SRT. The structure of the Suvarnabhumi Airport Rail Link is both underground and elevated, with the alignment accommodating journeys from the eastern and northern outskirts, and passengers from the Suvarnabhumi Airport, to the center of Bangkok at Phaya Thai Station, covering a total of 8 stations, with a distance of 28.6 kilometers. Airport Link was opened for service on August 23, 2010 in two modes, namely, Express Line and City Line. From April 14, 2014, Phaya Thai Express - Suvarnabhumi Airport Express (Express Line) had been temporarily out of service.

The transport systems which are considered the direct competitors are personal cars, public buses, micro buses, public vans and taxis. In the past, fare rates of the public transport services, especially normal or air-conditioned public buses, did not change much, despite the fact that oil prices were likely to reduce, which affected the public transport service users, not to mention the impact from traffic congestion, air and noise pollution, and potential accidents. As such, the mass rapid transit rail

system is regarded as a significant milestone for change and development of the mass rapid transit systems in Bangkok and its vicinity, which will help alleviate traffic problems, ensure safe, convenient and rapid journeys of service users, and result in a positive effect on the economy and environment. Therefore, the mass rapid transit system represented a traveling mode, which helped improve the quality of life of urban people and reduce usage of the national resources.

Industrial Outlook and Government Policy

Thailand's economic outlook in 2015 grew at approximately 2.9 percent, which was improved from 0.9 percent in 2014. In 2016, it is expected to grow in the range between 3.0 - 4.0 percent, significantly resulting from acceleration of disbursements and investments by the government sector, and the economic stimulus measures (Source: Office of the National Economic and Social Development Board), in particular in the first half of 2016, which would be the right time for the government to urgently push forward investment projects as the government machine for driving the national economy, whether they be those projects which have been concluded and approved, such as, Dual Track Rail System Development Project, Jira Junction – Khon Kaen Section, and Dual Track Rail System Development Project, Chachoengsao – Khlong Sib Khao – Kaeng Khoi, etc., and new projects under urgent consideration for continuity, and those completed projects according to schedule, so as to strengthen the economy and social interests.

The government prioritizes its strategic plans for transportation development, particularly investment projects in the metro system, to resolve traffic problems in Bangkok and its vicinity, and as such, speeds up the bidding process for these projects by establishing the Public Private Partnership (PPP) Policy Committee and setting up a PPP Fast Track team as a one-stop consideration process for major investment projects in order to reduce bureaucratic red tape, which would take up to one year and 10 months to consider taking actions prior to procurement/engagement or opening for bidding process to private sector, to merely nine months. PPP Fast Track projects would focus on infrastructure investments in accordance with Thailand's PPP Strategic Plan 2015-2019, which covers five megaprojects for transportation infrastructure in the initial phase, worth Baht 3.4 Billion. The first three metro projects under the PPP Fast Track are the MRT Blue Line Extension, the MRT Pink Line and the MRT Yellow Line Projects (by resolutions of the Public Private Partnership (PPP) Policy Committee's meeting No. 6/2015).

PPP Fast Track Projects (Phase 1)	Amount (Million Baht)
MRT Pink Line Project (Khae Rai – Min Buri)	56,690
MRT Blue Line Project (Extension) (Hua Lamphong – Bang Khae and Bang Sue – Tha Phra)	82,600
MRT Yellow Line (Lat Phrao – Samrong)	54,644
Intercity Motorway Project (Bang Pa-in – Nakhon Ratchasima)	84,600
Intercity Motorway Project (Bang Yai – Kanchanaburi)	55,620

On December 1, 2015, the Council of Ministers (Cabinet) resolved to approve an urgent transportation action plan for 2016 to mobilize Thailand's infrastructure investment, worth Baht 1.79 Trillion, comprising:

Projects		Budget (Million Baht)
Air Transport	Suvarnabhumi Airport Phase II	49,476
Dual Track (Meter Gauge)	Mab Kabao – Jira Junction	29,853
	Nakhon Pathom – Hua Hin	20,063
	Prachuab Kirikan – Chumpon	17,290
	Lop Buri – Pak Nam Pho	24,918
Dual Track (Standard Gauge)	Bangkok – Nong Khai – Kaeng Koi – Map Ta Phut	369,148
	Bangkok – Phitsanulok – Chiang Mai	449,473
	Bangkok – Hua Hin	94,673
	Bangkok – Rayong	155,774
Mass Rapid Transit	MRT Orange Line: Thailand Cultural Centre – Min Buri	110,116
	MRT Pink Line: Khae Rai – Min Buri	56,690
	MRT Yellow Line: Lat Phrao – Samrong	54,644
	SRT Red Line: Bang Sue – Phaya Thai – Makkasan – Hua Mak and Bang Sue – Hua Lamphong	44,157
	MRT Purple Line (Extension): Tao Poon – Rat Burana	131,003
Motorway	Pattaya – Map Ta Phut	20,200
	Bang Pa-in – Saraburi – Nakhon Ratchasima	84,600
	Bang Yai – Ban Pong – Kanchanaburi	55,620
Maritime Transport	Coastal Port Development (Terminal A), Laem Chabang Port	1,864
	Single Rail Transfer Operator (SRTO) Phase 1, Laem Chabang Port	2,031

Despite the government's policy to maintain such measures relating to free public bus and train services of the State Railway of Thailand, given the growing traffic congestion, some people choose the MRT service for its convenience, rapidity, reliability and punctuality. Price competition between the MRT system and public bus and train services did not have a negative effect on the Company's revenue. On the other hand, free public bus and train services help cause the costs of feeder systems to the MRT service to be lower and open up more opportunity to use the MRT service.

Sources:

- Analysis of Kasikorn Research Center
- <https://www.kasikornresearch.com/th/k-econanalysis/pages/ViewSummary.aspx>
- The construction industry became active after the government's utilization of money for economic stimulation from <http://www.naewna.com/business/160844>
- Ministry of Transport
- <http://www.efinancethai.com/LastestNews/index.aspx?ref=A&id=YMjirWNguWE=&year=2015&month=11&lang=T>
- Bangkokbiznews on December 14, 2015

Real estate development around the MRT routes

At present, travel by the mass rapid transit system, particularly the MRT system, is convenient, fast and safe for commuters in Bangkok. The continued change of commuting behaviors to use the MRT system, as well as selection of residence along the routes, is the factor accelerating the rapid growth of real estate development in Bangkok, particularly real estate projects around the routes, which remain positive for the MRT service, taking into account the opening of new real estate development around the MRT routes, especially 6 stations passing across Asoke-Ratchada Road, e.g., Ratchadaphisek Station, Sutthisan Station, Huai Khwang Station, Phra Ram 9 Station, Phetchaburi Station and Sukhumvit Station.

The fast growing real estate projects around the Ratchada – Phra Ram 9 areas are substantial thanks to the new emerging large-scale office buildings on Phra Ram 9 area through to Ratchadaphisek Road. These projects include “The Super Tower” investment project, ASEAN’s highest tower by Grand Canal Land Co., Ltd., the Stock Exchange of Thailand’s office relocation to this vicinity in late 2015, including the opening of Suan Lum Night Bazaar Ratchadaphisek Project which comprises shopping center, hotel, residential apartment, food shops and supermarket, as well as other new condominium projects. All these projects largely reflect the availability of more convenient transport systems in the areas. This is also true of the convenient, fast and safe MRT services, which evidently help speed up the real estate project growth, let alone the fact that such areas are located between the inner city and the eastern outskirt of Bangkok, where inbound and outbound journeys are available and very convenient. In the future, the MRT Orange Line Project (Thailand Cultural Centre – Min Buri) will pass this vicinity and connect with the MRT Blue Line Project at Thailand Cultural Centre Station. These factors will support the potential growth of the Ratchada – Phra Ram 9 areas as a new business hub, which is conveniently accessible by the mass rapid transit system network in the near future.

Progress of Development of the Mass Rapid Transit Systems under the Government Policy

Project	Current Status of Project
SRT Dark Red Line (North - South) Suburban railway system, divided into 4 phases, covering a total distance of 80.5 kilometers: <u>Phase 1:</u> Bang Sue - Thammasat (Rangsit campus) <u>Phase 2:</u> Bang Sue - Hua Lamphong <u>Phase 3:</u> Hua Lamphong - Bang Bon <u>Phase 4:</u> Bang Bon - Mahachai	Bang Sue - Rang Sit, with a distance of 26 kilometers <ul style="list-style-type: none"> - SRT is proceeding with the following: <ul style="list-style-type: none"> <u>Contract 1:</u> Civil Work for Bang Sue Station and Depot, SRT executed the agreement for engagement of SU Joint Venture (Sino-Thai Engineering & Construction Public Company Limited and Unique Engineering and Construction Public Company Limited) on January 18, 2013. The construction is approximately 36.86% completed (in December 2015); <u>Contract 2:</u> Civil Work for Bang Sue - Rang Sit Section, SRT executed the agreement for engagement of Italian-Thai Development Public Company Limited on January 31, 2013. The construction is approximately 55% completed (in December 2015); <u>Contract 3:</u> M&E System, including supply of carriages - On January 18, 2016, SRT has proposed to the Meeting of the State Enterprise Policy Office (SEPO) that it will operate this project by itself for the first five years.
SRT Light Red Line (West - East) SRT's suburban railway system, Bang Sue - Taling Chan, Bang Sue - Rangsit, Taling Chan - Salaya, and Bang Sue - Makkasan - Hua Mak, covering a total distance of approximately 48 kilometers	Bang Sue - Taling Chan, with a distance of 15 kilometers <ul style="list-style-type: none"> - SRT engaged Unique - Chun Wo Joint Venture to carry out the construction. The construction is 100% completed. - The project was opened for trial run during September 8 to November 30, 2012 for four trips per day (round trip) by diesel railcars in order to inspect the rail condition and systems relating to train operation. - It was opened for temporary service from December 5, 2012. Bang Sue - Phaya Thai - Makkasan - Hua Mak, with a distance of 19 kilometers <ul style="list-style-type: none"> - On October 21, 2014, the Council of Ministers resolved to approve the project, and it is expected that the bidding process for contractor will start in 2016.
MRT Purple Line (Bang Yai - Bang Sue)	Bang Yai - Bang Sue, with a distance of 23 kilometers The civil work construction of Contracts 1-3 and 6 is approximately 100% completed (in December 2015), namely, <ul style="list-style-type: none"> <u>Contract 1:</u> Civil Works (Tao Poon - Nonthaburi) operated by CKTC; <u>Contract 2:</u> Civil Works (Phra Nang Klao - Bang Yai) operated by STEC; <u>Contract 3:</u> Civil Works (Depot and Park & Ride Facilities) operated by PAR JV; <u>Contract 4:</u> M&E Systems and O&M, on September 4, 2013, MRTA executed the Contract with BMCL. The construction is approximately 88.00% completed (in December 2015); <u>Contract 5:</u> Railway M&E Works Tao Poon - Bang Sue Section. On July 6, 2015, BMCL submitted its proposal for the

Project	Current Status of Project
	<p>Concession Agreement, Contract 5, and currently, it is in the process of consideration and review of the contract term.</p> <p><u>Contract 6:</u> Trackwork, MRTA executed the agreement for civil work construction, Contract 6 (Trackwork) with Italian-Thai Development Public Company Limited on October 4, 2012.</p>
MRT Blue Line	<p>Bang Sue - Tha Phra and Hua Lamphong - Bang Khae, with a distance of 27 kilometers</p> <ul style="list-style-type: none"> - The construction of the civil work by the contractor progressed approximately 71%, (in December 2015). - On December 2, 2014, the Committee under Section 13 requested BMCL to propose its technical plan to ensure connected transport for the greatest convenience of passengers. - On November 11, 2015, the Public Private Partnership (PPP) Policy Committee resolved to grant approval for the project to be incorporated in the PPP Fast Track measures, the first phase, so as to expedite the process. <p>Bang Khae - Phutthamonthon Sai 4 (with a distance of 8 kilometers)</p> <ul style="list-style-type: none"> - On December 25, 2015, the Ministry of Transport requested MRTA to review/update the study report.
MRT Green Line	<p>Mo Chit - Saphan Mai - Khu Kot, with a distance of 18.4 kilometers</p> <ul style="list-style-type: none"> - The construction of the civil works by the contractor progressed approximately 3% (in December 2015). - MRTA executed the civil work contracts, Contracts 1-4, on April 3, 2015, as follows: <p><u>Contract 1:</u> (Civil Works), Mo Chit - Saphan Mai, with a distance of 12 kilometers, operated by Italian-Thai Development Public Company Limited;</p> <p><u>Contract 2:</u> (Civil Work), Saphan Mai - Khu Kot, with a distance of 7.5 kilometers, operated by UN-SH-CH Joint Venture (Unique Engineering and Construction Public Company Limited, Sinohydro Corporation Limited, and China Harbour Engineering Company Limited);</p> <p><u>Contract 3:</u> (Depot and Park & Ride Facilities) operated by STEC-AS-3 Joint Venture (SINO-Thai Engineering and Construction Public Company Limited, A.S. Associated Engineering (1964) Co., Ltd.);</p> <p><u>Contract 4:</u> (Design and Construction of Trackwork) operated by STEC-AS-3 Joint Venture (SINO-Thai Engineering and Construction Public Company Limited, A.S. Associated Engineering (1964) Co., Ltd.).</p> <p>Bearing - Samut Prakan, with a distance of 12.8 kilometers</p> <ul style="list-style-type: none"> - The construction of the civil works by the contractor progressed approximately 75% (in December 2015). - Contract 1: Elevated Structure and Contract 2: Trackwork operated by CH. Karnchang Public Company Limited. - It is pending the negotiation with BTSC as train operation contractor to ensure the uninterrupted commute. It is expected to

Project	Current Status of Project
	open for service in 2018.
MRT Orange Line	<p>Thailand Cultural Centre – Min Buri, with a distance of 20 kilometers</p> <ul style="list-style-type: none"> - On December 8, 2015, the Council of Ministers resolved to approve the implementation of the MRT Orange Line Project, Thailand Cultural Centre – Min Buri, which was required to be proposed to the PPP Policy Committee’s Meeting, and the bidding process for contractor will start within six months. <p>Taling Chan - Thailand Cultural Centre, with a distance of 17.5 kilometers</p> <ul style="list-style-type: none"> - The Meeting of the Office of the Commission for Management of Land Traffic (OCMLT) resolved to use the existing route in construction of Thailand Cultural Centre - Min Buri Section, which has passed the environmental impact analysis (EIA) study.
MRT Yellow Line	<ul style="list-style-type: none"> - On November 11, 2015, the Public Private Partnership (PPP) Policy Committee resolved to grant approval for the project to be incorporated in the PPP Fast Track measures, the first phase, so as to expedite the Council of Ministers’ consideration, and the bidding process will start by 2016.
MRT Pink Line	<ul style="list-style-type: none"> - On November 11, 2015, the Public Private Partnership (PPP) Policy Committee resolved to grant approval for the project to be incorporated in the PPP Fast Track measures, the first phase, so as to expedite the Council of Ministers’ consideration, and the bidding process will start by 2016.
Red Line (Airport Link)	<ul style="list-style-type: none"> - On December 25, 2015, the Council of Ministers resolved to approve the royal decree on land expropriation in Ratchathewi District, Thung Phaya Thai Subdistrict, and Sam Sen Nai Subdistrict, for implementation of the Suvarnabhumi Airport Rail Link Extension, Don Mueang - Bang Sue - Phaya Thai, which has passed the environmental impact analysis (EIA) study.

Sources : www.railway.co.th, www.mrta-purpleline.com, www.bts.co.th, www.bkkmrt.com, and other sources collected.

2.2.3 Procurement of Products or Services

2.2.3.1 Nature of Procurement of Products

The mass rapid transit system projects are awarded to the Company by way of concessions from MRTA, a state agency established and existing under the “Mass Rapid Transit Authority of Thailand Act B.E. 2543 (2000)” to operate the mass rapid transit systems in Bangkok and its vicinity, including other designated provinces, with safety and efficiency. MRTA is a state enterprise under supervision of the Minister of Transport. The Company specializes in the metro business, conducts the project feasibility studies, and submits its investment proposals for such projects with appropriate returns and conditions. The existing concession projects were awarded for investment, supply of rolling stocks, operation and maintenance, whereby the government sector invests in all civil infrastructure, namely, stations and facilities, tunnels, ventilation systems and trackwork, etc., while the Company invests in the railway systems, namely, rolling stocks, signaling and operation systems, communications and SCADA systems, power supply, automatic fare collection, platform screen door, and depot workshop systems, etc.

The M.R.T. Chaloe M Ratchamongkhon Line (“Blue Line”) (Hua Lamphong Station - Bang Sue Station)

The Company engaged Joint Venture CKET as the project manager for the MRT

project (Project Manager) (from August 2000 to July 2009) to manage technical operations, such as, procurement of the M&E Equipment as ordered from manufacturers and liaison with contractors and relevant authorities regarding the installation of the M&E Equipment. Upon expiration of the engagement agreement of CKET for project management, the Company was able to efficiently administer and manage the MRT Project, as well as improve and develop the efficient service provision on its own. In regard to the supply and maintenance of the M&E Equipment, the Company engaged Lincas and Siemens to manufacture the M&E Equipment. Lincas and Siemens are responsible for the design, manufacture, supply, installation, testing and commissioning of the M&E Equipment. The Company also engaged Siemens as contractor for maintaining the M&E Equipment for a period of 10 years (July 2004 to July 2014), which was extended for another 10 years (to end in July 2024).

The MRT Purple Line Project, Bang Yai - Rat Burana, Bang Yai - Bang Sue Section, (Khlong Bang Phai Station - Tao Poon Station)

The Company executed the Concession Agreement for the MRT Purple Line Project, Bang Yai - Rat Burana, Bang Yai - Bang Sue Section, (Khlong Bang Phai Station - Tao Poon Station), with MRTA, on a PPP Gross Cost basis, namely, the government sector invests in all civil works and the Company invests in the M&E Systems and the rolling stocks. The government sector shall make repayment in installments to the Company for the costs of the M&E Systems after the delivery of the ownership. In this regard, the Company will provide the operation and maintenance services according to standards as specified in the Agreement. In addition, the government sector is entitled to all fare box revenue and commercial development revenue from the utilization of the civil infrastructure and the railway systems and the government sector shall make repayment to the Company in the form of service fee for the O&M Services, for a contractual period of 30 years, divided into two phases, namely, Works under Phase 1: Design, supply, installation, testing of the M&E Systems and other related systems, including trial run to ensure its readiness for public service until the commencement of the Operation Service, by means of engagement of CH. Karnchang Public Company Limited as Project Manager. As for the implementation of Works under Phase 2 of the Concession Agreement, the Company and CH. Karnchang Public Company Limited engaged MTJV (Marubeni-Toshiba Joint Venture) for supply of rolling stocks, power supply equipment, signaling system, control and communications systems, as well as maintenance service for a period of 10 years.

2.2.3.2 Environmental Impact

In respect of the metro business, the Company is committed to continuing its environment-related activities in accordance with ISO 14000 standards, by implementing pollution prevention and control measures, mitigation environmental impact and sustainable use of resources on the basis of three aspects of sustainable development, namely, society, economy, and environment. In addition, the Company reported its operational results in line with the index on the operational results regarding energy conservation and environmental preservation in accordance with the Energy Conservation Promotion Act (No. 2) B.E. 2550 (2007), the ministerial regulations on standards, criteria and procedures for energy management in designated factories and buildings B.E. 2552 (2009), as well as the energy management manual for sustainable development.

Regarding the energy conservation and environmental preservation in the metro business, the Company has strictly complied with the relevant laws governing energy conservation and the environment, and also adopted the Energy Management Systems - Requirements with guidance for use or ISO 50001. It has complied with the International Environmental Management System ISO 14001 since the opening of its MRT service, and organized activities for participation by and listening to stakeholders' opinions, to ensure proper understanding which will lead to sustainable development. It was for this reason that the Company received the standard management certifications as follows:

- 1) ISO 9001:2008 Quality Management System;
- 2) ISO 14001:2004 Environmental Management System;
- 3) OHSAS 18001:2007 and TIS 18001:2001 Occupational Health and Safety

Management Systems;

4) Safety Management System from Lloyd's Register Rail.

In addition, the Company has been paying attention to the potential environmental impact from the MRT services on the environment, quality of life, and lives of people and nearby communities, by strictly monitoring, preventing and mitigating the environmental impact that may arise during the implementation of the MRT Projects (Environmental Impact Mitigation Measures and Monitoring Program - EMP), as well as submitting reports on its compliance with such measures to the Office of Natural Resources and Environmental Policy and Planning (ONEP) for consideration twice a year. The environmental quality measurements were conducted three times, with the results of the compliance with the measures in key environmental issues as follows:

(1) Air Quality

The results of air quality measurement in six sensitive areas around the routes every four months showed that the total suspended particulate (TSP), particulate matter (PM10) and carbon monoxide (CO) in all such areas did not exceed normal level.

(2) Air Quality in MRT Stations and Trains

The results of air quality measurement every four months in the MRT stations and trains, during both peak and off-peak hours, showed that the total bacterial and fungal volume, ventilation rate, temperature and relative humidity did not exceed normal level.

(3) General Level of Noise and Interference at Depot Area

The results of noise measurement once a year showed that the average noise did not exceed 70 dBA, with the maximum level not exceeding 115 dBA, which met the standard requirements. The interference level at the depot area did not exceed normal levels and did not constitute a noise disturbance.

(4) Vibration and Noise Level in Stations

The results of vibration and noise level measurement in the MRT stations did not exceed normal levels.

(5) Effluent Quality

The results of effluent quality measurement in all 18 MRT stations, depot and administration building/canteen did not exceed normal levels. The wastewater treatment system could work efficiently according to its design.

In addition to the environmental quality measurements, maintenance vehicles used in the depot area meet the EURO IV Standard, an emission standard for vehicles, which provides assurance that the use of such maintenance vehicles and the maintenance operations will in no way give rise to pollution at a hazardous level.

2.2.3.3 Insurance

The Company took out insurance with local insurance companies against potential damage as appropriate to the Company's metro business, as follows:

Insurance Policy	Coverage Value	Coverage
Industrial All Risks Insurance (Administration Building)	Sum insured: Baht 366,700,000	Insured property: Administration building and canteen as well as the fenced location Coverage period: June 1, 2015 - June 1, 2016
Public Liability Insurance (Administration)	Limited liability: Baht 10,000,000 per accident and throughout the	Insured property: Administration building and canteen as well as the fenced

Building)	coverage period	location Coverage period: June 1, 2015 - June 1, 2016
Property All Risks Insurance (Depot & Stations)	Sum insured: USD 350,000,000 for total damages per occurrence	Insured property: Depot and stations along the routes Coverage period: July 3, 2015 - July 3, 2016
Public Liability Insurance (Depot & Stations)	Limited liability: USD 40,000,000	Insured property: Depot and stations along the routes Coverage period: July 3, 2015 - July 3, 2016
Terrorism Insurance	Limited liability: USD 10,000,000	Insured property: Administrative building, depot, stations, tunnel and assets within buildings and tunnels, trackwork, rolling stocks and other assets of the underground metro system, including business interruption Coverage period: July 3, 2015 - July 3, 2016

2.2.4 Works Pending Delivery

The MRT Purple Line Project Agreement, Bang Yai – Rat Burana, Bang Yai – Bang Sue Section (Klong Bang Phai Station – Tao Poon Station), Contract 4: Concession for Supply of M&E Systems and O&M Services

Works under Phase 1: Design, supply, installation, testing of the M&E Systems and other related systems, including trial run to ensure its readiness for public service until the commencement of the Operation Service, for a total period of not exceeding 1,200 days from the date of execution of the Concession Agreement (September 4, 2013) for a total value of Baht 20,011 Million, with progress at approximately 88 percent as at December 31, 2015, and it is expected to open for service by 2016.

2.3 Commercial Development Business

2.3.1 Nature of Services

Commercial Development Relating to Metro System

In regard to commercial development revenue from the MRT Blue Line Project, the Company has operated and granted the following rights to its subsidiary, BMN:

1. Procurement and/or Production of Advertising Boards

Procurement and/or production of advertising boards or media in all 18 stations and for all 19 trains (MRT metro), comprising advertising media of various forms and sizes, e.g., light boxes, sticker media, platform billboard, advertising media via the Passenger Information Display Systems (PIDs), and digital media.

2. Lease of Retail Spaces in MRT Stations

Lease of retail spaces in 11 MRT stations, comprising Klong Toei Station, Queen Sirikit National Convention Centre Station, Sukhumvit Station, Phetchaburi Station, Phra Ram 9 Station, Thailand Cultural Centre Station, Ratchadaphisek Station, Lat

Phrao Station, Phahon Yothin Station, Chatuchak Park Station and Kamphaeng Phet Station, and spaces in the basement level of the Lat Phrao park and ride facility, covering the total commercial lease spaces of approximately 14,236 square meters (spaces for retail shops and sale promotions). To date, the retail shops are opened in five stations, namely, Sukhumvit Station, Phahon Yothin Station, Chatuchak Park Station, Kamphaeng Phet Station and Phra Ram 9 Station.

3. Provision of Service and Maintenance of Telecommunications System Equipment

Provision of service and maintenance of telecommunications system equipment, particularly mobile phone network, inside the metro stations and tunnels, as well as Hi-speed Internet, the Wi-Fi services, and the telecommunications signal systems in the metro stations and tunnels on 2G and 3G, to be upgraded to a 4G network signal and internet technology in the future.

Commercial Development Relating to Expressway Systems

As for the commercial development in the area of the expressway system, the Company and one of its subsidiaries, namely, NECL, allowed private entities and individuals to take on lease of spaces for commercial operation, as follows:

1. Installation of Intelligent Traffic Signs and Advertising Boards

Private entities were allowed to install Intelligent Traffic Signs on the main routes and in front of toll plazas, and install advertising boards in various areas, such as, in front of toll plazas, toll booths, expressway columns, and expressway barriers, etc.

2. Retail Spaces around Toll Plazas

Private entities and individuals were allowed to take on lease of retail spaces for providing service to expressway service users around Prachachuen, Srinagarindra, and Bang Pa-in Toll Plazas.

3. Other Business Operations

Private entities were allowed use the expressway areas for installation of 3G signal boosters, etc.

2.3.2 Marketing and Competition

2.3.2.1 Customer Characteristics and Target Customers

As the commercial development in the MRT Blue Line Project comprises procurement and/or production of advertising media of various forms in the metro stations and trains, lease of retail spaces, as well as providing service and maintenance of telecommunications system equipment, with different customer characteristics and target customers varying on service types, therefore, such commercial development can separate customer characteristics and target customers, as follows:

1. Procurement and/or Production of Advertising Media of Various Forms

Procurement and/or production of advertising media of various forms serve to communicate information from product and service owner to service customers. The MRT service users mainly comprise school and college students as well as office employees. Therefore, the Company's main customer groups include the following sectors, namely, telecommunications, food and beverages, movies, beauty products, clothes and accessories, real estates, tourism, life insurance and insurance, technology products, commodities, financial institutions, etc., which are in line with the group of products and services within the public relations budget in the advertising industry business.

2. Lease of Retail Spaces in MRT Stations

Target customers are different in each station, depending on the concept of each station to match with its location, behaviors of service users who anticipate convenience, rapidity and external physical factors. Therefore, the current customers who take on lease of areas include SME entrepreneurs, up to major brand products in response to service users' lifestyle.

3. Provision of Service and Maintenance of Telecommunications System Equipment

The customer characteristics in this group are mobile phone network operators, therefore, target customers are those licensed mobile phone network operators comprising AIS, DTAC, TRUE MOVE, TOT, CAT, etc., all of which are currently the Company's customers.

As for the commercial development in the expressway systems, private entities and individuals are allowed to take on lease of spaces for various business operations, therefore, target customers are operators of such businesses, such as, advertising media producers, telecommunications system service providers, and individual customers' retail shops.

2.3.2.2 Marketing Policy and Strategies

(1) Service and Product Strategies

Commercial Development Relating to Metro System

The commercial development service is provided for facilitating and ensuring pleasant journeys for MRT service users, including people living in the areas adjacent to the MRT stations, and such commercial development service generates more revenue, as follows:

- Retail areas covering more than 25,000 square meters (including common areas), with retail shops and activity areas for almost 500 shops in 11 MRT stations, and at present, there are five MRT stations with retail areas in service, comprising Sukhumvit Station, Phahon Yothin Station, Chatuchak Park Station, Kamphaeng Phet Station, Phra Ram 9 Station, and Thailand Cultural Centre Station with trial (partial) service.
- Advertising panels in various forms installed in MRT stations and trains, such as, stickers on curtain walls on platform floors, etc., including other attractive multimedia like product showcase, out of box media, scent media.
- Advertising media on hand grips in trains, benches on platform floors, escalator handrails.
- Advertising media installed on platform floors of MRT stations and in trains (Passenger Information Display Systems (PID)), including digital media to upgrade the existing light boxes and signboards in tunnels to render those media more attractive.
- Communication service, especially mobile phone network in both MRT stations and tunnels, to accommodate 4G signal, including installation of public telephone system in MRT stations.
- Automatic Teller Machine (ATM) service, Cash Deposit Machine of banks, and other automatic machines, such as, mobile top-up vending machines of AIS Kiosk, True Kiosk, and mobile top-up vending machine of Boon-term Kiosk, etc.
- Currency exchange booth of Siam Commercial Bank at Phra Ram 9 Station, connection with Central Plaza Grand Rama 9.

Commercial Development Relating to Expressway Systems

- Intelligent Traffic Signs in the form of maps and text messages are provided to give traffic updates to expressway users, including advertising boards in front of toll plazas, barriers, expressway columns, and in front of toll booths, totaling 292 signboards.
- Shops and public restrooms are provided to expressway users in 4 toll plazas of the Si Rat Expressway and the Udon Rattaya Expressway, namely, Srinagarindra Toll Plaza, Prachachuen Toll Plaza (inbound), Bang Pa-in Toll Plaza (inbound), and Bang Pa-in Toll Plaza (outbound).

(2) Marketing Promotion Strategies

To create brand loyalty and awareness through various activities to promote marketing campaigns, rewards to customers and society, and corporate image towards young customers and passengers by creating value added collaboration on a regular basis, for example, collaborations with alliances and the commercial development licensee (BMN) in organizing GAT Guideline Program by Khun Kru Somsri, under the “Getting Fit Beat GAT by MRT” Project since 2009, promoting the use of spaces and retail shops in Metro Nine at Phra Ram 9 Station, and “Cheewajit” Magazine in promoting various exercises, such as yoga, long-stick danced exercise, etc. In addition, the “M Care Year 6” activity was organized for free health checkups for passengers by leading hospitals and institutes, as well as the “Share 2 Child” activity for youths and schools surrounding the Company’s MRT routes for nine years in a row. In 2015, on the occasion of the 11th anniversary of the MRT service, the Company organized the “MRT 11th Anniversary Back to School” activity, contest for trophies, scholarships, and study visits to Japan. Moreover, the Company, together with BMN, also organized various activities, such as, the “Metro Mall Summer Trip, Free Trip Around Thailand” activity at Phra Ram 9 Station, and the “Great Queen & Amazing Apparel” exhibition, organized to honor Her Majesty Queen Sirikit at Thailand Cultural Centre Station, etc.

(3) Distribution Strategies and Channels

Distribution channels vary by the forms of commercial development services, mainly divided into direct presentation and contact to interested customers, and distribution via the Company’s strategic partners.

2.3.2.3 Industrial Outlook and Competition

Advertising Media

In 2015, the overall economic conditions did not improve, despite the growing amount of money in the advertising industry. The total amount of money spent for advertisement in 2015 was Baht 132,358 Million, an increase by Baht 127,335 Million from 2014 or approximately 4 percent. Digital TV and transit media were the most popular and highest growing media. The total revenue of digital TV media in 2014 amounted to Baht 8,580 Million, which increased up to Baht 20,931 Million or 144 percent at the end of 2015; and the total revenue of transit media in 2014 amounted to Baht 3,813 Million, which increased to Baht 4,478 Million or 17.44 percent in 2015. This was because business operators were interested in new media which can harmoniously and efficiently integrate advertisements into people’s daily life, for example, trendy lifestyle of watching movies at theaters, spending time in the traffic, using the underground metro or public transport services, etc.

Given that the economic conditions did not recover, household income then decreased, thereby resulting in less spending, business operators were more cautious about spending their limited advertising budget. Despite the fact that the advertising budget did not increase substantially, the transit media growth was outstanding and still continuing in 2016. This will be advantageous to the Company, as the MRT service provider, because in the future, the growing volume of MRT passengers and new metro networks will translate into the growing number of viewers of the transit media in the metro and MRT systems. In addition, given the closed enclosure of the MRT stations, service users’ attention will be likely drawn to advertising media in the system, with a slim chance of other visual distractions, particularly modern digital TV media. As a result, the subsidiary’s customer base will grow accordingly.

Sources: - The Nielsen Company (Thailand) Limited
- Media Agency Association of Thailand (MAAT)

Space for Lease and Service

Retail space projects in Thailand comprise shopping center, department store, super store mall, specialty store, entertainment complex, community mall and supporting retail space. The retail industry trend in Bangkok and its vicinity is highly competitive, as evidenced by the fastest-growing number of community malls, particularly those shopping centers and community malls which were opened since early 2015 which accounted for more than one million square meters of retail space. Bangkok is still one of the top destinations in Asia attracted by foreign brands or shops for opening their shops or branches in Bangkok, and other tourist attraction provinces and this trend is likely to continue in the future. The rental rates of the retail space projects in Bangkok and surrounding areas are relatively high.

2.3.3 Procurement of Products and Services

2.3.3.1 Nature of Procurement of Products

The Company and one of its subsidiaries operate the commercial development business of the MRT Blue Line Project for 1) procurement and/or production of advertising media of various forms; 2) lease of retail spaces in the MRT stations; and 3) provision of service and maintenance of telecommunications system equipment.

With respect to the expressways, the Company and one of its subsidiaries allowed private entities and individuals to take on lease of expressway areas for installation of Intelligent Traffic Signs and various advertising boards, including retail spaces around toll plazas, and other business activities, such as, the use of the expressway areas for installation of 3G signal boosters, etc.

2.3.3.2 Environmental Impact

The Company also cares for and takes into account the environmental impact on the retail shop floors in the MRT system in order to prevent any impact on the environment, quality of life, and livelihood of people and communities, per details in Item 2.2.3.2.

2.3.3.3 Insurance

Insurance Policy	Coverage Value	Coverage
Property All Risks Insurance (Retail Areas)	First portion of sum insured: Baht 372,086,193; Second portion of sum insured: Baht 151,431,097	First portion: All risks property; Second portion: Business interruption Insured property: Commercial development areas in MRT stations Coverage period: July 3, 2015 - July 3, 2016
Public Liability (Retail Areas)	Limited liability: Baht 40,000,000	Insured property: Commercial development areas in MRT stations Coverage period: July 3, 2015 - July 3, 2016

2.3.4 Works Pending Delivery

- None -

3. Risk Factors

The Company realizes the significance of the management of risks from business operations under the changes of internal and external factors affecting its operational results. Risk management is considered a key instrument for business administration to ensure efficient and effective achievements and promote its competitiveness, as well as a key factor of the Good Governance. The Company thus arranges for the systematic risk management, monitoring and measures to minimize risks continuously. The Board of Directors has appointed the Corporate Governance and Risk Management Committee for policy-level consideration on the adequacy and appropriateness, with the Management to supervise the overall risk management process of the organization and perform daily routine work on behalf of the Corporate Governance and Risk Management Committee to monitor, evaluate and prepare a report on risk management to the Board of Directors for information.

In addition, the Company has also prepared an annual risk management plan and a risk management handbook as guidelines in the operations, and regularly monitor, evaluate and review risks to be in line with the ever-changing internal and external circumstances, including a backup plan in case of emergency, in order to ensure prompt action in solving problems and coordination with relevant units at all times. Risk factors which may materially affect the Company's business operations are as follows:

3.1 Systematic Risk

3.1.1 Risk from Business Operations under Agreements with Government Sector and Government Policy

Given that the Company operates its businesses under the relevant Concession Agreements subject to the supervision of the government agencies, namely, MRTA and EXAT, differences in the contractual parties' interpretations on terms and conditions of the Concession Agreement may arise in various matters, such as, revisions of toll or fare rates, considerations to extend the Concession Agreements and responsibility for costs under the Agreements, which may require a certain period of time to come to a solution, and may impact the Company's business operations.

In addition, the political uncertainty and changes in government administration from the political party in charge may result in changes in policies, relevant laws or regulations, that possibly affect to consideration to extend the Concession Agreement or terms and conditions stated, thereby rendering EXAT or MRTA unable to perform its obligations under the relevant Agreements or may require the Company to proceed beyond those specified in the relevant Agreements or undertakings.

In order to minimize such risk, the Company will establish a joint operation system with the government agencies both at the administrative and operation levels, by sharing sufficient information to ensure good understanding towards each other, as well as closely and regularly monitoring the political situations and changes in policies. The Company will review the strategies and operation plans to be reasonably suitable to the situations and for their mutual interest in the long run.

3.1.2 Risk Relating to Revenues

As the Company provides both expressway and metro services, therefore, the Company's core revenues are tolls and fares, which may be affected by several external factors beyond the Company's control, such as, metro network expansion, improved feeder systems, fare rates of other available alternative transit systems, road traffic congestion, oil prices, and growth of real estate and condominium projects as well as other businesses surrounding the metro routes, which would serve as people's destinations, etc., all of which will affect the volume of service users. In addition, the Company generates commercial development revenue, which may vary depending upon the local and overseas economic conditions, competition in advertising media and retail space lease business, as well as the progress in opening of retail shops in the stations, several factors of which are beyond the Company's control. Therefore, should the Company's revenues differ from study results or projections, it may affect the liquidity and serviceability management with respect to the existing financial obligations, such as, interest expenses, scheduled repayment of loans, operating expenses under the Agreements, as well as compensation for expressway site acquisition cost or remuneration payable to MRTA, etc.

To minimize such risk, the Company will establish a unit to closely monitor any impact which may affect the initial factors, and formulate appropriate strategies. In addition, the Company can limit potential impacts from risk factors, such as, oil prices, road traffic congestion, and fare rates of other available alternative transit systems, due to the

Company's full services of expressways and metro, both of which are considered substitute products. With respect to the commercial development, the Company will develop new advertisement media to increase its commercial development revenue, such as, advertisement media management via the Passenger Information Display System (PIDs), platform billboards, and digital media, including its plans to develop more retail space.

3.1.3 Risks from Interest Rate and Foreign Exchange Rate Fluctuations

Given that the Company has obliged to service interest-bearing liabilities to lenders, and plans for future investment in several projects, therefore, it may require a large amount of long-term loans. Thus, interest expenses are considered the significant expenditures for the Company. The increased interest rates on loans may affect the Company's operational results due to the fact that the interest cost in respect of the certain credit facility was at the floating interest rate, thereby exposing the Company to a risk from interest rate fluctuation or increase in the money market. However, the Company will manage such risk from interest rate fluctuation, by arranging for the loan structure, divided into loans at floating interest rate and loans at fixed interest rates including plans to issue debt instruments or debentures as suitable to the economic conditions and the Company's view of the future interest rates.

In addition, the Company will incur expenses in foreign currencies for purchase of rolling stock from overseas, maintenance cost of the M&E Equipment, and insurance premiums. Thus, should the Baht value depreciate, the Company's expenses will increase accordingly. However, the proportion of the expenses in foreign currencies is low. Moreover, the Company will set up a policy to minimize risk from exchange rate, such as, negotiations for reduction of foreign currency expenses and buying forward, etc.

3.1.4 Risk from Serious Accidents, Public Unrest, and Natural Perils

The Company's businesses of both construction and management of the expressways and metro are exposed to 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, which may cause the Company to suspend its services and lose its revenues. For this reason, the Company has set forth emergency plans in response to any events which may suddenly occur, for example, removal of various significant and essential M&E equipment in the management of the Expressways for storage at the safe place, and arranges for staff training to ensure that the staff in charge will be able to immediately take actions to resolve such emergency, for instance, emergency drills of all relevant units inside and outside the Company by way of simulation of such various situations as emergency in the metro stations from bomb threat and bomb blast in the metro stations, trains breakdown and stop inside the tunnel, fire in the rolling stock, metro stations or tunnel, etc., as well as establishes a unit for monitoring, alerting and coordinating with relevant agencies to prevent the occurrence of any serious accident and to be ready for rescue operations.

The Company has taken out insurance against property all risks, business interruption, public liability, and terrorism in respect of the Metro service business.

3.1.5 Risk in respect of Personnel

The risk from shortage of competent personnel is considered one of the Company's main risks, 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; continuous staff training courses to improve knowledge, skills and abilities in various fields necessary for performance of work based on each staff's position and designated duties; encouragement of the staff morale; consideration of appropriate and fair remuneration and welfare; review and revisions of the operation process and work system to ensure readiness at all times, as well as preparation of succession plan and establishment of a working group comprising high-level executives to set up guidelines in the selection of staff 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 the work process.

3.1.6 Risk from Delayed Construction and Operation of the Projects

The Company has accepted the transfer of the Concession Agreements of BECL and BMCL, namely, the Concession Agreement for Investment, Design, Construction, Operation, Service and Maintenance of the Si Rat - Outer Ring Road Expressway Project, and the MRT Purple

Line Project, Bang Yai - Rat Burana, Bang Yai - Bang Sue Section (Klong Bang Phai Station - Tao Poon Station), Contract 4: Concession for Supply of M&E Systems and O&M Services.

As the Company is obliged to comply with the provisions of the Concession Agreements, which will specify the construction period and value, therefore, in case the construction is delayed and not completed according to schedule, or should in the future the actual value of the M&E equipment, metro system, or other construction costs is different from that specified in the relevant Agreements, the Company is exposed to a risk from cost overrun.

To minimize such risk in respect of both delayed work completion and cost overrun, the Company has executed an agreement with CH. Karnchang Public Company Limited, which has expertise and experience in such operations, to manage the projects on a lump sum turnkey basis, subject to the scope of work, duration, and value in line with the conditions in the Concession Agreements.

3.2 Corporate Specific Risk

3.2.1 Risk from Legal Disputes

The Company and NECL have a total of 12 disputes with EXAT on different interpretation of several matters, such as, adjustment of toll rates and responsibility for costs under the Agreements. The disputes were referred to the Arbitral Tribunal in accordance with the dispute settlement procedures under the Agreements and in the Administrative Court, divided into the disputes that the Company and NECL referred to the dispute settlement proceedings under the Agreements and demanded for damages with the total amount until the date of submission of the disputes of approximately Baht 28,179.8 Million; and the disputes that EXAT submitted claims for damages with the total amount until the date of submission of the disputes of approximately Baht 9 Million.

Most of the major claims for high value damages are made by the Company from EXAT. Therefore, the decision should not materially have any negative risk towards the Company's operational results.

3.2.2 Risk from Return on Investments in Companies less than Projections

The Company has accepted the transfer of investments in companies whose shares were held by BECL and BMCL, therefore, the Company may be exposed to a risk from return on investments in companies less than projections. To minimize such risk, the Company will take into account the proportion of investments in companies in line with the Company's investment policy, which would enable the Company to participate in setting out policies and monitor the operations of the invested companies.

3.2.3 Risks Relating to Fluctuation of Cost of Fare and Operating Cost

Cost of fare is deemed the main expenditure of the Company's management of the mass rapid transit system project, which comprises repair and maintenance costs for the metro and civil infrastructure, public utility cost, personnel cost, and payment of remuneration from fare revenue.

As for the maintenance costs under the long-term M&E contract, which the Company accepted the transfer from BMCL, the Euro-denominated payments were adjusted based on the German Consumer Price Index, and Baht-denominated payments must be adjusted based on the Bangkok Consumer Price Index, thereby exposing the Company to risk due to changes in such indices.

The public utility cost mainly comprises the cost of electricity used at the metro stations and for train operations. The cost of electricity may be adjusted according to the electricity rates of the Metropolitan Electricity Authority, which may result in the Company's increased cost.

The annual remuneration from fare revenue was recorded in two entries, namely, costs of fare box and deferred remuneration, representing deferred expenses against future fare revenue.

Therefore, the Company's costs of fare box vary according to the aforesaid costs. However, regardless of the annual remuneration from fare revenue, in the past, the Company was able to effectively control its costs of fare box. Besides, the costs of fare box are mostly fixed costs, not varying directly according to the increased volume of passengers, provided that there is no material change in the volume of passengers to the extent that the Company is required to add the number of trains for service to enhance the capacity to accommodate the passengers.

In the MRT Purple Line Concession Agreement, the service fees for the O&M Services payable by MRTA to the Company are calculated and based on the projections of operating expenses estimated by the Company, whereby such service fees may be adjusted only based on the actual inflation rate and electricity charge rate under the method specified in the Concession Agreement. Therefore, profits from the Operation Service will vary according to the Company's ability to manage the actual costs and expenses to mirror the specified projections. Should the actual costs and expenses be different from the projections, the Company's operational results may be affected since the Company is not able to request compensation or increase the service fees from MRTA.

However, with the expertise and experience in management of the MRT Blue Line Project, the Company is confident in its ability to efficiently manage costs and expenses for operations to be close to the projections.

3.2.4 Risk from Work Operations of Expressway Construction and Management Business

The Company takes into account the risk from operations of expressway construction and management business 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 has also established the preventive measure for the significant structures of the expressway systems so as to be available for full-time service by way of drawing up a plan for inspection of the structures of both the Si Rat Expressway and the Udon Rathaya 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, 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.

Moreover, the Company may be exposed to the risk from non-functional toll collection system equipment which 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 data and information hacks, thereby causing damage to the system, etc. In this regard, the Company gives high priority to such risk management by arranging for power backup system, security system for access to significant systems by third parties, determination of authorization levels of access to information and equipment, and installation of virus scan software and data backup system in the operating system to ensure instant substitution.

3.2.5 Risks from Engagement of Siemens as Main Contractor for Supply and Maintenance of the Company's M&E Equipment

The Company has accepted the transfer of the agreement for procurement of the M&E Equipment and an agreement for maintenance of the M&E Equipment with Siemens AG, Germany, and Siemens Limited, Thailand, which will expire in 2024. Thus, in the event that such Siemens group is unable to provide services under the agreements to the Company or there is any change in the maintenance agreement, the Company's business operation may be affected.

According to a study of information from members in the international federations of public transport operators, e.g., UITP, APTA, NOVA Group of Metros, as well as advice from Lloyd's Register Rail, the Company's highly experienced consultant, it is possible to select and procure M&E Equipment from other manufacturers which will be compatible with its existing system. In this regard, the Company has a policy to develop the quality of its personnel to have sufficient capabilities in working with local and overseas equipment manufacturers and contractors in the maintenance and repair of the M&E Equipment and the rail system to improve its efficiency without reliance on the sole existing manufacturer.

4. Property Used in Business Operations

4.1 Main Fixed Assets

As at December 31, 2015, the Company and its subsidiaries had main fixed assets used in business operations, per the following details:

(Unit: Million Baht)

Class of Assets	Net Book Value as at December 31, 2015
4.1.1 Building and equipment	154
4.1.2 Construction in process	19,626
4.1.3 Rights to operate completed expressway sectors	20,327
4.1.4 Rights to use sites for expressway construction	1,320
4.1.5 Intangible assets under the Concession Agreement for the M.R.T. Chaloem Ratchamongkhon Line	16,988
Main Fixed Assets	58,415

The main fixed assets of the Company and its subsidiaries as indicated above can be classified into class of assets and companies, per the following details:

4.1.1 Building and Equipment

As at December 31, 2015, the book value of the building and equipment as per the consolidated financial statements of the Company and its subsidiaries were as follows:

(Unit: Million Baht)

Company	Net Book Value as at December 31, 2015	Ownership	Encumbrance
The Company	151	Owner*	None
NECL	1	Owner**	None
BMN	2	Owner	None
Total	154		

Remarks: * This refers to building, construction improvement and certain structures of the Second Stage Expressway System. 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.

** NECL 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. NECL 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, NECL 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.

4.1.2 Construction in Process

As at December 31, 2015, the book value of the construction in process as per the consolidated financial statements of the Company and its subsidiaries were as follows:

(Unit: Million Baht)

Company	Net Book Value as at December 31, 2015
The Company	19,626
Total	19,626

The Si Rat - Outer Ring Road Expressway Project

The Company executed the Concession Agreement for Investment, Design, Construction, Management, Operation and Maintenance of the Si Rat - Outer Ring Road Expressway Project with EXAT, for a concession period of 30 years, and the Project Management Agreement for construction of such Project with CH. Karnchang Public Company Limited. The construction period shall not exceed 48 months, which commenced on December 15, 2012. As at December 31, 2015, the project progressed approximately 85 percent in line with the plan. In this regard, the Company provided such construction in process as security to secure its long-term loans.

4.1.3 Rights to Operate Completed Expressway Sectors

As at December 31, 2015, the book value of the rights to operate completed expressway sectors as per the consolidated financial statements of the Company and its subsidiaries were as follows:

(Unit: Million Baht)

Company	Net Book Value as at December 31, 2015
The Company	13,070
NECL	7,257
Total	20,327

The rights to operate completed expressway sectors are considered the costs of construction of the Second Stage Expressway System and the Bang Pa-in - Pak Kret Expressway Project, with the details as at December 31, 2015 comprising:

(Unit: Million Baht)

Class of Assets	Book Value as at December 31, 2015	Ownership	Encumbrance
Si Rat Expressway, Sectors A, B and C	39,742	EXAT	Loan Security
Si Rat Expressway, Sector D	9,030	EXAT	Loan Security
Udon Rathaya Expressway	12,928	EXAT	Loan Security*
Total project costs	61,700		
<u>Less:</u> Accumulated amortization of project costs	(41,373)		
Total Net Book Value	20,327		

Remark: * NECL provided the rights to operate completed expressway sectors under the Concession Agreement for the Udon Rathaya Expressway as security to the Company to secure the loan repayment.

Given that the Expressway Agreements above are on a BTO (Build, Transfer and Operate) basis, the title to all expressways, including various permanent constructions in relation to or used in connection with the expressway systems, shall be vested in EXAT immediately upon construction by the Company and NECL. Upon opening for service, the Company and NECL are 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 March 1, 1990 and may be renewed twice of 10 years each, subject to the conditions to be further agreed upon. The Agreement for the Extension of the Second Stage Expressway, Sector D, has a term of 30 years from April 17, 1997. The Bang Pa-in - Pak Kret Expressway Project Agreement (Udon Ratthaya Expressway) has a term of 30 years from September 27, 1996 and may be renewed twice of 10 years each. These Agreements require the Company and NECL to be responsible for expenses relating to toll collection, traffic management and rescue operation on the Si Rat Expressway and the Udon Ratthaya Expressway which shall be paid to EXAT by the Company and NECL, including the costs of maintenance of the expressways throughout the term of the Agreements.

4.1.4 Rights to Use Sites for Expressway Construction

As at December 31, 2015, the book value of the rights to use sites for expressway construction as per the consolidated financial statements of the Company and its subsidiaries were as follows:

(Unit: Million Baht)

Company	Book Value as at December 31, 2015
The Company	
Rights to use sites for expressway construction	6,645
<u>Less:</u> Accumulated amortization	(5,225)
Net	1,320
Total Net Book Value	1,320

The rights to use sites for expressway construction are considered part of the rights to operate completed expressway sectors.

The Company recorded the initial costs of the rights to use sites for expressway construction at the costs equivalent to the present value of the encumbrance in payment of compensation for site acquisition cost to EXAT under the Second Stage Expressway Agreement after initial recognition of the rights to use sites for expressway construction which showed the value at costs, less accumulated amortization.

The Company amortized the rights to use sites for expressway construction as expenses in the income statement based on the volume of vehicles using service.

4.1.5 Intangible Assets under the Concession Agreement for the M.R.T. Chaloem Ratchamongkhon Line

As at December 31, 2015, the book value of intangible assets under the Concession Agreement for the M.R.T. Chaloem Ratchamongkhon Line as per the consolidated financial statements of the Company and its subsidiaries were as follows:

(Unit: Million Baht)

Company	Net Book Value as at December 31, 2015
The Company	16,654
NECL	-
BMN	334
Total	16,988

The intangible assets under the Concession Agreement for the M.R.T. Chaloem Ratchamongkhon Line are considered the costs of construction of the M.R.T. Chaloem Ratchamongkhon Line, with the details as at December 31, 2015 comprising:

(Unit: Million Baht)

Class of Assets	Book Value as at December 31, 2015	Ownership	Encumbrance
M&E Equipment	18,957	Owner	Loan Security
M&E Equipment and leasehold improvements in metro stations	358	Owner	None
Telecommunications system equipment	414	Owner	None
Advertising system equipment	178	Owner	None
Project costs during construction	378	Owner	None
Total project costs	20,285		
<u>Less:</u> Accumulated amortization of project costs	(3,297)		
Total Net Book Value	16,988		

4.2 Investments in Other Companies

4.2.1 Summary of Investments as per the Consolidated Financial Statements of the Company and its Subsidiaries

(Unit: Million Baht)

Company	Book Value under Cost Method as at December 31, 2015	Portion of Investment in each Company (percent)	Paid-up Capital as at December 31, 2015	Type of Investments	Nature of Business Operation
1. Northern Bangkok Expressway Company Limited Less: Provision for impairment of investments Net investments	2,604 (2,450) <u>154</u>	99.99*	5,250	Subsidiary	- Construction and operation of the Bang Pa-in - Pak Kret Expressway Project
2. Bangkok Metro Networks Limited	166	65.19	254	Subsidiary	- Development of lease retail spaces in the metro stations and the basement level of the park and ride facility - Procurement of advertising boards or media in the metro stations and inside the trains - Provision of service and maintenance of telecommunications system equipment in the metro stations
3. TTW Public Company Limited	7,018	19.57	3,990	Associated Company	- Production and distribution of tap water
4. CK Power Public Company Limited	3,223	19.40	7,370	Associated Company	- Investment in other companies (Holding Company) operating a business of production and distribution of electricity
5. Xayaburi Power Company Limited	913	7.50	12,175	Other Company	- Construction and operation of the Xayaburi Hydroelectric Power Project

Remark : * The Company (formerly, BECL) acquired additional shares in NECL on November 5, 2015, and as a result, the Company's current shareholding in NECL increased to 99.99 percent of its registered capital.

4.2.2 Policy on Investment and Management in the Subsidiaries

The Company has a policy to invest in businesses which are related, similar, or beneficial, and support the Company's business operations, in order to provide opportunities and long-term yields, and strengthen the Company's stability and operational results. The investment policy shall be as follows:

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

As at December 31, 2015, the Company invested in subsidiaries, associated companies, and other company, as follows:

1. Northern Bangkok Expressway Company Limited ("NECL")

The Company established NECL in 1996, by holding 99.99 percent of its shares. The benefits to be derived shall be in the form of dividend from investment in shares of NECL. Due to the impact on NECL from the government policy for construction of the competing road, NECL's revenue did not meet its projection. In this regard, NECL's operational results continued to sustain loss to the extent that the accumulated loss exceeded its equity, resulting in shareholders' deficit. In 2003, NECL therefore increased its registered capital by Baht 3,000 Million to become the registered capital of Baht 6,000 Million. At present, NECL called for share payment of 75 percent of the increased registered capital of Baht 3,000 Million. During 2003-2004, the Company reduced its shareholding in NECL to 53.33 percent of its registered capital. As at December 31, 2015, NECL had the paid-up registered capital in the amount of Baht 5,250 Million. Since the Company provided a large amount of loans for NECL and also is the only creditor of NECL, the Company has therefore assigned its six executives to be members of NECL's board of directors, from a total of seven directors of NECL. In case NECL would take any actions which may significantly affect the Company, NECL would be required to seek prior approval from the Company's Board of Directors' Meeting. Furthermore, the Company is also the service provider for all operations of NECL.

On November 5, 2015, the Company (formerly, BECL) acquired additional shares in NECL, and as a result, the Company's current shareholding in NECL increased to 99.99 percent of its registered capital.

2. Bangkok Metro Networks Limited (“BMN”)

The Company established BMN on February 25, 2009 to operate the businesses of procurement and production of advertising media of various forms in the metro stations and inside the trains, lease of retail spaces in the MRT Blue Line stations and spaces in the basement level of the Lat Phrao park and ride facility. To date, the retail shops are opened in five stations, namely, Sukhumvit Station, Phahon Yothin Station, Chatuchak Park Station, Kamphaeng Phet Station, and Phra Ram 9 Station. In addition, BMN also provides service and maintains telecommunications system equipment inside the metro stations. As at December 31, 2015, BMN’s registered and paid-up capital was Baht 254 Million, whereby the Company holds shares in BMN representing 65.19 percent of all shares sold, together with 34.81 percent of shares held by other investors having experience and expertise in the businesses of advertising media, marketing, real estate, and telecommunications technology.

As for the policy on future investment in BMN, the Company continues to maintain its shareholding in BMN of not less than 50 percent of all shares in BMN. The Company will receive the return on investment in the form of revenue sharing and dividend income from investment in BMN. The Company has a control policy or participates in setting out the significant policies on the business operations by assigning its five representatives to be members of BMN’s board of directors, from a total of seven directors of BMN.

3. TTW Public Company Limited (“TTW”)

The Company invested in 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 July 21, 2004. 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 October 15, 1998. TTW also invested in Thai Water Operations Company Limited which operates the business of operation and management of tap water production and distribution systems and wastewater treatment service provision, whereby TTW holds shares representing 68.50 percent of its registered capital. In addition, TTW invested in the energy business by holding 25 percent of shares in CK Power Public Company Limited, a company investing in other companies operating the energy business. The benefits to be derived by the Company from investment in TTW shall be dividend income.

At present, the Company, as a shareholder, assigned its representative to be a member of the board of directors of TTW. As at December 31, 2015, the Company held shares in TTW representing 19.57 percent of its registered capital.

4. CK Power Public Company Limited (“CKP”)

The Company jointly invested in the establishment of CKP, which operates core business by investing in other companies (Holding Company) operating the business of production and distribution of electricity from various types of energy. As at December 31, 2015, CKP invested by holding shares representing 56 percent in SouthEast Asia Energy Limited; 30 percent in Nakhon Ratchasima Solar Limited; 30 percent in Chiangrai Solar Limited; 100 percent in Bangkhenchai Company Limited; 65 percent in Bangpa-in Cogeneration Limited; 100 percent in CKP Solar Limited; 100 percent in Vis Solis Limited; 100 percent in Helios Power Limited; 100 percent in Apollo Power Limited; 100 percent in Sole Power Limited; and 30 percent in Xayaburi Power Company Limited. The benefits to be derived by the Company shall be in the form of dividend from investment. At present, the Company, as a shareholder, assigned its representative to be a member of the board of directors of CKP. As at December 31, 2015, the Company held shares in CKP representing 19.40 percent of its registered capital.

5. Xayaburi Power Company Limited (“XPCL”)

The Company invested in XPCL, a company which was awarded the concession from the Government of the Lao People’s Democratic Republic for design, development, construction and operation of the Xayaburi Hydroelectric Power Project, with a 29-year concession period from the Commercial Operation Date. The benefits to be derived by the Company shall be in the form of dividend from such investment. As at December 31, 2015, the Company held shares in XPCL representing 7.50 percent of its registered capital. All ordinary shares in XPCL held by the Company have been pledged as security of long-term loan of XPCL. The Company, as a shareholder, assigned its representative to be a member of the board of directors of XPCL.

5. Legal Disputes

5.1 The Disputes with Expressway Authority of Thailand (“EXAT”)

The Company and NECL have a total of 12 disputes with EXAT, which were referred to the Arbitral Tribunal in accordance with the dispute settlement procedures under the Agreements and in the Administrative Court, divided into the disputes that the Company and the subsidiary referred to the dispute settlement proceedings under the Agreements and demanded for damages with the total amount until the date of submission of the disputes of approximately Baht 28,179.8 Million; and the disputes that EXAT submitted claims for damages with the total amount until the date of submission of the disputes of approximately Baht 9 Million. The essence of each dispute was as follows:

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

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

The Company completed the construction of the “Priority Component” of the Si Rat Expressway on 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 should be deemed as the Priority Component Opening Date, and the Company would then be entitled to receive the toll revenue sharing, but EXAT just commenced sharing the toll revenue with the Company on 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 was the Priority Component Opening Date, from which EXAT was obliged under the Agreement to commence sharing the toll revenue with the Company onwards.

On December 15, 2008, the Arbitral Tribunal rendered its arbitral award on the dispute requiring EXAT to pay the toll revenue sharing 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, including interest amounting to Baht 1,856.8 Million, totaling Baht 3,831.4 Million, including interest until the payment would be made in full to the Company.

EXAT submitted a petition to the Central Administrative Court requesting the Court to revoke the arbitral award, and the Company submitted a petition to the Central Administrative Court requesting a judgment to enforce compliance with the arbitral award, with the disputed amount of Baht 5,021.1 Million.

On September 13, 2013, the Central Administrative Court adjudged to dismiss EXAT’s petition requesting the Court to revoke the arbitral award and adjudged to enforce the Company’s petition by requiring EXAT to pay the toll revenue sharing which should have been received by the Company, amounting to Baht 1,974.6 Million, with interest under the Agreement amounting to Baht 3,046.5 Million, totaling Baht 5,021.1 Million, to the Company.

On October 11, 2013, EXAT lodged an appeal against the Central Administrative Court’s judgment with the Supreme Administrative Court. At present, it is pending the Supreme Administrative Court’s consideration.

2. Competing road with the Udon Rattaya Expressway

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

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

On 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 the year 1999 in the amount of Baht 730.8 Million, with interest, and for the year 2000 in the amount of Baht 1,059.2 Million.

EXAT submitted a petition to the Central Administrative Court requesting the Court to revoke the arbitral award, and the subsidiary submitted a petition to the Central Administrative Court requesting a judgment to enforce compliance with the arbitral award, with the disputed amount of Baht 3,296.7 Million.

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

On May 31, 2013, EXAT lodged an appeal against the Central Administrative Court's judgment with the Supreme Administrative Court. At present, it is pending the Supreme Administrative Court's consideration.

3. Issuance of variation orders by EXAT

EXAT issued additional variation orders for certain construction work of the Si Rat Expressway and confirmed that EXAT would be responsible for such costs as actually incurred by such variation orders. The Independent Certification Engineer subsequently issued a letter certifying the additional costs in the total amount of Baht 209.1 Million (excluding interest). EXAT refused to make such payment as certified by the Independent Certification Engineer.

On December 20, 2013, the Arbitral Tribunal unanimously rendered its arbitral award requiring EXAT to pay the construction costs and expenses as per such variation orders in the total amount of the principal with interest of Baht 382.5 Million, including interest on the principal of Baht 209.1 Million, until the said payment would be made in full to the Company.

On March 26, 2014, EXAT submitted a petition to the Central Administrative Court requesting the Court to revoke the arbitral award. At present, it is pending the Central Administrative Court's consideration.

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

The Company requested to revise the toll rates under the Second Stage Expressway Agreement which stipulates that the toll rates shall be revised every five-year interval. In this regard, EXAT and the Company had different opinions in respect of the calculation of the tolls to be revised, and as such, EXAT issued the toll rate notification which did not increase the toll rates as proposed by the Company.

On 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, in the total amount of Baht 4,368 Million. The witness examination was completed on October 16, 2015, and the due date for both disputing parties' submission of their closing statements was scheduled for January 5, 2016.

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

The Company requested to revise the toll rates under the Agreement for the Extension of the Second Stage Expressway System (Sector D) which stipulates that the toll rates shall be revised every five-year interval. In this regard, EXAT and the Company had different opinions in respect of the calculation of the tolls to be revised, and as such, EXAT issued the toll rate notification which did not increase the toll rates as proposed by the Company.

On 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 the year 2003, which was not in accordance with the Agreement, in the total amount of Baht 1,048.2 Million. At present, it is in the process of the witness examination, which will be completed in March 2016.

6. Revision of toll rates of the Chalerm Mahanakorn Expressway and the Si Rat Expressway for the year 2008

The Company requested to revise the toll rates under the Second Stage Expressway Agreement which stipulates that the toll rates shall be revised every five-year interval. In this regard, EXAT and the Company had different opinions in respect of the calculation of the tolls to be revised, and as such, EXAT issued the toll rate notification which did not increase the toll rates as proposed by the Company.

On June 13, 2013, the Company submitted the statement of claim to the Thai Arbitration Institute, demanding EXAT to compensate the Company for damages, together with interest, caused by the revision of toll rates for the year 2008, which was not in accordance with the Agreement, in the total amount of Baht 9,091.8 Million.

At present, it is in the process of the witness examination. The Thai Arbitration Institute scheduled the hearing dates for examination of witnesses of the Company to be held in January 2016.

7. Revision of toll rates of Sector D of the Si Rat Expressway for the year 2008

The Company requested to revise the toll rates under the Agreement for the Extension of the Second Stage Expressway System (Sector D) which stipulates that the toll rates shall be revised every five-year interval. In this regard, EXAT and the Company had different opinions in respect of the calculation of the tolls to be revised, and as such, EXAT issued the toll rate notification which did not increase the toll rates as proposed by the Company.

On June 28, 2013, the Company submitted the statement of claim to the Thai Arbitration Institute, demanding EXAT to compensate the Company for damages, together with interest, caused by the revision of toll rates for the year 2008, which was not in accordance with the Agreement, in the total amount of Baht 4,062.8 Million. At present, it is pending selection of candidates for appointment as the Chairman of the Arbitral Tribunal.

8. Revision of toll rates of Udon Ratthaya Expressway for the year 2003

The subsidiary requested to revise the toll rates under the Bang Pa-in - Pak Kret Expressway Agreement which stipulates that the toll rates shall be revised every five-year interval. In this regard, EXAT and the subsidiary had different opinions in respect of the calculation of the tolls to be revised, and as such, EXAT issued the toll rate notification which did not increase the toll rates as proposed by the subsidiary.

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

On June 23, 2014, the subsidiary submitted a letter of appointment of its arbitrator, and EXAT submitted a letter of appointment of its arbitrator on June 25, 2015.

At present, it is pending selection of candidates for appointment as the Chairman of the Arbitral Tribunal.

5.1.2 Disputes submitted by EXAT claiming for damages

EXAT referred four disputes to the Arbitral Tribunal requiring the Company and its subsidiary to be held liable for costs, in the total amount of Baht 9 Million, which the Company and its subsidiary were of the view that such costs claimed by EXAT were not within their scope of responsibility under the Agreements. In this regard, the Arbitral Tribunal rendered its arbitral awards on three disputes, two disputes of which were referred by EXAT to the Administrative Court for enforcement of the arbitral award and revocation of the arbitral award.

1. Additional construction work

On September 25, 2009, the Arbitral Tribunal issued its arbitral award requiring the Company to reimburse EXAT for the amount advanced by EXAT for mitigation of damage for complainants, in the amount of Baht 1.7 Million. The Company submitted

a petition to the Central Administrative Court requesting the Court to revoke the arbitral award. EXAT submitted a petition requesting compliance with the arbitral award to the Central Administrative Court.

The Central Administrative Court rendered its judgment revoking the arbitral award, and as such, the Company's petition was dismissed. Having considered the current facts, the Company deemed it appropriate not to lodge an appeal against the Central Administrative Court's judgment with the Supreme Administrative Court.

On February 27, 2015, the Central Administrative Court adjudged to enforce the arbitral award in the case where EXAT submitted the petition requesting compliance with the arbitral award, by requiring the Company to comply with the arbitral award within 60 days from the date the case was final. Such arbitral award required the Company to install noise barriers for 6 complainants, arrange for entrance-exit for 3 complainants, and reimburse EXAT for Baht 1.4 Million which was advanced to the complainants.

On March 20, 2015, the Company made payment to EXAT pursuant to the judgment in the amount of Baht 1.4 Million, together with interest from the date on which EXAT advanced such amount until the payment would be made in full in the amount of Baht 1.3 Million, totaling Baht 2.7 Million, and the Company submitted to the Central Administrative Court its statements for notification of its compliance with the arbitral award.

2. Cost of arrangements of the entrance - exit and resolution of complaints

On January 23, 2014, the Arbitral Tribunal issued its arbitral award ruling that EXAT may not exercise a right of claim demanding the Company to pay the cost of arrangements of the entrance - exit and the cost of road construction, together with drainage and free flow drains, totaling Baht 0.4 Million, therefore dismissed EXAT's claims and requests.

On May 7, 2014, EXAT submitted a petition for revocation of the arbitral award to the Central Administrative Court. At present, it is pending the Central Administrative Court's consideration.

3. Cost of utilization of the Second Stage Expressway Control Center Building

On February 16, 2015, the Arbitral Tribunal rendered its arbitral award that the Company was not required to deliver or leave the vicinity of the Second Stage Expressway Control Center Building, and was not required to pay EXAT for the cost of utilization of such area. In this regard, EXAT accepted this arbitral award, the case was thus final.

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

5.1.3 Lawsuit

An expressway user sued the Expressway Authority of Thailand (EXAT) and the Company on grounds of wrongful act in relation to traffic management and safety on the Si Rat Expressway System, whereby EXAT was the first defendant and the Company was the second defendant. The Court of First Instance adjudged to dismiss the plaintiff's claim. The Appeal Court adjudged to require EXAT and the Company to jointly compensate the plaintiff in a total amount of Baht 2.3 Million, with interest at the rate of 7.5 percent per annum, from May 21, 2005 onwards until the payment would be made in full. In this regard, the Company, EXAT and the plaintiff lodged their respective appeals with the Supreme Court.

On June 30, 2015, the Supreme Court adjudged to confirm the Appeal Court's judgment requiring EXAT and the Company to jointly compensate the plaintiff. On August 10, 2015, the Company duly deposited such payment with the Court per the judgment.

6. General Information and Other Significant Information

6.1 General Information

(1) General information of the Company

Company Issuing Securities	: Bangkok Expressway and Metro Public Company Limited (“BEM”)
Business Operation	: Construction and management of the expressways and the rail mass rapid transit system projects, including other related businesses
Company Registration No.	: 0107558000491
Registered Capital	: Baht 15,285 Million, which is fully paid up.
Head Office	: 587 Sutthisarnvinitchai Road, Dindaeng Subdistrict, Dindaeng District, Bangkok 10400
Telephone	: 0 2641 4611 and 0 2354 2000
Fax	: 0 2641 4610 and 0 2354 2040
Website	: www.bemplc.co.th
Branch Office (1)	: 238/7 Asoke-dindaeng Road, Bangkapi Subdistrict, Huai Khwang District, Bangkok 10310
Telephone	: 0 2641 4611
Fax	: 0 2641 4610
Branch Office (2)	: 189 Rama IX Road, Huai Khwang Subdistrict, Huai Khwang District, Bangkok 10310
Branch Office (3)	: 189/1 Rama IX Road, Huai Khwang Subdistrict, Huai Khwang District, Bangkok 10310
Branch Office (4)	: 189/2 Rama IX Road, Huai Khwang Subdistrict, Huai Khwang District, Bangkok 10310
Telephone	: 0 2354 2000
Fax	: 0 2354 2040

(2) Legal entities in which the Company holds 10 percent of shares or more

Company Issuing Securities	: Northern Bangkok Expressway Company Limited (“NECL”)
Business Operation	: Construction and management of the Udon Rattaya Expressway
Head Office	: 587 Sutthisarnvinitchai Road, Dindaeng Subdistrict, Dindaeng District, Bangkok 10400
Registered Capital	: Baht 6,000 Million, Baht 5,250 Million of which is paid up.
Shareholding Percentage	: 99.99 percent
Telephone	: 0 2641 4647
Fax	: 0 2641 4646

Company Issuing Securities	: Bangkok Metro Networks Limited (“BMN”)
Business Operation	: 1. Lease of retail spaces in the metro stations and the basement level of the Lat Phrao park and ride facility 2. Procurement and/or production of advertising media in the metro stations and inside the trains 3. Provision of service and maintenance of telecommunications system equipment in the metro stations
Head Office	: 587 Viriyathavorn Building, 12 th Floor, Sutthisarnvinitchai Road, Dindaeng Subdistrict, Dindaeng District, Bangkok 10400
Branch Office	: 587 Viriyathavorn Building, 9 th Floor, Sutthisarnvinitchai Road, Dindaeng Subdistrict, Dindaeng District, Bangkok 10400
Registered Capital	: Baht 254 Million, which is fully paid up.
Shareholding Percentage	: 65.19 percent
Telephone	: 0 2690 8200
Fax	: 0 2690 8212
Website	: www.bmn-mrt.com

Company Issuing Securities	: TTW Public Company Limited (“TTW”)
Business Operation	: Production and distribution of water supply to the Provincial Waterworks Authority and investment in companies operating the business of other public utilities
Head Office	: 30/130 Moo 12, Buddhamonthon 5 Road, Tambon Rai Khing, Amphoe Samphran, Nakhon Pathom Province 73210
Registered Capital	: Baht 3,990 Million, which is fully paid up.
Shareholding Percentage	: 19.57 percent
Telephone	: 0 2811 7526
Fax	: 0 2420 6064
Website	: www.ttwplc.com

Company Issuing Securities	: CK Power Public Company Limited (“CKP”)
Business Operation	: Investment by holding shares in other companies (Holding Company) operating the business of production and distribution of electricity from various types of energy
Head Office	: 587 Viriyathavorn Building, 19 th Floor, Sutthisarnvinitchai Road, Dindaeng Subdistrict, Dindaeng District, Bangkok 10400
Registered Capital	: Baht 9,240 Million, Baht 7,370 Million of which is paid up.
Shareholding Percentage	: 19.40 percent
Telephone	: 0 2691 9720
Fax	: 0 2691 9723
Website	: www.ckpower.co.th

(3) Reference

Securities Registrar	: Thailand Securities Depository Company Limited The Stock Exchange of Thailand 93 Rachadapisek Road, Dindaeng Subdistrict, Dindaeng District, Bangkok 10400 Telephone : 0 2009 9382 Fax : 0 2009 9476
Auditor	: EY Office Limited 193/136-137 Lake Rajada Office Complex, 33 rd Floor, New Rajadapisek Road Klongtoey District, Bangkok 10110 Telephone : 0 2264 0777 Fax : 0 2264 0789

6.2 Other Significant Information

Key Summary of Agreements

6.2.1 The Second Stage Expressway Agreement

Execution Date	December 22, 1988
Party	The Expressway Authority of Thailand (“EXAT”)
Key Summary	The Company is obliged to carry out construction and operation of the Si Rat Expressway (Second Stage Expressway), as well as related businesses under the Second Stage Expressway Agreement, for a concession period of 30 years from March 1, 1990 until February 29, 2020, under the terms and conditions to be agreed upon between both parties. The Second Stage Expressway System comprises Sector A (Rama IX-Ratchadapisek), Sector B (Phayathai - Bangkhlo), and Sector C (Ratchadapisek - Chaeng Watthana), covering a total distance of 29.8 kilometers. The Company shall be entitled to receive the toll revenue sharing throughout the concession period in respect of both the Si Rat Expressway and the Chalerm Mahanakorn Expressway (First Stage Expressway), as constructed and operated by EXAT.

6.2.2 The Agreement for the Extension of the Second Stage Expressway System (Sector D)

Execution Date	April 17, 1997
Party	The Expressway Authority of Thailand (“EXAT”)
Key Summary	The Company is obliged to carry out construction and operation of the Si Rat Expressway (Second Stage Expressway) for the extension of the Second Stage Expressway System, Sector D (Rama IX - Srinagarindra), covering a total distance of 8.7 kilometers, for a concession period of 30 years from April 17, 1997 until April 16, 2027. The Company shall be entitled to receive the toll revenue throughout the concession period.

6.2.3 The Concession Agreement for Investment, Design, Construction, Operation, Provision of Service and Maintenance of the Si Rat - Outer Ring Road Expressway Project

Execution Date	September 15, 2012
Party	The Expressway Authority of Thailand (“EXAT”)
Key Summary	<p>The Company is obliged to carry out design, construction and operation of the Si Rat - Outer Ring Road Expressway (starting from Kanjanapisek Road and connecting to the Si Rat Expressway around the North of the Mo Chit 2 Bus Terminal), covering a total distance of 16.7 kilometers, for a concession period of 30 years from December 15, 2012 until December 14, 2042. The Company shall be entitled to receive the toll revenue throughout the concession period.</p> <p>The concession period is divided into two phases:</p> <ul style="list-style-type: none"> • <u>Phase 1</u>: Design, construction, supply and installation of electrical and mechanical system equipment, toll collection system, communications system and traffic controlling system, and other systems relating to the Expressway, for the period of not exceeding 48 months from December 15, 2012; • <u>Phase 2</u>: Operation and provision of service, such as, toll collection, rescue operation and maintenance of the Expressway.

6.2.4 The Bang Pa-in - Pak Kret Expressway Agreement

Execution Date	September 27, 1996
Parties	Northern Bangkok Expressway Company Limited (“NECL”) and the Expressway Authority of Thailand (“EXAT”)
Key Summary	NECL is obliged to carry out construction and operation of the Udon Ratthaya Expressway (Bang Pa-in - Pak Kret Expressway), connecting to the Si Rat Expressway around Chaeng Watthana Road and ending at Amphoe Bang Pa-in, Phra Nakhon Si Ayutthaya Province, covering a total distance of 32 kilometers, for a concession period of 30 years from September 27, 1996 until September 26, 2026.

6.2.5 The Project Management Agreement for Construction of the Si Rat - Outer Ring Road Expressway Project

Execution Date	September 15, 2012
Party	CH. Karnchang Public Company Limited (“CH. Karnchang Plc.”)
Key Summary	The Company engaged CH. Karnchang Plc. on a Lump Sum Turnkey basis as project manager for the design and construction of the Si Rat - Outer Ring Road Expressway, supply and installation of electrical and mechanical system equipment, toll collection system, communications system and traffic controlling system, rescue operation system and other systems, including administration of the construction until completion, for the construction period of 48 months from December 15, 2012 or until December 14, 2016, with the project value of Baht 22,500 Million.

6.2.6 The Concession Agreement for the MRTA Initial System Project - Chaloem Ratchamongkhon Line

Execution Date	August 1, 2000
Party	The Mass Rapid Transit Authority of Thailand (“MRTA”)
Key Summary	<p>The Company has been granted the exclusive right by MRTA for:</p> <ul style="list-style-type: none"> • Design, manufacture, supply, installation, testing of the M&E Equipment, including trial running to ensure its readiness for general public services; • Operation and maintenance of M&E Systems for commercial operation with the purpose of the public mass rapid transit service; • Financing for support of the Company’s operation under this Agreement. <p>The Company (formerly, BMCL) executed the Concession Agreement for the MRTA Initial System Project - Chaloem Ratchamongkhon Line (Hua Lamphong Station - Bang Sue Station) with MRTA. The official commencement of operations was on July 3, 2004. The Company has the exclusive right to collect fare box revenue and undertake any and/or all activities and commercial development as specified in the Agreement, including advertising, retail space leasing in the project and telecommunications services in the metro stations and in the trains, for a period of 25 years from July 2, 2004 until July 1, 2029.</p>

6.2.7 The Maintenance Contract for the Maintenance of the M&E Equipment and Trackwork, including its Amendments

Execution Date	December 19, 2001 (with amendments on July 3, 2007, December 12, 2008, July 1, 2010, and September 30, 2013)
Party	Siemens (Thailand) Limited (“Siemens”)
Key Summary	Siemens is obliged to carry out repair and maintenance of the M&E Equipment and Trackwork, supply and installation of necessary spare parts for the systems, planning for inspection for safety, storage and procurement of spare parts, recruitment of necessary personnel for the Company’s maintenance unit, and storage and delivery of adequate spare parts for one-year operation to the Company after expiration of the Maintenance Contract, which will expire in July 2024.

6.2.8 The Spare Supply Contract for the Delivery of Spares and Rendering of Engineering Support Services for the M&E Equipment and Trackwork, including its Amendments

Execution Date	January 30, 2002 (with amendments on July 3, 2007, December 12, 2008, July 1, 2010, and September 30, 2013)
Party	Siemens AG, Germany (the party has been changed from Lincas Electro Vertriebs - Gesellschaft m.b.H to Siemens AG, Germany, a company in the same group)
Key Summary	Siemens AG is obliged to carry out repair and maintenance of the M&E Equipment and Trackwork, supply and installation of necessary spare parts for the systems, planning for inspection for safety, storage and procurement of spare parts, recruitment of necessary personnel for the Company’s maintenance unit, and storage and delivery of adequate spare parts for one-year operation to the Company after expiration of the Maintenance Contract, which will expire in July 2024.

6.2.9 The Agreement for Granting of Right for Commercial Development to Bangkok Metro Networks Limited

Execution Date	March 11, 2005, October 1, 2007, August 18, 2009, with amendments on February 25, 2009 and March 11, 2015
Party	Bangkok Metro Networks Limited (“BMN”)
Key Summary	<p>BMN has the right for commercial development, as follows:</p> <ul style="list-style-type: none"> • Right for development of spaces in 11 metro stations and the basement level of Lat Phrao park and ride facility; • Right for commercial development for procurement and/or production of advertising media in various forms, such as stickers, light boxes of various sizes, platform billboards, in the metro stations and trains; • Right for provision of telecommunications service in the metro stations and trains, as well as IRDN (Integrated Radiating Distributed Network) service, to accommodate the communication service of all mobile phone systems, including other telecommunications service of all types in the future; • Right for management of the Passenger Information Display installed in the metro stations and trains.

6.2.10 The Concession Agreement for the MRT Purple Line Project, Bang Yai - Rat Burana, Bang Yai - Bang Sue Section (Khlomg Bang Phai Station - Tao Poon Station), Contract 4: Concession for Investment, Supply of M&E Systems and O&M Services

Execution Date	September 4, 2013
Party	The Mass Rapid Transit Authority of Thailand (“MRTA”)
Key Summary	<p>This Agreement is a concession agreement for investment, supply of M&E Systems, and O&M services, for a concession period of 30 years from September 4, 2013 to September 3, 2043, on a PPP Gross Cost basis, or a joint investment between the government sector and the private sector, whereby the government sector invests in all civil works and the private sector invests in the M&E Systems and the rolling stocks, including the O&M Services according to standards as specified in the Agreement.</p> <p>The main duties of the Company under this Concession Agreement are as follows:</p> <ul style="list-style-type: none"> • <u>Phase 1: Design and Construction</u> <p>To invest in the design, supply, installation, commissioning of the M&E Equipment, including 21 rolling stocks with three cars each, signaling, communications, power supply, automatic fare collection, repair and maintenance equipment, platform screen doors, and other related equipment in all 16 metro stations, for a total distance of 22 kilometers, and in the depot at Khlomg Bang Phai, construction of dormitory and training building, and other public utilities in the depot at Khlomg Bang Phai, as well as management of the construction and personnel for train operation and trial run, until completion and handover of the ownership to MRTA and opening of the train operation service under the terms and conditions as specified in the Agreement;</p>

	<ul style="list-style-type: none"> Phase 2: Train Operation Service To provide the operation and maintenance services for the MRT Purple Line Project, Tao Poon Station - Khlong Bang Phai Station, throughout the concession period, in accordance with the quality standards and requirements as specified by MRTA in the Concession Agreement, as well as to arrange for maintenance and improvement of related equipment and tools, in respect of both civil infrastructure and M&E Equipment, including personnel with knowledge and expertise as necessary and sufficient for operation under the Agreement throughout the concession period. The Works in Phase 2 are exclusive of management and maintenance of all four park and ride facilities.
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6.2.11 The Project Management Agreement for Supply and Installation of the M&E Systems for the MRT Purple Line Project, Bang Yai - Rat Burana, Bang Yai - Bang Sue Section (Khlong Bang Phai Station - Tao Poon Station), Contract 4: Concession for Supply of M&E Systems and O&M Services

Execution Date	September 4, 2013 (with amendment on November 17, 2015)
Party	CH. Karnchang Public Company Limited ("CH. Karnchang Plc.")
Key Summary	<p>CH. Karnchang Plc. has main duties under this Project Management Agreement to complete the Works in Phase 1 of the Concession Agreement for opening of the train operation service. The Works in Phase 1 of the Concession Agreement comprise the design, supply, installation, commissioning of the M&E Equipment, including 21 rolling stocks with three cars each, signaling, communications, power supply, automatic fare collection, repair and maintenance equipment, platform screen doors, and other related equipment in all 16 metro stations, for a total distance of 22 kilometers, and in the depot at Khlong Bang Phai, construction of dormitory and training building, and other public utilities in the depot at Khlong Bang Phai, as well as management of the construction and personnel for train operation and trial run. CH. Karnchang Plc. must complete such arrangements within 1,200 days from the date the Company executed the Concession Agreement or until December 17, 2016 for the contract value of not exceeding Baht 20,011 Million.</p> <p>In addition, CH. Karnchang Plc. will arrange for financing for the Works in Phase 1 of the Concession Agreement and accept the payment of the M&E Equipment from the Company in accordance with the repayment schedule to be received by the Company from MRTA under the Concession Agreement (Contract 4).</p> <p>Later on November 17, 2015, the scope of maintenance work has been amended, therefore, CH. Karnchang Plc.'s main duties under the Agreement are added to read as follows:</p> <ul style="list-style-type: none"> To maintain the civil infrastructure, including stations, elevated structures, and depot; To maintain the M&E Equipment inside stations, elevated structures, and depot; To maintain elevators and escalators inside stations and depot; To supply equipment, tools, spare parts and personnel for maintenance work. <p>CH. Karnchang Plc. shall provide such maintenance service for eight years from November 17, 2015 to November 16, 2023 for the contract value of not exceeding Baht 1,520 Million.</p>

6.2.12 The Contract for Engineering Services and Commissioning for Operation Service in the MRT Purple Line Project, Bang Yai - Rat Burana, Bang Yai - Bang Sue Section (Khlung Bang Phai Station - Tao Poon Station), Contract 4: Concession for Supply of M&E Systems and O&M Services

Execution Date	May 2, 2014
Party	CH. Karnchang Public Company Limited ("CH. Karnchang Plc.")
Key Summary	<p>The Company (formerly, BMCL) has main duties under this Contract as follows:</p> <ul style="list-style-type: none"> • To provide support in terms of information, documents and skilled personnel in the selection of subcontractor/manufacture of the Railway Systems, including preparation of the tender documents for submission of proposals, evaluation of proposals, and negotiations on details and conditions thereof; • To arrange for skilled personnel to participate in the carrying out of the design, supply, installation and commissioning of the Railway Systems to CH. Karnchang Plc. in support of the operation under the Contract; • To prepare manuals, operating procedures, regulations and the O&M Services plans as well as personnel training for the O&M Services, so as to be ready for service within the timeframe specified in the Agreement. <p>The Company shall complete such arrangements within a period of not exceeding 32 months from the date of execution of the Contract or until January 1, 2017 for the contract value of not exceeding Baht 450 Million.</p>

6.2.13 The Project Management Agreement with CH. Karnchang Public Company Limited for Supply and Installation of Equipment, and Maintenance Services on Civil Infrastructure and M&E Systems for the MRT Purple Line Project, Bang Yai - Rat Burana, Bang Yai - Bang Sue Section (Bang Sue Station - Tao Poon Station, excluding the stations), Contract 5: Concession for Investment, Supply of M&E Systems and O&M Services, as well as for Supply and Installation of Equipment to Upgrade Communication Systems of the MRT Blue Line Project

Execution Date	November 5, 2015
Party	CH. Karnchang Public Company Limited ("CH. Karnchang Plc.")
Key Summary	<p>CH. Karnchang Plc. has main duties under the Agreement as follows:</p> <ul style="list-style-type: none"> • To carry out the works under the scope of the Works in Phase 1 of the Concession Agreement, whereby CH. Karnchang Plc. shall supply the M&E Equipment, e.g., signaling systems, power supply systems, communication systems, SCADA system, automatic fare collection system (AFC), and other systems as per the details in the Concession Agreement, including preparations and financing for the Works in Phase 1; • To upgrade the communication systems of the M.R.T. Chaloe M Ratchamongkhon Line Project (MRT Blue Line) to be compatible with the MRT Purple Line Project; • To maintain civil infrastructure and M&E Systems, to ensure that the performance of such systems meets the requirements of the Works in Phase 2 of the Concession Agreement. <p>CH. Karnchang Plc. shall complete such arrangements under the scope of the Works in Phase 1 within a period of not exceeding 15 months from the date of MRTA's notice to proceed, and under the scope of the Works in Phase 2 within a period of not exceeding 12 months from the train operation commencement for the contract value of not exceeding Baht 1,056 Million.</p>

6.2.14 The Project Management Agreement with CH. Karnchang Public Company Limited for Maintenance Service on Civil Infrastructure and M&E Systems for the M.R.T. Chaloe Ratchamongkhon Line Project (MRT Blue Line) (Hua Lamphong Station - Bang Sue Station)

Execution Date	November 17, 2015
Party	CH. Karnchang Public Company Limited ("CH. Karnchang Plc.")
Key Summary	<p>CH. Karnchang Plc. has main duties under this Agreement as follows:</p> <ul style="list-style-type: none"> • To maintain the civil infrastructure, including stations, tunnels and depot; • To maintain the M&E Systems inside stations, tunnels and depot; • To maintain elevators and escalators inside stations; • To supply equipment, tools, spare parts, and personnel for maintenance work. <p>CH. Karnchang Plc. shall provide such maintenance service for eight years from November 17, 2015 to November 16, 2023 for the contract value of not exceeding Baht 1,270 Million.</p>

Part 2: Management and Corporate Governance

7. Information on Securities and Shareholders

7.1 Number of Registered Capital and Paid-up Capital

The Company has the registered capital of Baht 15,285 Million, comprising 15,285 million ordinary shares at the par value of Baht 1 per share, Baht 15,285 Million of which has already been paid up, divided into 15,285 million ordinary shares at the par value of Baht 1 per share.

7.2 Shareholders

7.2.1 List of Major Shareholders

As at December 30, 2015, the major shareholders were as follows:

No.	Shareholders	Number of Shares	%
1	CH. Karnchang Group ¹⁾	4,362,096,721	28.54
2	The Mass Rapid Transit Authority of Thailand	1,256,259,584	8.22
3	Krungthai Bank Public Company Limited	1,047,025,175	6.85
4	Thai NVDR Company Limited	752,983,201	4.93
5	Hicrete Products & Technology Co., Ltd.	615,238,318	4.03
6	Bangkok Bank Public Company Limited	432,872,909	2.83
7	Mr. Wichai Wachiraphong	427,346,348	2.80
8	UOB Kay Hian (Hong Kong) Limited - Client Account	256,752,503	1.68
9	State Street Bank Europe Limited	185,166,052	1.21
10	Mr. Min Tienworn	180,900,005	1.18
	Others	5,768,359,184	37.74
Total		15,285,000,000	100.00

Remarks : 1) CH. Karnchang Group's shareholding in the Company represented 28.54 percent of the registered capital, with the details as follows:

<u>CH. Karnchang Group</u>	<u>Number of Shares</u>	<u>% of Paid-up Capital</u>
1. CH. Karnchang Public Company Limited ²⁾	4,199,031,529	27.47
2. CH. Karnchang-Tokyu Construction Company Limited ³⁾	156,659,952	1.03
3. Mahasiri Siam Co., Ltd. ⁴⁾	4,327,949	0.03
4. CH. Karnchang Holding Co., Ltd. ⁵⁾	2,077,291	0.01

2) CH. Karnchang Public Company Limited ("CH. Karnchang Plc.") operates the general construction business, with Trivisvavet Group holding shares of 37.73 percent of the paid-up capital (information as at September 10, 2015), with the details as follows:

<u>Trivisvavet Group</u>	<u>Number of Shares</u>	<u>% of Paid-up Capital</u>
1. Mahasiri Siam Co., Ltd.	340,412,365	20.10
2. CH. Karnchang Holding Co., Ltd.	175,496,530	10.36
3. CK. Office Tower Co., Ltd. ⁶⁾	93,348,212	5.51
4. Mr. Plew Trivisvavet	12,631,497	0.75
5. Bang Pa-in Land Development Co., Ltd. ⁷⁾	8,134,812	0.48
6. Mrs. Saikasem Trivisvavet	5,749,142	0.34
7. Mr. Prasert Trivisvavet	3,154,285	0.19
8. Mr. Kamthorn Trivisvavet	62,775	0.004

Shareholders may refer to additional information of CH. Karnchang Public Company Limited in the Annual Registration Statement (Form 56-1) on the website of the SEC Office (www.sec.or.th) or the Stock Exchange of Thailand (www.set.or.th).

- 3) CH. Karnchang-Tokyu Construction Company Limited operates the business of construction of all types, having a total of 1,000,000 shares, with 549,994 shares representing 55 percent held by CH. Karnchang Plc.
- 4) Mahasiri Siam Co., Ltd. operates the investment business, having a total of 9,000,000 shares, with 8,378,787 shares representing 93.10 percent held by Trivisvavet Group.
- 5) CH. Karnchang Holding Co., Ltd. operates the investment and consultation business, having a total of 8,400,000 shares, with 2,100,000 shares representing 25 percent held by Mahasiri Siam Co., Ltd., and 5,250,000 shares representing 62.5 percent held by Trivisvavet Group.

- 6) CK. Office Tower Co., Ltd. operates the business of office building lease and service, having a total of 3,000,000 shares, with 750,000 shares representing 25 percent held by Mahasiri Siam Co., Ltd., and 2,250,000 shares representing 75 percent held by Trivisvavet Group.
- 7) Bang Pa-in Land Development Co., Ltd. operates the business of an industrial estate at Bang Pa-in, having a total of 2,400,000 shares, with 1,000,000 shares representing 41.67 percent held by Trivisvavet Group, 600,000 shares representing 25 percent held by Mahasiri Siam Co., Ltd., and 600,000 shares representing 25 percent held by CK. Office Tower Co., Ltd.

7.2.2 The Company's Free Float Percentage

According to the report on shareholding distribution of strategic shareholders as at December 30, 2015, as submitted to the Stock Exchange by the Company, the percentage of the non-strategic shareholders was 56.02 percent of all issued and paid-up shares.

7.3 Issuance of Other Securities

- None -

7.4 Policy on Dividend Payment

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

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

Policy on Dividend Payment of the Subsidiaries

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

BMN has a policy to pay dividend at the rate of approximately 40 percent of the net profit after deduction of legal reserves, taking into account the operational results in the accounting year of the separate financial statements as at the end of the accounting year and under the conditions of the loans agreement, subject to the investment plan, other necessities and appropriateness.

8. Management Structure

The Company's management structure comprises the Board of Directors and another four subcommittees, namely, the Audit Committee, the Executive Board, the Nomination and Remuneration Committee, and the Corporate Governance and Risk Management Committee.

The structure of the Board of Directors consists of 17 qualified members, comprising five executive directors, six independent directors and six non-executive directors, thereby constituting a counterbalance from non-executive directors. In this regard, the Company has six independent directors, which represent more than one-third of all directors.

The lists of names of the Board of Directors and the four subcommittees and executives are described as follows:

8.1 Board of Directors

The Board of Directors has 17 directors, whose names, as at December 31, 2015, are listed below:

No.	Name-Surname	Position	Category	Attendances /Number of Board of Directors' Meetings
1	Dr. Virabongsa Ramangkura	Chairman of the Board of Directors	Independent Director	1/1
2	Mr. Plew Trivisvavet	Chairman of the Executive Board Nomination and Remuneration Committee Member	Executive Director	1/1
3	Prof. Suphachai Phisitvanich ⁽¹⁾	Chairman of the Audit Committee	Independent Director	0/1
4	Gen. Chetta Thanajaro	Chairman of the Nomination and Remuneration Committee Audit Committee Member	Independent Director	0/1
5	Gen. Sampao Choosri	Chairman of the Corporate Governance and Risk Management Committee	Independent Director	1/1
6	Mr. Vitoon Tejatussanasoontorn	Audit Committee Member Nomination and Remuneration Committee Member	Independent Director	1/1
7	Mrs. Vallapa Assakul	Corporate Governance and Risk Management Committee Member	Independent Director	0/1
8	Mr. Supong Chayutsahakij	Executive Director Nomination and Remuneration Committee Member	Executive Director	1/1
9	M.L. Prasobchai Kasemsant	Director	Non-executive Director	1/1
10	Mr. Phongsarit Tantisuvanitchkul	Executive Director Corporate Governance and Risk Management Committee Member	Executive Director	1/1
11	Mr. Werapong Suppasedsak	Director	Non-executive Director	1/1
12	Mr. Panit Dunnvatanachit	Director	Non-	1/1

No.	Name-Surname	Position	Category	Attendances /Number of Board of Directors' Meetings
			executive Director	
13	Mr. Tana Janusorn	Director	Non- executive Director	1/1
14	Mr. Theeraphan Tachasirinugune	Director	Non- executive Director	1/1
15	Mr. Prasit Dachsiri ⁽²⁾	Director	Non- executive Director	1/1
16	Dr. Sombat Kitjalaksana	Executive Director Corporate Governance and Risk Management Committee Member	Executive Director	1/1
17	Mrs. Payao Marittanaporn	Executive Director Corporate Governance and Risk Management Committee Member	Executive Director	1/1

Remarks: Directors' profiles appear in Attachment 1, pages A1-1 to A1-18.

(1) Prof. Suphachai Phisitvanich passed away on January 19, 2016.

(2) Mr. Prasit Dachsiri resigned from office on February 2, 2016.

Authorized Directors

The Company has determined five directors authorized to sign and bind the Company, comprising Mr.Plew Trivisvavet, Mr.Supong Chayutsahakij, Mr.Phongsarit Tantisuvanitchkul, Dr.Sombat Kitjalaksana, and Mrs.Payao Marittanaporn, whereby two of these five directors shall jointly sign and affix the Company's seal.

Independent Directors

The Board of Directors of the Company currently comprises six independent directors or representing more than one-third of the total number of directors of the Company. The Company specifies the qualifications of its independent directors in compliance with the notifications of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand, as follows:

Qualifications of Independent Directors

1. Holding shares of not exceeding 0.5 percent of the total number of voting shares of the Company, its parent company, subsidiaries, associated companies, major shareholder or controller of the Company, including shares held by any related persons of each independent director;
2. Not being or having been a director having involvement in the management, an employee, a staff member, an advisor receiving a regular salary or a controller of the Company, its parent company, subsidiaries, associated companies, subsidiaries of the same tier, major shareholder or controller of the Company, unless such independent director has no longer been in such capacity for not less than two years prior to the submission date of the application for permission to the SEC Office, provided that such prohibited characteristics shall not apply to an independent director who was a public servant or an advisor to a government authority which is the Company's major shareholder or controller;
3. Not being a person having relationship by blood or by legal registration in the capacity as parent, spouse, sibling and offspring, including spouse of the offspring of other director, executive, major shareholder, controller or person to be nominated as director, executive or controller of the Company or its subsidiaries;

4. Not having or having had any business relationship with the Company, its parent company, subsidiaries, associated companies, major shareholder or controller of the Company in a manner which may prevent the exercise of his or her independent judgment; and not being or having been a substantial shareholder or controller of any person having a business relationship with the Company, its parent companies, subsidiaries, associated companies, major shareholder or controller of the Company, unless such independent director has no longer been in such capacity for not less than two years prior to the submission date of the application for permission to the SEC Office;

The aforesaid business relationship shall include any transaction in the ordinary course of business for lease of immovable property, any transaction relating to assets or services or grant or receipt of financial assistance through receiving or extending any loan, guarantee, providing assets as collateral, including any other similar action, which causes the Company or contractual party to be subject to indebtedness payable to the other party in the amount of three percent or more of the Company's net tangible assets or in the amount of Baht Twenty Million or more, whichever is lower. Such indebtedness shall be calculated according to the calculation method of connected transaction value under the Notification of the Capital Market Supervisory Board, Re: Rules on Connected Transactions, mutatis mutandis. However, the consideration of such indebtedness shall include the indebtedness incurred during the course of one year prior to commencement of business relationship with the same person;

5. Not being or having been an auditor of the Company, its parent company, subsidiaries, associated companies, major shareholder, or controller of the Company; and not being a substantial shareholder, controller, or partner of an audit firm which employs the auditor of the Company, its parent company, subsidiaries, associated companies, major shareholder, or controller of the Company, unless such independent director has no longer been in such capacity for not less than two years prior to the submission date of the application for permission to the SEC Office;
6. Not being or having been a professional service provider, including legal advisor or financial advisor which receives an annual service fee exceeding Baht Two Million from the Company, its parent company, subsidiaries, associated companies, major shareholder, or controller of the Company; and not being a substantial shareholder, controller, or partner of such professional service provider, unless such independent director has no longer been in such capacity for not less than two years prior to the submission date of the application for permission to the SEC Office;
7. Not being a director appointed as representative of the Company's director, major shareholder or shareholder who is a related person of the major shareholder;
8. Not engaging in any business of the same nature as and in material competition with the business of the Company or its subsidiaries; or not being a substantial partner in a partnership or a director having involvement in the management, an employee, a staff member, an advisor receiving a regular salary or holding more than one percent of the total number of voting shares of another company engaging in any business of the same nature as and in material competition with the business of the Company or its subsidiaries;
9. Not having any other characteristics preventing provision of independent opinions on the Company's operations.

8.2 Management Team

8.2.1 List of Names of Management Team

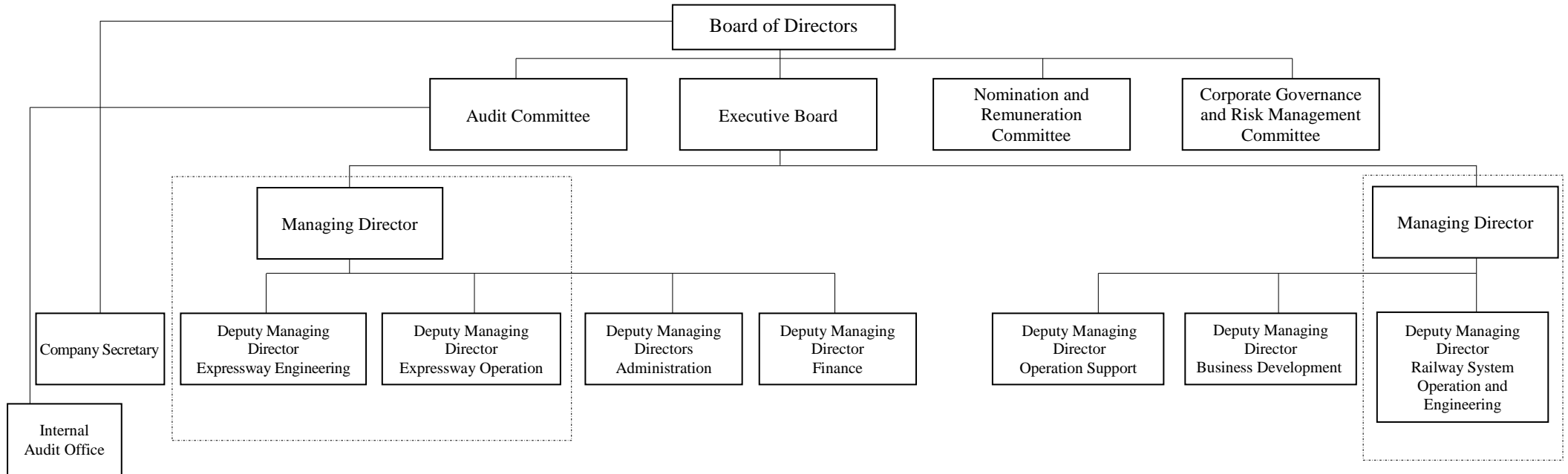
The Management Team under the structure as at December 31, 2015 comprises 10 persons as listed below : (information of executives appears in Attachment 1, pages A1-19 to A1-24).

No.	Name	Position
1.	Mrs. Payao Marittanaporn	Managing Director
2.	Dr. Sombat Kitjalaksana	Managing Director
3.	Mr. Sanguan Kunatinun	Deputy Managing Director - Expressway Engineering
4.	Mrs. Sudruthai Prommart	Deputy Managing Director - Expressway Operation
5.	Mrs. Ngamnit Kanokgarnjanar *	Deputy Managing Director - Administration
6.	Mr. Phakpoom Thaweewittayarut	Deputy Managing Director – Administration
7.	Miss Panan Tosuwanthaworn	Deputy Managing Director - Finance
8.	Mr. Witoon Hatairatana	Deputy Managing Director - Railway System Operation and Engineering
9.	Miss Pornpimol Chirtchoochai	Deputy Managing Director - Business Development
10.	Mr. Alvin Gee	Deputy Managing Director - Operation Support

Remark : * Mrs. Ngamnit Kanokgarnjanar retired on January 1, 2016.

8.2.2 Management Structure of the Company

Organization Chart of Bangkok Expressway and Metro Public Company Limited



8.2.3 Structures of the Boards of Directors of Subsidiaries

1) Northern Bangkok Expressway Company Limited

As at December 31, 2015, the Board of Directors of Northern Bangkok Expressway Company Limited comprises seven qualified directors as follows:

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

Remark: (1) – (4) resigned from office on January 19, 2016.

Authorized Directors

Northern Bangkok Expressway Company Limited has determined three directors authorized to sign and bind the subsidiary, comprising Mr. Plew Trivisvavet, Mr. Supong Chayutsahakij, and Mrs. Payao Marittanaporn, whereby two of these three directors shall jointly sign and affix the subsidiary's seal.

2) Bangkok Metro Networks Limited

As at December 31, 2015, the Board of Directors of Bangkok Metro Networks Limited comprises seven qualified directors as follows:

- | | |
|-------------------------------------|------------------------------------|
| 1. Mr. Supong Chayutsahakij | Chairman of the Board of Directors |
| 2. Mr. Sombat Kitjalaksana | Director |
| 3. Mr. Anukool Tuntimas | Director |
| 4. Mr. Phongsarit Tantisuvanitchkul | Director |
| 5. Mrs. Thipsuda Yimwilai | Director |
| 6. Mr. Nattavut Trivisvavet | Director |
| 7. Miss Pornpimol Chirtchoochai | Director |

Authorized Directors

Bangkok Metro Networks Limited has determined seven directors authorized to sign and bind the subsidiary, namely, either Mr. Supong Chayutsahakij or Mr. Sombat Kitjalaksana or Mr. Anukool Tuntimas or Miss Pornpimol Chirtchoochai and either Mrs. Thipsuda Yimwilai or Mr. Phongsarit Tantisuvanitchkul or Mr. Nattavut Trivisvavet, totaling two persons, shall jointly sign and affix the subsidiary's seal.

8.3 Company Secretary

The Board of Directors considers appointing the qualified person as Company Secretary. On December 30, 2015, the Board of Directors appointed Mr. Phakpoom Thaweewittayarut, who is knowledgeable and capable in the fields of accounting, law, and audit, as well as fully understands rules, regulations and criteria applicable to listed companies, to serve as Company Secretary (details of his profile appear in Attachment 1), with the duties and responsibilities as follows:

1. Providing suggestions to directors relating to provisions of laws, relevant rules and regulations.
2. Arranging for orientation and providing information necessary for performance of duties to the current and new directors.
3. Monitoring the Company to ensure its compliance with laws, Articles of Association, relevant regulations and the good corporate governance principles.

4. Convening meetings as stipulated by laws and Articles of Association, preparing and keeping minutes of meetings, as well as coordinating to ensure efficient performance in compliance with resolutions passed by the Board of Directors or the shareholders' meetings.
5. Preparing and keeping the following documents:
 - a) Directors' register;
 - b) Notices, minutes of the Board of Directors' meetings and annual reports of the Company;
 - c) Notices and minutes of the shareholders' meetings.
6. Keeping reports on interest filed by directors or executives.
7. Monitoring to ensure disclosure of information and information memorandum to regulatory units in compliance with relevant laws, rules and regulations.
8. 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@bemplc.co.th.
9. Promoting provision of various training courses and providing information useful for performance of duties of new directors.
10. Making other arrangements as announced by the Capital Market Supervisory Board.
11. Proceeding with other matters as assigned by the Board of Directors.

8.4 Remuneration of Directors and Executives

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

Remuneration for Directors and Managing Directors

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 Directors who possess the required qualifications.

Remuneration for Executives

Remuneration for executives, excluding the Managing Directors, shall be considered 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.

In 2015, the Company paid remuneration for directors and executives as follows:

(1) Monetary remuneration

- (1.1) Remuneration for directors of the Company comprises annual remuneration, meeting allowance, and bonus. In 2015, the Company did not pay its directors any monetary remuneration; however, the Company would propose remuneration for directors for 2016 to the 2016 Annual Ordinary General Meeting of Shareholders for consideration and approval.
- (1.2) In 2015, the Company did not pay remuneration for its executives.
- (1.3) In 2015, NECL paid remuneration for its directors, comprising annual remuneration, meeting allowance, and bonus, in the total amount of Baht 1,988,736, which was in line with the resolution of its 2015 annual ordinary general meeting of shareholders which approved the remuneration for directors in an amount not exceeding Baht 3,020,000; however, bonus for directors for 2014 was suspended.

- (1.4) In 2015, BMN paid remuneration for its directors, comprising annual remuneration, meeting allowance, in the amount of Baht 1,121,000, which was in line with the resolution of its 2015 annual ordinary general meeting of shareholders which approved the remuneration for directors for 2015 in an amount not exceeding Baht 1,308,000.
- (2) Other remuneration
- (2.1) Other remuneration for directors
- None -
- (2.2) Other remuneration for executives
- The Company establishes a provident fund, which represents long-term remuneration upon termination of employment with the Company or upon retirement, whereby executives pay savings at the rate of 3-10 percent of his/her salary according to service years and the Company pays contributions at the same rate to the fund.
- The contribution rate paid by the Company is in accordance with the resolution of the Board of Directors' Meeting, taking into consideration the Company's profitability and the Company's operational results.

8.5 Personnel

8.5.1 Number of Staff

As at December 31, 2015, the Company has a total of 2,362 staff, who were transferred from BECL and BMCL, per the details as follows:

Prior to the amalgamation, BECL had a total of 740 staff, comprising personnel in two main functions, namely, Operation and Engineering, representing 79 percent of all staff, and personnel in supporting functions, namely, Administration and Finance, representing 21 percent of all staff.

BMCL had a total of 1,622 staff, comprising personnel in main functions, namely, Train Operation Group, Engineering & Maintenance Group, Project Development Group, Safety & Quality Division, Information and Operational Results Division, representing 86 percent of all staff, and personnel in supporting functions, namely, Management Group, Accounting and Finance Department, Office of the Managing Director, Office of the Internal Audit, and Office of the Human Resources, representing 14 percent of all staff.

As at December 31, 2015, the Company has its staff in main functions (excluding executives) as follows:

Main Functions	Staff (persons)
1. Main functions	1,980
2. Supporting functions	382
Total	2,362

NECL has no employment of executive and permanent staff, but operates the Udon Ratthaya Expressway by means of a service agreement with BEM.

As at December 31, 2015, BMN has its staff in each work unit (excluding executives) as follows:

Departments	Staff (persons)
Marketing and Business Development Department	44
Accounting, Finance and Administration Department	25
Operation Department	41
Total	110

Significant Change in Number of Staff over the Past Three Years

- None -

Significant Labor Dispute over the Past Three Years

- None -

8.5.2 Personnel Development Policy

1. The Company establishes a policy on nomination, development and retention of its personnel by means of provision of remuneration in the form of salary, welfare, and other remuneration which are competitive in the same industry.
2. The Company regards its staff as valuable resources, that is, human resources are one of the major factors to the Company's development and competitiveness as well as achievement of the Company's objectives. The Company realizes the significance of internal personnel development and improvement by way of regular training and performance review, including local and overseas study visits and training, particularly the awareness and training in respect of service safety. The Company's staff must strictly comply with the Company's safety rules and international standards.
3. The Company arranges for the efficient personnel management system based on fairness, equality and opportunity for staff development and exercise of competency at full capacity.
4. The Company gives priority to morale and a sense of pride in work performance of staff by determining remuneration and career advancement based on knowledge, competency and fairness, as well as arranging for the reasonable welfare system, together with development of staff lifestyle in order to retain the Company's valuable human resources.
5. Retention of the Company's competent personnel
The Company ensures that highly capable and competent staff advance in their career paths.

8.5.3 Benefits

1) Remuneration for Staff

In order to determine the appropriate and competitive remuneration to maintain the good and competent staff to work with the organization, the Company then participates in the survey of wages and remuneration to compare with labor market and 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.

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

Furthermore, the Company establishes a provident fund for long-term care of staff in order to motivate staff to work with the Company and to encourage staff's saving habits to secure adequate retirement savings for a quality retirement life. Staff may apply for provident fund membership, whereby staff shall pay savings at the rate of 3 to 10 percent of his/her salary according to his/her ability and the Company shall pay contribution at the rate of 3 to 10 percent according to his/her service years and requirements of the fund. Staff who are fund members shall gain benefits arising from management in proportion to each staff's money in the fund. The Company also arranges group life insurance for staff so as to ensure security for staff family accordingly.

2) 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 in order to jointly provide advice and suggestions to the Company on welfare benefits for its staff as a whole and monitor to ensure that the Company's welfare benefits are properly provided to its staff, which lead to adjustment and improvement of the Company's welfare in various aspects as appropriate according to the changing economic and social circumstances.

3) Labor Relations

The Company sets out a policy to take care of its staff via the line management, whereby the human resources unit 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. Moreover, the Company encourages and supports budget for off-work 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. The sports club arranges for activities all year round, e.g., jogging for good health, as well as participation in running for charity in association with the government sector on various occasions; 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 and strengthen good intercompany relationships. The music club regularly arranges for recreational activities every year to promote staff to show their artistic and performance talents, to perform their shows in various events of the Company, and to spread happiness to the society, particularly the underprivileged communities.

9. Corporate Governance

9.1 Corporate Governance Policy

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

1. Shareholders' Rights

Shareholders are encouraged to exercise their fundamental rights and the Company takes care of its shareholders beyond their rights as specified by law without any actions in violation of or depriving shareholders of their rights.

2. Equitable Treatment of Shareholders

The Company ensures that all shareholders are equally treated according to their fundamental rights, and lays down measures to prevent inside information usage for advancing personal interests or the interests of others which causes damage to shareholders as a whole.

3. Role of Stakeholders

The Company takes care of every group of stakeholders based on their rights as specified by applicable laws without any actions in violation of or which deprive stakeholders of their rights, establishes compensation measures in case any stakeholder sustains any damage arising from violation of the rights, and promotes cooperation between the Company and stakeholders in order to build up wealth, financial stability and sustainability of the Company.

4. Disclosure and Transparency

All activities are undertaken with transparency and are open for inspection with sufficient information disclosure to all relevant parties, including disclosure of material information relating to the Company, both financial and non-financial information, which is made correctly, completely, timely and transparently through channels that are accessible easily, equally and reliably.

5. The Board of Directors' Responsibilities

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

To build up confidence for shareholders, investors and all parties concerned, the Board of Directors regularly reviews its corporate governance policy every year. In this regard, the Company has disclosed and disseminated the corporate governance policy on its website for both internal and external communication and via the electronic mail for internal communication with staff for information and compliance with such policy. As a result of the Stock Exchange's updated Principles of Corporate Governance for Listed Companies 2012 in line with the rules of ASEAN CG Scorecard, the Board of Directors has then reviewed its practices in accordance with the Company's good corporate governance principles, and the Company has also prepared good corporate governance guidelines for compliance.

The Company has complied with the Principles of Good Corporate Governance for Listed Companies in accordance with the best practices of the Stock Exchange of Thailand in five sections as follows:

9.1.1 Shareholders' Rights

The Board of Directors acknowledges shareholders' ownership rights to decide on the Company's significant changes. The Board of Directors also understands the significance of shareholders' rights and therefore refrains from taking any actions in violation of or which deprive shareholders of their rights as well as facilitates their exercise of such rights. Shareholders are sufficiently informed on rules and procedures for participation in meetings

and provided with other information in support of their consideration of each agenda item in due course in accordance with the practices of the Stock Exchange, as follows:

1. Shareholders' Meetings

1.1 All groups of shareholders' participation in shareholders' meetings

The Company realizes shareholders' ownership rights and thus manages its business with good, acceptable and reliable governance. Shareholders control the Company through the appointment of the Board of Directors. In this connection, the Board of Directors clearly sets out the corporate governance policy that the Company must encourage all groups of shareholders, particularly minority shareholders, foreign shareholders, and institutional shareholders, to exercise their rights without limitation to only such rights provided by laws, and shareholders' fundamental rights under laws must be protected, whereby the Company must not take any actions in violation of or which deprive shareholders of their rights. Shareholders' right to decide on significant changes shall be promoted by providing sufficient access to the Company's information, encouraging their participation in shareholders' meetings to vote on appointment of directors, determination of remuneration for directors, appointment of auditors and determination of audit fee, including voting on any important matters of the Company.

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

1.2 Shareholders' access to the Company's information

Notices of meetings which contain detailed explanations of and reasons in support of each agenda item, date, time, place, including details relating to the documents or evidence in support of participation in meetings, are prepared by the Company both in Thai and English versions for the benefit of foreign shareholders. The Company posts notices of meetings on the Company's website 30 days in advance. In addition, notices of meetings must be sent to Thailand Securities Depository Company Limited, as the Company's share registrar, for delivery to shareholders 14 days prior to meetings, so as to allow shareholders to have time to consider the details of each agenda item. Furthermore, shareholders' meetings must proceed in accordance with the order of agenda as specified in notices of meetings without adding any agenda to meetings without prior notice to shareholders in meetings, so that shareholders have access to information in support of their consideration of each agenda item.

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

The Company facilitates shareholders' exercise of their rights to attend meetings and vote without any special conditions which may restrict shareholders' opportunity to attend meetings. The Company sets shareholders' meeting dates which do not fall on any long holidays or public holidays; and an appropriate meeting time which is not too early in the morning or too late in the evening. Meetings are held at venues which are convenient for commuting, such as, close to a metro station or expressway on-off ramp, and with sufficient parking area, together with meeting venue and travelling map.

1.4 Shareholders' opportunity to ask questions in advance

The Company welcomes shareholders' inquiries concerning meetings in each agenda item or submission of questions or suggestions prior to meeting dates, subject to procedures described in the notices of meetings. The Company also discloses the detailed procedures for submission of questions in advance on its website at www.bemplc.co.th. Shareholders

may send questions via the Company's website or e-mail address : companysecretary@bemplc.co.th, Telephone : 0 2641 4611, Facsimile: 0 2641 4610, and by post to the Managing Director Office, Bangkok Expressway and Metro Public Company Limited Branch Office (1) No. 238/7 Asoke-DinDaeng Road, BangKapi Subdistrict, Huai Khwang District, Bangkok 10310.

Shareholders may submit questions in advance for the Company's ordinary general meetings of shareholders. Answers to shareholders' questions submitted in advance may be given via e-mail, facsimile, other appropriate channels, or at ordinary general meetings of shareholders.

1.5 Shareholders' proxy

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

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

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

2) Conduct of Shareholders' Meetings

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

2.1 Use of technology in meetings

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

2.2 Directors' participation in shareholders' meetings

The Board of Directors realizes the significance of their participation in shareholders' meetings to answer questions and take suggestions of shareholders into consideration. The Chairman of the Board of Directors, Audit Committee Chairman, chairs of various subcommittees, Managing Directors, and the Management Team of the Company will attend all shareholders' meetings to answer shareholders' questions on various issues.

2.3 Rules on voting

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

2.4 Vote counting or examination in shareholders' meetings

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

2.5 Use of voting cards

1. Voting cards are provided for every agenda for those who attend the meetings in person or by proxy and have power to vote on each agenda item. The Company's officers facilitate the collection of voting cards in the meeting room. To ensure transparency, the Company has its legal advisor and the shareholders' representatives serve as witnesses in the counting of votes.
2. In case shareholders appointing their proxies have clearly voted for, against or abstained from voting on the respective agenda items, the Company collects and records such votes for computer processing in advance. The legal advisor and the shareholders' representatives examine the counting of votes by proxy, in which case, no voting cards are provided to the proxies attending the meetings.
3. To ensure that the conduct of the meeting in each agenda item is efficient and beneficial to shareholders as a whole and that the Board of Directors has sufficient time to clarify or answer shareholders' questions, the Company collects only the voting cards of the shareholders attending the meeting in person and intending to vote against or abstain from voting.
4. For the agenda item on appointment of directors in respect of which shareholders may vote on an individual basis, the Company collects the voting cards from all shareholders attending the meeting to ensure transparency in the counting of votes which can be requested for review at a later date.

2.6 Shareholders' opportunity to share opinions or ask questions

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

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

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

1. The Company disseminates resolutions of shareholders' meetings on its website in addition to the disclosure to the Stock Exchange via SET Community Portal (SCP), within the business day following the shareholders' meetings for information and review of voting results.

2. The Company prepares minutes of every shareholders' meeting with accuracy and completeness, comprising the following information:
 - The list of directors attending the meeting;
 - The number of shareholders/shares present at the meeting (in person/by proxy);
 - Brief explanation on material issues, such as, voting procedures and display of voting results, to the meeting prior to conducting the meeting;
 - Names of persons who ask/answer questions or share opinions in brief;
 - Resolutions of the meeting, with details of votes for, against or abstentions.
3. Draft minutes of shareholders' meeting are made available for all shareholders' information on the Company's website after the minutes have been delivered to the Stock Exchange within 14 days after the end of the meeting.
4. Video presentation of the atmosphere of the shareholders' meeting is made available on the Company's website for the shareholders absent from the meeting or for any persons interested in the Company's information, to review details of the meeting other than those recorded in the minutes, and such video presentation is available on the website until the next shareholders' meeting.

9.1.2 Equitable Treatment of Shareholders

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

1) Provision of Information prior to Shareholders' Meetings

The Board of Directors ensures that the Company gives notice of the meeting, together with agenda items and opinions of the Board on each agenda item, to the Stock Exchange in accordance with the rules on disclosure, and such notice is posted on the Company's website on the following business day; ensures that the Company prepares the notice of the meeting, together with details of each agenda item, both in Thai and English, for the convenience of foreign shareholders; and disseminates such notice of the meeting, together with details of each agenda item, on its website one month prior to the meeting date. The Board of Directors also ensures that the Company gives prior notice to shareholders on rules and regulations in the conduct of the meeting, voting procedures, including their voting rights.

2) Protection of Minority Shareholders' Rights

The Company is determined to facilitate shareholders' exercise of their rights to supervise the Company's business through the Board of Directors in order to enable shareholders to exercise their rights to propose any matters relating to the Company's significant changes. The Company therefore adopts a policy to fairly and equally allow all shareholders to exercise their rights to propose agenda items to the shareholders' meeting and to nominate qualified candidates for appointment as directors via the Company's website. Shareholders may exercise such rights three months prior to the end of each accounting year. The Company has informed its shareholders of such change via the Stock Exchange's website, including relevant rules on the Company's website. In this regard, the Board of Directors considers incorporating agenda items proposed by shareholders as appropriate. As for the candidates nominated for appointment as directors, the management proposes such names to the Nomination and Remuneration Committee for further submission to the Board of Directors and the shareholders' meeting.

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

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

3) Prevention of Inside Information Usage

The Board of Directors has set out written guidelines for protection and prevention of inside information usage, and informed all staff of such guidelines for compliance. In this regard, the Company has established measures to prevent inside information usage to advance the interests of directors and executives by informing all persons of their roles and duties to report their own securities holdings, and those of their respective spouses or minor children who hold securities of the Company; and to report on every change in such securities holding from purchase, sale, transfer or acceptance of securities, to the Office of the Securities and Exchange Commission ("SEC Office") in accordance with Section 59 of the Securities and Exchange Act B.E. 2535 (1992) within three business days from the date of purchase, sale, transfer or acceptance of transfer of securities, and the Company regularly reminds the Board of Directors thereof. The Board of Directors has required such directors and executives to report on their securities trading or holding to the Board of Directors' Meeting on a quarterly basis. Moreover, directors and executives have also been informed of their duties and responsibilities as specified, including punishments under the laws. In addition, the Company prohibits its executives who have access to inside information from taking any actions contrary to the relevant laws, rules and regulations.

4) Interests of Directors and Executives

4.1 Report on interests of directors and executives

The Board of Directors imposes a duty on its directors and executives to report on their personal interests and disclose their holdings of directorships or executive positions in other legal entities, and their shareholdings in other legal entities in excess of 25 percent of total voting shares and this obligation applies to both reporters and their related persons. This is to ensure that the Board of Directors has information in support of its consideration and approval of execution of transactions of the Company and its subsidiaries with accuracy and transparency in compliance with the relevant rules and regulations.

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

Report on securities holding by directors and executives for 2015

Names of Directors/Executives	Amount of Ordinary Shares			
	As at December 30, 2015	Change in 2015	As at December 31, 2015	
			Amount	Percent
Directors				
1. Dr. Virabongsa Ramangkura	-	-	-	-
2. Mr. Plew Trivisvavet	21,706,878	-	21,706,878	0.1420
Spouse	2,102,527	-	2,102,527	0.0138
3. Prof. Suphachai Phisitvanich ⁽¹⁾	-	-	-	-
4. Gen. Chetta Thanajaro	2,102,527	-	2,102,527	0.0138
5. Gen. Sampao Choosri	-	-	-	-
6. Mr. Vitoon Tejatussanasoontorn	2,906,393	-	2,926,393	0.0190
7. Mrs. Vallapa Assakul	1,496,296	-	1,496,296	0.0098
8. Mr. Supong Chayutsahakij	2,102,527	-	2,102,527	0.0138
9. M.L. Prasobchai Kasemsant	-	-	-	-
10. Mr. Phongsarit Tantisuvanitchkul	-	-	-	-
11. Mr. Werapong Suppasedsak	-	-	-	-
12. Mr. Panit Dunnvatanachit	-	-	-	-
13. Mr. Tana Janusorn	-	-	-	-
14. Mr. Theeraphan Tachasirinugune	-	-	-	-
15. Mr. Prasit Dachsiri ⁽²⁾	-	-	-	-
16. Dr. Sombat Kitjalaksana	4,699,141	-	4,699,141	0.0307
17. Mrs. Payao Marittanaporn	-	-	-	-
Executives	-	-	-	-
18. Mr. Sanguan Kunatinun	-	-	-	-
19. Mrs. Sudruthai Prommart	-	-	-	-
20. Mrs. Ngamnit Kanokgarnjanar	-	-	-	-
21. Mr. Phakpoom Thaweewittayarut	-	-	-	-
22. Miss Panan Tosuwanthaworn	-	-	-	-
23. Mr. Witoon Hatairatana	2,102,527	-	2,102,527	0.0138
24. Miss Pornpimol Chirtchoochai	-	-	-	-
25. Mr. Alvin Gee	-	-	-	-
Spouse	447,210	-	447,210	0.0029

Remarks : (1) Prof. Suphachai Phisitvanich passed away on January 19, 2016.
(2) Mr. Prasit Dachsiri resigned from office on February 2, 2016.

4.2 Interested directors' participation in shareholders' meetings

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

5) Execution of Connected Transactions on Arm's Length Basis

The Board of Directors approves in principle the Company's execution of connected transactions on arm's length basis, namely, transactions which involve commercial terms in a manner persons of ordinary prudence may enter into with general parties under the same circumstances, through commercial negotiation without any influence in the capacity as director, executive or related person, as to execution of such transactions between the Company and its subsidiaries with directors, executives or their related persons, as follows:

5.1) Criteria for execution of connected transactions

1. Engagement of any company or legal entity which is connected person for repair, improvement or additional construction of expressways and related equipment should such company or legal entity propose fair price and conditions to the utmost benefit of the Company.
2. Engagement of any company or legal entity which is a connected person for repair or purchase of materials or equipment, inclusive of labor, for maintenance of administration buildings and depots in the future, subject to the commercial conditions and other agreements which are not different from others.
3. Transactions between the Company and its subsidiaries with MRTA as follows:
 - (1) Support of public relations and advertising activities to facilitate the metro service, in an amount not exceeding Baht One Million per year.
 - (2) Support of government policies to facilitate people's commute by the metro during the specified period from time to time by means of discounts or free rides, provided that MRTA will compensate for revenue during such period in accordance with appropriate and fair criteria.
4. Transactions in the manner of management or advisory service to any legal entity which is a connected person.
5. Leases of office building spaces for the Company and its subsidiaries from CH. Karnchang Public Company Limited.
6. Other transactions which are connected transactions on arm's length basis under the definition of the SEC Office or the Stock Exchange.

5.2) Prevention of a conflict of interests

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

5.3) Related party transactions or connected transactions

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

1. The Company shall comply with the rules and regulations of the Securities and Exchange Commission and the Stock Exchange, including the requirements on the disclosure of connected

transactions as well as acquisition and disposition of significant assets of the Company or its subsidiaries and the accounting standards as prescribed by the Federation of the Accounting Professions. If there are transactions which may give rise to a conflict of interests in the future, such as, hiring a group of persons who may have a conflict of interests to carry out construction, project management, project maintenance, the Board of Directors, in association with the Audit Committee, shall consider the necessity and justification of such transactions, including pricing and terms of the transactions, which must be based on the ordinary course of business. Pricing must also be compared with third party prices or market price. Interested persons will not be allowed to participate in the consideration and approval of the transactions.

2. The Company has no policy to extend or guarantee a loan for a person who may have a conflict of interests under the definition of the SEC Office.
3. Should the Audit Committee do not have expertise to consider any particular related party transaction which may take place, the Company will arrange for an independent expert or the Company's auditor to give any opinion on such related party transaction to support the decision-making of the Board of Directors and/or the Audit Committee or the shareholders, as the case may be.
4. The Company will disclose the related party transactions in the notes to the financial statements that have been reviewed or audited by the Company's auditor.

9.1.3 Role of Stakeholders

The Company has a clear policy which focuses on rights of every group of all stakeholders, whether inside, such as, staff and executives of the Company and its subsidiaries, or outside, such as, customers, business related persons, lenders, traders, society and communities where the Company is located, nearby schools, government sector, including competitors, and other relevant authorities. Any stakeholder wishing to contact or have any comments may directly contact directors or the Company Secretary. In addition, the Board of Directors has laid down the corporate governance policy that requires the Company to treat stakeholders based on their rights as specified by applicable laws without any actions in violation of stakeholders' right; and compensation measures in case any stakeholder sustains any damage arising from violation of the rights; as well as focuses on its operations with respect to human rights. The Company has continued to take care of stakeholders in accordance with the policies, as follows:

1) Policy on treatment of each group of stakeholders

1.1 Customers: The Company has a commitment to provision of quality and reliable services in response to customers' needs to save their travelling time in Bangkok and its surrounding provinces as well as to realizing the significance of fair treatment towards all customers. Work plans/programs are continuously set out for improvement of the expressway and metro services for users 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 services to satisfy service users' expectations.
2. Ensuring prompt responses to service users' needs, and allowing and facilitating submission of any comments or suggestions for service improvement.
3. Providing accurate and timely information on services.

4. Organizing special activities to allow the service users to visit the operation and management of the expressways and metro under the Company's concessions, including regular promotion of the service usage by and marketing activities with customers.

- 1.2 **Business counterparts:** The Company strictly discharges its obligations under the Agreements with EXAT and MRTA in its capacity as contractual party, and fairly treats its business counterparts on the basis of equitable treatment, without any barrier, special right or discrimination. The Company also complies with conditions, rules, regulations, mutual practices, and promotes good relationships, which are clearly written in the Company's code of business ethics, along with the work procedures in accordance with ISO 9001 Quality Management System. This is to ensure its collaboration with EXAT and MRTA to provide the efficient and regular services. In this regard, the Company arranges for monthly performance satisfaction assessment by EXAT in order to develop and improve the efficiency of the operations. According to the assessment results, EXAT is completely satisfied with the Company's excellent collaboration.

The Company organizes quarterly meetings between its operating staff and EXAT's personnel and monthly meetings with MRTA, which not only enhance the efficiency and results in the service users' satisfaction, but also minimizes conflicts or impacts which may give rise to disputes over joint operations between both parties.

- 1.3 **Traders/Contractors:** The Company has a commitment to procurement of standard goods and service, for the purpose of development and maintenance of sustainable relationships with traders, with the clear objectives in terms of quality of goods and service worth its value, technical standard and creditability. The Company therefore provides fair and equal procurement procedures with all traders in compliance with the work procedures regarding procurement in accordance with the requirements of ISO 9001 Quality Management System, based on the practices as follows:

1. Determining the criteria for selection of trade counterparts through a strict screening process to ensure fair business operations without violation of human rights.
2. Ensuring competition on the basis of equal information access, without preventing any trader from participating in business competition.
3. Preparing contracts in appropriate and standard forms.
4. Arranging for management and monitoring system to ensure the full compliance with contracts and internal control system to prevent fraud and misconduct in all steps of the procurement procedures.
5. Making payments to traders on time in accordance with terms of payment as mutually agreed.
6. Not allowing directors and/or staff to personally accept any benefits from traders.
7. Evaluating traders on a yearly basis and informing them of the results of evaluation with suggestions for traders to continuously improve the quality of goods and services, and also allowing traders to contact the management to make any complaints if they are unfairly treated.
8. Refraining from seeking any trader's confidential information dishonestly or improperly, such as, bribing directors and staff of its competitors.
9. Refraining from making a serious accusation against traders without reasonable grounds.

1.4 Lenders: The Company strictly complies with the conditions of its Credit Facilities Agreements at all times to build up confidence of the financial institution lenders who provide financial support to the Company's projects, and refrains from breaching any conditions thereof as mutually agreed. The Company complies with and adheres to the following procedures:

1. Strictly complying with the conditions of the Credit Facilities Agreements as mutually agreed. In case it is unable to comply with any condition, the lenders must be informed thereof in advance to jointly seek a solution.
2. Equitably and fairly treating all lenders on the basis of a win-win solution for both sides.
3. Regularly and timely reporting on accurate and complete financial information to lenders.
4. Refraining from demanding, receiving or accepting engagement for any fraudulent benefits in commercial terms.
5. Disclosing information on demand, or acceptance of any fraudulent benefits, to lenders to jointly resolve such problems fairly and promptly.

1.5 Staff: The Company considers staff as a key resource behind its business movements and as a crucial factor to the Company's success, and then clearly sets out the staff practices in respect of proper treatment of staff, including the occupational safety and health, in the Company's code of business ethics, subject to the Board of Directors' review of the performance in compliance with such policy every year. The policy comprises:

1. Providing fair and appropriate benefits to staff according to their respective work competency, by mainly employing staff performance evaluation system for development of competency as well as clearly measuring their performance based on KPIs in every key activity in support of consideration of merits of staff and for motivation of work development, including remuneration in line with the value added to the business in the long run.
2. Creating a participatory and teamwork environment by allowing staff to express their opinions on work performance.
3. Ensuring that staff take pride in and engage with the organization by encouraging their career advancement.
4. Ensuring equitable treatment, integrity and fairness in punishment, appointment, and transfer, including rewards, on the basis of staff's knowledge, capacities and qualifications.
5. Maintaining the work environment on the basis of occupational health and safety for life and property of staff and the Company, whereby the Company takes into account the safety of staff's operation and the service users, and as such, organizes regular training to technical and engineering teams, including rescue and traffic management staff on the expressways, so as to ensure their efficient and safe performance; and in regard to the metro business, the Company also holds training to all staff on work safety, implement safety operations in accordance with the laws as well as local and international safety standards, i.e., TIS 18001 : 2001 and OHSAS 18001 : 2007, with the principal of ensuring staff welfare, safety, occupational health and work environment in relation to the metro operations.
6. Giving priority to and promoting staff's development of their knowledge and capacities, whereby the Company allows staff to develop their knowledge by encouraging them to attend training courses or further study in order to enhance their skills and

competency, and the Company also organized staff health activities to support the balance between work efficiency and good health and well-being of staff; as well as widely and constantly fostering the attitudes and values on quality work system, including awareness of energy saving and environment preservation.

7. Respecting human rights in respect of nondiscrimination, provision of equitable opportunity for employment of female labor, disabled persons, underprivileged persons, youths, and the elderly.
8. Ensuring that staff strictly comply with laws and regulations relating to staff, including provision of suggestions and close monitoring in order to prevent any illegal action due to mistaken beliefs, whereby the Company supervises staff to ensure that they use lawful products and refrain from infringement of copyrights or intellectual property, along with support of compliance with the operational guidelines and performance of duties with integrity, without any involvement with corruption for the benefits and success of the Company.

1.6 Supply chain: The Company deals with the supply chain in strict compliance with international standards, ISO 9001 Quality Management System, and ISO 14001 Environment Management System, by way of providing education and close monitoring and audits to ensure that the supply chain of traders in business association with the Company takes account of environmental impact, in the interests of the sustainability of their mutual business alliance.

1.7 Communities where the Company's business premises are located: The social and environmental impacts of its business operations on the communities adjacent to the expressways, metro routes, or near its office are of concern to the Company, and therefore, the Company continues to organize special activities and provide support to various community activities.

2) **Anti-Corruption Policy**

The Company realizes and gives priority to anti-corruption and fraud prevention, both inside and outside its organization. The Company thus formulates guidelines for proper conduct of directors, executives and staff via the code of business ethics of the Company. Furthermore, with the potential damage from corruption in mind, the Company then formulates anti-corruption policy containing the key practical guidelines as follows:

1. The Company's staff at all levels should carry out activities with fairness, integrity and transparency in business dealings with various agencies, provided that such activities must be lawful, and they have the duty to comply with the anti-corruption policy in the code of business ethics of the Company.
2. The Company promotes fair treatment with integrity towards its traders and compliance with any contractual commitments made with the Company's stakeholders.
3. Executives' and staff's awareness must be promoted to ensure that they refrain from committing any fraud and realize consequences of corruption.
4. Directors, executives and staff must refrain from accepting or offering any reception, gifts, and any other payments which are extravagant and unusual to those in business dealings with the Company.
5. The Company arranges for staff training to educate them regarding the anti-corruption policy, practices and guidelines.

3) Non-infringement of intellectual property

The Company respects and complies with the intellectual property laws, and has no policy to support any arrangements which infringe intellectual property of any kind, based on the following guidelines:

1. All staff have duty to protect and keep the Company's intellectual property confidential to ensure that such information must not be leaked out and exploited for personal gain or any other person's gain without permission.
2. All staff must respect and honor others' intellectual property and refrain from exploiting any of others' intellectual property, whether in whole or in part, without the owner's permission.

4) Respect of laws and human rights principles

The Company makes it mandatory for directors, executives and staff to comply with the laws and human rights principles or human dignity, regardless of race, color, sex, language, religion, social origin, property, birth, political opinion, or other status, including to realize their own rights, duties, and responsibilities towards society and others, based on the guidelines as follows:

1. The Company must strictly comply with the laws and human rights principles and not support any business which violates the human rights.
2. The Company treats all staff equally, without discrimination in terms of employment, remuneration, training, promotion, termination or dismissal due to sex, race, color, religion, age, marital status, pregnancy, political opinion, or disability, etc.
3. The Company allows all staff to enjoy equal rights for work pursuant to rules, regulations, notifications and orders of the Company.

5) Procedures and Channels of Complaints**5.1) Submission of complaints**

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

Company Secretary : Bangkok Expressway and Metro Public Company Limited
No. 238/7 Asoke-DinDaeng Road, BangKapi Subdistrict, Huai Khwang District, Bangkok 10310
Telephone : 0 2641 4611
E-mail : companysecretary@bemplc.co.th

5.2) Procedures upon receipt of complaints

1. Fact-finding
The Board of Directors appoints or authorizes a working group to personally find facts related to the violation or non-compliance with the code of ethics or policies.
2. Fact processing and screening
The authorized working group processes and screens such facts and then considers proposing appropriate steps and actions for handling such complaints.
3. Measures
The authorized working group proposes measures to deal with the violation or non-compliance with the code of ethics or policies to the Board of Directors' consideration so as to alleviate damage for those affected by such occurrence, taking the overall damage into account.

4. Report on results

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

5.3) Measures to protect the complainants or those who provide cooperation in the investigation

The complainants or those who provide cooperation in the investigation are protected in accordance with the following criteria:

1. The complainants or those who provide cooperation in the investigation of facts may choose to keep their identities undisclosed, in case such disclosure may jeopardize their safety or cause any damage.
2. In case their identities are disclosed, the Company will report on developments of the fact finding.
3. The Company may not disclose name-surname, address, photograph, or any other information which may identify the complainants or those who provide cooperation in the investigation of facts.
4. The person who accepts complaints must keep related information confidential and may disclose the same only to the extent necessary by taking into account safety and damage in respect of the complainants or those who provide cooperation in the investigation of facts, sources of information or related persons. If it is likely to cause damage or jeopardize safety, appropriate protection measures must be implemented.
5. Those who sustain damage will be compensated by way of appropriate and fair procedures.

6) Corporate Social Responsibility and Sustainable Development Policy

The Company is committed to operate its business with particular emphasis on society and the environment for the Company's sustainable business growth. As such, the Company makes sure that its operations are transparent and fair, with the aim to benefit and grow together with all groups of stakeholders as appropriate. Therefore, the Company has set forth its operating policy for sustainable development as follows:

1. To lead the organization in accordance with the sustainable development concept, through communication and exchange of best practices with all of the Company's stakeholders;
2. To incorporate the sustainable development concept into every aspect of the work and decision processes of the Company;
3. To promote training, learning and counseling, focusing on practices according to the sustainable development guidelines;
4. To support regional operation and cooperation to achieve a sustainable development.

It is the responsibility of every employee to seriously implement this policy as part of his or her own work processes for the sustainable growth of the Company and all groups of stakeholders.

Details of activities relating to the corporate social responsibility and sustainable development of the Company (formerly BECL and BMCL) in 2015 appear in Part 2, Item 10: Corporate Social Responsibility.

7) Environmental Policy

The Company is environmentally responsible for its service business. Therefore, the Company is committed to environmental management based on the following practices:

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

It is the responsibility of all the Company's staff and contractors to seriously and regularly implement this policy to ensure a good quality environment for service users, staff, contractors and communities nearby.

8) Risk Management Policy

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

The Company realizes that a risk management process is an essential element which enables the Company to foresee various risks and to make preparations in response to changes in the business conditions in a timely and appropriate manner, as well as to achieve a sustainable growth. The risk management policy of the Company is as follows:

1. To adopt a risk management process in accordance with international standards or practices to ensure the efficiency of risk management, implementation and development in the same direction on an enterprise level in line with the business operation policy of the Company.
2. To treat the risk management as part of work, significant decision-making regarding management, and strategic planning to achieve the specified objectives, goals, missions and vision of the Company.
3. To carry out a proactive risk management to manage risks which may result in the Company's loss of interests and opportunities.
4. To delegate a risk management as staff's responsibility at all levels and manage risks within their work units and the organization to contain risks at adequate and appropriate level.
5. To determine guidelines for prevention or reduction of risks at a level acceptable to the Company in order to formulate plans to manage and control risks to at an acceptable level. All work units must consider the justification of expenses or costs to implement risk management measures in comparison with expected benefits.
6. To efficiently communicate the risk management within the Company for staff's effective learning, development and compliance.
7. To prepare an annual risk management plan subject to consideration and approval of the Corporate Governance and Risk Management Committee in respect of sufficiency and appropriateness to the current business circumstances.
8. To regularly follow up and assess the results of risk management to make sure that the risk management is duly and properly conducted.

9.1.4 Disclosure and Transparency

- 1) The Board of Directors sets out a policy to disclose information to the public, so that the Company's business operations will be transparent and open for inspection with sufficient information disclosure equally to all parties concerned. The Managing Directors have the power to disclose information and ensure the accurate, complete, timely and transparent disclosure of material information relating to the Company, both financial and non-financial, as required by the SEC Office and the Stock Exchange.

In regard to the compliance with the good corporate governance principles, the Board of Directors sets out the disclosure guidelines and ensures the Company's report on compliance with best practices and policies, including any noncompliance, together with an explanation.

- 2) The Company has established the Investor Relations unit to represent the Company in communicating information useful to shareholders, debenture holders, investors, securities analysts, mass media, and relevant parties. The Company has also been a member of Thai IR Club and set up an Investor Relations unit for communication purposes, and a dedicated team is ready to provide information and news to investors and securities analysts and mass media, make appointments, as well as coordinate with shareholders, debenture holders, and investors to ensure sufficient and equal access to appropriate information without any discriminatory treatment of any specific group. Interested investors may contact the Investor Relations Department at 0 2641 4611. Investors who find it inconvenient to visit the Company's Office No. 238/7 Asoke-DinDaeng Road, BangKapi Subdistrict, Huai Khwang District, Bangkok 10310, may contact to make a conference call or sign up for the news mailing list via the website or submit questions or e-mail to ir@bemplc.co.th.

Other than the mandatory disclosure pursuant to the practices and legal requirements, the Company also has a policy to rotate high level executives to participate in providing information and answers to investors' questions so that they would be personally aware of opinions and requirements of Thai and foreign investors. The Managing Directors, the Deputy Managing Directors, the Assistant Managing Directors, the Finance Division General Manager and the Company Secretary regularly participate in the Company's Investor Relations activities.

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

3.1 Internal communications

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

The Board of Directors, executives, advisors and staff of the Company are obliged to keep any undisclosed information strictly confidential. The Company's work rules and regulations prohibit staff from disclosing the Company's confidential information to any third party or abusing their positions for personal gains or for the gains of others. Any violation is deemed a disciplinary misconduct liable to termination of employment. In the past, there has never been any occurrence of misuse of inside information for personal interests or for the gains of others.

Moreover, the Company has also developed a control system on use of the Company's information by adopting such information security systems as the restriction of access to the Company's information by authorization level of staff's access to the Company's information based on their responsibilities. To prevent executives' misuse of the Company's inside information for securities trading, the Company has policies and procedures

for controlling the use of inside information by directors, executives and staff to prevent any occurrence of the use of inside information for personal interests or for the interests of others.

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

3.2 External communications

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

In the disclosure of financial reports, the Board of Directors prepares the Report on Responsibilities of the Board of Directors towards the Financial Report to be presented along with the Report of the Auditor.

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

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

The Company will organize the Shareholder Relations or Company Visit program to allow shareholders to visit and meet management. The Company also publishes Si Rat newsletter for disseminating business information, which has been delivered to all shareholders of the Company bimonthly.

4) Rules on securities trading by inside information users

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

9.1.5 The Board of Directors' Responsibilities

The Board of Directors acknowledges its role and responsibilities to set policies and directions of the Company's operations under the laws, its business objectives, the Articles of Association, as well as resolutions of shareholders' meetings. The Board monitors and supervises management to efficiently and effectively perform in compliance with the specified policies in order to protect the Company's interests, maximize its economic value and create wealth for shareholders based on the good corporate governance principles. The Board of Directors also monitors and supervises management to ensure that the strategies have been applied to the business operations for sustainable growth.

The Board of Directors complies with the best practices of the Stock Exchange in various aspects, as follows:

1. The Board of Directors' Structure

- 1.1 The structure of the Board of Directors consists of 17 qualified members with useful skills, knowledge and experiences to efficiently perform their duties, comprising five executive directors, six independent directors and six non-executive directors, constituting a counterbalance from non-executive directors. The Company has six independent directors, which are more than one-third of all directors. In addition, three directors as EXAT's and MRTA's representatives who have experiences in the Company's core businesses are non-executive directors.
- 1.2 The Board of Directors includes six independent directors, the number as required by the SEC Office, who are able to independently provide opinions on the Management Team's performance. The Company also determines qualifications of "independent directors" stricter than the minimum requirements of the SEC Office and the Stock Exchange.
- 1.3 Directors have a term of office of three years, and the retiring directors may be re-elected. At every annual ordinary general meeting of shareholders, one-third of the number of directors vacates their office and if the number of directors is not a multiple of three, then the number nearest to one-third must retire from office.
- 1.4 The Chairman of the Board of Directors and the Managing Directors may not be the same person so as to separate between the policy making and supervisory duty and the regular managerial duty. The Board of Directors clearly determines powers and duties of the Chairman of the Board of Directors and the Managing Directors. The Chairman of the Board of Directors is an independent director by the definition of the Stock Exchange and has no relationship with management.
- 1.5 The Board of Directors has no policy to limit the number of companies in which each director may hold directorship since, after considering the matter; it is of the view that all directors devote their time to regularly attend meetings.

2. Subcommittees

The Company has established four subcommittees to closely monitor and supervise operations and regularly report to the Board of Directors, namely, the Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance and Risk Management Committee, and the Executive Board. The Board of Directors has determined duties and responsibilities of each subcommittee as detailed on pages 9-26 to 9-30.

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

- 1) The Board of Directors comprises personnel from the business sector and from various professional fields, with leadership, vision, knowledge, ability and experience in various fields, and has independence on decision making for the optimum benefits to the Company and shareholders as a whole. The Board of Directors participates in determination and approval of vision, missions, strategies, targets, business plan and budget of the Company, and supervises management to take actions in compliance with the business plan and budget with efficiency and effectiveness so as to result in the optimum economic value to the business and build up confidence to shareholders.
- 2) The Board of Directors has established the corporate governance policy which is reviewed at least once a year.
- 3) The Company has prepared its code of business ethics, with the approval by the Board of Directors. The code of business ethics prescribes proper conduct and practices for directors, executives and staff, specifying guidelines for conduct and treatment towards the Company, colleagues, third parties and society, in accordance with the ethical conduct. In the past, all directors, executives and staff have been informed of and well understood the proper and ethical conduct and complied with such practices in the performance of their duties in line with the Company's mission, with honesty, integrity and fairness, to build up confidence of shareholders and all groups of stakeholders, including the public and society.
- 4) In consideration of any transaction which may involve a conflict of interests, interested directors may not attend nor vote on such matter at the meeting.
- 5) In respect of risk management, the Board of Directors follows up and acknowledges risk management plan of the Company from management's report on operational results in each Board of Directors' meeting and from the Report of the Corporate Governance and Risk Management Committee.

In addition, the Company regularly reviews its code of business ethics. Should the proper conduct and practices in the Company's code of business ethics not cover its business operations, the Company will immediately update the same as appropriate. Other than the annual survey on compliance with the Company's code of business ethics for directors, executives and staff which they must sign to signify their responsibility for compliance with the Company's code of business ethics, and the annual training and test on the code of business ethics by means of e-learning for the Company's executives and staff, the Company continuously supports corporate governance training on a yearly basis for high and middle level executives, so as to enhance their knowledge, understanding, visions, and good attitudes towards the Company's management in compliance with good corporate governance principles to build leadership and ensure succession to management, including performance of duties and corporate growth with morality and ethics.

4. The Board of Directors' Meetings

The Company's Board of Directors' Meetings

Names of Directors	Attendances / Total Number of Meetings for 2015				
	Board of Directors	Executive Board	Audit Committee	Nomination and Remuneration Committee	Corporate Governance and Risk Management Committee
1. Dr. Virabongsa Ramangkura	1/1				
2. Mr. Plew Trivisvavet	1/1	-		-	
3. Prof. Suphachai Phisitvanich	0/1		-		
4. Gen. Chetta Thanajaro	0/1		-	-	
5. Gen. Sampao Choosri	1/1		-		-
6. Mr. Vitoon Tejatussanasoontorn	1/1		-	-	
7. Mrs. Vallapa Assakul	0/1				-
8. Mr. Supong Chayutsahakij	1/1	-		-	
9. M.L. Prasobchai Kasemsant	1/1				
10. Mr. Phongsarit Tantisuvanitchkul	1/1	-			-
11. Mr. Werapong Suppasedsak	1/1				
12. Mr. Panit Dunnvatanachit	1/1				
13. Mr. Tana Janusorn	1/1				
14. Mr. Theeraphan Tachasirinugune	1/1				
15. Mr. Prasit Dachsiri	0/1				
16. Dr. Sombat Kitjalaksana	1/1	-			-
17. Mrs. Payao Marittanaporn	1/1	-			-

Remark : In 2015, there were no meetings of the subcommittees.

1) The Board of Directors' Meetings

The Company gives prior notice of the annual schedule of the Board of Directors' meetings, together with the main agenda, to directors so as to allow directors to be able to manage their time to attend the meetings. Pursuant to the Articles of Association, the Board of Directors must meet every three months; and a quorum consists of not less than half of the total number of directors. The Board of Directors appoints the Executive Board to help provide management with suggestions and advice, and review the operations in compliance with the Company's policies and work plans in various aspects to ensure efficiency. The Executive Board meets every month in order to closely follow up performance of management.

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

The agenda is determined by mutual discussion between the Chairman of the Board of Directors and the Managing Directors. In addition, one meeting among non-executive directors and without management will be held in order for the directors to independently discuss and exchange their opinions and to efficiently follow up the performance of management.

At every meeting, the Chairman of the Board of Directors presides over the meeting to ensure that each item is carefully considered and all directors are allowed to express their opinions and take part in discussions. In addition, the high level executives will attend the meeting to clarify the information in the capacity as persons directly relevant to the problems to the satisfaction of the meeting prior to passing resolution on each item.

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

2) Subcommittee meetings

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

2.1 Audit Committee

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

The Audit Committee will report quarterly to the Board of Directors on its performance and will yearly summarize its performance during the previous year via the Audit Committee's report. In 2015, the Company held no meeting of the Audit Committee.

2.2 Nomination and Remuneration Committee

The Nomination and Remuneration Committee will meet to nominate qualified candidates for appointment as directors of the Company to replace the directors who are due to retire by rotation and directors who resign prior to the end of term; review remuneration of directors and annual bonus for submission to the annual ordinary general meeting of shareholders for approval; and consider remuneration for the Managing Directors in accordance with the results of performance evaluation for submission to the Board of Directors for approval. In this regard, the Nomination and Remuneration Committee will review the criteria for nomination and consideration of remuneration for directors every year to keep it aligned with the Company's business strategies, and ensure that the criteria for consideration of remuneration stay at the same standard as those of other companies in the same industry so as to appreciate and retain the qualified directors.

The Company schedules the Nomination and Remuneration Committee's meetings to be held at least twice a year. In 2015, the Company held no meeting of the Nomination and Remuneration Committee.

2.3 Corporate Governance and Risk Management Committee

The Corporate Governance and Risk Management Committee will meet to follow up and evaluate the results of performance in compliance with the good corporate governance principles; improve the guiding practices in line with the corporate governance policy for listed companies under the guidelines of the Stock Exchange; consider risk management plan, risk management process; as well as monitor, inspect and review the Company's overall risks to stay at an appropriate level.

The Company schedules the Corporate Governance and Risk Management Committee's meeting to be held once a year. In 2015, the Company held no meeting of the Corporate Governance and Risk Management Committee.

2.4 Executive Board

The Executive Board of the Company 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.

In 2015, the Company held no meeting of the Executive Board.

5. Board Self-Assessment

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

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

The Board of Directors sets out the Company's code of business ethics as principles and goals of the Company's business operations, and guidelines for performance of all directors, executives and staff. Directors and staff will assess their performance in compliance with the Company's code of business ethics every year.

7. Assessment of Performance of the Managing Directors

All directors of the Company, except the Managing Directors, will constantly assess the performance of the Managing Directors on a yearly basis in accordance with the criteria specified by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee is assigned by the Board of Directors to propose remuneration and other benefits as appropriate for the Managing Directors, taking into consideration the Corporate KPIs used in the annual assessment of performance in order to obtain the Board of Directors' approval.

8. Remuneration of Directors and Executives

- Remuneration for directors : The Company establishes a clear and transparent policy on remuneration for directors and the Managing Directors in line with the scope of duties and responsibilities of each director serving as chairman or subcommittee member, subject to review by the Nomination and Remuneration Committee. The remuneration is at the same level as that in the same industry and sufficiently high to retain the qualified directors.
- Remuneration for Managing Directors : The Nomination and Remuneration Committee considers remuneration for the Managing Directors in accordance with the Company's operational results under the Corporate KPIs and the Managing Directors' performance and propose the same to the Board of Directors for consideration each year.
- Remuneration for executives : Remuneration for executives, excluding the Managing Directors, is in accordance with the principles and policies determined by the Executive Board corresponding to the Company's operational results and performance of each executive.

9. Development of Directors and Executives

1) Directors and Executives Training

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

The Company's Board of Directors and high level executives realize the significance of their participation in training or seminars in various courses or development of their knowledge and skills. The Board of Directors attends training courses organized by the Thai Institute of Directors Association (IOD), namely, Director Certification Program (DCP), Director 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 A1-1 to A1-24).

2) Orientation for New Directors

The Board of Directors determines the operational practices for the Company to arrange for orientation for newly-appointed directors and to provide documents or briefings for the new directors to understand the business and performance of duties as directors. The Board of Directors assigns the Managing Directors, the Company Secretary and the Managing Director Office to arrange for orientation for newly-appointed directors by convening a meeting with the relevant directors and/or executives and/or officers for clarification and answering questions, by briefing the new director about the Company's information as well as preparing documents and summary information for the new director, such as, information relating to the Company, listed company director's handbook, the good corporate governance principles, the Company's code of business ethics, power and duties of the Board of Directors, and the annual schedule of the Board of Directors' meetings. Furthermore, the Company also has its directors attend a training course, as suggested by the SEC Office, conducted by the Thai Institute of Directors Association (IOD).

10. Succession Plan

The Board of Directors prepares and reports on succession plan for the positions of Managing Directors and the high level executives and in the primary line, taking into account the performance, potentials and readiness of each person. In this regard, the Company makes preparations for those potential successors in the development of their knowledge, competency and skills as required for their work positions for succession in the absence of the Managing Directors or executives in the key positions to perform duties.

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

The executive who has been determined to succeed to an office must not only be qualified and experienced in the appropriate field, but must also have accepted transfer of knowledge and experience by rotation to other related work units as well as attended the additional necessary training courses to be well prepared in the performance of duties in a higher position in the future, and to ensure smooth succession and continued management. The Company sets up the human resource management system with sufficient allocation and follows up the assessment in respect of nomination process for qualified and knowledgeable persons as required, with appropriate and fair remuneration, determination of duties and responsibilities, performance of personnel, performance standard, personnel development and efficient communication, to ensure that the staff has knowledge and skills, and the Company's human resource management is efficient and suitable, focusing on the development of the competency of staff and clarity of the assessment of performance in support of consideration of remuneration as appropriate for their capabilities and performance.

9.2 Board Structure

The Board structure comprises the Board of Directors and four subcommittees, namely, the Audit Committee, the Corporate Governance and Risk Management Committee, the Nomination and Remuneration Committee, and the Executive Board, with the Managing Directors as the top executives of the Management Team, totaling 10 persons.

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

9.2.1 Board of Directors as at December 31, 2015

1.	Dr. Virabongsa Ramangkura	Chairman of the Board of Directors
2.	Mr. Plew Trivisvavet	Vice Chairman of the Board of Directors
3.	Prof. Suphachai Phisitvanich ⁽¹⁾	Director
4.	Gen. Chetta Thanajaro	Director
5.	Gen. Sampao Choosri	Director
6.	Mr. Vitoon Tejatussanasoontorn	Director
7.	Mrs. Vallapa Assakul	Director

8.	Mr. Supong Chayutsahakij	Director
9.	M.L. Prasobchai Kasemsant	Director
10.	Mr. Phongsarit Tantisuvanitchkul	Director
11.	Mr. Werapong Suppasedsak	Director
12.	Mr. Panit Dunnvatanachit	Director
13.	Mr. Tana Janusorn	Director
14.	Mr. Theeraphan Tachasirinugune	Director
15.	Mr. Prasit Dachsiri ⁽²⁾	Director
16.	Dr. Sombat Kitjalaksana	Director
17.	Mrs. Payao Marittanaporn	Director

Remarks : (1) Prof. Suphachai Phisitvanich passed away on January 19, 2016.
(2) Mr. Prasit Dachsiri resigned from office on February 2, 2016.

The Board of Directors' Authority and Duties

- Monitoring and supervising the Company's operations to ensure compliance with laws, objectives and the Articles of Association, as well as resolutions of shareholders' meetings, and protecting the Company's interests based on the good corporate governance principles, as well as complying with the rules and requirements stipulated by the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission.
- Determining policies and directions of the Company's operations and supervising management to take actions to ensure compliance with the policy with efficiency and effectiveness so as to maximize the economic value to the business and great wealth to shareholders.
- Convening the annual ordinary general meeting of shareholders by no later than four months from the Company's year-end account closing date and convening extraordinary general meetings of shareholders as required.
- Convening the Board of Directors' meetings on a quarterly basis; each meeting requires at least 50 percent of all directors. Decisions of each meeting are made by a majority of votes. In the case of an equality of votes, the chairman of the meeting has an additional casting vote.
- Considering approval for budget for investment and the Company's annual business operations, including monitoring use of the Company's resources.
- Providing complete, correct and sufficient reports on financial information, the Company's information and general information which are important for shareholders, and verifying information in the reports.
- 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.
- Establishing subcommittees to ensure the good corporate governance.
- Considering clearly determining and separating roles, duties and responsibilities among the Board of Directors, subcommittees and management, with regular communication regarding such roles, duties and responsibilities to the Board of Directors, subcommittees, management and staff of the Company.
- Supervising the Executive Board to comply with the specified policies, whereby the Executive Board is authorized to approve any transaction binding upon the Company in an amount not exceeding Baht 200 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 Office and the Stock Exchange.

11. Appointing any persons to engage in the Company's business under the supervision of the Board of Directors, or, if applicable, authorizing such persons to have power for a period of time as the Board of Directors deems appropriate, provided that the Board of Directors may revoke, repeal, amend or change such authorization as appropriate.
12. Appointing the Company's authorized signatory directors.

The Chairman of the Board of Directors' Authorities and Duties

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

9.2.2 Audit Committee

The Board of Directors appoints the Audit Committee to assist in supervising the Company's business. Prof. Suphachai Phisitvanich, an independent director who had knowledge in the field of accounting and finance, was appointed to hold office as Audit Committee Chairman, and the General Manager of the Internal Audit Office serves as secretary to the Audit Committee. As at December 31, 2015, the Audit Committee comprises four independent directors as listed below:

- | | | |
|--|--------------------------|------------------------|
| 1. Prof. Suphachai Phisitvanich ⁽¹⁾ | Audit Committee Chairman | (Independent Director) |
| 2. Gen. Chetta Thanajaro | Audit Committee Member | (Independent Director) |
| 3. Gen. Sampao Choosri | Audit Committee Member | (Independent Director) |
| 4. Mr. Vitoon Tejatussanasoontorn ⁽²⁾ | Audit Committee Member | (Independent Director) |

Remarks: (1) Prof. Suphachai Phisitvanich passed away on January 19, 2016.

(2) Mr. Vitoon Tejatussanasoontorn served as Audit Committee member with knowledge in the field of accounting and finance.

The Audit Committee's Authority and Duties

1. Reviewing to ensure that the Company's financial reports are accurate and adequate.
2. Reviewing to ensure that the Company's internal control system and internal audit system are suitable and effective, considering the independence of the internal audit unit as well as granting approval on consideration for appointment, transfer, termination of employment of head of the internal audit unit or any other unit responsible for the internal audit.
3. Reviewing to ensure the Company's performance in compliance with the securities and exchange law, requirements of the Stock Exchange and the laws relating to the Company's business.
4. Considering, selecting, submitting for appointment of a person who is independent to serve as the Company's auditor, and proposing remuneration and termination of employment of such person as well as meeting with the auditor without the Management Team at least once a year.

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5. Considering connected transactions or transactions which may involve a conflict of interests in compliance with the laws and requirements of the Stock Exchange in order to ensure that such transactions are justified and of the utmost benefit to the Company.
 6. Preparing report of the Audit Committee to be disclosed in the Company's Annual Report. Such report must be signed by the Audit Committee Chairman and comprise at least the following information:
 - (a) Opinions on correctness, completeness, and reliability of the Company's financial reports;
 - (b) Opinions on adequacy of the Company's internal control system;
 - (c) Opinions on compliance with the securities and exchange law, requirements of the Stock Exchange or laws relating to the Company's business;
 - (d) Opinions on appropriateness of the auditor;
 - (e) Opinions on transactions which may involve a conflict of interests;
 - (f) Number of meetings of the Audit Committee and attendance of each Audit Committee member;
 - (g) Overall opinions or observations by the Audit Committee from the performance of duties in accordance with the Charter;
 - (h) Other matters that should be informed to shareholders and general investors within the scope of the duties and responsibilities assigned by the Board of Directors.
 7. Supervising and monitoring the internal audit tasks by reviewing missions, scope of works, independence and development plan and providing internal audit personnel training to catch up with the business changes and develop themselves on a continual basis, in order to accommodate the direction of the Company's operations and international standards, including consideration and approval of annual internal audit plans.
 8. Performing any other activities as assigned by the Board of Directors to independently provide opinions and suggestions in line with the requirements and the best practice guidelines for audit committee of the Stock Exchange.
 9. In performing its duties, should the Audit Committee find or should there be any doubt as to whether or not the following transactions or actions may have a material impact on the Company's financial position and operational results, the Audit Committee will report on its findings to the Board of Directors in order to improve and rectify the same within the time as the Audit Committee deems appropriate:
 - (a) Any transactions giving rise to a conflict of interests;
 - (b) Corruption or unusual occurrence or material fault in the internal audit system;
 - (c) Violation of the securities and exchange law, requirements of the Stock Exchange or laws related to the Company's business.

9.2.3 Nomination and Remuneration Committee

The Board of Directors appoints the Nomination and Remuneration Committee to perform the duty to nominate and consider remuneration for directors and the Managing Directors to ensure transparency and fairness, and General Chetta Thanajaro, an independent director, was appointed as 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 December 31, 2015, the Nomination and Remuneration Committee comprises four members as follows:

- | | | | |
|----|----------------|---------------------|---|
| 1. | General Chetta | Thanajaro | Nomination and Remuneration
Committee Chairman |
| 2. | Mr. Vitoon | Tejatussanasoontorn | Nomination and Remuneration
Committee Member |
| 3. | Mr. Plew | Trivisvavet | Nomination and Remuneration
Committee Member |
| 4. | Mr. Supong | Chayutsahakij | Nomination and Remuneration
Committee Member |

The Nomination and Remuneration Committee's Authority and Duties

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

9.2.4 Corporate Governance and Risk Management Committee

The Board of Directors appoints 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, consider risk management plan, risk management process, as well as monitor, inspect and review the Company's overall risks to stay at an appropriate level. To this effect, General Sampao Choosri, as independent director, was appointed as Chairman of the Corporate Governance and Risk Management Committee. As at December 31, 2015, the Corporate Governance and Risk Management Committee comprises five members as follows:

- | | | | |
|----|----------------|-------------------|---|
| 1. | General Sampao | Choosri | Corporate Governance and
Risk Management Committee
Chairman |
| 2. | Mrs. Vallapa | Assakul | Corporate Governance and
Risk Management Committee
Member |
| 3. | Mr. Phongsarit | Tantisuvanitchkul | Corporate Governance and
Risk Management Committee
Member |

- | | | | |
|----|------------|---------------|---|
| 4. | Dr. Sombat | Kitjalaksana | Corporate Governance and Risk Management Committee Member |
| 5. | Mrs. Payao | Marittanaporn | Corporate Governance and Risk Management Committee Member |

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

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

9.2.5 Executive Board

The Board of Directors appoints the Executive Board to assist in providing advice and suggestions to management and make other arrangements as assigned by the Board of Directors. As at December 31, 2015, the Executive Board comprises five directors as listed below:

- | | | | |
|----|----------------|-------------------|---------------------------------|
| 1. | Mr. Plew | Trivisvavet | Chairman of the Executive Board |
| 2. | Mr. Supong | Chayutsahakij | Executive Director |
| 3. | Mr. Phongsarit | Tantisuvanitchkul | Executive Director |
| 4. | Dr. Sombat | Kitjalaksana | Executive Director |
| 5. | Mrs. Payao | Marittanaporn | Executive Director |

The Executive Board's Authority and Duties

1. Delivering guidelines for policy, supervising, providing suggestions and advice for the Managing Directors and management.
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 investment in new projects for business expansion and prospects.

5. Having power to approve any juristic act binding upon the Company in an amount not exceeding Baht 200 Million per transaction, excluding those transactions giving rise to a conflict or interests with the Company or its subsidiaries under the notifications of the Securities and Exchange Commission, including such transactions requiring approval from shareholders under the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand.
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 Directors.
7. The Executive Board or the Chairman of the Executive Board has the power to convene the Executive Board's meetings and/or determine rules and regulations of the meetings as it deems appropriate.
8. Reporting on the Company's operational results to the Board of Directors.
9. Proceeding with other matters as assigned by the Board of Directors.

The Managing Directors' Authority and Duties

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

1. Controlling and managing main business of the Company.
2. Monitoring all activities of the Company to ensure compliance with resolutions and policies as assigned and suggested by the Board of Directors.
3. Conducting feasibility studies on new projects and having power to consider approving various projects as authorized by the Executive Board.
4. 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 lower (but not including Deputy Managing Director, Assistant Managing Director, and General Manager).
5. Having power to approve any juristic act binding upon the Company in an amount not exceeding Baht 5,000,000 (Five Million Baht Only) per transaction.
6. Having power to sign and affix the Company's seal on cheques and withdraw money from all accounts of the Company and utilize credit facilities available to the Company by all banks or financial institutions in the amount not exceeding Baht 5,000,000 (Five Million Baht Only) or equivalent per transaction, but not exceeding Baht 40,000,000 (Forty Million Baht Only) or equivalent per month.
7. Authorizing the Company's staff in the executive positions, namely, Deputy Managing Director, Assistant Managing Director, General Manager or equivalent to perform duties on behalf of the Managing Directors in certain matters (such as purchase order, procurement, payment order) as appropriate.
8. Appointing any Deputy Managing Directors or any other persons acting in place of the Managing Directors from time to time in the event that the Managing Directors are unable to perform their duties, whereby such acting persons shall have the same authority as the Managing Directors.
9. Having power to appoint any persons or groups of persons to engage in the Company's business under the supervision of the Managing Directors, or, if applicable, authorizing such persons to make arrangements as the Managing Directors deem appropriate and having power to change, amend, revoke and repeal such authorization.
10. Proceeding with other matters as assigned by the Board of Directors or the Executive Board from time to time.

In this regard, the Board of Directors regularly evaluates performance of duties of the Managing Directors for comparison with the target as determined on a yearly basis, and the Nomination and Remuneration Committee considers remuneration of the Managing Directors by assessing their performance in the previous year and proposing the same to the Board of Directors for approval under the criteria.

9.3 Nomination of Directors and Top Executives

(1) Nomination of Independent Directors

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

1. Holding shares of not exceeding 0.5 percent of the total number of voting shares of the Company, its parent company, subsidiaries, associated companies, major shareholder or controller of the Company, including shares held by any related persons of each independent director;
2. Not being or having been a director having involvement in the management, an employee, a staff member, an advisor receiving a regular salary or a controller of the Company, its parent company, subsidiaries, associated companies, subsidiaries of the same tier, major shareholder or controller of the Company, unless such independent director has no longer been in such capacity for not less than two years prior to the submission date of the application for permission to the SEC Office, provided that such prohibited characteristics shall not apply to an independent director who was a public servant or an advisor to a government authority which is the Company's major shareholder or controller;
3. Not being a person having relationship by blood or by legal registration in the capacity as parent, spouse, sibling and offspring, including spouse of the offspring of other director, executive, major shareholder, controller or person to be nominated as director, executive or controller of the Company or its subsidiaries;
4. Not having or having had any business relationship with the Company, its parent company, subsidiaries, associated companies, major shareholder or controller of the Company in a manner which may prevent the exercise of his or her independent judgment; and not being or having been a substantial shareholder or controller of any person having a business relationship with the Company, its parent company, subsidiaries, associated companies, major shareholder or controller of the Company, unless such independent director has no longer been in such capacity for not less than two years prior to the submission date of the application for permission to the SEC Office;

The aforesaid business relationship shall include any transaction in the ordinary course of business for lease of immovable property, any transaction relating to assets or services or grant or receipt of financial assistance through receiving or extending any loan, guarantee, providing assets as collateral, including any other similar action, which causes the Company or contractual party to be subject to indebtedness payable to the other party in the amount of three percent or more of the Company's net tangible assets or in the amount of Baht Twenty Million or more, whichever is lower. Such indebtedness shall be calculated according to the calculation method of connected transaction value under the Notification of the Capital Market Supervisory Board, Re: Rules on Connected Transactions, mutatis mutandis. However, the consideration of such indebtedness shall include the indebtedness incurred during the course of one year prior to commencement of business relationship with the same person;

5. Not being or having been an auditor of the Company, its parent company, subsidiaries, associated companies, major shareholder, or controller of the Company; and not being a substantial shareholder, controller, or partner of an audit firm which employs the auditor of the Company, its parent company, subsidiaries, associated companies, major shareholder, or controller of the Company, unless such independent director has no longer been in such capacity for not less than two years prior to the submission date of the application for permission to the SEC Office;

6. Not being or having been a professional service provider, including legal advisor or financial advisor which receives an annual service fee exceeding Baht Two Million from the Company, its parent company, subsidiaries, associated companies, major shareholder, or controller of the Company; and not being a substantial shareholder, controller, or partner of such professional service provider, unless such independent director has no longer been in such capacity for not less than two years prior to the submission date of the application for permission to the SEC Office;
7. Not being a director appointed as representative of the Company's director, major shareholder or shareholder who is a related person of the major shareholder;
8. Not engaging in any business of the same nature as and in material competition with the business of the Company or its subsidiaries; or not being a substantial partner in a partnership or a director having involvement in the management, an employee, a staff member, an advisor receiving a regular salary or holding more than one percent of the total number of voting shares of another company engaging in any business of the same nature as and in material competition with the business of the Company or its subsidiaries;
9. Not having any other characteristics preventing provision of independent opinions on the Company's operations.

(2) Nomination of Directors and High Level Executives

(2.1) Nomination of Directors

(2.1.1) Criteria

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

1. Having qualifications in compliance with the Public Limited Companies Act, the Securities and Exchange Act, rules of the SEC Office and rules of the Stock Exchange.
2. Having knowledge, ability and experience in a variety of fields which will be beneficial and add value to the Company.
3. Having characteristics supporting and promoting the corporate governance to create value to the Company, such as, independence, willingness to share opinions, initiative, and performance of duties with responsibility, due care, integrity and full-time contribution, etc.
4. In case of a director who retires by rotation, the Nomination and Remuneration Committee considers from his past records whether he performed duties as director with due care, integrity and full-time contribution.
5. In the nomination of directors, there should be consideration of the required qualifications taking into account necessary skills for the Board and qualifications in line with the Company's business strategies.
6. In case such vacancy is a director representing the Expressway Authority of Thailand or the Mass Rapid Transit Authority of Thailand under the conditions of the relevant Concession Agreements, the replacement director must be nominated by the said authority to fill the vacancy.

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

(2.1.2) Nomination Procedures

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

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

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

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

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

(2.2) Nomination of Managing Directors and Executives

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

2. For any executives at the level of General Manager or higher, the Managing Directors proposes the nominations to the Executive Board for consideration and appointment.

9.4 Supervision of Operations of the Subsidiaries

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

- (1) The Board of Directors considers sending the Company's representatives to serve as directors in other companies according to its shareholding percentage. The directors who are the Company's representatives have power, duties and responsibilities in establishing the significant policies. In this regard, the Board of Directors considers and establishes policies for the directors who are the Company's representatives to vote on various key items of the subsidiaries.
- (2) The structures of the board of directors of the subsidiaries have been specified as follows:
Northern Bangkok Expressway Company Limited, comprising:
 - Five directors who are members of the Executive Board of the Company;
 - One director who is a representative from EXAT;
 - One managing director of the subsidiary.Bangkok Metro Networks Limited
 - The Company sends its four representatives to serve as directors in BMN from a total of seven directors.
- (3) Governance mechanism of the subsidiaries regarding connected transactions and acquisition or disposition of assets
For transactions with related persons and acquisition or disposition of assets, the Company has managed the subsidiaries to amend their respective articles of association regarding execution of transactions in accordance with the rules on disclosure and connected transactions. The directors who are the Company's representatives supervise to ensure the subsidiaries' strict compliance with such rules. The details of each such transaction are submitted to the Board of Directors for consideration in accordance with the rules.
- (4) The Company requires the subsidiaries to regularly review their respective internal control systems to ensure adequacy and appropriateness on a yearly basis, and the Company's Internal Audit Office regularly reviews and follows up their compliance with the internal control system, which is specified in the annual audit plans.

9.5 Control of Inside Information Usage

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

Inside Information Usage Policy

1. Due to the Company's listing on the Stock Exchange of Thailand, any sale or purchase of the Company's securities by its management or staff based on material facts that may affect the market price of the shares or securities, which have not yet been disclosed to the public, and which have been obtained due to their duties or positions in the Company, would be considered as taking advantage of third parties, and may be subject to a criminal penalty under the law.

To prevent the Company's staff and directors, including the Company itself, from performing any such illegal acts which may violate such law, as well as to comply with the good corporate governance guidelines of the Company, the Company has set guidelines to prevent the use of insider information. Such guidelines will be revised from time to time as appropriate, and all directors, management and staff of the Company will strictly adhere to these guidelines with accountability as well as causes and effects on a case by case basis. These guidelines or policies will be stricter than the provisions of applicable laws, and will apply to directors, management and staff, including related persons.

2. Securities Sale and Purchase Using Insider Information

Persons who should not sell or purchase securities pursuant to the guidelines to prevent the use of insider information are as follows:

- (1) Directors and management of the Company;
- (2) Directors and management of the Company's subsidiaries, including its affiliates;
- (3) All staff of the Company and of the Company's subsidiaries;
- (4) Spouses and minor children of the directors and staff; and
- (5) Relatives who live with such persons above.

Securities refer to shares, share warrants, convertible debentures and transferable subscription rights issued by the Company.

General Practice

- (1) Prohibited persons as described above should not sell or purchase the securities under any circumstances if they are aware or should be aware of material information that may affect the market price of the Company's securities, which has not yet been disclosed to the public.
- (2) Prohibited persons who are in possession of such material information due to their duties and positions as the Company's staff shall not disclose such information to any other person while such information has not yet been disclosed to the public, unless it is done in the performance of their duties to the Company.

Specific Guidelines

In addition to the general guidelines to prevent the use of insider information, prohibited persons shall also follow the following guidelines:

- (1) Prohibited persons who are directly involved in the preparation of the Company's financial statements and balance sheet are prohibited from any purchase or sale from the commencement of such preparation until the day immediately following the disclosure date of such financial statements.
- (2) Any director, management or staff who has received the draft financial statements as referred to above, is prohibited from selling or purchasing the Company's securities from the day that he or she receives the draft financial statements until the disclosure date of the financial statements.
- (3) Prohibited persons, who know or should have known that the Company will disclose material information that may affect the market price of the Company's securities, are prohibited from selling or purchasing the Company's securities from the day that they know or should have known such information until the disclosure date of such information.

3. Report of Prohibited Persons

A. Duty to Prepare Reports

Directors, Managing Directors or persons who hold management positions as specified in the Securities and Exchange Act shall be required to prepare disclosure reports of their initial securities holdings, and changes in such holdings, pursuant to the relevant laws and regulations, together with such reports to the Company.

B. Reporting Procedures

Directors, Managing Directors or persons as specified in paragraph A. above who have the duty under law to disclose their securities holdings, their spouses' securities holdings, and their minor children's securities holdings to government agencies or regulators shall submit copies of such reports to the Company on the same day.

Protection and prevention of inside information usage

1. The Company has policies and procedures for controlling the use of inside information by directors, executives and staff to prevent any occurrence of the use of inside information for personal interests or the interests of others. The work rules and regulations of the Company prohibit staff from disclosing the Company's confidential information to any third parties or abusing their positions for personal gains or others. Any violation is deemed a disciplinary misconduct. In addition,

this obligation has been specified as an important condition in new employment agreements, whereby staff must keep confidential information relating to the Company's business to which they have access, whether directly or indirectly, and must refrain from disclosing it to any third parties or other unauthorized persons. In this regard, the confidential information relating to the Company's business refers to financial information, marketing plan or business plan, wages, etc.

2. The Company has a control system for use of the Company's information by adopting such information security systems as the restriction of access to the Company's information by setting authorization level of staff's access to the Company's information to correspond to their responsibilities and setting user password for common use of data files with other persons via the computer system, provided that the password must be changed every three months.
3. The Company prohibits executives who have access to inside information from taking any actions contrary to Section 241 of the Securities and Exchange Act, including relevant rules and regulations.

9.6 Remuneration for Auditor

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

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

Remuneration for auditor is divided into two categories, namely:

- (1) Audit fee

The Company paid the audit fees for 2015 in the amount of Baht 650,000 to EY Office Limited. When compared to the average audit fees of other listed companies in the same sector, the Company's audit fee was reasonable.

Northern Bangkok Expressway Company Limited paid the audit fees for 2015 in the amount of Baht 332,000 and Bangkok Metro Networks Limited paid the audit fees for 2015 in the amount of Baht 985,000.

- (2) Non-audit fee

In 2015, the Company and its subsidiaries did not use any other services from EY Office Limited or have any business related to the auditor and EY Office Limited.

9.7 Compliance with the Principles of Good Corporate Governance

The Company has fully complied with the Principles of Corporate Governance for Listed Companies 2012, except the following matters:

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

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

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

The Board of Directors has no policy to limit the number of companies in which each director may hold directorships since, after considering the matter; it is of the view that all directors devote their time to regularly attend meetings. However, in 2015, none of the Company's directors held office as directors in more than five listed companies.

10. Corporate Social Responsibility

The Company, as the expressway and metro service provider, is committed to helping alleviate traffic problems in Bangkok and its surrounding provinces, through the fully-integrated mass rapid transit and transportation systems in order to upgrade the quality of life and shape the future of Thailand's transportation system. Furthermore, the Company operates its businesses based on the good corporate governance, and is socially responsible in both expressway and metro businesses.

10.1 Policy Overview

The Company is committed to operating its businesses with particular emphasis on society and the environment in pursuit of the Company's sustainable business growth. As such, the Company focuses on transparency and fairness in its operations with the aim to benefit and grow together with all groups of stakeholders. Therefore, the Company adopts and communicates its operating policy for sustainable development to all staff to ensure that they seriously implements and harmoniously incorporate it into their own work processes for sustainable growth of the Company and all its groups of stakeholders, as follows:

1. To be a leading organization for sustainable development through communication and exchange of best practices with all of the Company's stakeholders;
2. To incorporate the sustainable development concept into every work process and decision-making process of the Company;
3. To promote training, learning and counseling, focusing on practices according to sustainable development guidelines;
4. To support regional operation and collaboration to achieve sustainable development.

10.2 Corporate Social Responsibility and Sustainable Development

The Company actively involved in corporate social responsibility and sustainable development, which can be summarized below.

10.2.1 Expressway Business

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

To ensure sustainable coexistence with society in parallel to the Company's ongoing growth under the said social mission in the hope of building a good foundation for people in society for future development, it is then necessary:

- To formulate the fundamental concept based on such social mission for staff to enable them to efficiently perform, coordinate and develop society in collaboration with the stakeholders for the purpose of development of the quality of the neighborhoods surrounding the expressway routes, which will ensure such concept to materialize in the Company's operations. The focus on this concept originates from potential impact of the Company's business operations, from construction to provision of service, on the communities surrounding the expressway routes.
- To improve and enhance the efficiency of the routes by way of regular review of the operating procedures, which takes into consideration not only the compatibility with the current operations, but also future improvement and enhancement (preventive thinking), to minimize potential risks and impacts, ensure rapid management, instant response and more effective cost management.
- To play a key role in helping alleviate the traffic problem for people in society. It is a known fact that traffic congestion has many effects upon society, such as, its economic effects on business interactions of people; its social effects on people's emotional states; and its environmental effects as a result of emission of pollution to society and this world. The Company is determined to minimize these impacts by building good and most suitable expressway routes for society.

- To be recognized as a socially responsible business through staff operations to monitor the quality of the routes to always be ready for service and safe, as well as take care of, share knowledge and opportunities to the neighborhoods adjacent to the existing and future routes.

In light of the Company's commitment to development of the national transportation system to alleviate the traffic problems, and potential risks from its operations, corporate social and environmental responsibility has always been of great importance to the Company and an abiding principle to which the Company adheres in its business operations, creating the "Path to Happiness" by formulating the expressway network in Bangkok and its vicinities. The Company is well-equipped to invest in projects pertaining to expressways, connecting roads and other infrastructure projects of the government on the public private participation (PPP) basis to upgrade the quality of life and develop Thai society towards sustainable growth.

In addition, the Company is determined to provide quality and safe expressway services, with due care and taking into account the impact on stakeholders, economy, society and environment. The Company has adhered to fair practice and business ethics in every step of its work procedures, as well as developed and promoted innovations in terms of efficiency, effectiveness and value added to the business and all parties concerned. The Company is socially responsible in its operations to build up a good impression for the expressway users and society as a whole.

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

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

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

To achieve its goals, the Company has set out practical guidelines for corporate social responsibility to cover the entire Path to Happiness, namely, covering the current and potential impact, both positive and negative, on major stakeholders; and taking into account the process of the Company's business operations. The Company then determines the scope of its corporate social responsibility in three dimensions as follows:

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

Performance for Sustainable Development

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

1. The Source of Happiness

The Company arranges for development of staff both in main and supporting lines of work, particularly staff in main line of work directly related to services on the expressways, where quality and safety are compulsory, in order to achieve its goal of providing excellent service to the utmost satisfaction and impression of the expressway service users. The Company formulates training courses so that staff will have skills and ability to use equipment and devices for specific tasks, i.e., rescue operation, traffic management, toll collection and maintenance of the system and carriageway.

1.1 Rescue Operation and Traffic Management

Rescue operation drills and assistance in case of serious accidents on the expressways are conducted. Safety training is organized every year, including training on use of the rescue operation vehicles on the expressways, traffic volunteer training and on the job training, and three-month new staff orientation prior to actual operation on the expressways, as well as service mind training.

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

1.3 Structure Maintenance Operation: This is to ensure that the expressways will be ready and safe for service. The Company was internationally recognized as a leading company specializing in the inspection and maintenance of the Segmental Box Girder structures, with regular inspection, monitoring and surveillance all year round.

2. On the Path to Happiness

The expressway users are the heart of the Company. The Company is then ready to deliver and improve the expressway services to ensure the efficiency of rapid and safe transportation, uplift the quality of life, and play a role in developing Thai society. The Company appreciates innovations which will help minimize the impact of the operations on society, environment and stakeholders from construction to repair and maintenance of the expressways to stand ready for service to users to ensure their convenience and safety both under normal and emergency situations. This is to fulfill the Company's committed responsibility for the expressway users.

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

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

2.3 Expressway Services: The expressways, by physical characteristics, mostly are elevated and linked as a network with a total length of 256.1 kilometers. The expressways have become effective strategic routes for sending aid to disaster victims, transporting equipment and supplies, and travelling by both public and private sectors, during the occurrence of any event or disaster which may impede the at-grade roads. Those events in the past have perfectly confirmed the strategic route status. Therefore, the Company, in its capacity as the operator of the Si Rat Expressway and the Udon Rattaya Expressway, sets out practical guidelines for dealing with unusual occurrences, so as to make the expressways available for service under emergency situations and return to normal as soon as possible. In this regard, the Company is ready to take various actions as follows:

1. The Company's communications staff in the Control Center monitor traffic condition on the expressways and provide travelling information to the expressway users. CCTV surveillance systems are installed on the expressways, along with radio-communications systems through the Control Center working 24 hours in close collaboration with other relevant authorities. The Company's rescue operation teams are patrolling the expressways at all times, and therefore, they are ready to instantly assist service users in any incident on the expressways. In addition, the teams also coordinate with police officers on duty on the expressways and at-grade roads in order to facilitate traffic management 24 hours a day. The traffic condition on the expressways is viewable by at-grade police officers from the video signals connected with the Company's CCTVs.
2. The automatic toll collection system or Easy Pass was implemented by the Company's collaboration with the government sector beyond the terms of the relevant Concession Agreements, with the intention to improve services and minimize environmental impact from traffic congestion. This system has helped save travelling time and fuel for the expressway service users, protect the environment, minimize pollution at the toll plazas, reduce fuel consumption, and improve the quality of life.
3. With respect to safety innovations, the Company sets up a dedicated unit responsible for research and development (R&D) to regularly improve safety of the expressways by means of road safety audits. The audit results are used for the expressway improvements for greater safety.

Under emergency situations or disaster occurrences: In case there is an event or external factor which results in an emergency, namely, peril, serious accident, earthquake and events which may be caused by terrorism or sabotage such as bombing and riot, including gathering of people for inciting public unrest, the Company requires all units to have emergency plans in response to any events which may suddenly occur and arranges for staff training to ensure that the staff in charge would be able to immediately take actions to resolve such emergency, as well as establishes a unit for monitoring, warning and coordinating with relevant agencies to prevent the occurrence of any serious accident. The Company controls and monitors for strict compliance with the relevant laws. Moreover, the Company further establishes measures for inspection of the routes and their surrounding areas, including cooperation with police officers responsible for the areas around the routes. The Company takes out insurance against Property Damage of the structures of the Si Rat Expressway and the Udon Rattaya Expressway, and against Business Interruption, including Public Liability, on a yearly basis, in order to prevent any impact from possible damage.

Political Unrest: At-grade traffic was congested, including congestion at certain on-ramps and off-ramps of the expressways nearby the political rally locations. In order to minimize such impact, the Company arranges for an emergency backup plan in response to possible occurrences. The emergency backup plan involves staff rehearsals for all relevant units to resolve problems, as well as establishes a unit to follow up alerts and coordinate with

relevant public agencies to monitor and immediately take actions to resolve such event.

During special long holidays, the Company, in association with EXAT, organizes safe travelling programs. Service units are set up on the expressways to provide a free initial car checkup, including drinking water and refreshing towels as refreshments for long distance trips which will help reduce accident rates.

- 2.4 Treatment towards Traders: Since the Company's business is a unique service which requires high investments for its operations, creditability can be built by the Company's fair treatment of its traders and financial sponsors, which is considered a key success factor to the Company's delivery of quality services to the expressway users, even during a crisis. The Company therefore sets out its practices for traders, namely, fair business operations; a commitment to procurement of standard goods and services, for the purpose of development and maintenance of sustainable relationship with traders, with the clear objectives in terms of quality of goods and services worth their value, technical standard and creditability. The Company therefore provides fair and equal procurement procedures to all traders in compliance with the work procedures regarding procurement in accordance with the requirements of ISO 9001 Quality Management System, based on procedures and measures against unfair competition; setting out guidelines for recognition of and respect for intellectual property of traders as well as protection of such rights; dealing with the supply chain in strict compliance with international standards, ISO 9001 Quality Management System, and ISO 14001 Environment Management System, by way of providing education and close monitoring and audits to ensure that the supply chain of traders in business association with the Company takes account of environmental impact, in the interests of the sustainability of their mutual business alliance. Financial sponsors include lenders, shareholders and creditors, with whom the Company strictly complies with contracts and its obligations to maintain its financial discipline.

3. The Happy Society

The Company takes care of communities surrounding the expressway routes to ensure that its business operations will not affect the quality of life and the environment. In doing so, the Company regularly surveys the communities and society nearby the rights of way according to plan. In this respect, the Company also sets out standard work procedures, including its requirement for equipment to prevent any impact or pollution to the nearby communities. In addition, the Company issues press releases to provide details and accepts complaints regarding various projects operated by the Company in order to prevent any possible difficulty to the nearby communities.

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

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

3.1 Business operations affecting the corporate social responsibility

In 2015, the Company and its subsidiaries operated their business in compliance with the laws and applicable rules and regulations without committing any offense or violation of the laws which may affect the Company's corporate social responsibility.

3.2 Corporate Social and Environmental Contribution Activities

The Company has a policy and is determined to continuously take care of every sector of society in respect of management of improved operational results, and value added to shareholders, focusing on nearby communities as well as take care of both nearby and remote communities. In 2015, the Company organized the corporate social and environmental activities as follows:

1) Good Family Relationships

“Moms & Kids Strengthen Relationships at Art and Craft Communities in Ratchaburi” was held on the occasion of National Mother’s Day, as a special family day, in which the Company played a part in strengthening family relationships by inviting the expressway users and their families to visit the “City...You Can’t Miss”, Ratchaburi Province, known as a cultural city on the Mae Klong basin, with a long history, multi-cultural arts and traditions that coexist harmoniously. Moreover, the families participated in the “Me & Mom Made” activity in which dads, moms, and kids jointly arranged flowers for offering to the Buddhist monks in a loving and warm atmosphere for all families.

“Expressway Invites Dads & Kids to Strengthen Relationships with Natural Learning in Burghbanburi” was held on the occasion of National Father’s Day, whereby the Company organized this activity to strengthen the family relationships to enhance their love bonds, in Burghbanburi, as a natural learning source in Nakhon Ratchasima Province, by inviting the expressway users and their families to closely learn about nature and find happiness from frugal lifestyle with minimum use of energy and chemicals to save the world sustainably.

2) Awareness of Environmental Preservation

Environmental preservation is of great importance to everyone and requires active participation. The Company continued to organize a campaign for staff awareness of natural and environmental preservation under the activity titled **“Expressway Promotes Environmental Preservation No. 8”**. Groups of executives and staff, totaling three batches, jointly built firebreaks to prevent the spread of wildfire at Tha Thung Na Forest Protection Unit within Salakpra Wildlife Sanctuary, Amphoe Mueang, Kanchanaburi Province, as the first wildlife sanctuary of Thailand.

3) Moral and Ethical Awareness for Corporate Social Responsibility

“Hearing the Dharma with Expressway” is intended to promote staff’s moral and ethical awareness in order to pave a sustainable way for corporate social responsibility. The Company continued to organize this activity, in which a group of executives and staff participated in hearing the Dharma by Phra Kru Metta Kittikhun (Phra Ajarn Sommai Attamano), Abbot of Wat Pa Santikaram, Amphoe Chaiwan, Udon Thani Province, in order to properly apply such teaching to their present lifestyle and work environment.

“Blood Donation” plays a major part in the “Give Blood to Give Life” program. The Company, in association with The Thai Red Cross Society and Faculty of Medicine Vajira Hospital, Navamindradhiraj University, organized three blood donation activities, with active participation of management and staff.

4) Good Relationships with Related Authorities

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

“Good Relationships with EXAT” is an activity where a group of executives and staff of the Toll Collection Division of EXAT and the Toll Revenue Division of the Company were brought to pay homage to the Buddha images, make merits, visit Thailand’s only Buddhist temple mixed with four different architectural and artistic styles at Wat Kaew Phichit as well as learn about Thai herbs and health care by Thai traditional medicine at the Abhaibhubejhr Thai Traditional Medicine Museum to strengthen the good relationships between both agencies.

“Watch Movie with Expressway” is an event where families of staff of EXAT and police officers of the Expressway Police Station 2 as well as families of the Company’s staff were invited to watch the movie “The Divergent Series : Insurgent” at Esplanade Cineplex. All family members had a good time and enjoyed games and the 3D movie.

“Donation of Cars and Motorcycles to EXAT and the Expressway Police Station 2”, the Company is committed to taking care of and promoting the performance of the relevant authorities to ensure smooth operations, and to monitor and provide the rapid and efficient services for the expressway users. The Company granted cars and motorcycles to EXAT and the Expressway Police Station 2 for use on the Si Rat Expressway to facilitate the convenient travelling and maximum safety of the expressway users.

5) **Promotion of Youth Learning**

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

“Scholarships to Staff’s Children”, the Company granted scholarships to the Company’s staff’s children with good academic records at the levels of elementary and high school, and for higher education.

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

“Scholarships to Children of EXAT’s Staff”, the Company, in association with the EXAT and the EXAT Club, granted scholarships to children of EXAT’s staff who are working on the Si Rat Expressway and the Udon Raththaya Expressway. The executives from both authorities jointly granted such scholarships.

“Scholarships for Children of the Expressway Police Station 2’s Police Officers”, the Company granted scholarships to children of the Expressway Police Station 2’s police officers, who collaborate with the Company in ensuring convenience and safety of the expressway users.

6) **Support for Outdoor Learning Experience**

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

“Audio Library for Young Blinds”, the Company acknowledges that reading will bring about sustainable knowledge. The Company supported and took part in the Audio Library for Young Blinds project, for the second year in a row, as organized by Nation Broadcasting Corporation Public Company Limited and the Foundation for the Blind in Thailand under the Royal Patronage of H.M. the Queen, in order to assist and share knowledge to youths with visual disabilities, by means of audio book recording, which will be organized as an audio library for children. Management and staff of the Company volunteered to participate in such audio book recording.

“Adventure in Tale World with Expressway”, an activity on the occasion of National Children’s Day for 2015 to encourage kids’ reading and enlarge their learning exposures, with participation by a number of children of the Company’s staff and children of the Expressway Police Station 2’s police officers, students from adjacent schools, including neighbors.

“Learning Sufficiency Economy with Expressway”, to ensure the adaptation of the sufficiency economy initiated by His Majesty the King, the Company took a group of teachers and students from Wat Don School and Wat Duangkhae School to visit the rice farming demonstration of Teacher Thani in Pathum Thani Province, for youths to learn about farmers’ way of life, rice farming, appreciation of Thai rice, and to raise their awareness of the sufficiency economy.

7) **Support for Other Social Activities**

“Support for “Lankilaphat” Project under H.M. the King’s Initiative” As His Majesty the King and Her Majesty the Queen have always expressed a concern for the well-being of their people in all aspects, by giving priority to development of personnel and communities to ensure their people are in better physical and mental health, the Office of H.M. Principal Private Secretary, in its capacity as secretary to His Majesty the King and the royal family members, one of whose missions is to be committed to performing works under the royal

initiative in respect of improvement of the quality of people's life, and in response to this royal initiative, initiated a project for construction of people's playgrounds named "Lankilaphat", literally meaning a "Sport Field for Growth", to promote a variety of recreational activities, sports, community development, and other social and public activities, focusing on sustainable quality of life of people and communities, to carry on such royal initiative.

The Company took part in fulfilling such royal initiative by sponsoring and serving as member of the administration committee and subcommittee of the "Lankilaphat" project, starting with two pilot projects, namely, Lankilaphat 1 in Khlong Chan Housing Community, Bang Kapi District, which is currently completed and open for service, and Lankilaphat 2 under the Urupong Expressway, Ratchathewi District, which is under construction.

"Singing with Expressway", the Company organized volunteer activities by its music club and staff through a music jam session, as well as recreational activities and lunch meals for Rajvithi Home for Girls. The children had a good time and enjoyed the activities, and the Company's executives and staff expressed love, care and shared happy moments with those children in a lovely and warm atmosphere.

"Fundraising for Construction of Navamindrapobitr 84th Anniversary Building, Siriraj Hospital", the Company made donation for construction of Navamindrapobitr 84th Anniversary Building in honor of His Majesty the King, Faculty of Medicine Siriraj Hospital, Mahidol University. In this regard, Navamindrapobitr 84th Anniversary Building would serve as a fully-integrated specialized medical center to enhance the medical educational, research and treatment potentials.

"Donation in Aid of Earthquake Victims in Nepal", as a result of the earthquake in Nepal, the Company sent heartfelt condolences and provided assistance to the victims via the Hand 4 Nepal project organized by the Sangha Supreme Council of Thailand and the Overseas Dhammaduta Supervisory Office at the earthquake relief center, Wat Saket Ratchaworamahawihan.

10.2.2 Metro Business

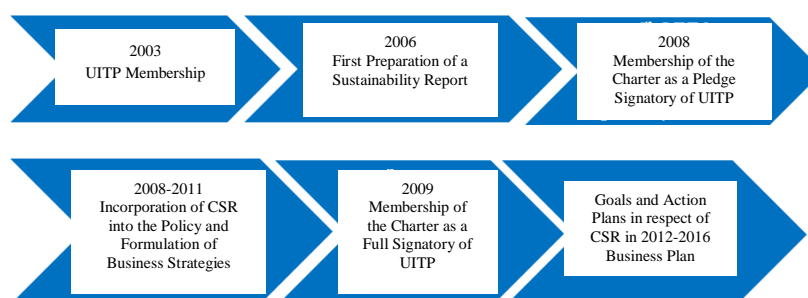
10.2.2.1 Overview

The Company operates its business by adhering to the sustainable development policies, which are divided into five key subjects, i.e., quality policy, safety policy, energy saving policy, environmental policy and corporate governance policy. The Company is socially responsible in every process (CSR in process), as part of the Company's missions to coexist with society and sustainably grow without giving rise to any adverse impact to the service users and all groups of stakeholders.

In this regard, stakeholders of the metro business include staff, customers, shareholders, traders, competitors, collaborators, creditors, regulatory units, media, society, communities, and environment.

Moreover, the Company focuses on transparency and fairness in selection of its partners along with support of fair treatment of labor, and establishes an eco-friendly procurement policy. The Company has taken care of its staff by way of competency development, and also taken care of society by way of career development and promotion of education, environmental management system, eco-friendly procurement, renewable resources utilization, and support of environmental innovations. The Company also jointly signed the Memorandum of Agreement on Cooperation Network for Development of Manpower and Expertise in Rail System Technology of the Country. Furthermore, the Sustainability Report is regularly prepared in accordance with the international frameworks of the International Association of Public Transport (UITP) and subject to management system standards since 2003, which were adopted as roadmap.

Roadmap for Metro Business



10.2.2.2 Operations and Reporting

The Company discloses its information on CSR in process and CSR after process via the Sustainability Report and the Annual Report of the Company in compliance with the G4 Global Reporting Initiative (GRI) Sustainability Reporting Guidelines taking into account the four-dimensional indicators, namely, economy and finance, environment and energy, society and communities, and supervision. Moreover, the Company is committed to the socially/community and environmentally responsible business operations by complying with the laws and rules without taking advantage of the society as a whole, by realizing the accountability, value and significance of the social interest and environmental preservation.

10.2.2.3 Corporate Social Responsibility

This is for stakeholders in five aspects, which will lead to the Company's sustainability.

1. **Staff:** The Company realizes that all of the Company's staff are valuable and play an important role in its business operations, the Company then regularly and continuously supports development and training of staff at all levels. The Company is committed to fair treatment towards its staff under the nondiscrimination policy and provision of equitable opportunity for employment pursuant to the work rules and regulations and labor relations laws. The Company treats all staff equally regardless of gender, age, race and religion, position or physical abilities; everyone is treated and cared for in all respects as to job description, safety and work environment, training and development, career opportunity and advancement, consideration and welfare, whereby the clear criteria for career path are set out and appropriate remuneration is based on industrial benchmarking and in other many aspects. This is to satisfy staff to work for the Company to achieve the Company's goals and promote a participatory work environment and teamwork as well as organize the workplace on the occupational safety and health basis. Staff are allowed to show off their abilities as the Company has the notion that staff are regarded as valuable resources and strongly believes in their inner potential in order to make staff proud and determined to perform works as well as improving their own performance on a continual basis.

Moreover, the Company implemented the occupational safety and health policy in the business premises so that staff are healthy and safe in working. In 2014, the Company received a National Outstanding Award for Occupational Safety, Health and Environment from the Department of Labor Protection and Welfare, Ministry of Labor, for two years in a row.

"Happy Workplace", the Company realizes that the happy work life of staff is important, as when staff are happy in their work, they will efficiently perform their duties, and quality works will then be delivered to the organization's customers, thereby ensuring the organization's sustainable growth. Therefore, the Company organized the **"Happy Workplace"** campaign, as an activity to enhance and improve the quality of work life for staff to ensure that they are able to work efficiently and happily, which covered eight aspects, as follows:

- 1) **Happy Body** : This activity promoted staff's good health, both physically and mentally. The Company, in association with Intermedical Care and Lab Hospital, organized the activity to provide staff with information and advice on health and nutrition, exercise, mental care, and weight loss to be in the standard criteria in order for staff to apply the obtained knowledge to self-care, etc. Moreover, the Company held an activity for sports togetherness with staff in CH. Karnchang group and affiliated companies to strengthen relationships and ensure more efficient teamwork.
- 2) **Happy Society** : This activity promoted staff's unity and social contribution to make society and environment better. The Company regularly communicated information relating to activities, both inside and outside the organization, via the intranet system.
 - 2.1) **Internal Society**, the Company has continued to take care of staff, including their families, and always visits them when they are ill. In times of grief for a loss of their loved ones, the Company and colleagues jointly extended our condolences and sponsored funeral ceremonies as well as provided financial assistance for arrangements.

2.2) **External Society**, the Company organized activities to promote staff's contributions to society and communities, such as, granting of scholarships and donation of supplies, sports equipment, books and stationery to students and schools in need.

- 3) **Happy Heart** : This activity promoted generosity and volunteer spirit among staff and highlighted the Company's contributions to society, namely, merit-making activities on the occasion of the 10th Anniversary of MRT Operations, contribution of supplies and items to temples, listening to Dharma talk, Blood Donation to Thai Red Cross Society with MRTA, and Kathina Robe Offering ceremonies with temples located in the MRT alignment, with the objectives to support Buddhism and build up staff's giving habits resulting in a happy mind from merit-making, a rise in work morale, and strengthening good relationships with communities along the MRT routes.
- 4) **Happy Relax** : This activity encouraged staff to relax and express their talents, e.g., **"New Year and Thank You Party"** at which staff played music and performed on stage, etc.
- 5) **Happy Family** : This activity encouraged staff to participate in common activities and build a relationship like a single family, in both their personal and work lives. One of the activities organized by the Company for staff to promote Thai traditions and strengthen the family institution was the **"Promote Thai Traditions during Songkran Festival"**, which involved a bathing rite for Buddha images, staff performance shows, and pouring scented water over the palms of executives, etc.
- 6) **Happy Money** : This activity encouraged staff to know methods of financial management, self-sufficient economy, money utilization and savings. The Company initiated the legal clinic program to provide staff with accurate and appropriate legal advice without charge, and the Happy Hour by Happy Workplace program which allowed staff and their families to sell goods, sweets, snacks and inventions produced by staff and their families at the Company's canteen for free, together with the **"Marketplace"** activity as regularly held by the Company for distribution of special-priced goods to staff or provision of news and information which were beneficial for staff in relation to money savings or debt management by various financial institutions.
- 7) **Happy Soul** : This activity encouraged staff to apply Dharma to livelihood both in their personal and social lives, namely, staff were allowed to participate in Buddhist ceremonies on traditional days, i.e., **"Guide to Practice Meditation for Happy and Mindful Life"**, whereby staff jointly prayed, meditated and listened to Dharma talk to enhance their physical and mental readiness and concentration on working via a variety of activities.
- 8) **Happy Brain** : This activity provided staff with knowledge in many forms, such as, provision of knowledge via internal communication channel to ensure that staff could catch up with news occurring on issues like health care, report and following up on new contagious diseases, provision of knowledge via articles of financial institutions and other knowledge which was useful for staff's self-care and application in their daily life.

"Career Opportunity and Advancement", the Company is determined to restructure its organization and the work positions, and career paths, and salary of staff to be more appropriate to ensure staff career paths. In the near future, the Company's personnel should triple in order to accommodate the MRT Purple Line service, including other potential lines in the years to come. Therefore, the human resources management has become absolutely essential and necessary, and the Company must establish more clear and concrete direction for enhancement of competency of human resources starting from the retention of existing personnel, and recruitment of new staff for business expansion, as well as development of knowledge and skills for both existing and new staff, and update of job descriptions, including transfer of staff according to their knowledge and abilities, and promotion for career advancement.

“**Staff Capacity Building**”, the Company focused on personnel training and development, both inside and outside the organization, to maintain core knowledge within the organization, and to prepare our personnel to become the international standard mass rapid transit operator. Training courses provided for staff are described below.

1) Knowledge Management: KM

The Company implemented the knowledge management project as intermediate KM Roadmap, with the objectives to identify the body of core knowledge which was necessary and important for the organization, to ensure a systematic collection of knowledge for all staff to have access to the source of such knowledge, knowledge sharing for ensuring the optimum benefits, and furthering the Company’s corporate transition into a learning organization. Other than the management of core knowledge for train operations, the Company also promoted a community of practices (CoPs) to ensure learning and sharing of work experiences, problems, including solutions and improvement to work processes, in order to come up with the best practices.

2) Codes of Conduct and Business Ethics Training

This training course was intended to serve as guidance for all staff regarding their work responsibilities and duties and to ensure that they understand and follow the preliminary guidance described in the Company’s Codes of Conduct and Business Ethics handbook, which is in line with the Company’s vision, mission and corporate culture, in order to achieve goals for improved quality of work and life for staff. The Company also provides refresher training for the existing staff to update their knowledge by way of E-Learning & E-Exam, including regular exams for relevant staff once a year.

3) Annual Training & Development

The Company put into practice the idea of developing staff competency by improving the Training Roadmap for all levels of staff, namely, executives, supervisors and operating staff. The roadmap is intended to make sure that staff gain basic knowledge and skills required for their work performance, both technical and soft skills. These two types of skills are fostered in mandatory programs for new staff, e.g., an orientation program for new staff about the Company and train operations, including rules, regulations and requirements; a work safety program; and a quality management system program. The existing permanent staff are given refresher training on basic knowledge every year. All of these training programs should enable staff to apply such knowledge to their work performance and adapt themselves to the corporate culture, so as to have a sense of pride and to conduct themselves properly and in line with the goals.

2. Products and Services

To be one of the world’s leading mass rapid transit operators with high quality of service, the Company is thus committed to development of the services to be comparable with the world’s leading mass rapid transit systems by way of improvement of the quality of services to customers’ satisfaction. Therefore, the Company pays attention to customer care in all respects, together with regular improvement and development of the quality of services according to the results of the annual survey on satisfaction, needs and expectations of passengers towards the MRT service quality; the results of inspection and monitoring of the internal processes; the results of inspection and monitoring by external agencies, etc., in order for customers as major stakeholders to derive satisfaction from the use of the MRT service. The Company’s mission to provide safe, convenient, fast, reliable and punctual MRT service has been continuously applied to the operating plans so as to value added to the services, covering the areas as follows:

- 1) Value added to safety: The Company’s business operations give priority to safety of passengers, staff, contractors, including everyone in the MRT system, as evidenced by the adoption of the international standard safety management system as a guideline for operations, namely, OHSAS/TIS 18001. Moreover, Lloyd’s Register Rail (LR) is

engaged as safety consultant to provide suggestions on risk management and to devise new safety management techniques for improvement of the Company's work processes to ensure more safety. As a result, the statistics of work-related accidents, including the statistics of passengers' injuries while using the MRT service, are likely to reduce. It is for this reason that the Company did receive the National Outstanding Awards 2013-2014 for Occupational Safety, Health and Environment for two years in a row.

- 2) Value added to convenience: As the metro is a mass rapid transit system with rapidity and definite service schedule for the service users' commute convenience as they can somewhat precisely anticipate the service schedules and sets out their commute plans, the Company thus gives priority to value added in convenience in its services from making an entrance to the stations, utilization of services until leaving the stations. To this effect, the Company has made various preparations to suit the convenience of the passengers and the service users in all respects such as information services, common ticketing system and facilities within the stations.
- 3) Value added to rapidity: As the metro is a mass rapid transit system which offers the rapid services, a main reason that people select to commute by the metro, therefore, the Company supports other services from the passengers' entering into the stations until leaving the services with rapidity by means of development of the efficiency in service provision from where the passengers make an entrance to the stations and during the services, deletion of certain repeated steps which cause any unnecessary delay or increase in certain steps which more impress the passengers such as the passenger volume management system during rush hours on platforms, rapid services in the time when the passengers are so crowded or during the exhibitions, ticket issue or stored value card services are provided by staff who are active in providing clear suggestions, etc.
- 4) Value added to reliability: The Company is committed to the regular services of required standard to build the reliability in the metro system in respect of safety, convenience, and rapidity, whereby the Company continues to improve the quality of the services, for instance, maintenance and test of equipment are planned in a preventive and corrective manner, annual rehearsals for handling various emergency stimulations together with internal and external rescue agencies, improvement of safety system, ethical and equitable treatment towards passengers. Moreover, the Company accepts any comments or complaints from customers for further taking remedial actions to ensure improved services. The MRT service capability was assessed by Train Service Delivery, namely, the Company's MRT service capability was always more than 99 percent. In the third quarter of 2015, the Company's Train Service Delivery represented 99.83 percent from 99.70 percent as anticipated.
- 5) Value added to punctuality: The clear and punctual schedule of the MRT service enable passengers to manage their travelling time and do various activities more easily, not to mention that it results in their quality of life and mind health. The punctuality of the MRT service can be assessed by examining train punctuality with delays of not more than 5 minutes (Train Punctuality (Delay within 5 Min.)) in all MRT stations, which in the third quarter of 2015, the Company's Train Punctuality (Delay within 5 Min.) represented 99.96 percent, higher than the target of 99.75 percent.

Moreover, the Company's membership in NOVA Group of Metros, a consortium of international metro service operators in a program of railway benchmarking, has inspired the development and improvement of service operations to achieve a higher level of success. Other than the standard set of service performance indicators, the Company has set out benchmarking indicators that are comparable to those of other members of the NOVA Group of Metros in various aspects in order to share knowledge and experience which will result in improvement and development of the services. Furthermore, in comparison with information in the NOVA Group, the Company's operational results are excellent in various respects, such as, train punctuality as compared with the train schedule, repair and maintenance to ensure the availability of trains for service, and work safety of staff, etc.

3. Traders

The Company formulates a policy to fairly treat its business partners and promotes the knowledge, understanding, practice, development in accordance with the framework for sustainable development in the Company's business sector, playing an important part in promoting and supporting to ensure the strength of the business operations, and upon the strength of the Company's business supply chain, the Company stably grows accordingly.

The Company operates its business fairly, with commitment to ethical treatment towards other organizations or the government sector, whether they be traders, business partners, contractual parties, competitors, as well as builds up the good relationship with these stakeholders, by emphasizing on the anti-corruption, public responsibility, fair competition, corporate social responsibility, and respect of the intellectual property, based on the guidelines and guiding practices which the Company treats the business stakeholders, such as, execution of any transactions with any traders/suppliers, and competitors, based on the guidelines for business operations with fairness and transparency, support of lawful labor, and promotion of sustainable business operations.

Safety for Staff and Contractors

The Company has conducted its work safety in accordance with Thai laws and local and international safety standards, i.e., TIS 18001:2011 and OHSAS 18001:2007, as assessed by TUV NORD (Thailand) Limited. The main objective is to supervise welfare for work performance in respect of occupational safety, health and environment of staff and persons in connection with operations in the metro system. The Company also prepared Plod Online E-magazine for communication with its staff to ensure their awareness of safety, quality and environment.

4. Society

As the Company is the metro service provider or the MRT which covers the main routes in Bangkok so the communities surrounding the MRT routes are considered another group of stakeholders which has been prioritized by the Company. Therefore, provision of the services without having any impact on livelihood of the communities and society, including support and development of the communities and society in the areas where the Company operates its business, and the improved quality of life, are counted as the Company's significant responsibility in its capacity as a good citizen.

In this regard, the Company is determined to mainly improve the quality of life of residents in the communities, by focusing on development of the quality of life in four aspects, namely, family and community economies, physical health, mental health of residents in the communities, and environment in the communities, in which the Company strongly believes that these good factors will give rise to the positive effects on the quality of life of residents in the communities and also bring about a better society in the future. Over the past years, the Company organized a variety of activities to improve the quality of life of the communities and society, for instance, educational promotion project (Getting Fit Beat GAT by MRT), cooperation project with the government and private sectors to provide knowledge relating to health care and safety of use of the MRT services (M Care activity), art and cultural promotion activity projects (art contest, activities on the Children Day, activities on the Songkran Day), projects for glorification of the family institution, communities, private development organizations, including religious institution (activities on the Father Day, the Mother Day, the Elderly Day, Buddhist monk robe offering ceremonies), and internal society promotion activities through Happy Society project.

5. Environment

The Company is committed to continuing its operations on the environment in accordance with ISO 14000 standards, by implementing pollution prevention and control measures, mitigating environmental impacts and sustainable use of resources on the basis of three aspects of sustainable development, namely, society, economy, and environment.

The Company continues its leading role in energy conservation by adopting energy conservation innovations in its business operations, along with sustainable environmental protection in accordance with the energy conservation policy and energy management manual, and also formulates the environmental impact mitigation measures and monitoring program, as well as submitting reports on its compliance with such measures to the Office of Natural Resources and Environmental Policy and Planning, the Ministry of Natural Resources and Environment. Moreover, the Company also formulates a policy on eco-friendly procurement

and utilizes renewable resources to ensure the sustainable resource utilization, such as, water resource management project, return the metro cards project, paper conversion and recycling project.

In 2015, the Company implemented the energy-saving policy to save energy and minimize CO₂ emission to meet the annual target through the main projects as follows:

- 1) Project for installation of LED lighting system in replacement of fluorescent tubes inside (Southern) three MRT stations, with the scope of work, namely, consideration of guidelines for implementation to ensure efficiency and effectiveness;
- 2) Project for Energy Baseline study inside one MRT station to assess the efficiency of the organizational energy management;
- 3) Energy-saving promotion activities for all staff or officials.

In 2016, the Company plans to regularly implement the energy-saving project for sustainable development of the energy management system as follows:

- 1) Project for installation of LED lighting system in replacement of fluorescent tubes inside (Southern) nine MRT stations;
- 2) Project for Energy Baseline inside MRT stations to assess the efficiency of the organizational energy management;
- 3) Project for efficient lighting using 36-watt compact fluorescent lamps inside (Southern) nine MRT stations;
- 4) Energy-saving promotion activities for all staff or officials.

Environmental Innovation Support: The Company focuses on adaptation of energy conservation innovations in parallel with sustainably environmental conservation, by identifying instruments for operations heading the same direction to ensure the utmost efficiency, for instance, energy management handbook, annual energy preservation plan. In the previous years, the Company did create work innovations to reduce energy utilization in the train operation service on a regular basis and employ technologies to help save cost in the train operation service for the purpose of energy-saving together with environmental conservation, that is, introducing the Variable Speed Drive (VSD) to control the air conditioning system inside the stations, using LED lighting bulbs in replacement of ordinary lighting bulbs consuming more electricity in order to save energy inside the stations, and sharing energy management guidelines with international agencies from NOVA group of metros. Moreover, the Company encourages its staff to participate in environment-related development in the business operations to build up and raise the awareness of energy-saving and optimal utilization of resources. Owing to the previous energy-saving promotion activities, the Company was selected to receive an award for its compliance with measures in the Environmental Impact Assessment Report with outstanding environmental management for 2011 (EIA Monitoring Awards 2011) and Thailand Energy Awards 2014 in Excellent Energy Conservation, Transportation Category, from the Ministry of Energy, and ESG 100 Certificate 2015 from Thaipat Institute as 1 of 100 listed companies with the remarkable business operations in environmental, social and governance (ESG) respects, with the Company's commitment to social and environmental responsibility under the concept and policy on "sustainable development".

10.2.2.4 CSR after Process in the Previous Year

"Return the Metro Cards for Environmental Protection and Sustainable Social Development project", the Company has maintained its commitment to environmental protection, together with social development with sustainability, to fully satisfy communities' economic, social and environmental requirements through a variety of social contribution activities, with a focus on environmental protection. To this end, the Company organized the "Return the Metro Cards for Environmental Protection and Sustainable Social Development" project to invite MRT passengers to return their expired cards. The Company would donate Baht 10 per card for development of the quality of life in communities through activities in response to needs and livelihood of communities. These included the Share 2 Child activity for youths to learn the use of the MRT service for sightseeing at various places; and the M Care activity, in association with the Company's alliances, in order to provide information on public health for passengers and the general public, including corporate social responsibility activities in other special occasions.

This project signifies the concerted efforts of all MRT users and the Company to create and push forward with the promotion of quality of life in society, together with environmental protection, to ensure a better quality of life for everyone in society with a bright future for future generations through sustainable development and growth.

In 2015, the Company spent monies from this project to organize activities for development of the quality of life in terms of education and public health of the communities surrounding the MRT routes, i.e., the existing MRT Blue Line Project, the MRT Purple Line Project, and the MRT Blue Line Extension Project, classified into three parts as follows:

1. Activity for Development of Quality of Life on Education

“Share 2 Child Activity”

January 27, 2015	Students from schools surrounding the MRT routes were brought to experience and outdoor with activities with the group of students and teachers from Wat Liab Ratbamrung School, Nonthaburi Province, a community surrounding the MRT Purple Line Project (Wongsawang Station, Bang Sue District, Bangkok), a target group to experience MRT service to the Science Center for Education (Bangkok Planetarium) for scientific, technological and environmental learning.
February 20, 2015	The Company in association with CH. Karnchang group sponsored a Wang Chan Fine Arts Project for drawing contest for scholarships and donations of sports equipment, books and stationery to students and 15 schools in need, in Rayong Province, in order to promote and develop the quality of life on education.
February 27, 2015	Children from the Foundation for Child Development (FCD), Duangkhae Center, nearby the M.R.T. Chaloem Ratchamongkhon Line (Hua Lamphong Station, Pathumwan District) were invited to watch a World-class Broadway entitled Disney’s Beauty And The Beast, at Muangthai Rachadalai Theatre, to stimulate their imagination and inspiration, with a free MRT ride.
March 19, 2015	Children from Border Patrol Police schools, Surintharaphakdi Military Camp, Surin and Buri Ram Provinces, visited the Company and enjoyed fun activities at Auditorium Room, Administration Building, and then visited for fun 3D photoshoots at Art in Paradise, Thailand Cultural Centre Station, and took a free MRT ride to Sukhumvit Station for TBSP officials to take the student to visit Bangkok Planetarium for scientific learning.

“MRT 11th Anniversary Back to School” on the occasion of the 11th anniversary of the M.R.T. Chaloem Ratchamongkhon Line, the MRTA, in association with the Company, the MRT service provider, organized the MRT 11th Anniversary Back to School event as appreciation to people for their continued trust in the MRT service over the past 11 years. This event also served to support the government policy to encourage youths, school and college students to use the mass rapid transit system more and more, the Company thus organized activities to deliver happiness to people and youths to learn and understand more about the MRT system and overseas mass rapid transit systems. Such activities included chalk art contest titled “My MRT” and “Champion of MRT” quiz contest, whereby every team of contestants must gather information along the journey to visit the exclusive learning center by the MRT service titled “MRT One Day Trip” to answer quiz questions for trophies from the Minister of Transport and the Chairperson of the Mass Rapid Transit Authority of Thailand (MRTA), together with scholarships and field trip to learn about the metro system in Yokohama, Japan.

2. Activity for Development of Quality of Life on Public Health

“**M Care Activity**”, the Company, in association with its partners, organized an exhibition booth to provide information on health, safety, and free health checkups for MRT passengers and residents surrounding the MRT routes and nearby communities.

- **Exhibitions on health care and checkup** by private hospitals to provide knowledge relating to proper and safe use of the MRT service, in which passengers participated and received rewards such as metro cards, M dolls, etc.
- **Free Thai massage** by Thailand Caulfield Foundation for the Blind under the Royal Patronage of Her Royal Highness Princess Maha Chakri Sirindhorn.
- **Health checkup service (Pulse diagnosis)** and health care suggestions by traditional Chinese doctors, Alternative Medicine College, Chandrakasem Rajabhat University.
- **Health checkup service (Electrical pulse diagnosis)** according to elements, hand grip test, basic eye test by Kluaynamthai Hospital.
- **Computerized initial health risk assessment, health consult with professional nurses** from Paolo Memorial Hospital Chokchai 4.
- **“5 Do’s 5 Don’ts, 7 Signs of Cancer, and 9 Tips”** from the National Cancer Institute.
- **Physical fitness test** by Thai Health Promotion Foundation (THPF).
- **Health tips by Thai traditional medicine, local vegetables and medicinal foods**, from the Department for Development of Thai Traditional and Alternative Medicine.
- **Health care on body structure**, diagnosis of symptoms and causes of sickness, basic self-care suggestions, by Ariya Wellness Center.
- **Exercise demonstration for office syndrome therapy** by Yoga experts.

3. Activity for Promotion of Family Relationships

“**MRT Invites Moms to Watch the Musical for Free**”, passengers were invited to answer quiz questions and share opinions on Facebook for free tickets to a musical comedy titled “**Wedding Day the Musical**” at Muangthai Rachadalai Theatre.

“**MRT Invites the Elderly to Watch Chula Suntaraporn Concert to Mark the Centenary of Prof. Dr. Boonrod Binson**”, the Company regards the target elderly groups around the M.R.T. Chaloem Ratchamongkhon Line as the most venerable persons who offered valuable contributions to society, and whom young generations should appreciate and take care of the elderly for a good quality of life, good mental health and happy living in society. As such, the Company organized the “**MRT Invites the Elderly to Watch Chula Suntaraporn Concert to Mark the Centenary of Prof. Dr. Boonrod Binson**” by the Suntaraporn Big Band and Sungkeatsumpun Thai Musical Band.

“**Buddhist Monk Robe Offering Ceremony for 2015**”, the MRT service provider for the M.R.T. Chaloem Ratchamongkhon Line (Blue Line) and the MRT Purple Line Project (Bang Yai - Tao Poon Section), together with the groups of executives and staff, jointly hosted the Buddhist monk robe offering ceremony for 2015 at Wat Sai Ma Tai Temple, Tambon Sai Ma, Amphoe Mueang, Nonthaburi Province, to raise funds for renovation of monks’ dwellings and support for Buddhism, whereby passengers from all 18 stations made donations with the Company in the total amount of Baht 561,472.50.

“**Return the Metro Cards for MRT Lucky Draw**”, which campaigned for passengers’ greater recognition of the “**Return the Metro Cards for Environmental Protection and Sustainable Social Development**” project by distributing metro card envelopes to passengers who purchased or showed their 1-Day Pass, 3-Day Pass or 30-Day Pass, filling in their names-addresses on the envelopes, inserting used-up 1-Day Pass, 3-Day Pass or 30-Day Pass in the envelopes, and then dropping them into the metro card boxes for lucky draw.

10.3 Anti-Corruption Policy

10.3.1 The Company’s Anti-Corruption Policy

The Company realizes and gives priority to anti-corruption and fraud prevention, both inside and outside its organization. The Company thus formulates guidelines for proper conduct of directors, executives and staff via the code of business ethics of the Company. Furthermore,

with the potential damage from corruption in mind, the Company then formulates anti-corruption policy containing the key practical guidelines as follows:

1. The Company's staff at all levels should carry out activities with fairness, integrity and transparency in business dealings with various agencies, provided that such activities must be lawful, and they have the duty to comply with the anti-corruption policy in the code of business ethics of the Company.
2. The Company promotes fair treatment with integrity towards its traders and compliance with any contractual commitments made with the Company's stakeholders.
3. Executives' and staff's awareness must be promoted to ensure that they refrain from committing any fraud and realize consequences of corruption.
4. Directors, executives and staff must refrain from accepting or offering any reception, gifts, and any other payments which are extravagant and unusual to those in business dealings with the Company.
5. The Company arranges for staff training to educate them regarding the anti-corruption policy, practices and guidelines.

The Company operated the expressway business, and the metro business, did formulate and implement their respective anti-corruption policies, which can be summarized as follows:

10.3.2 Expressway Business

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

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

Additional Anti-Corruption Practices

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

1. The Company and its Subsidiary set out policy and measures for anti-corruption and prevention of payments or acceptance of bribery, including any actions contrary to morality and customary practices, which are written in the corporate governance policy, the Company's code of business ethics, and the work rules and regulations, for compliance by all directors, executives and staff.
2. The Company is aware of business risks from both internal and external factors which may affect its operations. The Company therefore sets out a systematic risk management, monitoring and measures to continuously minimize risks. The Corporate Governance and Risk Management Committee was thus appointed to consider the policy level while the Management has the duty to supervise the overall risk management process and perform the day-to-day operation on behalf of the Corporate Governance and Risk Management Committee. Such duties include monitoring, evaluation and preparation of a risk management report at the department level for submission to the Board of Directors for information. Moreover, the risk management manual and plan are prepared as operational guidelines, including risk monitoring, evaluation and review in line with the internal and external circumstances. All work units must also prepare emergency plans for any emergency situation so as to be ready to resolve problems forthwith.

3. In order to comply with the written anti-corruption policy, the Company also builds up recognition of anti-corruption practices in the organization by way of training, using both physical and psychological approaches, to develop a positive attitude. The Company believes that decency emanates from inside out, so it regularly organized the “Hearing the Dharma with Expressway” throughout 2015. In preparation for the application for certification of membership in Thailand’s Private Sector Collective Action Coalition Against Corruption, the Company had various departments conduct a self-assessment to identify potential improvements in compliance with the anti-corruption measures in Thailand’s Private Sector Collective Action Coalition Against Corruption. Moreover, the Company assigned two representatives, who are responsible for the corporate governance and the internal audit, to attend the Anti-Corruption: The Practical Guide (ACPG 15) course, organized by the Institute of Directors Association (IOD).
4. The Company surveys the compliance with the code of business ethics yearly for the executives to review their conduct in accordance with the code of business ethics.
5. The Company treats misconduct relating to fraud and corruption as serious disciplinary misconduct, and any violation is subject to severe disciplinary action up to termination of employment without prior warning. The details of such misconduct are described as follows:
 - (1) Disclosure of the Company’s confidential information to any third parties;
 - (2) Breach of duty and/or fraudulent acts towards the Company, including a conspiracy with others to do so;
 - (3) Abuse of position for personal interest or for the interest of others;
 - (4) Acceptance of undue consideration in relation to assigned tasks;
 - (5) Showing impolite manners or use of aggressive, threatening, insulting words or causing bodily injury to supervisors, including visitors.

10.3.3 Metro Business

The Company gives priority to good corporate governance, including anti-corruption measures, and the Company has made determined arrangements to tackle issues of corruption pursuant to the good corporate governance. The Company has made its anti-corruption policy known to all staff and disseminated such policy on intranet website and the Company’s main website regarding the content of Corporate Governance, as well as providing training courses for all new directors of the Company to ensure their awareness of such matters from the beginning and holds an annual refresher and testing program for all staff, in order to review their conduct in accordance with the code of business ethics. Moreover, the Company takes into account potential damage as a result of corruption by arranging for a whistleblower guide for any matter which may give rise to damage to the Company by reporting directly to the Audit Committee.

11. Internal Control and Risk Management

11.1 Internal Control

The Board of Directors has always realized the significance of its good and effective internal control system, including its good corporate governance guidelines. It believes that a good internal control system is founded on a good performance process, organization chart and work system, which could help achieve goal or mission with efficiency and effectiveness, as well as minimize risk and prevent possible damage in the Company's business operations. The Board of Directors has thus authorized the Audit Committee comprising independent directors to audit the evaluation of the effectiveness of the internal control system. The Internal Audit Office, which independently performs its duty and directly reports to the Audit Committee, audits the work operation system in various departments of the Company as per the annual audit plan approved by the Audit Committee to ensure each department's efficient and effective performance of work and optimized use of its resources. This also includes the control of the work performance, the timely, accurate and reliable financial reports, as well as the compliance with the policies as well as laws and regulations of the government agencies and relevant authorities. Furthermore, the effectiveness of the internal control system is regularly reviewed to ensure the optimum benefit to the shareholders from the business operation based on fairness in terms of benefits to all stakeholders. In addition, the Audit Committee shall have the duties to consider, select and submit for appointment of the auditor, including remuneration of the auditor, consider accurate and complete disclosure of the Company's connected transactions or any transactions which may give rise to any conflicts of interest.

11.2 Risk Management

The Board of Directors has realized the significance of using the risk management system in the administration by assigning the Corporate Governance and Risk Management Committee to supervise and review the Company's overall risks, risk management strategy and risk alert system. This is to ensure proper and timely response to various challenges, as well as to provide training for executives and staff about the risk management guidelines for their understanding and engagement in the firmwide risk management. The Company's management takes into account various risk factors currently sustained or threatened to be sustained in the future by the Company to analyze impact and possibility of such risks and to determine measures to prevent and deal with such risks to stay at an acceptable level in line with the Company's policy, and to report to the Corporate Governance and Risk Management Committee to consider the adequacy and appropriateness. The effectiveness of the risk management system is reviewed and evaluated every year, and at any time when the risk level has changed, whereby the results are regularly monitored on a quarterly basis by the secretary to the Corporate Governance and Risk Management Committee and reported to the management and the Corporate Governance and Risk Management Committee for acknowledgement and further report to the Board of Directors. The significant risk factors and management are described in Risk Factors on pages 3-1 to 3-4.

- 11.3 The Board of Directors has evaluated the adequacy of the internal control system based on the Internal Control Adequacy Evaluation Form, taking into consideration five components, i.e., corporate internal control, risk assessment, control measures, information and communication system, and follow-up system. It was concluded that the Company's internal control system was considered adequate and appropriate to the business operation without material fault in the internal control system; and it could prevent improper or unauthorized use by executives or employees of the property of the Company and the subsidiaries. The financial report of the Company was accurate and reliable in accordance with the generally accepted accounting standards and the financial reporting standards. The Company's business operation was in accordance with the law on securities and exchange and other applicable laws.

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

The Head of the Internal Audit Unit is Miss Vasana Wattananukulchai, General Manager of Internal Audit Office. The Audit Committee is of the view that Miss Vasana Wattananukulchai has knowledge, abilities and work experience and is qualified to efficiently and adequately perform duties as the Head of the Internal Audit Unit. The appointment, removal and transfer of a person holding an office as Head of the Internal Audit Unit shall be subject to the Audit Committee's approval. (The details are described in Attachment 3 on pages A3-1 to A3-2.)

The Head of the Compliance Unit is Mr. Phakpoom Thaweewittayarut, Deputy Managing Director - Administration and Company Secretary, who shall be responsible for compliance matters. (The details are described in Attachment 3 on pages A3-3 to A3-4.)

Report of the Audit Committee

The Audit Committee of Bangkok Expressway and Metro Public Company Limited, as appointed by the Company's Board of Directors, comprises four independent directors, namely, Mr. Vitoon Tejatussanasoontorn, as the Audit Committee Chairman *, General Chetta Thanajaro, General Sampao Choosri, and Dr. Annop Tanlamai *, as the Audit Committee Members. The Audit Committee Chairman specializes in accounting and finance, and the General Manager of Internal Audit Office serves as secretary to the Audit Committee.

The Audit Committee performed its duties within the scope, duties and responsibilities as assigned by the Board of Directors in line with the requirements of the Stock Exchange of Thailand. The Audit Committee's Meetings were held for discussion and sharing of opinions with management, internal auditor and the auditor, with a meeting with the auditor without the management's presence, for independent discussion on the essence in the preparation of the financial statements and the annual audit plan.

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

1. **Review of Financial Report:** The Audit Committee reviewed the financial statements of the Company and its subsidiaries, including changes in the accounting policies, the adjustments which materially affected the financial statements, and correct and complete disclosure of information, to ensure that the financial statements were prepared in accordance with the legal requirements, the generally accepted accounting standards and the financial reporting standards, with correct and sufficient disclosure of information in a timely manner for the benefit of shareholders or information users for making investment decisions.

In review of the financial statements and compliance with the relevant regulations and laws, the Audit Committee was of the opinion that the Company complied with the relevant laws, the accounting system and financial report were correct and reliable, the connected transactions between the Company and its subsidiaries with related companies were in compliance with the ordinary course of business.
2. **Review of Effectiveness of Internal Control System:** The Audit Committee reviewed the assessment result of the internal control system to ensure the effective performance in all of work units and compliance with various laws and requirements. The Internal Audit Office independently examined and evaluated the sufficiency of the internal control, as well as reporting directly to the Audit Committee, taking into consideration the operations, resource utilization, property management, risk prevention and minimization, reliability of financial report, and focusing on the internal control of the information system, subject to further review and monitoring by both internal auditor and the auditor.
3. **Supervision of Internal Audit:** The Audit Committee reviewed and approved the internal audit plan and scope of work, considered the audit report, monitored the corrections under the audit report, and provided suggestions in the improvement regarding the audit performance, to ensure appropriate and effective audit system. It also considered internal auditor development plan to keep pace with changes in business, along with ongoing self-improvement in the direction of the business operations and international standards.
4. **Review of Good Corporate Governance:** The Audit Committee reviewed the Company's operations in compliance with the law on securities and exchange, rules and regulations of the Office of the Securities and Exchange Commission, requirements of the Stock Exchange of Thailand, and other laws relating to the business operations, including obligations which may arise from agreements executed with third parties, and found that the Company duly and properly complied with the relevant laws and requirements in a timely manner.
5. **Consideration of Connected Transactions:** The Audit Committee reviewed and provided opinions on connected transactions or transactions which might give rise to conflicts of interest in compliance with the applicable laws and requirements of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand to ensure transparency, justifications, and maximum benefits to the Company's business operations.

Remark : * Appointed by the Board of Director Meeting No. 1/2016 held on February 25, 2016.

6. **Consideration for Appointment of the Auditor and Auditing Fee:** The Audit Committee had the duties to nominate, re-elect, and terminate the engagement of the auditor. It assessed the audit in the previous year and considered the reasonableness of the auditing fee and was of the view that the auditor from EY Office Limited was independent, knowledgeable and experienced regarding the audit, provision of advice on the accounting standards, certification of the financial statements in a timely manner, and concluded that the auditing fee was reasonable. Therefore, it proposed the matter to the Board of Directors to consider and seek approval of the meeting of shareholders for appointment of the auditor from EY Office Limited as the Company's auditor for 2016, with the remuneration not exceeding Baht 2,505,000 per year.
7. **Preparation for Participation in Private Sector Collective Action Coalition Against Corruption:** The Audit Committee assigned the management and the Internal Audit Office to conduct a study in detail and to prepare a self-evaluation in accordance with the self-evaluation form regarding anti-corruption measures, and assigned the responsible persons to attend training on Anti-Corruption: The Practical Guide Program, as organized by the Thai Institute of Directors Association, to ensure readiness in the participation in such program.

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



Mr. Vitoon Tejatussanasoontorn
Audit Committee Chairman

12. Connected Transactions

12.1 Criteria and Procedures for Approval of Execution of Connected Transactions

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

In the consideration and approval of any connected transaction, the Company shall propose such matter to the Board of Directors' Meeting, in which the directors having any involvement which may give rise to a conflict of interests 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 a conflict of interests, to ensure accuracy and completeness.

In respect of connected transactions with general commercial terms which the Company and its subsidiaries have or may have in the future, the Company already requested approval in principle from the Board of Directors' Meeting.

12.2 Policy or Trend of Future Connected Transactions

The Company shall comply with the requirements and regulations of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand, as well as the rules on disclosure of information on connected transactions and acquisition and disposition of material assets of the Company and its subsidiaries, including the accounting standards as prescribed by the Federation of Accounting Professions. Should there be any transaction which may have a conflict of interests in the future, for example, engagement of a group of persons who may have a conflict of interests for construction, project management, maintenance, the Board of Directors, together with the Audit Committee, will consider the necessity and justification for execution of such transaction, as well as pricing and conditions on the execution of such transaction whether they are in the ordinary course of business, and in comparison with third party prices or market price, provided that the interested parties shall not take part in the consideration and approval for execution of the transaction. The Company has no policy for lending loans or providing guarantee to any person who may have a conflict of interests in accordance with the definition of the SEC Office.

In case that the Audit Committee has no expertise to consider any potential connected transaction, the Company will arrange for an independent expert or the Company's auditor to provide an opinion on such connected transaction in support of the decision-making by the Board of Directors and/or the Audit Committee or shareholders, as the case may be. In this regard, the Company discloses its connected transactions in the Company's notes to the financial statements as audited by the Company's auditor.

12.3 Connected Transactions of the Company and the Subsidiaries with Persons who May Have a Conflict of Interests for 2015 and 2014

Persons who may have a conflict of interests	Relationship	Nature of Transaction	Transaction Value (Baht)		Necessity/Details	Opinion of the Audit Committee
			2015	2014		
1. CH. Karnchang Public Company Limited	<ul style="list-style-type: none"> - This company is a major shareholder of the Company, with 27.47 percent of shares in the Company as at December 30, 2015. - Mr. Plew Trivisvavet, director, executive director, and executive of CH. Karnchang Public Company Limited, serves as director and Chairman of the Executive Board of the Company. - Mr. Prasert Marittanaporn, director and Senior Executive Vice President of CH. Karnchang Public Company Limited is the spouse of Mrs. Payao Marittanaporn, director, executive director, Managing Director of the Company and Acting Managing Director of NECL. - Mr. Phongsarit Tantisuvanitchkul, executive of CH. Karnchang Public Company Limited, serves as director and executive director of the Company 	<u>The Company</u> <ul style="list-style-type: none"> - Advance Payment - Project Management Fee 	398,250,000	1,235,250,000	<ul style="list-style-type: none"> - Advance Payment and Fee for Management of the Si Rat - Outer Ring Road Expressway Project: On September 14, 2012, the Company engaged CH. Karnchang Public Company Limited as Project Manager of the Si Rat - Outer Ring Road Expressway Project, in the total value of Baht 22,500 Million, with a construction period of not exceeding 48 months, commencing on December 15, 2012. 	<ul style="list-style-type: none"> - 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.
			8,370,000,000	7,650,000,000		

Persons who may have a conflict of interests	Relationship	Nature of Transaction	Transaction Value (Baht)		Necessity/Details	Opinion of the Audit Committee
			2015	2014		
1. CH. Karnchang Public Company Limited (Continued)		<u>The Company</u> - Costs of inspection and repair of the structure of the expressway	-	55,005,476	- Inspection and repair of the structure of the Si Rat Expressway, No. 3, Phase 2: On September 1, 2013, the Company executed a contract engaging CH. Karnchang Public Company Limited to carry out the inspection and repair of the structure of the Si Rat Expressway, No. 3, Phase 2, in the total value of Baht 67,238,525, with a contract term of 12 months from the date of the contract signing. The Company issued the Notice of Variation in a total amount of Baht 3,311,532.	- 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.
		- Costs of inspection and repair of the structure of the expressway	14,644,976	12,126,349	- Inspection and repair of the structure of the Si Rat Expressway, No. 3, Phase 3: On September 1, 2014, the Company executed a contract engaging CH. Karnchang Public Company Limited to carry out the inspection and repair of the structure of the Si Rat Expressway, No. 3, Phase 3, in the total value of Baht 26,771,325, with a contract term of 10 months from the date of the contract signing.	

Persons who may have a conflict of interests	Relationship	Nature of Transaction	Transaction Value (Baht)		Necessity/Details	Opinion of the Audit Committee
			2015	2014		
1. CH. Karnchang Public Company Limited (Continued)		<u>The Company</u>				
		- Gain on sale of investment	1,235,536,377	-	- Sale of ordinary shares of Bangkok Metro Public Company Limited:	- The selling price of shares is reasonable and comparative to market price. Such price was concluded after negotiation and agreement based on the weighted average price of Bangkok Metro Public Company Limited's shares for the past 60 days, less discount of approximately 5 percent due to big lot trading. The conditions on payment were set to allow the Company to be able to sell all such shares on a single occasion at the agreed price.
		- Interest income	44,994,038	-	On July 2, 2015, the Company sold its 2,050,134,895 shares in Bangkok Metro Public Company Limited to CH.	
		- Subscriptions receivable net of deferred interest income	1,320,849,241	-	Karnchang Public Company Limited, at the price of Baht 1.79 per share, whereby the Company received payment on the transaction date in the amount of Baht 2,000 Million, with the remaining payment to be gradually made until completion by August 2017.	

Persons who may have a conflict of interests	Relationship	Nature of Transaction	Transaction Value (Baht)		Necessity/Details	Opinion of the Audit Committee
			2015	2014		
1. CH. Karnchang Public Company Limited (Continued)		<u>The Company</u> - Other accounts receivable	17,120,000	12,840,000	<p>- The Company executed the Contract with CH. Karnchang Public Company Limited for Engineering Services and Commissioning for Operation Service in the MRT Purple Line Project, Contract 4: Concession for Supply of M&E Systems and O&M Services (Khlung Bang Phai Station - Tao Poon Station), for the total contract value of Baht 450 Million, as follows:</p> <p>Down payment of Baht 192 Million:</p> <p>1st - 4th installments: Baht 11 Million each;</p> <p>5th - 10th installments: Baht 6 Million each;</p> <p>11th - 16th installments: Baht 7 Million each;</p> <p>17th - 20th installments: Baht 8 Million each;</p> <p>21st - 26th installments: Baht 9 Million each;</p> <p>27th installment: Baht 10 Million;</p> <p>28th - 29th installments: Baht 11 Million each;</p> <p>30th - 32nd installments: Baht 18 Million each.</p> <p>These were recorded as advance payment for the works of the MRT Purple Line Project, and the Company collected the payment from CH. Karnchang Public Company Limited for 9th - 10th installments for</p>	<p>- The contract was made with clear terms of payment. CH. Karnchang Public Company Limited is an experienced and specialized company in this type of work and was also responsible for the civil infrastructure work in relation to each train station. CH. Karnchang Public Company Limited has information of electric systems and civil work, which would enhance the efficiency in construction of such project.</p>
		- Advance payment received under the Contract for Engineering Services, which was recorded as advance payment for the works of the MRT Purple Line Project in the Company's statement of financial position	346,000,000	260,000,000		

Persons who may have a conflict of interests	Relationship	Nature of Transaction	Transaction Value (Baht)		Necessity/Details	Opinion of the Audit Committee
			2015	2014		
					January - February 2015 in the amount of Baht 12 Million (excluding value added tax); 11 th - 16 th installments for March - August 2015 in the amount of Baht 42 Million (excluding value added tax); 17 th - 20 th installments for September - December 2015 in the amount of Baht 32 Million (excluding value added tax).	

Persons who may have a conflict of interests	Relationship	Nature of Transaction	Transaction Value (Baht)		Necessity/Details	Opinion of the Audit Committee
			2015	2014		
1. CH. Karnchang Public Company Limited (Continued)		<u>The Company</u> - Construction and other payables	2,615,556	-	<p>- The Company executed the Project Management Agreement with CH. Karnchang Public Company Limited for Civil Infrastructure and Electrical and Mechanical Systems Maintenance for the M.R.T. Chaloem Ratchamongkhon Line Project (MRT Blue Line) for a period of 9 years, for the total contract value of Baht 1,270 Million:</p> <p>1st year: Baht 20 Million; 2nd year: Baht 70 Million; 3rd year: Baht 85 Million; 4th year: Baht 135 Million; 5th year: Baht 155 Million; 6th year: Baht 210 Million; 7th year: Baht 210 Million; 8th year: Baht 220 Million; 9th year: Baht 165 Million.</p>	<p>- The value of the Project Management Agreement with CH. Karnchang Public Company Limited for Civil Infrastructure and Electrical and Mechanical Systems Maintenance for the MRT Blue Line is reasonable and lower than the price assessed by the independent consulting company under the same scope of work. In addition, CH. Karnchang Public Company Limited is a large-sized construction company in Thailand, having experience and expertise, and familiarity to equipment, including civil infrastructure of the metro, as it was responsible for the construction of tunnels and metro stations in the southern part of the MRT Blue Line Project. Therefore, it is well prepared for management of the maintenance and supply of equipment for the maintenance service.</p>
		- Cost of fare box	2,444,444	-		

Persons who may have a conflict of interests	Relationship	Nature of Transaction	Transaction Value (Baht)		Necessity/Details	Opinion of the Audit Committee
			2015	2014		
1. CH. Karnchang Public Company Limited (Continued)		<u>Northern Bangkok Expressway Company Limited ("NECL")</u> - Office space rental	120,000	120,000	- The subsidiary (NECL) executed an office space lease contract, at the rental rate of Baht 10,000 per month, with a contract term on a yearly basis.	- 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.
		- Costs of inspection and repair of the structure of the expressway	608,350	-	- Inspection and repair of the structure of the Udon Rattaya Expressway, No. 3, Phase 4: On December 1, 2015, the subsidiary (NECL) executed a contract engaging CH. Karnchang Public Company Limited to carry out the inspection and repair of the structure of the Udon Rattaya Expressway, No. 3, Phase 4, in the total value of Baht 25,580,531, with a contract term of 10 months from the date of the contract signing.	- 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.

Persons who may have a conflict of interests	Relationship	Nature of Transaction	Transaction Value (Baht)		Necessity/Details	Opinion of the Audit Committee
			2015	2014		
1. CH. Karnchang Public Company Limited (Continued)		<p><u>Bangkok Metro Networks Limited ("BMN")</u> (Since February 25, 2009, three subsidiaries, namely, Metro Mall Development Limited, Triads Networks Company Limited and BMCL Network Limited, were amalgamated.)</p> <p>- Intangible assets under the Concession Agreement for the M.R.T. Chaloem Ratchamongkhon Line Project (in respect of only the project cost of which BMN engaged CH. Karnchang Public Company Limited for construction under the Agreement)</p>	-	192,288,851	<p>- Metro Mall Development Limited hired CH. Karnchang Public Company Limited for a project value of Baht 292.5 Million to construct the interior of the train stations to support the lease of retail shops. However, since Metro Mall Development Limited had insufficient revenue from commercial development, it was not yet able to pay the construction cost. CH. Karnchang Public Company Limited charged interest to Metro Mall Development Limited at the rate of MLR+1 percent per annum. After February 25, 2009, Metro Mall Development Limited was amalgamated with two subsidiaries (Triads Networks Company Limited and BMCL Network Limited) into BMN, BMN then accepted the transfer of all obligations under the existing agreement. Later, in December 2013, the payment of partial construction cost was made to CH. Karnchang Public Company Limited in the amount of Baht 70 million. In 2014, the construction cost was made to CH. Karnchang Public Company Limited in full. In 2013 and 2014, the payment of the accrued interest was gradually made in the average amount of Baht 0.9 Million and</p>	<p>- The contract was made with clear terms of payment. CH. Karnchang Public Company Limited is an experienced and specialized company in this type of work and was also responsible for the civil infrastructure work in relation to each train station. CH. Karnchang Public Company Limited has information of electric systems and civil work, which would enhance the efficiency in construction of such project. A memorandum of agreement, dated June 3, 2005, was executed amending the original contract stipulating certain conditions and the interest rate arising from the delay in payment. The interest rate charged by CH. Karnchang Public Company Limited is in line with the rate that CH. Karnchang Public Company Limited charges other customers and close to the rate that BMN may borrow from commercial banks. In 2013, the payment of partial construction cost was made. In 2013 and 2014, the payment of accrued interest was made.</p>

Persons who may have a conflict of interests	Relationship	Nature of Transaction	Transaction Value (Baht)		Necessity/Details	Opinion of the Audit Committee
			2015	2014		
		- Accrued interest	-	230,387	Baht 0.3 Million per month, respectively. In 2014, the accrued interest of construction cost amounted to Baht 0.2 Million and the interest expenses amounted to Baht 3.33 Million.	
		- Interest expenses	-	3,323,386		

Persons who may have a conflict of interests	Relationship	Nature of Transaction	Transaction Value (Baht)		Necessity/Details	Opinion of the Audit Committee
			2015	2014		
1. CH. Karnchang Public Company Limited (Continued)		<u>BMN</u> - Administrative expenses (Office space rental and service charge)	6,675,592	6,659,842	- BMN entered into the office space lease agreement in Viriyathavorn Building with CH. Karnchang Public Company Limited, with a term of three years until February 9, 2016, on the 12 th Floor, covering a total area of 651.24 square meters, and on the 9 th Floor, covering a total area of 640.16 square meters. The rental and service charge rate is Baht 350 per square meter per month.	- This rental rate is comparable to the rental rates charged by the lessor to third party lessees, which range Baht 320-370 per square meter per month.

Persons who may have a conflict of interests	Relationship	Nature of Transaction	Transaction Value (Baht)		Necessity/Details	Opinion of the Audit Committee
			2015	2014		
2. Mass Rapid Transit Authority of Thailand ("MRTA")	<ul style="list-style-type: none"> - The Mass Rapid Transit Authority of Thailand holds shares in the Company representing 8.22 percent as at December 30, 2015. - Mr. Tana Janusorn, director of MRTA, serves as director of the Company. - Mr. Theeraphan Tachasirinugune, executive of MRTA, serves as director of the Company. 	<u>The Company</u>				
		- Trade accounts and other payables (Remuneration payable from revenue and others)	103,204,494	89,555,950	<ul style="list-style-type: none"> - The remuneration to MRTA from the fare revenue and commercial development revenue amounted to Baht 94.34 Million, and the building and land taxes for 2015 amounted to Baht 8.82 Million. 	<ul style="list-style-type: none"> - The transaction is in accordance with the conditions of the Concession Agreement with which the Company is required to comply.
		- Remuneration from fare revenue (including value added tax)	401,423,531	204,146,018		
		- Remuneration from commercial development revenue	65,274,147	63,322,871		
		- Building and land taxes (Cost of commercial development)	14,481,380	8,747,608	<ul style="list-style-type: none"> - In 2014, the building and land taxes amounted to Baht 8.75 Million. In 2015, the building and land taxes amounted to Baht 3.14 Million, and the building and land taxes with retroactive effect for 2005 - 2013 amounted to Baht 11.34 Million. 	<ul style="list-style-type: none"> - The transaction is the expense which was made and paid under the Agreement.

Persons who may have a conflict of interests	Relationship	Nature of Transaction	Transaction Value (Baht)		Necessity/Details	Opinion of the Audit Committee
			2015	2014		
2. MRTA (Continued)		<u>BMN</u> - Cost of commercial development (Remuneration from commercial development revenue)	484,160	1,524,148	- In 2014, BMN took on lease of the area for advertising board installation in the vicinity of the Interchange Building at the MRT Sukhumvit Station, covering an area of 112.12 square meters, and in December 2014, the agreement was replaced for lease of the area of 12 square meters, with remuneration for the use of the area particularly during January - August 2014 and in December 2014 in the total amount of Baht 1.5 Million, and in 2015 in the amount of Baht 0.48 Million.	- The rental rate of such advertising media is reasonable.
		- Administrative expenses (Other expenses)	22,568,816	314,999	- In 2014, the expenses relating to the area for advertising board installation in the vicinity of the Interchange Building at the MRT Sukhumvit Station comprised building and land taxes amounting to Baht 211,906.80, insurance premium for all risks property coverage and third party liability amounting to Baht 2,921.44, electricity charges amounting to Baht 98,970.8, and miscellaneous expenses amounting to Baht 1,200.00. In 2015, building and land taxes amounted to Baht 5.54 Million, and the building and land taxes with retroactive effect for 2005 - 2014 amounted to Baht 17.03 Million.	- The transaction is in accordance with the conditions of the Agreement.

Persons who may have a conflict of interests	Relationship	Nature of Transaction	Transaction Value (Baht)		Necessity/Details	Opinion of the Audit Committee
			2015	2014		
3. CK Power Public Company Limited (“CKP”)	<ul style="list-style-type: none"> - The Company holds shares in CKP representing 19.40 percent of its registered capital. - The Company and CKP have CH. Karnchang Public Company Limited as their common major shareholder, whereby as at December 30, 2015, CH. Karnchang Public Company Limited holds shares in the Company representing 27.47 percent of the paid-up capital and holds shares in CKP representing 30.25 percent of its registered capital. - Mr. Plew Trivisvavet, Chairman of the Executive Board of CKP, serves as director and Chairman of the Executive Board of the Company. - Mr. Supong Chayutsahakit, director of CKP, serves as director and executive director of the Company. 	<u>The Company</u> <ul style="list-style-type: none"> - Provision of the Financial Support in the Form of Cash Deficiency Support (CDS) 	-	-	<ul style="list-style-type: none"> - The Company has provided the financial support by way of guarantee to CKP, whereby the Company agrees to provide the financial support in case any subsidiary of CKP is unable to comply with the conditions of the loan, including any default on payment with the lending bank of such subsidiary, according to the shareholding proportion in an amount not exceeding Baht 154 Million. 	<ul style="list-style-type: none"> - The amount of the financial support is based on reasonable calculation and is under the shareholding proportion.

Persons who may have a conflict of interests	Relationship	Nature of Transaction	Transaction Value (Baht)		Necessity/Details	Opinion of the Audit Committee
			2015	2014		
4. CH. Karnchang-Tokyu Construction Co., Ltd.	<ul style="list-style-type: none"> - 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 27.47 percent of the paid-up capital as at December 30, 2015 and CH. Karnchang Public Company Limited holds shares representing 55 percent of CH. Karnchang-Tokyu Construction Co., Ltd.'s registered capital. - As at December 30, 2015, CH. Karnchang-Tokyu Construction Co., Ltd. holds shares representing 1.03 percent of the Company. 	<u>The Company</u> <ul style="list-style-type: none"> - Construction of Connecting Road between Sector D of the Si Rat Expressway and Chaturathit Road (Section C) 	-	90,684,233	<ul style="list-style-type: none"> - On February 1, 2013, the Company executed a contract engaging CH. Karnchang-Tokyu Construction Co., Ltd. to construct a connecting road between Sector D of the Si Rat Expressway and Chaturathit Road (Section C), in the total value of Baht 254,000,000, with a contract term of 16 months from the date of the contract signing. The Company issued the Notice of Variation in a total amount of Baht 3,743,759. 	<ul style="list-style-type: none"> - 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.

Part 3: Financial Position and Operational Results**13. Financial Highlights****Summary of the Report of the Auditor**

EY Office Limited, as the auditor for the Company and its subsidiaries, has audited the consolidated statement of financial position of Bangkok Expressway and Metro Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2015, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year ended 31 December 2015 and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Bangkok Expressway and Metro Public Company Limited as at 31 December 2015 and for the period as from 30 December 2015 to 31 December 2015. The auditor is of the opinion that the financial statements referred to above present fairly, in all material respects, the financial position of Bangkok Expressway and Metro Public Company Limited and its subsidiaries, and of Bangkok Expressway and Metro Public Company Limited, as at 31 December 2015, their operational results and cash for the period as from 30 December 2015 to 31 December 2015, in accordance with Thai Financial Reporting Standards.

13.1 Financial Statements of Bangkok Expressway and Metro Public Company Limited and its subsidiaries

Bangkok Expressway and Metro Public Company Limited (the Company) arose from the Amalgamation between Bangkok Expressway Public Company Limited (BECL) and Bangkok Metro Public Company Limited (BMCL), which registered on December 30, 2015. As a result, the Company's separate financial statement presented its operation only for the period of December 30 to December 31, 2015.

However, as Amalgamation is the business combination under the common control which had no economic substance changes for the group structure, the consolidated financial information for the year ended December 31, 2015 and December 31, 2014 were presented to show its financial position, financial performance and cash flow according to the economic substance under common control. Those financial statements had been audited by the auditor.

The financial position and operational results comprise the operational results from the audited financial statements for the year ended 31 December 2015 in comparison with the operational results from the financial statements for the years ended 31 December 2014 and 2013.

(Unit: Baht)

Statements of Financial Position	2558		2557		2556	
	Amount	Percent	Amount	Percent	Amount	Percent
Assets						
Current assets						
Cash and cash equivalents	4,483,374,825	5.74	2,377,047,712	3.39	3,032,604,787	4.64
Current investments	497,356,702	0.64	2,347,869,300	3.35	774,541,118	1.19
Trade and other receivables	84,628,359	0.11	101,814,657	0.15	82,722,563	0.13
Receivable from sales of investment - due within 1 year	564,014,862	0.72	-	-	-	-
Prepaid expenses	57,426,591	0.07	57,376,433	0.08	61,134,755	0.09
Prepaid interest of long-term loans	-	-	-	-	78,429,452	0.12
Other current assets	182,457,849	0.23	140,888,740	0.21	57,941,343	0.08
Total current assets	5,869,259,188	7.51	5,024,996,842	7.18	4,087,374,018	6.25
Non-current assets						
Receivable from sales of investment - due over 1 year	756,834,379	0.97	-	-	-	-
Investments in associates	9,836,588,559	12.59	8,893,834,811	12.70	9,464,970,540	14.48
Other long-term investment	913,087,490	1.17	699,337,490	1.00	434,231,240	0.66
Investment properties	120,357,493	0.15	120,357,493	0.17	120,357,493	0.18
Building and equipment	154,365,572	0.20	152,078,567	0.22	146,756,553	0.22
Construction in process	19,625,830,369	25.12	10,744,375,635	15.34	2,901,838,672	4.44
Rights to operate completed expressway sectors	20,327,463,226	26.02	23,146,990,149	33.05	25,564,276,311	39.11
Rights to use sites for expressway construction	1,320,193,685	1.69	1,611,877,302	2.30	1,894,676,285	2.90
Intangible asset under concession agreement of the MRTA Initial System						
Project - Chaloem Ratchamongkhon Line	16,987,640,143	21.75	17,245,678,953	24.63	17,554,959,814	26.86
Advance payment under expressway construction contract	398,250,000	0.51	1,235,250,000	1.76	2,031,750,000	3.11
Advance payment for the MRT Purple Line Project	271,396,970	0.35	136,820,680	0.20	330,658,461	0.51
Deferred of project remuneration	942,249,276	1.21	308,832,264	0.44	-	-
Deferred tax assets	474,860,502	0.61	622,207,992	0.89	728,329,896	1.11
Other Intangible assets	36,236,800	0.05	34,591,734	0.05	35,528,516	0.05
Other non-current assets	85,418,857	0.10	48,734,082	0.07	64,908,679	0.12
Total non-current assets	72,250,773,321	92.49	65,000,967,152	92.82	61,273,242,460	93.75
Total assets	78,120,032,509	100.00	70,025,963,994	100.00	65,360,616,478	100.00

(Unit: Baht)

Statements of Financial Position (continued)	2558		2557		2556	
	Amount	Percent	Amount	Percent	Amount	Percent
Liabilities and shareholders' equity						
Current liabilities						
Short-term loan from financial institutions	22,410,000,000	28.69	2,000,000,000	2.86	-	-
Trade and other payables	2,579,553,648	3.30	2,009,237,107	2.87	1,495,095,749	2.29
Payable from purchase of investment - due within 1 year	-	-	313,695,000	0.45	400,000,000	0.61
Unearned fare box revenue	89,973,896	0.12	86,935,236	0.12	77,466,533	0.12
Deposits on stored value ticket	34,738,933	0.04	35,474,683	0.05	32,360,581	0.05
Current portion of long-term loans from financial institutions	118,500,000	0.15	40,500,000	0.06	843,323,512	1.29
Current portion of debentures	-	-	3,000,000,000	4.28	2,700,000,000	4.13
Income tax payable	306,735,926	0.39	308,734,049	0.44	203,546,236	0.31
Current portion of provision for compensation for site acquisition cost	1,500,000,000	1.92	1,500,000,000	2.14	1,200,000,000	1.84
Other current liabilities						
Retention guarantees	161,068,581	0.21	208,666,119	0.30	126,296,914	0.19
Others	114,148,191	0.15	133,895,027	0.19	103,734,914	0.16
Total current liabilities	27,314,719,175	34.97	9,637,137,221	13.76	7,181,824,439	10.99
Non-current liabilities						
Construction payable to related party	-	-	-	-	60,185,781	0.09
Payable from purchase of investment - due over 1 year	-	-	-	-	313,695,000	0.48
Long-term loans, net of current portion	17,354,495,949	22.22	12,089,017,683	17.26	11,076,068,859	16.95
Debentures, net of current portion	-	-	16,384,594,851	23.40	15,386,250,596	23.54
Provision for compensation for site acquisition cost, net of current portion	4,066,671,698	5.21	5,262,381,698	7.51	6,419,521,698	9.82
Provision for long-term employee benefits	237,842,102	0.30	211,263,100	0.30	168,465,057	0.26
Other non-current liabilities						
Accrued interest - net of current portion	-	-	209,707,933	0.30	-	-
Others	16,269,432	0.02	23,274,255	0.04	41,010,292	0.06
Total non-current liabilities	21,675,279,181	27.75	34,180,239,520	48.81	33,465,197,283	51.20
Total liabilities	48,989,998,356	62.72	43,817,376,741	62.57	40,647,021,722	62.19

(Unit: Baht)

Statements of Financial Position (continued)	2558		2557		2556	
	Amount	Percent	Amount	Percent	Amount	Percent
Shareholders' equity						
Share capital						
Registered						
15,285,000,000 ordinary shares of Baht 1 each	15,285,000,000	19.57	28,500,000,000	40.70	28,500,000,000	43.60
Issued and paid-up						
15,285,000,000 ordinary shares of Baht 1 each	15,285,000,000	19.57	28,200,000,000	40.27	28,200,000,000	43.15
Premium on ordinary shares	5,816,938,084	7.45	5,816,938,084	8.31	5,816,938,084	8.90
Investment before amalgamation	-	-	(2,340,328,827)	-3.34	(2,340,328,827)	-3.58
Retained earnings (Deficit)						
Appropriated - statutory reserve	800,490,000	1.02	800,000,000	1.14	800,000,000	1.22
Unappropriated	7,254,261,049	9.29	(6,390,591,344)	-9.13	(7,821,444,677)	-11.97
Other components of shareholders' equity	(113,097,160)	-0.15	(34,442,517)	-0.05	(32,687,712)	-0.05
Equity attributable to shareholders of the Company	29,043,591,973	37.18	26,051,575,396	37.20	24,622,476,868	37.67
Non-controlling interests of the subsidiaries	86,442,180	0.10	157,011,857	0.23	91,117,888	0.14
Total shareholders' equity	29,130,034,153	37.28	26,208,587,253	37.43	24,713,594,756	37.81
Total liabilities and shareholders' equity	78,120,032,509	100.00	70,025,963,994	100.00	65,360,616,478	100.00

(Unit: Baht)

Income statement	2558		2557	
	Amount	Percent	Amount	Percent
Revenues				
Toll revenue	8,814,588,007	67.26	8,485,017,698	71.40
Fare box revenue	2,373,562,621	18.11	2,247,826,551	18.92
Commercial development revenue	549,431,372	4.19	501,051,472	4.22
Other income				
Interest income	57,843,948	0.44	43,267,448	0.36
Gain on investments	1,297,749,105	9.90	536,651,350	4.52
Others	11,636,374	0.10	69,584,458	0.58
Total revenues	13,104,811,42	100.00	11,883,398,97	100.00
Expenses				
Costs of toll	1,239,604,475	9.46	1,101,541,468	9.27
Costs of fare box	1,444,542,770	11.02	1,369,850,563	11.53
Costs of commercial development	210,151,434	1.60	185,867,601	1.56
Amortisation of rights to operate completed expressway and compensation for site acquisition cost	3,422,566,022	26.12	3,326,864,677	28.00
Amortisation on intangible asset under concession agreement of the MRTA Initial System Project - Chaloem Ratchamongkhon Line	777,584,371	5.93	572,317,474	4.82
Selling expenses	79,252,582	0.60	54,459,803	0.46
Administrative expenses	1,035,883,873	7.92	868,993,631	7.30
Total expenses	8,209,585,527	62.65	7,479,895,217	62.94
Profit before share of profit from investments in associates, finance cost and income tax expenses	4,895,225,900	37.35	4,403,503,760	37.06
Share of profit from investments in associates	461,212,789	3.52	546,426,651	4.60
Profit before finance cost and income tax expenses	5,356,438,689	40.87	4,949,930,411	41.65
Finance cost	(1,934,186,129)	-14.76	(1,437,191,010)	-12.09
Profit before income tax expenses	3,422,252,560	26.11	3,512,739,401	29.56
Income tax expenses	(721,234,596)	-5.50	(702,302,531)	-5.92
Profit for the year	2,701,017,964	20.61	2,810,436,870	23.65
Profit attributable to:				
Equity holders of the Company	2,649,736,343	20.22	2,744,542,901	23.10
Non-controlling interests of the Company	51,281,621	0.39	65,893,969	0.55
	2,701,017,964	20.61	2,810,436,870	23.65
Basic earnings per share				
Profit attributable to equity holders of the Company	0.173		0.180	

(Unit: Baht)

Statements of comprehensive income	2558		2557	
	Amount	Percent	Amount	Percent
Profit for the year	2,701,017,964	20.61	2,810,436,870	23.65
Other comprehensive income				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>				
Unrealised loss from cash flow hedges of associate	(46,505,941)	-0.35	(1,754,805)	-0.01
Other comprehensive income to be reclassified to profit or loss in subsequent periods, net of income tax	(46,505,941)	-0.35	(1,754,805)	-0.01
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>				
Actuarial gain (loss)	5,606,050	0.04	(4,689,568)	-0.04
Other comprehensive income not to be reclassified to profit or loss in subsequent periods, net of income tax	5,606,050	0.04	(4,689,568)	-0.04
Other comprehensive income for the year	(40,899,891)	-0.31	(6,444,373)	-0.05
Total comprehensive income for the year	2,660,118,073	20.30	2,803,992,497	23.60
Total comprehensive income attributable to:				
Equity holders of the Company	2,608,836,452	19.91	2,738,098,528	23.04
Non-controlling interests of the subsidiaries	51,281,621	0.39	65,893,969	0.55
	2,660,118,073	20.30	2,803,992,497	23.60

(Unit: Baht)

Statements of Cash Flows	2558	2557
Cash flows from operating activities		
Profit before tax	3,422,252,560	3,512,739,401
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:		
Amortisation and depreciation	2,870,758,517	2,753,725,366
Recognise to revenue from unearned revenue from advertising management rights		
Amortisation on intangible asset under concession agreement of the MRTA Initial System Project - Chaloem Ratchamongkhon Line	399,898,467	390,649,739
Amortisation of financial fee	64,878,716	21,491,782
Amortisation of prepaid expenses	110,905,485	122,036,260
Withholding tax deducted at source written off	213	37,895
Gain on investments	(1,297,749,105)	(536,651,350)
Gain on disposal/write off of equipment and intangible asset under concession agreement of the MRTA Initial System Project - Chaloem Ratchamongkhon Line	(3,481,422)	(4,397,582)
Compensation for site acquisition cost	595,973,617	625,658,983
Provision for long-term employee benefits	36,803,472	38,572,363
Share of profit from investments in associates	(461,212,789)	(546,426,651)
Unrealised loss (gain) on exchange rate	552,419	(5,710,436)
Interest income	(57,085,937)	(41,230,197)
Interest expenses	1,330,203,885	1,363,648,694
Income from operating activities before changes in operating assets and liabilities	7,012,698,098	7,694,144,267
Income from operating activities before changes in operating assets and liabilities	21,466,299	(6,252,094)
Operating assets (increase) decrease	(110,915,644)	(118,277,937)
Trade and other receivables	(41,765,247)	(75,978,095)
Deferred of project remuneration	(633,417,011)	(227,082,264)
Other non-current assets	(27,667,640)	(613,591)
Operating liabilities increase (decrease)		
Trade payables and other payables	133,650,482	(233,224,883)
Unearned fare box revenue	3,038,660	9,468,703
Deposits on stored value ticket	(735,750)	3,114,102
Other current liabilities	(75,632,327)	110,347,238
Other non-current liabilities	(12,808,430)	(12,856,850)
Cash paid for compensation for site acquisition cost	(1,500,000,000)	(1,200,000,000)
Net cash flows from operating activities	4,767,911,490	5,942,788,596
Cash received from interest income	4,537,910	20,704,737
Cash paid for interest expenses	(893,784,668)	(457,540,722)
Cash paid for income tax	(585,484,131)	(505,029,424)
Net cash flows from operating activities	3,293,180,601	5,000,923,187

(Unit: Baht)

Statements of Cash Flows (continued)	2558	2557
Cash flows from investing activities		
Decrease (increase) in current investments	1,901,788,886	(1,543,142,652)
Increase of investments in subsidiaries	(154,000,000)	-
Cash paid for purchases of investments in associates	(1,402,165,044)	(400,000,000)
Cash received from sales of investments in associates	42,514,120	1,097,300,894
Cash received from sales of other long-term investment	2,300,000,000	-
Increase in other long-term investment	(213,750,000)	(265,106,250)
Cash received from sales of equipment	3,514,566	4,650,462
Purchase of equipment	(39,352,287)	(49,625,222)
Cash received from interest income	9,339,041	21,897,342
Cash received from dividend income	528,855,465	524,972,500
Decrease (increase) of advance payment for the MRT Purple Line Project	(134,104,815)	181,837,781
Increase in intangible asset under concession agreement of the MRTA Initial System Project - Chaloem Ratchamongkhon Line	(141,867,979)	(81,439,260)
Cash paid for expressway construction	(7,064,315,341)	(6,361,914,211)
Interest expenses recorded as cost of projects	(385,316,949)	(249,509,380)
Increase in intangible assets	(8,680,720)	(7,462,181)
Net cash flows used in investing activities	(4,757,541,057)	(7,127,540,177)
Cash flows from financing activities		
Cash paid for financial fee	(21,495,301)	(14,143,028)
Increase in short-term loan from financial institutions	20,410,000,000	2,000,000,000
Repayment of construction payable to related party	-	(60,185,781)
Cash received from issuance of debentures	-	4,000,000,000
Cash paid for redemption of debentures	(19,400,000,000)	(2,700,000,000)
Cash received from long-term loans	5,356,000,000	2,460,185,781
Repayments of long-term loans	(40,500,000)	(2,259,064,970)
Cash paid for interest expenses	(808,317,130)	(646,732,087)
Dividend paid	(1,925,000,000)	(1,309,000,000)
Net cash flows from financing activities	3,570,687,569	1,471,059,915
Net increase (decrease) in cash and cash equivalents	2,106,327,113	(655,557,075)
Cash and cash equivalents at beginning of year	2,377,047,712	3,032,604,787
Cash and cash equivalents at end of year	4,483,374,825	2,377,047,712

13.2 Financial Ratios of Financial Statements

	Unit	2015	2014
LIQUIDITY RATIO			
1. Liquidity Ratio	Time	0.21	0.52
2. Quick Ratio	Time	0.19	0.50
3. Cash Flow Ratio	Time	0.22	0.53
4. Accounts Receivable Turnover *	Time	N/A	N/A
5. Average Collection Period *	Day	N/A	N/A
6. Accounts Payable Turnover *	Time	N/A	N/A
7. Average Debt Servicing Period *	Day	N/A	N/A
8. Cash Cycle*	Day	N/A	N/A
PROFITABILITY RATIO			
11. Gross Profit Margin	%	39.56	41.64
12. Cash to Profitability Ratio	%	68.24	116.55
13. Net Profit Margin	%	20.22	23.10
14. Return on Equity	%	9.76	11.04
EFFICIENCY RATIO			
17. Return on Total Assets	%	3.65	4.15
18. Return on Fixed Assets	%	15.31	14.21
19. Assets Turnover	Time	0.18	0.18
FINANCIAL POLICY RATIO			
20. Debt to Equity Ratio	Time	1.68	1.67
21. Interest Coverage Ratio	Time	6.03	5.88
22. Obligation Serviceability Ratio (Cash Basis)	Time	1.31	1.21
23. Net Debt to EBITDA	Time	5.49	4.87
Per Share DATA			
24. Book Value per Share	Baht	1.90	1.70
25. Net Earnings per Share	Baht	0.17	0.18
26. Dividend per Share	Baht	0.07	-

Note

* These ratios are not appropriated for consideration of the Company's operation according to the amount of accounts receivable and accounts payable which are not significant for the Company's nature of operation.

Report on Responsibilities of the Board of Directors towards the Financial Report

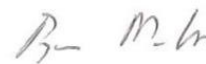
The Company's Board of Directors realizes the significance of its duties and responsibilities in supervising the Company's business to ensure good management in accordance with laws, detailed objectives and the Company's Articles of Association, as well as resolutions of the shareholders' meetings with 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 2015 of the Company and the Subsidiaries, 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
25 February 2016



(Mrs. Payao Marittanaporn)
Managing Director
25 February 2016

14. Management Discussion and Analysis for 2015

Bangkok Expressway and Metro Public Company Limited (the Company) arose from the Amalgamation between Bangkok Expressway Public Company Limited (BECL) and Bangkok Metro Public Company Limited (BMCL), which registered on December 30, 2015. As a result, the Company's separate financial statement presented its operation only for the period of December 30 to December 31, 2015.

However, as Amalgamation is the business combination under the common control which had no economic substance changes for the group structure, the consolidated financial information for the year ended December 31, 2015 and December 31, 2014 were presented to show its financial position, financial performance and cash flow according to the economic substance under common control. Those financial statements had been audited by the auditor.

Overall Operational Results

In the year 2015, the Company had the net profit attributable to equity holders in the amount of Baht 2,650 Million, representing a decrease from the previous year by Baht 95 Million or 3.5 percent. For the revenues, the Company had a gain on sales of investment in Bangkok Metro Public Company Limited, net of tax, in the amount of Baht 969 Million. Toll revenue increased by Baht 330 Million or 3.9 percent from the increase in traffic volume. Farebox revenue increased by Baht 126 Million or 5.6 percent from the increase in passenger volume and the revision of farebox rate effective on January 1, 2015. For the expenses, there was an increase from the previous year by Baht 729 Million, mainly from cost of toll, cost of farebox, amortization of rights to operate completed expressway sectors, amortization of intangible asset under the MRT Chaloem Ratchamongkhon Line Project which resulted to an increase from traffic and passenger volume. Finance cost increased mainly from the expenses related to the redemption of debentures.

Since the combination of Construction and Operation of Expressway Business and Operation Management of Mass Rapid Transit System Business, the Company had total revenue in the amount of Baht 13,105 Million and total asset in the amount of Baht 78,120 Million.

Segmental Performance

1. Construction and Operation of Expressway Business

In the year 2015, the Company had toll revenue in the amount of Baht 8,815 Million, representing an increase from the previous year by Baht 330 Million or 3.9 percent resulted from an increase in traffic volume from the economic recovery and the decrease in fuel price since the end of 2014 which led to the increase in activities volume. In addition, the opening of the Connected Ramp between the Second Stage Expressway System (Sector D) and Chaturathit Road had gradually continued to increase traffic volume into the system which currently has the traffic volume on the average of 12,700 trips/day. Therefore, traffic volume for the First Stage Expressway and the Second Stage Expressway had increased on the average of 33,000 trips/day or 3.2 percent from the previous year, resulting in the increase in toll revenue by Baht 254 Million or 3.5 percent compared to the previous year.

For the Bang Pa-in - Pak Kret Expressway, the traffic volume increased on the average of 5,000 trips/day or 7 percent from the previous year due to the city expansion and the development of area surrounded the expressway. Thereby, resulting in the increase in toll revenue by Baht 76 Million or 6.7 percent compared to the previous year.

Costs of service for Construction and Operation of Expressway Business, comprised of costs of toll, amortization of rights to operate completed expressway sectors and compensation for site acquisition cost, for the year 2015 amounted to Baht 4,662 Million representing an increase from the previous year by Baht 233 Million or 5.3 percent which mainly were expenses of employee who worked on the expressway and repair and maintenance cost of the Expressways.

2. Operation Management of Mass Rapid Transit System Business

In the year 2015, the Company had farebox revenue in the amount of Baht 2,374 Million, representing an increase from the previous by Baht 126 Million or 5.6 percent resulted from an increase in passenger volume

and the revision of farebox rate on January 1, 2015. The average ridership per working days increased from 291,092 trips per day to 299,811 trips per day and the average ridership increased from 253,255 trips per day to 260,325 trips per day.

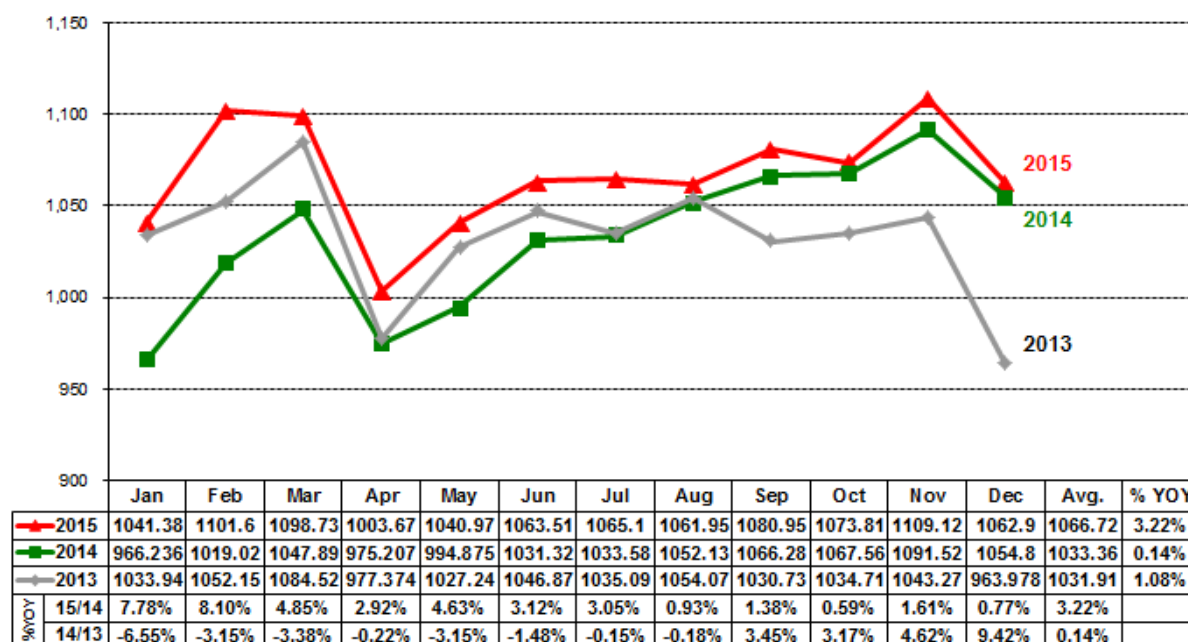
Costs of service for Operation Management of Mass Rapid Transit System Business, comprised of costs of farebox, amortization of intangible asset under the MRT Chaloem Ratchamongkhon Line Project-MRT Operation and remuneration to the grantor, for the year 2015 amounted to Baht 2,193 Million representing an increase from the previous year by Baht 282 Million or 14.8 percent which mainly from maintenance expenses cost of M&E systems and remuneration to the grantor which increased by the contract.

3. Commercial Development Business

In the year 2015, the Company had commercial development revenue in the amount of Baht 549 Million, representing an increase from the previous by Baht 48 Million or 9.6 percent which mainly from the growth of the advertising media procurement and revenues from royalties fee in telecommunications service. Costs of service for Commercial Development Business increased which was aligned with an increase of commercial development revenue.

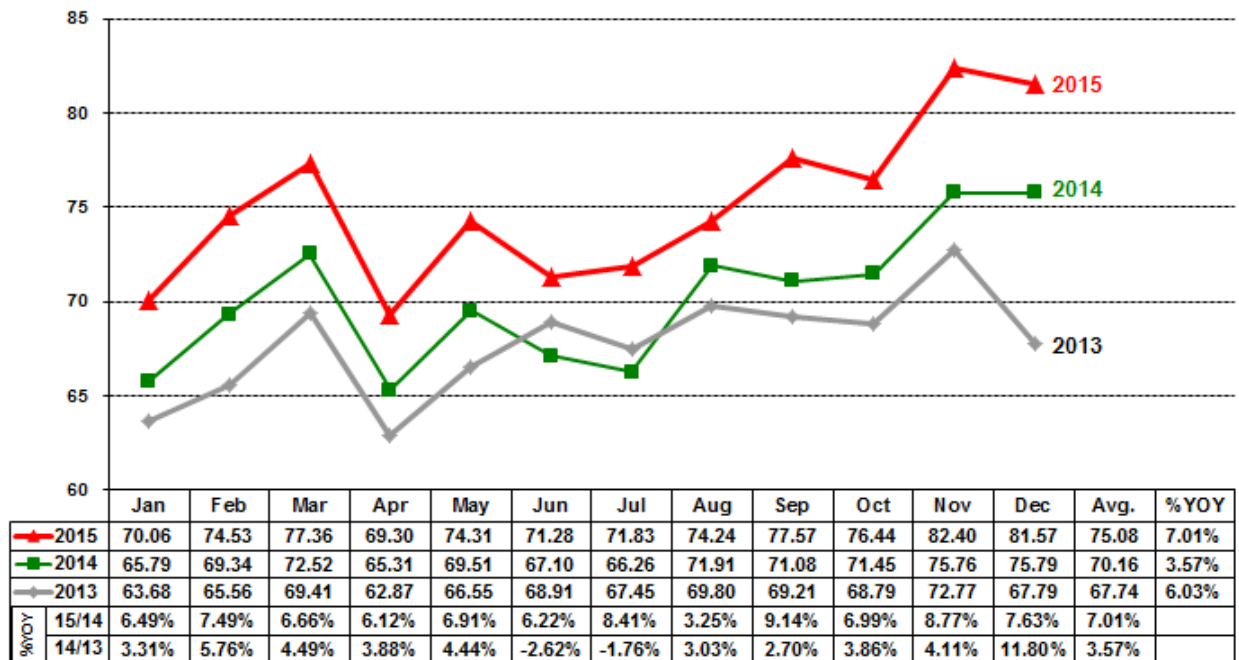
Average Daily Traffic Volume for the First Stage Expressway and the Second Stage Expressway

(Thousand Trips / Day)



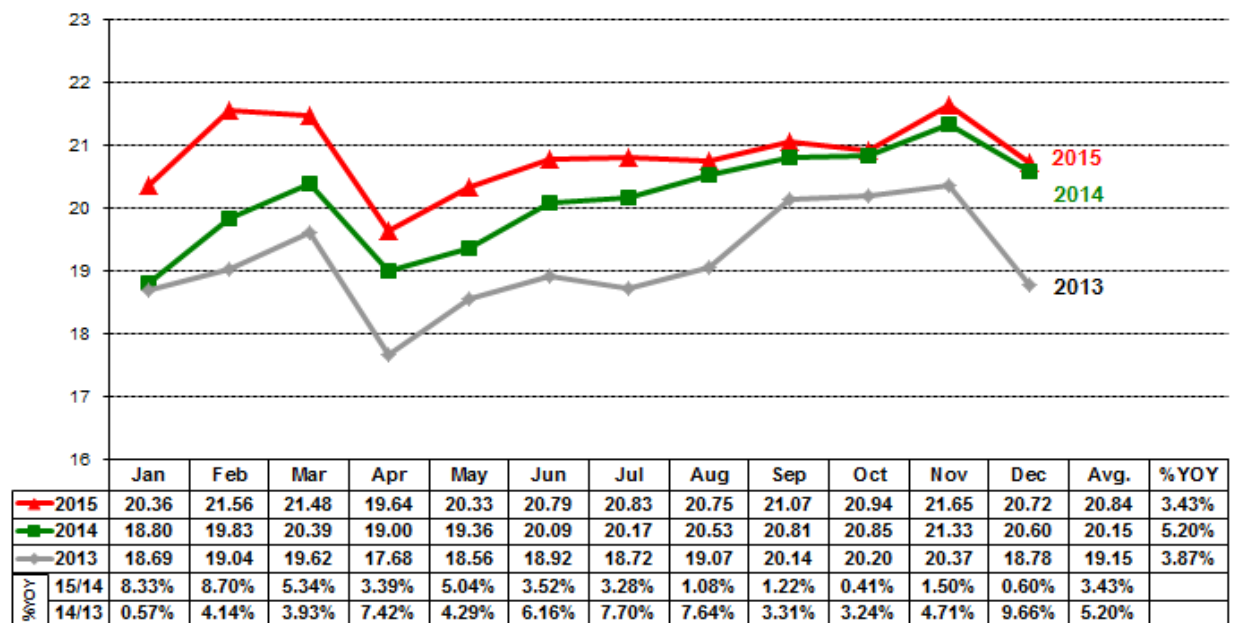
Average Daily Traffic Volume for the Bang Pa-in - Pak Kret Expressway

(Thousand Trips / Day)



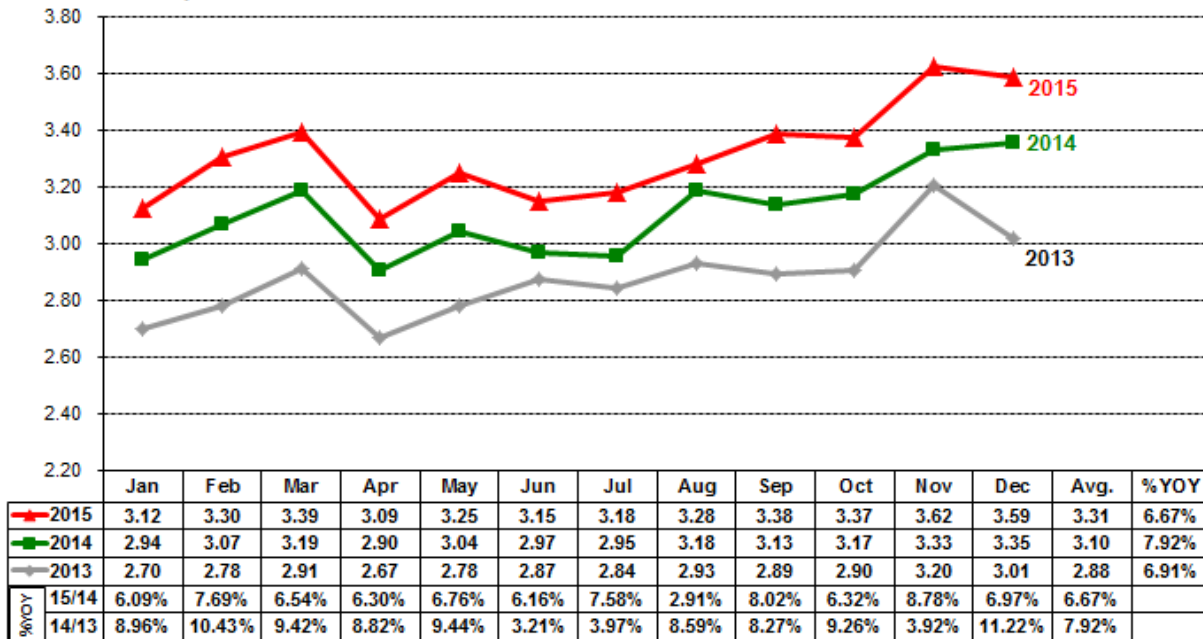
Average Toll Revenue for the First Stage Expressway and the Second Stage Expressway

(Million Baht / Day)



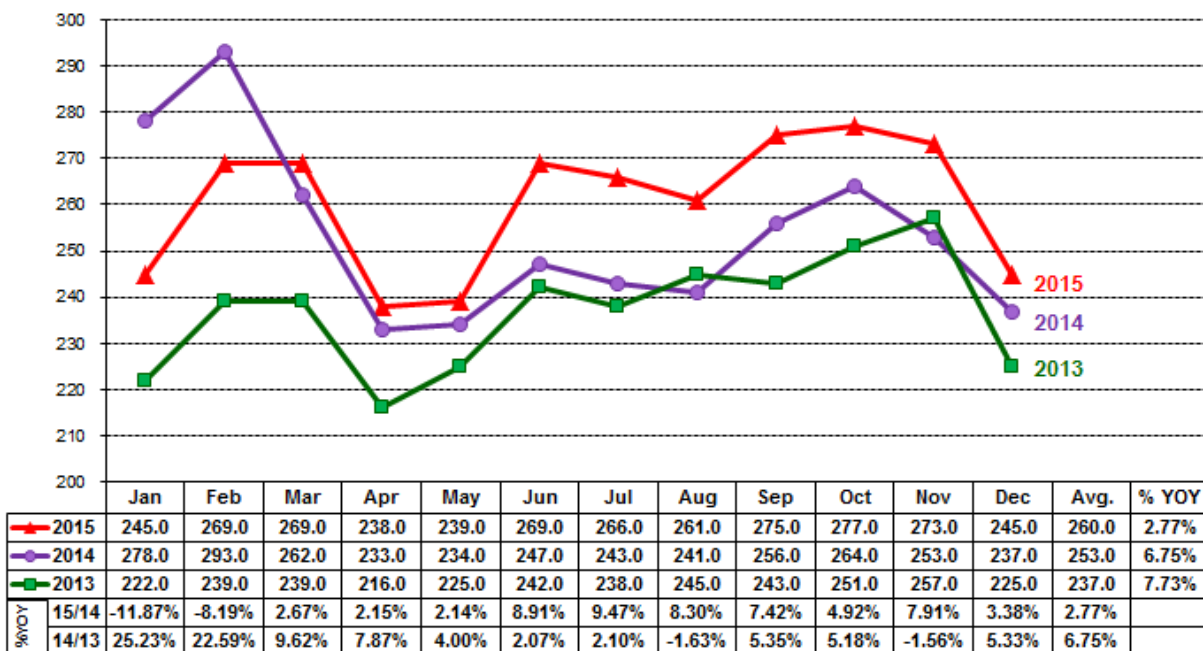
Average Daily Toll Revenue for the Bang Pa-in - Pak Kret Expressway

(Million Baht / Day)



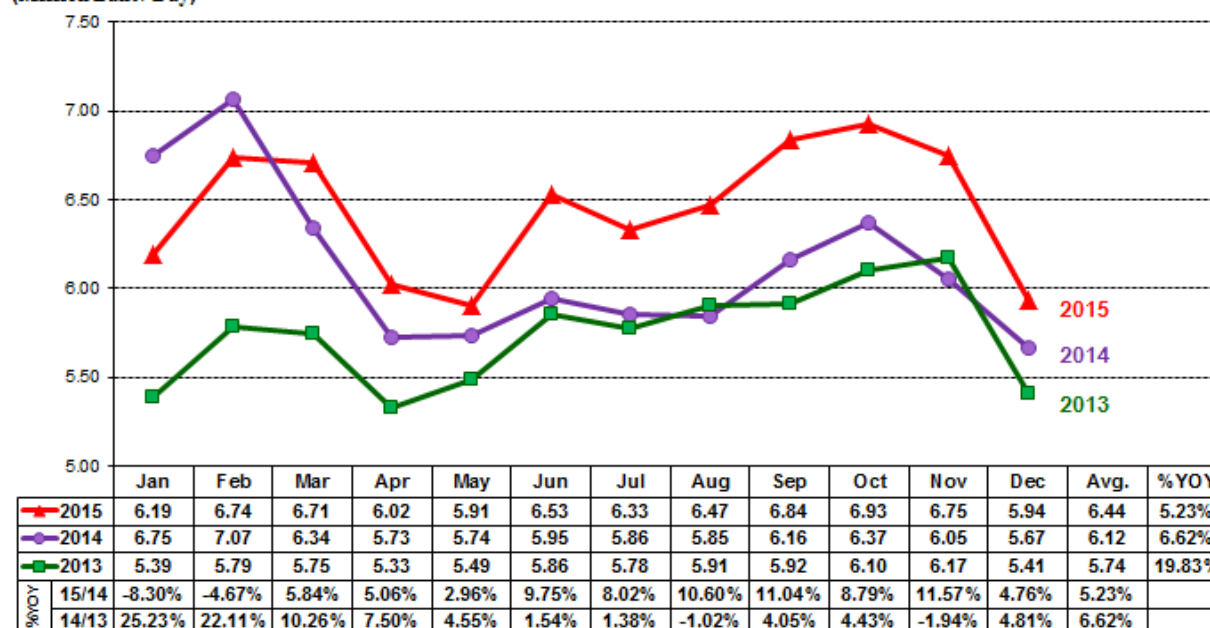
Average Daily Ridership : the MRT Chaloem Ratchamongkhon Line

(Thousand Trips / Day)



Average Daily Revenue : the MRT Chaloem Ratchamongkhon Line

(Million Baht / Day)



Financial Position

As at December 31, 2015, the Company had total assets amounted to Baht 78,120 Million increased by Baht 8,094 Million mainly from the progress of the construction of the Si Rat-Outer Ring Road Expressway Project. At the end of 2015, the construction in process was at the rate of 85 percent in accordance with the plan and expected to be completed and opened as per the contract by the year 2016. Total liabilities amounted to Baht 48,990 Million increased by Baht 5,173 Million mainly from draw down of loan for the Si Rat-Outer Ring Road Expressway Project. Prior the Amalgamation, at the end of 2015, the Company redeemed all debentures by draw down of short-term loan from financial institution. Currently, the Company is under the financial restructure arrangement. Total shareholders' equity amounted to Baht 29,130 Million increased by Baht 2,921 Million from its operation.

Cash Flows

For the year 2015, the Company and its subsidiaries generated cash flows from operating activities amounting to Baht 3,293 Million, utilized cash of Baht 4,758 Million from investing activities as follows (1) investment in the Si Rat-Outer Ring Road Expressway Project and additional lane construction in the amount of Baht 7,450 Million, (2) paid for the M&E Equipment for the MRT Chaloem Ratchamongkhon Line Project and investment in the MRT purple line project in the amount of Baht 276 Million, (3) received from sales of investments and additional investment in associate in the net amount of Baht 2,474 Million (4) received of dividend and interest from investments in the amount of Baht 538 Million and (5) acquisition of fixed assets and other assets in the net amount of Baht 44 Million.

The Company and its subsidiaries had net cash of Baht 3,571 Million from financing activities as follows (1) draw down of short-term loan in the amount of Baht 20,410 Million, (2) draw down of long-term loans in the net amount of Baht 5,316 Million, (3) redemption of debentures in the amount of Baht 19,400 Million, (4) dividend payment in the amount of Baht 1,925 Million and (5) payment of interest and financial fee amounting to Baht 830 Million.

As at December 31 2015, the Company and its Subsidiaries had cash and cash equivalents amounting to Baht 4,483 Million, representing an increase from the end of the previous year by Baht 2,106 Million.

Significant Financial Ratios*

In the year 2015, the Company had Net Profit Margin ratio at 20.22 percent decreased by 2.88 percent compared with the previous year, Return on Equity ratio at 9.76 percent decreased by 1.27 percent compared with the previous year and Return on Total Assets ratio at 3.65 percent decreased by 0.51 percent compared with the previous year due to the decrease in its operation. In addition, Debt to Equity ratio at 1.68 times increased from the previous year due to withdrawal loan for the construction of the Si Rat-Outer Ring Road Expressway Project.



- * The operational results were calculated based on the consolidated financial statements which consist of the operation of Construction and Operation of Expressway Business, Operation Management of Mass Rapid Transit System Business, Commercial Development Business, the manufacture and distribution of treated water business and electricity production business. Therefore, there was no similar type of business in the industry that can be used as a benchmark for comparison.

Certification of Information

The Company has reviewed information provided in this annual registration statement and with care; the Company hereby certifies that such information is accurate, complete, true and has no misleading statement or omission of any material information which should be informed. Furthermore, the Company hereby certifies that:

- (1) The financial statements and financial information summarized in the annual registration statement show accuracy and complete material information on financial status, operational results and cash flow of the Company and the Subsidiary;
- (2) The Company has provided the good information disclosure system to ensure that the Company has accurately and completely disclosed material information, both of the Company and the Subsidiary, including supervising to ensure compliance with such system;
- (3) The Company has provided the good internal control system and has supervised to ensure compliance with such system. The Company also reported the information on evaluation of the internal control system as at 25 February 2016 to the auditor and the Audit Committee, including substantial faults and changes in the internal control system as well as improper act which may affect the preparation of the financial reports of the Company and the Subsidiary.

In witness whereof, to evidence that all documents certified by the Company are of the same set, the Company has authorized Mr. Phakpoom Thaweewittayarut, Company Secretary, to initial all pages of the documents. Any document bearing no signature of Mr. Phakpoom Thaweewittayarut shall not be treated as information certified by the Company.

Name	Position	Signature
1. Mr. Supong Chayutsahakij	Authorized Signatory Director	
2. Mrs. Payao Marittanaporn	Authorized Signatory Director	

Authorized Person

Mr. Phakpoom Thaweewittayarut Company Secretary



Information of Directors, Executives and Company Secretary (As at December 31, 2015)

Name-Surname/Position Date of Appointment	Age (Years)	Education/Training	Shareholding in the Company	Family Relationship between Directors and Executives	Work Experience for the Past 5 Years		
					Period	Position	Organization
1 Dr. Virabongsa Ramangkura - Chairman of the Board of Directors (appointed on December 30, 2015)	72	<ul style="list-style-type: none"> - Doctor of Law (Honorary), Webster University, St. Louis, U.S.A. - Ph.D. (Economics), University of Pennsylvania, U.S.A. - M.A. (Economics), University of Pennsylvania, U.S.A. - B.A. Political Science (First Class Honors), Chulalongkorn University - National Defence Course for the Joint State Private Sector, Class 1, National Defence College - Director Certification Program (DCP 43/2004), Thai Institute of Directors Association 	-	-			<u>Listed Companies:</u>
					2005 - Present	- Chairman of the Board of Directors	Finansa Public Company Limited
					2004 - Present	- Audit Committee Member	Polyplex (Thailand) Public Company Limited
					1994 - Dec 29, 2015	- Chairman of the Board of Directors	Bangkok Expressway Public Company Limited
					1996 - May 2012	- Director	Bangkok Airways Public Company Limited
							<u>Other Companies:</u>
					2008 - Present	- Chairman of the Board of Directors	Nam Ngum 2 Power Company Limited
					2006 - Present	- Chairman of the Board of Directors	SouthEast Asia Energy Limited
					2004 - Present	- President	Thai-Lao Association, Ministry of Foreign Affairs
					1995 - Present	- Chairman of the Executive Board	Double A (1991) Public Company Limited
					May 2012 - Jul 2013	- Chairman of the Board of Directors	The Bank of Thailand

Information of Directors, Executives and Company Secretary (As at December 31, 2015)

Name-Surname/Position Date of Appointment	Age (Years)	Education/Training	Shareholding in the Company	Family Relationship between Directors and Executives	Work Experience for the Past 5 Years		
					Period	Position	Organization
2 Mr. Plew Trivisvavet - Vice Chairman of the Board of Directors - Chairman of the Executive Board - Nomination and Remuneration Committee Member - Authorized Signatory Director (appointed on December 30, 2015)	70	- Honorary Doctorate (Civil Engineering), Kasetsart University - Honorary Doctorate of Engineering, Thai-Nichi Institute of Technology - M.Sc. (Electrical Engineering), Osaka University, Japan - B.Sc. (Electrical Engineering), Osaka University, Japan - National Defence Course for the Joint State Private Sector, Class 6, National Defence College - Director Certification Program (DCP 50/2004), Thai Institute of Directors Association - Capital Market Academy Leader Program, Class 4/2007, Capital Market Academy	0.1558% (23,809,405 shares)	-			Listed Companies:
					2011 - Present	- Director	CK Power Public Company Limited
					2012 - Present	- Chairman of the Executive Board	
					2009 - Present	- Director	TTW Public Company Limited
					2008 - Present	- Vice Chairman of the Board of Directors	
					1994 - Dec 29, 2015	- Director - Chairman of the Executive Board - Nomination and Remuneration Committee Member	Bangkok Expressway Public Company Limited
					2004 - Dec 29, 2015	- Chairman of the Board of Directors - Chairman of the Executive Committee - Nomination and Remuneration Committee Member	Bangkok Metro Public Company Limited
					1994 - Jun 2015	- Chairman of the Executive Board and Chief Executive Officer	CH. Karnchang Public Company Limited

Information of Directors, Executives and Company Secretary (As at December 31, 2015)

Name-Surname/Position Date of Appointment	Age (Years)	Education/Training	Shareholding in the Company	Family Relationship between Directors and Executives	Work Experience for the Past 5 Years		
					Period	Position	Organization
							<u>Other Companies:</u>
					2010 - Present	- Director and Chairman of the Executive Board	Xayaburi Power Company Limited
					2006 - Present	- Director and Chairman of the Executive Board	Nam Ngum 2 Power Company Limited
					2006 - Present	- Director and Chairman of the Executive Board	SouthEast Asia Energy Limited
					1996 - Present	- Chairman of the Board of Directors and Chairman of the Executive Board	Northern Bangkok Expressway Company Limited

Information of Directors, Executives and Company Secretary (As at December 31, 2015)

Name-Surname/Position Date of Appointment	Age (Years)	Education/Training	Shareholding in the Company	Family Relationship between Directors and Executives	Work Experience for the Past 5 Years		
					Period	Position	Organization
3 Prof. Suphachai Phisitvanich ⁽¹⁾ - Director - Chairman of the Audit Committee (holding offices during December 30, 2015 - January 18, 2016)	75	- Honorary Ph.D. (Accounting), Thammasat University - M.B.A. (Finance), Ohio State University, U.S.A. - B.A. (Accounting), Thammasat University - B.A. (Commerce), Thammasat University - National Defence Course for the Joint State Private Sector, Class 32, National Defence College - Director Certification Program (DCP 38/2003), Thai Institute of Directors Association - Board Performance Evaluation (2004), Thai Institute of Directors Association - The Role of the Chairman (RCP 13/2006), Thai Institute of Directors Association	-	-			Listed Companies:
					2009 - Jan 18, 2016	- Independent Director	CP All Public Company Limited
					2007 - Jan 18, 2016	- Chairman of the Board of Directors	AIRA Securities Public Company Limited
					2004 - Jan 18, 2016	- Chairman of the Board of Directors and Independent Director	Samart I-Mobile Public Company Limited
					1994 - Dec 29, 2015	- Director	Bangkok Expressway Public Company Limited
					1999 - Dec 29, 2015	- Chairman of the Audit Committee	
					2007 - Dec 29, 2015	- Chairman of the Corporate Governance and Risk Management Committee	
					2003 - May 2010	- Chairman of the Board of Directors and Chairman of the Audit Committee	Matching Studio Public Company Limited
							Other Companies:
					2010 - Jan 18, 2016	- Chairman of the Board of Directors	AIRA Capital Company Limited
					2006 - 2013	- Chairman of the Board of Directors	Sena Saithong Company Limited

Remark : ⁽¹⁾ Prof. Suphachai Phisitvanich passed away on January 19, 2016.

Information of Directors, Executives and Company Secretary (As at December 31, 2015)

Name-Surname/Position Date of Appointment	Age (Years)	Education/Training	Shareholding in the Company	Family Relationship between Directors and Executives	Work Experience for the Past 5 Years		
					Period	Position	Organization
4 Gen. Chetta Thanajaro - Director - Chairman of the Nomination and Remuneration Committee - Audit Committee Member (appointed on December 30, 2015)	77	<ul style="list-style-type: none"> - Master of Arts (Political Science), Ramkhamhaeng University - Bachelor of Science, Chulachomklao Royal Military Academy, Class 9 - Infantry Basic Officer Leadership Course, United States Army Infantry School - The Royal Thai Army Command and General Staff Course - The Joint State-Private Sector Regular Course, National Defence College, Class 6 - Directors Certification Program (DCP 33/2003) Thai Institute of Directors Association - Finance for Non-Finance Directors (FND 7/2003) Thai Institute of Directors Association - Board & CEO Assessment, Class 2/2003, Thai Institute of Directors Association 	0.0138% (2,102,527 shares)	-			<u>Listed Companies:</u>
					2005 - Dec 29, 2015	- Independent Director, Chairman of the Audit Committee - Chairman of the Nomination and Remuneration Committee	Bangkok Metro Public Company Limited
					1999 - 2003	- Audit Committee Member	Bangkok Expressway Public Company Limited
							<u>Other Companies:</u>
					1996 - Present	- President Advisor	The Royal Development Project
					2005 - Present	- Director	Double A (1991) Public Company Limited
					2005 - Present	- Chairman of the Audit Committee	L.P.N. Platemill Public Company Limited
					2004	- Minister of Defence	Ministry of Defence
					2003 - 2004	- Minister of Science and Technology	Ministry of Science and Technology

Information of Directors, Executives and Company Secretary (As at December 31, 2015)

Name-Surname/Position Date of Appointment	Age (Years)	Education/Training	Shareholding in the Company	Family Relationship between Directors and Executives	Work Experience for the Past 5 Years		
					Period	Position	Organization
5 Gen. Sampao Choosri - Director - Chairman of the Corporate Governance and Risk Management Committee - Audit Committee Member (appointed on December 30, 2015)	74	- Chulachomklao Royal Military Academy - Royal Military Academy (Saint Cyr), France - The Army Command and General Staff College, Class 51 - National Defence Course for the Joint State Private Sector, Class 6, National Defence College - Director Accreditation Program (DAP 15/2004), Thai Institute of Directors Association	-	-			<u>Listed Company:</u>
					2004 - Dec 29, 2015	- Director	Bangkok Expressway Public Company Limited
					2004 - Dec 29, 2015	- Audit Committee Member	
					2007 - Dec 29, 2015	- Chairman of the Nomination and Remuneration Committee	
					2007 - Dec 29, 2015	- Corporate Governance and Risk Management Committee Member	
							<u>Other Companies:</u>
					2013 - Present	- Chairman of the Mae Fah Luang University Council	Mae Fah Luang University
					2012 - Present	- Chairman of the Board of Directors	TIPS Co., Ltd.
					2011 - Present	- Chairman of the Board of Directors	Dhospaak Company Limited

Information of Directors, Executives and Company Secretary (As at December 31, 2015)

Name-Surname/Position Date of Appointment	Age (Years)	Education/Training	Shareholding in the Company	Family Relationship between Directors and Executives	Work Experience for the Past 5 Years		
					Period	Position	Organization
6 Mr. Vitoon Tejatussanasoontorn - Director - Audit Committee - Nomination and Remuneration Committee Member (appointed on December 30, 2015)	75	- B.A. in Commerce, Thammasat University - Director Certification Program (DCP 2/2000), Thai Institute of Directors Association - IOD Chartered Directors, Thai Institute of Directors Association, Class 1/2007 - Audit Committee Program (ACP 27/2009) Thai Institute of Directors Association - Advanced Audit Committee Program (AACP 3/2010) Thai Institute of Directors Association - Role of the Compensation Committee (RCC 12/2011), Thai Institute of Directors Association	0.0190% (2,906,393 shares)	-			<u>Listed Companies:</u>
					2014 - Present	- Chairman of the Nomination and Remuneration Committee	CH. Karnchang Public Company Limited
					2007 - Present	- Chairman of the Corporate Governance and Risk Management Committee	CH. Karnchang Public Company Limited
					1999 - Present	- Director and Chairman of the Audit Committee	CH. Karnchang Public Company Limited
					2007 - 2014	- Nomination and Remuneration Committee Member	CH. Karnchang Public Company Limited
					2005 - Dec 29, 2015	- Independent Director, Audit Committee Member, and Nomination and Remuneration Committee Member	Bangkok Metro Public Company Limited
							<u>Other Companies:</u>
					2015 - Present	- Director and Chairman of the Audit Committee	Thaisri Insurance Public Company Limited
					2004 - Present	- Director	Asahi Glass Foundation of Thailand
					1991 - Present	- Deputy Senior Managing Director	AGC Flat Glass (Thailand) Public Company Limited
					1991 - Present	- Director	Glass Way Co., Ltd.

Information of Directors, Executives and Company Secretary (As at December 31, 2015)

Name-Surname/Position Date of Appointment	Age (Years)	Education/Training	Shareholding in the Company	Family Relationship between Directors and Executives	Work Experience for the Past 5 Years		
					Period	Position	Organization
					1988 - Present	- Director and Executive Director	Kiarti Thanee Country Club Co., Ltd.
					1988 - Present	- Director and Executive Director	Pattaya Estate Co., Ltd.
					1988 - Present	- Director and Executive Director	Kiarti Land Co., Ltd.
					1988 - Present	- Director and Executive Director	Sriracha Resort Co., Ltd.
					1987 - Present	- Director	Diachrome Chemicals Limited
					1986 - Present	- Director and Executive Director	Sakata-Thai Corporation Ltd.

Information of Directors, Executives and Company Secretary (As at December 31, 2015)

Name-Surname/Position Date of Appointment	Age (Years)	Education/Training	Shareholding in the Company	Family Relationship between Directors and Executives	Work Experience for the Past 5 Years		
					Period	Position	Organization
7 Mrs. Vallapa Assakul - Director - Corporate Governance and Risk Management Committee Member (appointed on December 30, 2015)	65	- Master of Economics, University of Detroit, U.S.A. - 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	0.0098% (1,496,296 shares)	-			Listed Companies:
					2012 - Present	- Director	Vinythai Public Company Limited
					2010 - Dec 29, 2015	- Director and Executive Director	Bangkok Expressway Public Company Limited
					2009 - Dec 29, 2015	- Independent Director	Bangkok Metro Public Company Limited
					2012 - Dec 29, 2015	- Chairman of the Risk Committee	Bangkok Metro Public Company Limited
					2005 - 2007	- Director	Bangkok Metro Public Company Limited
					2004 - 2007	- Senior Executive Vice President, Corporate and Investment Banking Group	TMB Bank Public Company Limited
							Other Companies:
					2013 - Present	- Director	Ocean Property Co., Ltd.
					2013 - Present	- Director	Thanapoom Estate Co., Ltd.
					2010 - Jan 18, 2016	- Director and Executive Director	Northern Bangkok Expressway Company Limited
					2010 - Present	- Director	Siam Estate Co., Ltd.
					2008 - Present	- Director	Amphan Co., Ltd.
					2006 - Present	- Director and Chairman of the Nomination and Remuneration Committee	Ocean Life Insurance Public Company Limited

Information of Directors, Executives and Company Secretary (As at December 31, 2015)

Name-Surname/Position Date of Appointment	Age (Years)	Education/Training	Shareholding in the Company	Family Relationship between Directors and Executives	Work Experience for the Past 5 Years		
					Period	Position	Organization
8 Mr. Supong Chayutsahakij - Director - Executive Director - Nomination and Remuneration Committee Member - Authorized Signatory Director (appointed on December 30, 2015)	74	- Honorary Ph.D. (Management Science), Phranakhon Rajabhat University - Master of Political Science (Politics and Government), Sukhothai Thammathirat Open University - Executive Master of Business Administration, Sasin Graduate Institute of Business Administration of Chulalongkorn University - Master of Engineering (Electrical), University of Tokyo, Japan - Bachelor of Engineering (Electrical), University of Tokyo, Japan - Director Certification Program (DCP 8/2001), Thai Institute of Directors Association - Audit Committee Program (ACP 17/2007), Thai Institute of Directors Association	0.0138% (2,102,527 shares)	-			Listed Companies:
					2011 - Present	- Director	CK Power Public Company Limited
					2006 - Present	- Director and Audit Committee Member	Siam Steel International Public Company Limited
					1994 - Dec 29, 2015	- Director	Bangkok Expressway Public Company Limited
					2003 - Dec 29, 2015	- Vice Chairman of the Executive Board	
					2007 - Dec 29, 2015	- Nomination and Remuneration Committee Member - Corporate Governance and Risk Management Committee Member	
					2009 - Dec 29, 2015	- Vice Chairman of the Board of Directors	
					2002 - Dec 29, 2015	- Director and Executive Committee Member	Bangkok Metro Public Company Limited
					Sep 25, 2014 - Present	- Director	Other Companies: Xayaburi Power Company Limited
					2009 - Present	- Chairman of the Board of Directors	Bangkok Metro Networks Limited
					2008 - Present	- Director	SouthEast Asia Energy Limited
					2008 - Present	- Director	Nam Ngum 2 Power Company Limited
					2006 - Present	- Chairman of the Institute	Thai-Nichi Institute of Technology
					1996 - Present	- Director and Executive Director	Northern Bangkok Expressway Company Limited

Information of Directors, Executives and Company Secretary (As at December 31, 2015)

Name-Surname/Position Date of Appointment	Age (Years)	Education/Training	Shareholding in the Company	Family Relationship between Directors and Executives	Work Experience for the Past 5 Years		
					Period	Position	Organization
9 M.L. Prasobchai Kasemsant - Director (appointed on December 30, 2015)	60	- M.S. (Civil Engineering) and M.S. (Operations Research), Stanford University, U.S.A., 1979 - B.S. (Civil Engineering, Mathematics), Virginia Military Institute, Virginia, U.S.A., 1976 - Thailand Energy Academy Course for Management, Class 3, 2013 - National Defence Course, Class 50, National Defence College - Director Certification Program (DCP 33/2003), Thai Institute of Directors Association	-	-			<u>Listed Company:</u>
					1994 - Dec 29, 2015	- Director and Executive Director	Bangkok Expressway Public Company Limited
							<u>Other Companies:</u>
					1996 - Jan 18, 2016	- Director and Executive Director	Northern Bangkok Expressway Company Limited
					Sep 2013 - Present	- Chairman of the Defence Advisory Board	Ministry of Defence
					Oct 2012 - Sep 2013	- Deputy Permanent Secretary for Defence	Ministry of Defence
					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

Information of Directors, Executives and Company Secretary (As at December 31, 2015)

Name-Surname/Position Date of Appointment	Age (Years)	Education/Training	Shareholding in the Company	Family Relationship between Directors and Executives	Work Experience for the Past 5 Years		
					Period	Position	Organization
10 Mr. Phongsarit Tantisuvanitchkul - Director - Corporate Governance and Risk Management Committee Member - Executive Director - Authorized Signatory Director (appointed on December 30, 2015)	43	- Master of Engineering (Construction and Management), University of Michigan - Ann Arbor, U.S.A. - Bachelor of Engineering (Mechanical Engineering), Kasetsart University - Director Certification Program (DCP 155/2012), Thai Institute of Directors Association - Finance for Non-Finance Directors (FND 35/2007), Thai Institute of Directors Association - Understanding the Fundamental of Financial Statements (UFS 9/2007), Thai Institute of Directors Association	-	-			<u>Listed Companies:</u>
					2014 - Dec 29, 2015	- Director and Executive Director	Bangkok Metro Public Company Limited
					2010 - Present	- Executive Vice President: Business Development	CH. Karnchang Public Company Limited
					2003 - Present	- Project Manager	CH. Karnchang Public Company Limited
							<u>Other Company:</u>
					2009 - Present	- Director	Bangkok Metro Networks Limited

Information of Directors, Executives and Company Secretary (As at December 31, 2015)

Name-Surname/Position Date of Appointment	Age (Years)	Education/Training	Shareholding in the Company	Family Relationship between Directors and Executives	Work Experience for the Past 5 Years		
					Period	Position	Organization
11 Mr. Werapong Suppasedsak - Director (appointed on December 30, 2015)	49	- Master of Economics (Financial Economics), National Institute of Development Administration - Bachelor of International Economics, Ramkhamhaeng University - Director Accreditation Program (DAP 100/2012), Thai Institute of Directors Association	-	-			<u>Listed Companies:</u>
					2014 - Present	- First Executive Vice President - Head of Corporate Banking Group 2	Krung Thai Bank Public Company Limited
					2012 - Dec 29, 2015	- Director	Bangkok Metro Public Company Limited
					2011 - 2014	- Executive Vice President - Director	Krung Thai Bank Public Company Limited
					2010 - 2011	- Senior Vice President - Director	Krung Thai Bank Public Company Limited
					2005 - 2010	- First Vice President and Manager	Krung Thai Bank Public Company Limited

Information of Directors, Executives and Company Secretary (As at December 31, 2015)

Name-Surname/Position Date of Appointment	Age (Years)	Education/Training	Shareholding in the Company	Family Relationship between Directors and Executives	Work Experience for the Past 5 Years		
					Period	Position	Organization
12 Mr. Panit Dunnvatanachit - Director (appointed on December 30, 2015)	59	<ul style="list-style-type: none"> - M.B.A. (Finance), Washington University, St. Louis, U.S.A. - Bachelor of Arts & Science, Washington University, St. Louis, U.S.A. - Board and CEO Assessment Program, Thai Institute of Directors Association - Director Certification Program (DCP 10/2001), Thai Institute of Directors Association - Capital Market Academy Leader Program, Class 14/2012, Capital Market Academy - Broadcasting Executive Forum, Class 1/2013, Office of the National Broadcasting and Telecommunications Commission 	-	-			<u>Listed Companies:</u>
					2000 - Present	- Executive Vice President	Bangkok Bank Public Company Limited
					2003 - Dec 29, 2015	- Director	Bangkok Expressway Public Company Limited
					2003 - 2012	- Executive Director	
							<u>Other Companies:</u>
					2006 - Present	- Director	Thai Yamaha Motor Co., Ltd.
					2003 - Jan 18, 2016	- Director and Executive Director	Northern Bangkok Expressway Company Limited
					1994 - Present	- Director	Krungthep Engineering Consultants Co., Ltd.
					2000 - 2010	- Director and Member of the Executive Committee	CBNP (Thailand) Limited

Information of Directors, Executives and Company Secretary (As at December 31, 2015)

Name-Surname/Position Date of Appointment	Age (Years)	Education/Training	Shareholding in the Company	Family Relationship between Directors and Executives	Work Experience for the Past 5 Years		
					Period	Position	Organization
13 Mr. Tana Janusorn - Director (appointed on December 30, 2015)	59	- Master of Public Administration, National Institute of Development Administration - Bachelor of Economics, Ramkhamhaeng University	-	-			<u>Listed Company:</u>
					Nov 5, 2015 - Dec 29, 2015	- Director	Bangkok Metro Public Company Limited
							<u>Other Companies:</u>
					2015 - Present	- Director	Mass Rapid Transit Authority of Thailand
					2015 - Present	- Senior Advisor	The Bureau of the Budget
14 Mr. Theeraphan Tachasirinugune - Director (appointed on December 30, 2015)	53	- Master of Engineering (Development Technologies), University of Melbourne, Australia - Bachelor of Engineering, Kasetsart University - Director Accreditation Program (DAP 166/2015), Thai Institute of Directors Association	-	-	2012 - 2014	- Director of National Security Budget Preparation Office 2	
							<u>Listed Company:</u>
					2014 - Dec 29, 2015	- Director	Bangkok Metro Public Company Limited
							<u>Other Company:</u>
					2014 - Present	- Deputy Governor (Strategy and Planning)	Mass Rapid Transit Authority of Thailand
					2012 - 2014	- Assistant Governor	
					2008 - 2012	- Director of Technical Department	

Information of Directors, Executives and Company Secretary (As at December 31, 2015)

Name-Surname/Position Date of Appointment	Age (Years)	Education/Training	Shareholding in the Company	Family Relationship between Directors and Executives	Work Experience for the Past 5 Years		
					Period	Position	Organization
15 Mr. Prasit Dachsiri ⁽²⁾ - Director (holding office during December 30, 2015 - February 1, 2016)	57	- Master of Development Administration, National Institute of Development Administration (NIDA) - Bachelor of Political Science, Ramkhamhaeng University	-	-			<u>Listed Company:</u>
					Nov 5, 2015 - Dec 29, 2015	- Director	Bangkok Expressway Public Company Limited
					2013 - Present	- Director of Land Acquisition Department	<u>Other Company:</u>
					2014 - Jun 14, 2015	- Director of Land Acquisition Department, Acting Deputy Governor for Operation	Expressway Authority of Thailand
					2009 - 2012	- Director of Traffic Control Department	

Remark : ⁽²⁾ Mr. Prasit Dachsiri resigned from office on February 2, 2016.

Information of Directors, Executives and Company Secretary (As at December 31, 2015)

Name-Surname/Position Date of Appointment	Age (Years)	Education/Training	Shareholding in the Company	Family Relationship between Directors and Executives	Work Experience for the Past 5 Years		
					Period	Position	Organization
16 Dr. Sombat Kitjalaksana - Director - Corporate Governance and Risk Management Committee Member - Executive Director - Managing Director - Authorized Signatory Director (appointed on December 30, 2015)	58	- Dr. Techn. in Soil Mechanic, University of Innsbruck, Austria - Bachelor and Master of Engineering (Civil), Chulalongkorn University - Director Certification Program (DCP 81/2006) Thai Institute of Directors Association - Finance for Non-Finance Directors (FND 19/2005) Thai Institute of Directors Association - Director Accreditation Program (DAP 36/2005), Thai Institute of Directors Association	0.0307% (4,699,141 shares)	-			<u>Listed Companies:</u>
					2006 - Jun 2015	- Director	CH. Karnchang Public Company Limited
					2014 - Dec 29, 2015	- Managing Director and Executive Director	Bangkok Metro Public Company Limited
					2011 - 2014	- Vice Chairman of the Executive Committee	
					2004 - Dec 29, 2015	- Director	
					2004 - 2011	- Executive Director	CH. Karnchang Public Company Limited
					2001 - 2010	- Executive Vice President: Business Development	
					2000 - Present	- Director and Executive Director	TTW Public Company Limited
					2000 - 2011	- Managing Director	Bangkok Metro Public Company Limited
							<u>Other Company:</u>
					2009 - Present	- Director	Bangkok Metro Networks Limited

Information of Directors, Executives and Company Secretary (As at December 31, 2015)

Name-Surname/Position Date of Appointment	Age (Years)	Education/Training	Shareholding in the Company	Family Relationship between Directors and Executives	Work Experience for the Past 5 Years		
					Period	Position	Organization
17 Mrs. Payao Marittanaporn - Director - Corporate Governance and Risk Management Committee Member - Executive Director - Managing Director - Authorized Signatory Director (appointed on December 30, 2015)	58	- M.B.A., Chulalongkorn University - Higher Diploma in Auditing, Thammasat University - Bachelor of Accountancy, Chulalongkorn University - Director Certification Program (DCP 48/2004), Thai Institute of Directors Association - Role of the Compensation Committee (RCC 9/2009), Thai Institute of Directors Association - Capital Market Academy Leader Program, Class 11/2010, Capital Market Academy	-	-			<u>Listed Companies:</u>
					2007 - Dec 29, 2015	- Director and Executive Director - Managing Director	Bangkok Expressway Public Company Limited
					Feb 2015 - Present	- Director - Nomination and Remuneration Committee Member - Risk Management Committee Member	TTW Public Company Limited
					2013 - Aug 27, 2014	- Director - Nomination and Remuneration Committee Member - Risk Management Committee Member	
							<u>Other Companies:</u>
					2007 - Present	- Acting Managing Director	Northern Bangkok Expressway Company Limited
					2004 - Present	- Director and Executive Director	
					2011 - Jun 30, 2014	- Director	Xayaburi Power Company Limited

Information of Directors, Executives and Company Secretary (As at December 31, 2015)

Name-Surname/Position Date of Appointment	Age (Years)	Education/Training	Shareholding in the Company	Family Relationship between Directors and Executives	Work Experience for the Past 5 Years		
					Period	Position	Organization
18 Mr. Sanguan Kunatinun - Deputy Managing Director - Expressway Engineering (appointed on December 30, 2015)	55	- M.B.A., Thammasat University - Bachelor of Engineering, Chulalongkorn University - Director Certification Program (DCP 101/2008), Thai Institute of Directors Association	-	-	Oct 2014 - Dec 29, 2015	- Deputy Managing Director, Engineering	Bangkok Expressway Public Company Limited
					2006 - Sep 2014	- Assistant Managing Director, Engineering	
19 Mrs. Sudruthai Prommart - Deputy Managing Director - Expressway Operation (appointed on December 30, 2015)	52	- M.B.A. (Financial Accounting), Northrop University, Inglewood, California, U.S.A. - Bachelor of Business Administration, Assumption University - Director Certification Program (DCP 151/2011), Thai Institute of Directors Association	-	-	Oct 2014 - Dec 29, 2015	- Deputy Managing Director, Operation	Bangkok Expressway Public Company Limited
					2007 - Sep 2014	- Assistant Managing Director, Operation	

Information of Directors, Executives and Company Secretary (As at December 31, 2015)

Name-Surname/Position Date of Appointment	Age (Years)	Education/Training	Shareholding in the Company	Family Relationship between Directors and Executives	Work Experience for the Past 5 Years		
					Period	Position	Organization
20 Mrs. Ngamnit Kanokgarnjanar ⁽³⁾ - Deputy Managing Director - Administration (holding office during December 30, 2015 - December 31, 2015)	60	<ul style="list-style-type: none"> - M.B.A., National Institute of Development Administration - B.A. (Economics), Thammasat University - Director Certification Program (DCP 113/2009), Thai Institute of Directors Association - Financial Statements for Directors (FSD 4/2009), Thai Institute of Directors Association - Company Secretary Program (CSP 48/2012), Thai Institute of Directors Association - Company Reporting Program (CRP 4/2012), Thai Institute of Directors Association - Anti-Corruption The Practical Guide (ACPG 15), Thai Institute of Directors Association 	-	-	Oct 2014 - Dec 29, 2015	- Deputy Managing Director, Administration	Bangkok Expressway Public Company Limited
					2012 - Sep 2014	- Assistant Managing Director, Compliance Unit	
					2008 - 2011	- Assistant Managing Director, Administration	

Remark : ⁽³⁾ Mrs. Ngamnit Kanokgarnjana retired on January 1, 2016.

Information of Directors, Executives and Company Secretary (As at December 31, 2015)

Name-Surname/Position Date of Appointment	Age (Years)	Education/Training	Shareholding in the Company	Family Relationship between Directors and Executives	Work Experience for the Past 5 Years		
					Period	Position	Organization
21 Mr. Phakpoom Thaweewittayarat - Deputy Managing Director - Administration - Company Secretary (appointed on December 30, 2015)	49	- M.B.A., Thammasat University - Bachelor of Laws, Chulalongkorn University - Bachelor of Accountancy, Chulalongkorn University - Certified Public Accountant (CPA) - Certified Internal Auditor (CIA) - Director Certification Program (DCP 102/2008), Thai Institute of Directors Association - Company Secretary Program (CSP 9/2005), Thai Institute of Directors Association	-	-	Oct 2014 - Dec 29, 2015	- Deputy Managing Director, Administration	Bangkok Expressway Public Company Limited
					2012 - Sep 2014	- Assistant Managing Director, Administration	
					2008 - Dec 29, 2015	- Company Secretary	
					Sep 2011 - Dec 2011	- Senior General Manager of Administration Division	
					2008 - Aug 2011	- Senior General Manager of Managing Director Office	

Information of Directors, Executives and Company Secretary (As at December 31, 2015)

Name-Surname/Position Date of Appointment	Age (Years)	Education/Training	Shareholding in the Company	Family Relationship between Directors and Executives	Work Experience for the Past 5 Years		
					Period	Position	Organization
22 Miss Panan Tosuwanthaworn - Deputy Managing Director - Finance (appointed on December 30, 2015)	48	<ul style="list-style-type: none"> - Master of Accountancy, Thammasat University - Bachelor of Accountancy, Thammasat University - Director Certification Program (DCP 158/2012), Thai Institute of Directors Association - CFO Certification Program, Class 1/2004, The Institute of Certified Accountants and Auditors of Thailand - Corporate Secretary Development Program, Class 13, Faculty of Commerce and Accountancy, Chulalongkorn University 	-	-	Oct 2014 - Dec 29, 2015	- Deputy Managing Director, Finance	Bangkok Expressway Public Company Limited
					2012 - Sep 2014	- Assistant Managing Director, Finance	
					2008 - 2011	- Senior General Manager of Finance Division	

Information of Directors, Executives and Company Secretary (As at December 31, 2015)

Name-Surname/Position Date of Appointment	Age (Years)	Education/Training	Shareholding in the Company	Family Relationship between Directors and Executives	Work Experience for the Past 5 Years		
					Period	Position	Organization
23 Mr. Witoon Hatairatana - Deputy Managing Director - Railway System Operation and Engineering (appointed on December 30, 2015)	58	- Master of Science (Business Administration), California University of Pennsylvania, U.S.A. - Bachelor of Engineering (Civil), Chulalongkorn University - Anti-Corruption for Executive Program (ACEP 13), Thai Institute of Directors Association	0.0138% (2,102,527 shares)	-			<u>Listed Company:</u>
					2014 - 2015	- Deputy Managing Director - Acting Executive Vice President, Train Operation	Bangkok Metro Public Company Limited
					2012 - 2014	- Executive Vice President, Operations	
					2007 - 2012	- Acting Marketing & Commercial Development Director	
					2005 - 2015	- Risk Committee Member	
					2004 - 2012	- Operations Director	
					2002 - 2004	- Traffic Manager	
24 Miss Pornpimol Chirtchoochai - Deputy Managing Director - Business Development (appointed on December 30, 2015)	50	- Master of Accountancy, Thammasat University - Bachelor of Accountancy, Thammasat University	-	-			<u>Listed Company:</u>
					2014 - 2015	- Deputy Managing Director - Risk Committee Member	Bangkok Metro Public Company Limited
					2000 - 2012	- Accounting and Finance Director	
							<u>Other Company:</u>
					2014 - Present 2009 - 2011	- Director - Director	Bangkok Metro Networks Limited

Information of Directors, Executives and Company Secretary (As at December 31, 2015)

Name-Surname/Position Date of Appointment	Age (Years)	Education/Training	Shareholding in the Company	Family Relationship between Directors and Executives	Work Experience for the Past 5 Years		
					Period	Position	Organization
25 Mr. Alvin Gee - Deputy Managing Director Operation Support (appointed on December 30, 2015)	44	- Bachelor of Science in Finance, Boston College, U.S.A. - Director Certification Program (DCP 165/2012), Thai Institute of Directors Association	0.0029% (447,210 shares)	Spouse of Mr. Plew Trivisvavet's daughter			<u>Listed Companies:</u>
					2013 - Present	- Director	CK Power Public Company Limited
					2013 - Present	- Director, Executive Director and Managing Director	SouthEast Asia Energy Limited
					2011 - 2013	- Deputy Managing Director, Accounting and Finance Department	
					2008 - 2011	- Investor Relations Officer	Bangkok Metro Public Company Limited
							<u>Other Companies:</u>
					2013 - Present	- Director, Executive Director and Managing Director	Nam Ngum 2 Power Company Limited
					2011 - 2013	- Deputy Managing Director	
					2007 - 2008	- Business Analyst, Corporate Finance	TMB Maquarie Securities (Thailand)

Information of Directors in the Subsidiaries and Related Companies

Names of Directors and Executives			Related Companies															
			The Company	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1	Dr. Virabongsa	Ramangkura	1,2										2	4	2			
2	Mr. Plew	Trivisvavet	3,4		2,4	1,4	1	1	1	1	1	1,3	1	1	1,4	1,4	1	1
3	Prof. Suphachai	Phisitvanich ⁽¹⁾	1															
4	Gen. Chetta	Thanajaro	1															
5	Gen. Sampao	Choosri	1															
6	Mr. Vitoon	Tejatussanasoontorn	1			1												
7	Mrs. Vallapa	Assakul ⁽²⁾	1		1,4													
8	Mr. Supong	Chayutsahakij	1,4	1,2	1,4			1						1	1	1		
9	M.L. Prasobchai	Kasemsant ⁽³⁾	1		1,4													
10	Mr. Phongsarit	Tantisuvanitchkul	1,4	1,4		5												
12	Dr. Sombat	Kitjalaksana	1,4	1								1,4						
11	Mrs. Payao	Marittanaporn	1,4		1,4							1						
13	Mr. Werapong	Suppasedsak	1															
14	Mr. Panit	Dunnvatanachit ⁽⁴⁾	1		1,4													
15	Mr. Tana	Janusorn	1															
16	Mr. Theeraphan	Tachasirinugune	1															
17	Mr. Prasit	Dachsiri ⁽⁵⁾	1															
18	Mr. Sanguan	Kunatinun	5															
19	Mrs. Sudruthai	Prommart	5															
20	Mrs. Ngamnit	Kanokgarnjanar ⁽⁶⁾	5															
21	Mr. Phakpoom	Thaweewittayarut	5															
22	Miss Panan	Tosuwanthaworn	5															
23	Mr. Witoon	Hatairatana	5															
24	Miss Pornpimol	Chirtchoochai	5	1														

Remarks:

1. **Definitions :** 1 = Director; 2 = Chairman of the Board of Directors; 3 = Vice Chairman of the Board of Directors; 4 = Executive Director; 5 = Executive

2. ⁽¹⁾ : passed away on January 19, 2016;

⁽²⁾ - ⁽⁴⁾ : resigned from office NECL on January 19, 2016;

⁽⁵⁾ : resigned from office on February 2, 2016.

⁽⁶⁾ : retired on January 1, 2016.

3. Names of Related Companies:

1 = Bangkok Metro Networks Limited

5 = CK Power Public Company Limited

9 = TTW Public Company Limited

13 = Nam Ngum 2 Power Company Limited

2 = Northern Bangkok Expressway Company Limited

6 = CH. Karnchang Holding Co., Ltd.

10 = Bang Pa-in Land Development Co., Ltd.

14 = CH. Karnchang Real Estate Co., Ltd.

3 = CH. Karnchang Public Company Limited

7 = CH. Karnchang-Tokyu Construction Company Limited

11 = SouthEast Asia Energy Limited

15 = Construction Material Supply Co., Ltd.

4 = Mahasiri Siam Co., Ltd.

8 = CK. Office Tower Co., Ltd.

12 = Xayaburi Power Company Limited

Information of Directors in the Subsidiaries

Names of Directors	Northern Bangkok Expressway Company Limited	Bangkok Metro Networks Limited
1. Mr. Plew Trivisvavet	2,3	-
2. Mr. Supong Chayutsahakij	1,3	2
3. M.L. Prasobchai Kasemsant ⁽¹⁾	1,3	-
4. Mr. Panit Dunnvatanachit ⁽²⁾	1,3	-
5. Mrs. Vallapa Assakul ⁽³⁾	1,3	-
6. Mr. Narong Gieddech ⁽⁴⁾	1	-
7. Mrs. Payao Marittanaporn	1,3	-
8. Mr. Sombat Kitjalaksana	-	1
9. Mr. Anukool Tuntimas	-	1
10. Mr. Phongsarit Tantisuvanitchkul	-	1, 3
11. Mrs. Tipsuda Yimwilai	-	1, 3
12. Mr. Nattavut Trivisvavet	-	1, 3
13. Miss Pornpimol Chirtchoochai	-	1

Remarks:

- Definitions: 1 = Director; 2 = Chairman of the Board of Directors; 3 = Executive Director
- Subsidiaries refer to material subsidiaries whose revenues exceed 10 percent of total revenues as per the consolidated statement of income of the latest accounting year.
- ⁽¹⁾ M.L. Prasobchai Kasemsant, ⁽²⁾ Mr. Panit Dunnvatanachit, ⁽³⁾ Mrs. Vallapa Assakul, and ⁽⁴⁾ Mr. Narong Gieddech resigned from office on January 19, 2016.

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

1. Head of the Internal Audit Unit

Name-Surname	Miss Vasana Wattananukulchai
Position	General Manager Internal Audit Office
Education	<ul style="list-style-type: none"> - M.B.A National Institute of Development Administration - Bachelor of Accountancy Bangkok University
Work Experience	2008 - Present - General Manager of Internal Audit Office 2006 - 2007 - General Manager of Toll Revenue Division
Related Training	<ul style="list-style-type: none"> - Internal Auditing - IFRS 2011 - Business Continuity Management (BCM) - Integrated Management ISO 9001 : 2008 and ISO 14001 : 2004 - Risk Management ISO 31000 : 2009 - Compliance Audit - Internal Control for Financial Reporting: Business Value-Added Strategy - Going from Good to Great in IT Governance and Outsourcing - In-depth Modern Risk Management Techniques - Anti-Corruption The Practical Guide (ACPG 15) Thai Institute of Directors Association (IOD)
Duties and Responsibilities	1. Internal audit work <ul style="list-style-type: none"> 1.1 Preparing the annual internal audit plan; 1.2 Supervising the review of performance, adequacy and appropriateness of the internal control system of the Company's work systems for compliance with the plan; 1.3 Concluding the results of review, together with observations and suggestions for improvement for the audited works, as well as following up the suggested improvement; 1.4 Reporting on the audit results to the Management and the Audit Committee.

	<p>2. Works in support of the Audit Committee</p> <p>2.1 Reviewing the annual and quarterly financial statements;</p> <p>2.2 Preparing information in support of the selection and nomination of the Company's auditor;</p> <p>2.3 Reviewing the disclosure of information to ensure compliance with the rules and regulations and the good corporate governance principles;</p> <p>2.4 Coordinating and organizing the Audit Committee's meetings.</p> <p>3. Works in support of corporate risk management</p> <p>3.1 Coordinating all internal work units to prepare and review the annual emergency and risk management plans as well as compiling the results thereof as the overall emergency and risk management plans;</p> <p>3.2 Quarterly following up and concluding the results of risk management from all relevant work units for presentation to the Management and the Corporate Governance and Risk Management Committee on a quarterly basis;</p> <p>3.3 Coordinating and organizing the Corporate Governance and Risk Management Committee's meetings.</p> <p>4. Works on quality and environmental management system activity</p> <p>Following up the results of system audit by the monitoring subcommittee and external certification agencies.</p> <p>5. Other works as assigned by the Audit Committee</p>
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Remark: Any appointment, removal and transfer of Head of the Internal Audit Unit shall be subject to the power of the Audit Committee.

2. Head of the Compliance Unit

Name-Surname	Mr. Phakpoom Thaweewittayarut	
Position	<ul style="list-style-type: none"> - Deputy Managing Director, Administration - Company Secretary 	
Education	<ul style="list-style-type: none"> - M.B.A., Thammasat University - Bachelor of Laws, Chulalongkorn University - Bachelor of Accountancy, Chulalongkorn University 	
Work Experience	<p>Oct 2014 - Dec 29, 2015 Deputy Managing Director, Administration</p> <p>2012 - Sep 2014 Assistant Managing Director, Administration</p> <p>Sep 2011 - Dec 2011 Senior General Manager of Administration Division</p> <p>2008 - Aug 2011 Senior General Manager of Managing Director Office</p>	
Related Training	<ul style="list-style-type: none"> - 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 	

<p>Duties and Responsibilities</p>	<ol style="list-style-type: none"> 1. Determining the scope of the good corporate governance in line with the Company's structure in comparison with international practices or principles; 2. Reviewing the appropriateness and adequacy of the Company's good corporate governance policy and code of ethics, as well as their revisions to meet the international practices for good corporate governance; 3. Reviewing with the Management as to compliance with the good corporate governance principles as specified by the Company for disclosure in the Annual Report; 4. Conducting the procedures for evaluation of performance of the Board of Directors, the Managing Director, as well as concluding the results for presentation to the Board of Directors; 5. Providing suggestions for preparation of the Company's corporate governance development plan in compliance with the good corporate governance principles; 6. Providing advice and suggestions on the good corporate governance practices to the Board of Directors; 7. Performing any other functions as assigned by the Managing Director.
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