

increase, at the par value of Baht 10 per share, and calling for share payment at the rate of 25 percent. In this regard, the Company exercised its right to acquire such ordinary shares for capital increase as per the proportion of its existing shareholding.

(3.4) The Company invested in Thai Tap Water Supply Public Company Limited (formerly "Thai Tap Water Supply Co., Ltd."), which operates the business of production and distribution of tap water to the Provincial Waterworks Authority in the vicinity of Nakhon Pathom Province and Samut Sakhon Province, under the Water Purchase and Sale Agreement with the Provincial Waterworks Authority with a 30 year contract term from 21 July 2004. The benefits to be derived by the Company shall be in the form of dividend from such investment.

On 15 February 2006, Thai Tap Water Supply Public Company Limited increased its registered capital from Baht 3,000 Million to Baht 3,250 Million by issuing 2.5 million ordinary shares for capital increase at the par value of Baht 100 per share, which were sold at the price of Baht 290 per share. The Company exercised its right to acquire such ordinary shares as per the proportion of its existing shareholding, including the proportional exercise of rights of other shareholders who did not exercise their rights, representing 123,850 shares amounting to Baht 35.9 Million.

On 5 April 2006, the 2006 Annual Ordinary General Meeting of Shareholders resolved to grant approval for the Company to purchase 1,676,150 ordinary shares in Thai Tap Water Supply Public Company Limited, representing an increase in the portion of investment by 5.16 percent of the paid-up registered capital from CH. Karnchang Public Company Limited, at the price of Baht 320 per share, totaling Baht 536.4 Million.

On 6 July 2006, Thai Tap Water Supply Public Company Limited registered its conversion into a public limited company and changed the par value of the ordinary shares from Baht 100 per share to Baht 1 per share by dividing one ordinary share at the par value of Baht 100 per share into 100 ordinary shares at the par value of Baht 1 per share. As a result, the number of ordinary shares held by the Company increased to Baht 325 million shares at the price of Baht 1 per share, with the same shareholding percentage.

On 24 July 2006, the Company purchased additional 81.25 million ordinary shares in Thai Tap Water Supply Public Company Limited or 2.5 percent of the registered capital from CH. Karnchang Public Company Limited at the price of Baht 3.20 per share, totaling Baht 260 Million. As a result, the Company's shareholding percentage in Thai Tap Water Supply Public Company Limited as at the end of the year 2006 represents 12.50 percent of the paid-up registered capital.

Future Projects

In respect of projects for construction of the extension of the Second Stage Expressway Agreement, the Company is entitled to first be considered if there will be any construction or arrangements in respect of any extension of the Second Stage Expressway System, provided that such arrangements shall provide no less favorable benefits to the Expressway and Rapid Transit Authority of Thailand than others.

Extension projects comprise:

1.Extension of Sector B+ as a route connecting Sector B1 at Urupong Intersection heading the West to Buddha Monthon and Nakhon Chaisi. However, the said project had affected several communities, and would pass through such areas adjacent to the Rattanakosin Island. The Office of Transport and Traffic Policy (OTP) therefore conducted study and

designed the Phaya Thai - Buddha Monthon Expressway instead, in the State Railway of Thailand area, at Bang Sue - Rama VI route with 6 traffic lanes for a total distance of approximately 17 kilometers.

2.Extension of Sector D+ (Srinagarinda - Bang Na - Samut Prakan Expressway) as a route connecting Sector D at Srinagarindra Road towards the South, passing Bang Na - Trad Road, and ending at Samut Prakan by connecting the Bang Pli - Suksawat Expressway Project for a total distance of approximately 13.8 kilometers;

At present, the Expressway and Rapid Transit Authority of Thailand has not yet opened any bidding for the aforesaid projects.