

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 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.

Legal Disputes

(1) Disputes with the Expressway and Rapid Transit Authority of Thailand (ETA)

(1.1) The Company had a dispute with ETA since the Ministry of Interior issued the Ministry of Interior Notification dated 23 October 1998 regarding revision of toll rates, by repealing the Notification dated 27 August 1998 which increased toll rates commencing 1 September 1998. The Company disagreed with the Notification dated 23 October 1998, and, therefore, referred the dispute to arbitration. The arbitral award determined that the revision of toll rates pursuant to the Notification dated 23 October 1998 conformed to the Agreement. Consequently, ETA referred another dispute to arbitration demanding reimbursement of Baht 34 Million received by the Company as toll revenue sharing pursuant to the Notification dated 27 August 1998. Thereafter, the Company filed its statement of defense stating that the Company was entitled to receive such Baht 34 Million because such toll revenues were received by the Company while the Notification dated 27 August 1998 was in effect. In addition, the Company filed a counterclaim requesting the Arbitral Tribunal to issue an award ruling that the Notification dated 27 August 1998 was legitimate, and requiring ETA to compensate the Company for damages in an amount equal to the difference of tolls collected under the two Notifications. The Arbitral Tribunal issued an arbitral award on 3 December 2001, as follows:

1. The Notification dated 27 August 1998 was issued in compliance with the procedure of the Agreement in all respects. The issuance of the Notification dated 23 October 1998 repealing and replacing the Notification dated 27 August 1998 to apply new toll rates was not in compliance with the criteria and procedure as specified in the Agreement, thereby having no binding effect upon the parties;