

## Executive Summary

Bangkok Expressway Public Company Limited (the Company) has the registered capital of Baht 8,000 Million with paid-up capital of Baht 7,700 Million. The Company operates the business of construction and management of the Si Rat Expressway (Second Stage Expressway) and its extensions, including related businesses under the Second Stage Expressway Agreement entered into between the Expressway and Rapid Transit Authority of Thailand and the Company for a contract period of 30 years from 1 March 1990 to 28 February 2020. This Agreement was executed in the form of concession on a BTO (Build, Transfer and Operate) basis, in other words, the Company is responsible for the design, construction and management of the Expressway System while the title to various permanent constructions shall be vested in the Expressway and Rapid Transit Authority of Thailand. Furthermore, Northern Bangkok Expressway Company Limited, the Subsidiary, entered into an agreement with the Expressway and Rapid Transit Authority of Thailand for construction and management of the Udon Rattaya Expressway (Bang Pa-in - Pak Kret Expressway) for a contract period of 30 years from 27 September 1996 to 26 September 2026.

The Si Rat Expressway comprises four Sectors, namely, Sector A (Rama IX - Ratchadapisek), Sector B (Phayathai - Bangkhlo), Sector C (Ratchadapisek -Chaeng Watthana) and Sector D (Rama IX - Srinagarindra) while the Udon Rattaya Expressway is northbound with a connection to the Si Rat Expressway around Chaeng Watthana Road, passing Bang Phun, Chiang Rak to end at Bang Sai. The Company and the Expressway and Rapid Transit Authority of Thailand received the toll revenue sharing from the Si Rat Expressway and the Chalerm Mahanakorn Expressway (First Stage Expressway) based on their proportions under the respective Agreements, except at 100 percent of toll revenue of Sectors C and D received by the Company and at 100 percent of toll revenue of the Udon Rattaya Expressway received by the Subsidiary.

The Company's main policy is to mitigate traffic problems in Bangkok by way of efficient management of the Si Rat Expressway. In the year 2006, the Company has improved the provision of services to accommodate the increased Expressway users, particularly due to the opening of the Suvarnabhumi Airport in September 2006. In this regard, the Company added two toll booths at Srinagarindra Toll Plaza, two double-deck toll booths at

Asoke 4 Toll Plaza (inbound) and one reversible lane toll booth at Asoke 3 Toll Plaza (outbound) to alleviate the accumulated traffic at the front of the Toll Plazas during the rush hours and to accommodate the traffic volume to increase in the future. Additionally, the Company also expanded the entrance of Bang Sue Toll Plaza and improved the exit of Ngam Wong Wan 2 Toll Plaza to facilitate motorists to making a u-turn conveniently to the Khae Rai Intersection as well as cooperating with the Expressway and Rapid Transit Authority of Thailand to enhance the effective collection of tolls during rush hours in particular.

Furthermore, regarding the improvement of work efficiency and quality, the Company focuses on the compliance with the good corporate governance rules and appropriate risk management. In view of the corporate governance, the Company has realized the significance and responsibility towards the Company's shareholders and stakeholders. In the year 2006, the Company received the Best Governance Report Awards from the announcement of the "SET Awards 2006", and the Company's corporate governance was evaluated and rated by the Thai Institute of Directors Association at a "very good" level, including the evaluation result of the quality in holding ordinary meetings of shareholders with a score of 85.86.

However, there are risk factors which may affect the Company's operations, such as, risk from interest rate fluctuation, risk relating to business operations under agreements with government sector, and risk from insufficient revenue to cover expenditure and risk from noncompliance with the relevant agreements by contractual party. The Company has arranged for preventive measures to deal with any such possible issues. Through feasibility study for the operations, good cooperation with the relevant authorities and good management, the Company remains confident to maintain its standard services with good quality alongside its proper financial position.

In respect of the operational results of the Company and the Subsidiary for the period ending 31 December 2006, the net profit from the operations of the Company and the Subsidiary amounted to Baht 1,543 Million. When compared to the net profit from the operations in the year 2005 amounting to Baht 1,488 Million, the net profit grew at the rate of 3.70 percent.