

Bangkok and its surrounding provinces. ETA invites interested parties to participate in the preparation of proposals or accepts bids, in which the Company conducts a project feasibility study and submits proposals or bids to be awarded the project, subject to appropriate return and conditions.

The Expressway Projects under the Second Stage Expressway Agreement, the Bang Pa-in - Pak Kret Expressway Agreement and the Agreement for Extension of the Second Stage Expressway (Sector D) Agreement are implemented on a BTO basis. According to the essence of the Agreements, ETA 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 ETA, subject to the supervision of the quality of construction work by the ETA'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 complete 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 and on a subcontract basis. This was due to the fact that the Expressway Projects are large scale projects which may sustain costs overrun issues and untimely 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 a timely basis.

#### **B. Environmental Impact**

In the construction of the Expressways under the Second Stage Expressway Agreement and the Bang Pa-in - Pak Kret Expressway Agreement, the Company and the Subsidiary shall comply with the measures to prevent pollutions in accordance with the regulations of the National Environment Committee and other relevant laws, which form an integral part of the Agreements.

The Company and the Subsidiary implemented measures and procedures as appropriate without any records of environment related offenses.

## **Research and Development**

Bangkok Expressway Public Company Limited has a special unit responsible to conduct feasibility study and follow up on the assessment of its investments in various projects, so as to increase the efficiency of its services and generate more revenue to the Company, such as, construction of new expressway, construction of additional on- and off-ramps, and improvement of on- and off-ramps. Moreover, the Company also engaged external specialists to conduct various studies, such as traffic and construction for each respective project, in order to ensure that the study would be more appropriate and correct and minimize investment risk. In the year 2006, the Company has budget for the study in the amount of Baht 2 Million.

At present, projects which the Company is conducting consist of:

- (1) Toll collection by using automatic cards to resolve the traffic problems at the front of toll plazas and distance-based toll collection ;
- (2) An expressway project connecting between the Si Rat Expressway (around Bang Sue) and the Western Outer Ring Road; and
- (3) An expressway project connecting between the Si Rat Expressway (around Asoke) and the City Air Terminal (around Makkasan).