

Executive Summary

Bangkok Expressway Public Company Limited and Northern Bangkok Expressway Company Limited (Subsidiary) operate the business of construction and management of the Si Rat Expressway (Second Stage Expressway) and its extensions, and the Udon Rattaya Expressway (Bang Pa-in – Pak Kret Expressway), 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, and under the Bang Pa-in – Pak Kret Expressway Agreement entered into between the Expressway and Rapid Transit Authority of Thailand and the Subsidiary with a contract period of 30 years from 27 September 1996 to 26 September 2026. These Agreements were 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 Expressways while the title to various permanent constructions shall be vested in the Expressway and Rapid Transit Authority of Thailand.

The Company presently maintains registered capital of Baht 8,000 Million, Baht 7,700 Million of which is paid up. The Subsidiary presently maintains registered capital of Baht 6,000 Million, Baht 4,200 Million of which is paid up. The Company holds shares in the Subsidiary representing 53.33 percent of its registered capital. The Company's shareholding structure primarily comprises CH. Karnchang Group, Bangkok Bank Group, Krung Thai Bank Group, Thai Military Bank Group and Siam Commercial Bank Group, with good cooperation between the Company and its shareholders over the past period.

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 comprises two Stages, namely, Stage 1, Chaeng Watthana – Bang Phun – Chiang Rak, and Stage 2, Chiang Rak – Bang Sai. This Udon Rattaya Expressway connects to the Si Rat Expressway around Chaeng Watthana Road.

In the year 2005, the Company has improved the provision of services to provide more facilities to Expressway users by opening for service of a flyover crossing Prachachuen Road and Khlong Prapa to exit to Ratchadapisek Road, which efficiently resolved traffic problem around the exit to Prachachuen Road. In addition, the Company added a toll booth at Prachachuen 2 Toll Plaza and three reversible toll booths at Asoke 4 Toll Plaza to alleviate the accumulated traffic at the front of the Toll Plaza, which is used by a great number of motorists during the morning rush hours.

Moreover, the Company is committed to continually improve the performance of its personnel and work quality by implementing the quality management system, namely, the ISO project, 5S, Work Improvement, and Suggestion System. On 22 August 2001, the Company obtained an ISO 9001:2000 certification from SGS (Thailand) Limited in accordance with UKAS Standard of England and NAC Standard of Thailand. Thereafter, the Company has still obtained renewal of such certification until the year 2007.



The net profit from the operations of the Company and the Subsidiary continued its growth, particularly after the Company's decrease in the financial costs. In the year 2005, the Company and the Subsidiary earned a net profit from their operations in the amount of Baht 1,488 Million, as compared to a net profit of Baht 1,388 Million from the normal operations excluding the result of tax saving from sales and the investment fund in the Subsidiary in the year 2004, representing a growth of 7.20 percent. In regard of the net figures, the net profit in the year 2005 declined by Baht 428 Million or 22.32 percent.

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, risk from failure to meet the projected revenue and risk from noncompliance with the relevant agreements by contractual party. The Company has arranged for preventative 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 view of the corporate governance, the Company has realized the significance and responsibility towards the Company's shareholders and stakeholders. In the year 2005, the Company was ranked by the National Corporate Governance Committee as one of top hundred companies with the highest scores in the corporate governance evaluation.