

11. Connected Transactions

11.1 Principles

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

In the consideration and approval of any 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 interest shall not be entitled to attend and vote on such matter. Furthermore, the Audit Committee, as assigned by the Board of Directors, shall consider the disclosure of the Company's information in respect of the connected transaction or the transaction which may have conflict of interest, to ensure accuracy and completeness.

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



11.2 Connected Transactions of the Company and the Subsidiary with Persons who May Have Conflict of Interest for 2010 and 2009

Person/ Legal Entity who May Have Conflict of Interest	Relationship	Nature of Transactions	Transaction Value (Baht) in Consolidated Financial Statements		Transaction Description	Opinions of the Audit Committee on Necessity/Justification of Transactions
			31 December 2010	31 December 2009		
1. CH. Karnchang Public Company Limited	<ul style="list-style-type: none"> - The company is the major shareholder of the Company representing 15.15 percent of the paid up capital as at 9 September 2010. - Mr. Plew Trivisvavet, serves as Chairman of the Executive Board of the Company, Chairman of the Executive Board of its Subsidiary, and serves as Chairman of the Executive Board and Chief Executive Officer of CH. Karnchang Public Company Limited. 	1.1 Transactions with the Company <ul style="list-style-type: none"> - Inspection and repair of the structure of the Si Rat Expressway, No. 2, Phase 4 - Inspection and repair of the structure of the Si Rat Expressway, No. 2, Phase 3 	1,000,615	-	<ul style="list-style-type: none"> - On 1 November 2010, the Company executed a contract engaging CH. Karnchang Public Company Limited to carry out the inspection and repair of the structure of the Si Rat Expressway, No. 2, Phase 4, in the total value of Baht 51,062,806, with a contract term of 12 months from the date of the contract signing. - On 4 December 2009, the Company executed a contract engaging CH. Karnchang Public Company Limited to carry out the inspection and repair of the structure of the Si Rat Expressway, No. 2, Phase 3, in the total value of Baht 79,699,290, with a contract term of 12 months from the date of the contract signing. 	<ul style="list-style-type: none"> - The prices of the works are reasonable and lower than the prices 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 works properly and is well-prepared to promptly start the works.



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	- Mrs. Payao Marittanaporn, Managing Director of the Company and Acting Managing Director of its Subsidiary, is the spouse of Mr. Prasert Marittanaporn, Director and Executive Vice President of CH. Karnchang Public Company Limited.	- Repair of the structure and road surface improvement of the Si Rat Expressway, Sector C, and on-ramps and off-ramps, Sector A	41,169,080	101,851,889	- On 4 December 2008, the Company executed a contract engaging CH. Karnchang Public Company Limited to repair the structure and improve the road surface of the Si Rat Expressway, Sector C, and on-and off-ramps, Sector A, in the total value of Baht 135,670,891, with a contract term of 14 months from the date of the contract signing. The Company gave written notice of variation order in the total value of Baht 15,852,468.	
		1.2 Transaction with its Subsidiary - Office space rental	120,000	120,000	- The Subsidiary executed an office space lease contract, at the rental rate of Baht 10,000 per month, with a contract term on a yearly basis.	



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2. SouthEast Asia Energy Limited	<ul style="list-style-type: none"> - The Company holds shares in SouthEast Asia Energy Limited representing 16.67 percent of its registered capital. - The Company and SouthEast Asia Energy Limited have CH. Karnchang Public Company Limited as their common major shareholder, whereby CH. Karnchang Public Company Limited holds shares representing 15.15 percent of the paid up capital as at 9 September 2010 and CH. Karnchang Public Company Limited holds shares in SouthEast Asia Energy Limited representing 38.00 percent of its registered capital as at 31 December 2010. 	2.1 Transaction with the Company <ul style="list-style-type: none"> - Loan and interest receivable 	37,598,046	35,355,314	<ul style="list-style-type: none"> - On 4 September 2007, the Company signed the Shareholders' Loan Agreement which is considered a subordinated loan under the shareholding proportion in the amount of not exceeding Baht 31.25 Million at the interest rate of the average MLR + 1% of three lending banks of SouthEast Asia Energy Limited, with the due date of repayment of the principal, together with interest, within 18 months or the date of Financial Closing of the Project, whichever occurs first. - On 25 February 2009, the Board of Directors' Meeting resolved to grant approval for the extension of time for repayment of the aforesaid loan to SouthEast Asia Energy Limited for another 12 months from the due date until 4 March 2010. <p>On 24 February 2010, the Board of Directors' Meeting also resolved to grant approval for the extension of time for repayment of the loan for another 18 months until 10 September 2011.</p>	<ul style="list-style-type: none"> - This is considered a financial support under the shareholding proportion and the interest rate equals the loan interest rate of the existing creditors of SouthEast Asia Energy Limited. - The objective of the loan is to be used for survey and development of new project which would enhance the capacity of the Nam Ngum 2 Project of SouthEast Asia Energy Limited which would be beneficial to the Company as a shareholder.



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	<ul style="list-style-type: none"> - Dr. Virabongsa Ramangkura, serves as Chairman of the Board of Directors of the Company and Chairman of the Board of Directors of SouthEast Asia Energy Limited. - Mr. Plew Trivisvavet, serves as Chairman of the Executive Board of the Company and Chairman of the Executive Board of SouthEast Asia Energy Limited. - Mrs. Payao Marittanaporn, Managing Director of the Company and the spouse of Mr. Prasert Marittanaporn, serves as Director of SouthEast Asia Energy Limited. 	<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"> - On 26 May 2006, the Company entered into an Equity Contribution Agreement with SouthEast Asia Energy Limited and Nam Ngum 2 Power Company Limited (co-borrower), other shareholders and lenders of SouthEast Asia Energy Limited. Under the agreement, the Company agrees to provide equity contribution for Revenue Deficiency from Construction of the Nam Ngum 3 Hydropower plant of not more than Baht 94 million if the Nam Ngum 3 project is likely to negatively impact the energy production level of that company's system and subsequently results in that company's becoming unable to comply with its obligations under the Financing Documents. In addition, the Company agrees to provide additional equity contributions of not exceeded Baht 63 million if the co-borrower of that company defaults in payment of its loan or unable to comply with its obligation under the Financing Documents. 	<ul style="list-style-type: none"> - The amount of the financial support is based on reasonable calculation and is under the shareholding proportion.



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3. 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 representing 15.15 percent of the paid up capital as at 9 September 2010 and CH. Karnchang Public Company Limited holds shares representing 55.00 percent of CH. Karnchang-Tokyu Construction Co., Ltd.'s registered capital. - Mr. Plew Trivisvavet, serves as Chairman of the Executive Board of the Company and Chairman of the Board of Directors of CH. Karnchang-Tokyu Construction Co., Ltd. 	<p>3.1 Transactions with the Company</p> <ul style="list-style-type: none"> - Construction of additional road and bridge at the area of intersection of the Si Rat Expressway and Ngam Wong Wan Road - Construction of additional toll booths at Bang Sue Toll Plaza and Khlong Prapa 1 Toll Plaza 	81,275,880	-	<ul style="list-style-type: none"> - On 25 March 2010, the Company executed a contract engaging CH. Karnchang-Tokyu Construction Co., Ltd. to construct additional road and bridge at the area of intersection of the Si Rat Expressway and Ngam Wong Wan Road, in the total value of Baht 104,000,000, with a contract term of 12 months from the date of the contract signing. The Company gave written notice of variation order in the total value of Baht 922,114. - On 18 May 2009, the Company executed a contract engaging CH. Karnchang-Tokyu Construction Co., Ltd. to construct toll booths in Gate 1 at Bang Sue Toll Plaza and Khlong Prapa 1 Toll Plaza, in the total value of Baht 8,046,916, with a contract term of four months from the date of the contract signing. 	<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.



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		3.2 Transaction with its Subsidiary - Construction of additional toll booths at Muang Thong Thani Toll Plaza (inbound)	3,876,961	905,971	- On 10 November 2009, its Subsidiary executed a contract engaging CH. Karnchang-Tokyu Construction Co., Ltd. to construct toll booths in Gate 4 at Muang Thong Thani Toll Plaza (inbound), in the total value of Baht 4,600,000, with a contract term of four months from the date of the contract signing and additional works from the contract amounting to Baht 182,932.	- 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.