

**Minutes of the 2003 Annual Ordinary General Meeting of Shareholders  
of  
Bangkok Expressway Public Company Limited**

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**Time and Place**

Time: 29 April 2003 at 3:00 p.m.  
Place: Ballroom A on the 3<sup>rd</sup> Floor of Radisson Hotel, Bangkok  
No. 92 Rama IX Road, Bangkok Subdistrict, Huaykhwang  
District, Bangkok Metropolis

**Attendees**

Total number of shareholders	8,327	shareholders
Total number of shares	770,000,000	shares
Number of attending shareholders	255	shareholders
Total number of shares	482,416,734	shares
Representing	62.65	%

A quorum was present.

**Preliminary Proceeding**

Dr. Virabongsa Ramangkura, as Chairman of the Board of Directors, presided over the Meeting. The Chairman stated to the Meeting that there were shareholders attending the Meeting in person and by proxy forming a quorum. The Chairman declared the Meeting open.

The Chairman explained that the voting cards distributed to shareholders were to be used for enabling shareholders to vote against or propose otherwise or abstain. In the Ordinary General Meeting of Shareholders this year, the Board of Directors resolved to authorize Professor Suphachai Phisitvanich, Chairman of the Audit Committee, to participate in the Meeting on behalf of other shareholders who were unable to attend the Meeting in person. In this regard, there were seven shareholders, representing 284,400 votes, who appointed the Chairman of the Audit Committee as their proxy to attend this Meeting. The Chairman then commenced proceeding with the Meeting under the following items:

**Item 1 Approval of the Minutes of the 2002 Annual Ordinary General Meeting of Shareholders**

The Chairman informed the Meeting of the Minutes of the 2002 Annual Ordinary General Meeting of Shareholders held on 10 April 2002, the copy of which had been sent to shareholders together with the notice of this Ordinary General Meeting of Shareholders.

**Opinion of the Board:** The Board of Directors was of the opinion that the Minutes of the 2002 Annual Ordinary General Meeting of Shareholders should be approved.

The Chairman requested the Meeting to consider the matter.

The Meeting considered this matter and voted as follows:

Agreed	425,415,894	votes	representing	88.18	%
Abstained	57,000,840	votes	representing	11.82	%

The Meeting resolved to approve the Minutes of the 2002 Annual Ordinary General Meeting of Shareholders as proposed.

## **Item 2 Acknowledgement of the Company's Operational Results for the Year 2002**

The Chairman reported on the Company's operational results during the year 2002 to the Meeting that by Article 29 of the Articles of Association, the Annual Ordinary General Meeting of Shareholders shall consider report of the Board of Directors. The Board of Directors had delivered the annual report to the shareholders, together with the notice of the Ordinary General Meeting of Shareholders.

### 1) Finance

For the operational results in the year 2002, the Company and the subsidiary derived net profit from operations in the amount of Baht 878 Million. Comparing to the previous year which had a net profit of Baht 874 Million, the Company's operations improved by Baht 4 Million, representing 0.5 percent.

### 2) Services

The Company facilitated Expressway motorists through its coordination with the Department of Highways by connecting Sector D of the Si Rat to the New Bangkok-Chon Buri Highway (Motorway) around Srinagarindra Road. The connection was completed in March 2002 and could facilitate motorists from the eastern areas to access the Expressway and also accommodate vehicles from Srinagarindra Road and Pattanakarn Road. The Company also installed additional toll booths at Asoke 1 Plaza and Hua Lamphong Plaza. Moreover, the Company expanded the off-ramp to Silom Road and coordinated with Bangkok Metropolitan Administration to expand the off-ramp to Rama IV Road to alleviate the traffic congestion problems around these off-ramps.

3) Quality Policy

The Company is committed to improving the performance of staff and work quality by applying the quality management system to the Company's work system, i.e., the Quality Management System (ISO) by which the Company was certified with ISO 9001:2000 granted by SGS (Thailand) Limited in accordance with the United Kingdom Accreditation Service (UKAS) in England and the National Accreditation Council (NAC) in Thailand. Follow-up monitoring was also conducted, the first occasion on 20 February 2002 and the second occasion on 21 August 2002, with the result that the Company was able to continually maintain its quality standard and improve its work system in line with the requirements, without any nonconformance.

Furthermore, the Company also arranged for QCC Activities and 5S which allowed other organizations to participate, as well as Suggestion Activities.

**Opinion of the Board:** The Board of Directors was of the opinion that the Meeting should acknowledge the Company's operations during the year 2002.

The Chairman requested the Meeting to consider the matter.

The Meeting considered this matter and voted as follows:

Agreed	425,415,894	votes	representing	88.18 %
Abstained	57,000,840	votes	representing	11.82 %

The Meeting resolved to acknowledge the Company's operations during the year 2002.

**Item 3 Approval of the Balance Sheet and the Income Statement for the year ending on 31 December 2002**

The Chairman explained to the Meeting regarding the balance sheet and the profit and loss statements for the year ending on 31 December 2002 that by Article 32 of the Articles of Association, the Board of Directors shall cause a balance sheet and profit and loss statement as at the end of the fiscal year of the Company to be made and audited by the auditor. The balance sheet and the profit and loss statement would then be submitted to the Annual Ordinary General Meeting of Shareholders for consideration and approval.

**Opinion of the Board:** The Board of Directors was of the opinion that the balance sheet and the income statement, which had already been audited by the auditor, should be approved.

The Chairman requested the Meeting to consider the matter.

The Meeting considered this matter and voted as follows:

Agreed	425,415,894	votes	representing	88.18	%
Abstained	57,000,840	votes	representing	11.82	%

The Meeting resolved that the balance sheet and the income statement for the year ending on 31 December 2002, which had already been audited by the auditor, be approved as proposed.

#### **Item 4 Approval of Profit Appropriation**

The Chairman requested the Managing Director to clarify to the Meeting regarding the matter of profit appropriation.

The Managing Director clarified that by Article 36 of the Articles of Association, the Company shall appropriate not less than 5% of the annual net profit less accumulated loss brought forward (if any) as a reserve until such reserve is not less than 10% of the Company's registered capital. The Board of Directors shall offer its opinion on this matter to seek approval at the Meeting of Shareholders.

The Amendment to the Credit Facility Agreement specifies the conditions on dividend payment that the Company may pay dividend not exceeding 60 percent of the annual net profit. Dividend payment in excess of 60 percent of the net profit shall require approval of the lenders. The management deemed it appropriate to pay dividend at the rate of Baht 1 per share, representing 87.7 percent of the net profit.

The Board of Directors Meeting No. 1/2003, which was held on 27 February 2003, resolved to present this matter to the 2003 Annual Ordinary General Meeting of Shareholders to consider approving the profit appropriation and dividend payment for the year 2002 at the rate of Baht 1 per share, totaling Baht 770,000,000, representing 87.7 percent of the net profit, which had already been approved by the lenders.

In the year 2002, the Company's operational results were as follows:

	<u>Baht</u>
Retained earnings brought forward	1,158,433,556
Dividend payment	<u>(577,500,000)</u>
Retained earnings brought forward after dividend payment	580,933,556
Net profit for the year 2002	<u>878,045,487</u>
Retained earnings before appropriation	1,458,979,043
Profit appropriated as - Legal reserve at 5% of annual net profit	(43,902,274)
- Dividends	<u>(770,000,000)</u>
Retained earnings carried forward, end of period	<u>645,076,769</u>

At the Meeting, the Chairman thanked the lenders for their waiver of the dividend payment conditions.

**Opinion of the Board:** The Board of Directors was of the opinion that profit should be appropriated as reserve in the amount of Baht 43,902,274 and dividend for the year 2002 should be paid to the shareholders whose names were listed in the shareholders registration book as at 9 April 2003, in the amount of Baht 770,000,000 or Baht 1 per share. The dividend payment would be made on 29 May 2003.

The Chairman requested the Meeting to consider the matter.

The Meeting considered this matter and voted as follows:

Agreed	425,415,894	votes	representing	88.18	%
Abstained	57,000,840	votes	representing	11.82	%

The Meeting resolved that profit be allocated as reserve in the amount of Baht 43,902,274 and dividend for the year 2002 be paid to the shareholders whose names were listed in the shareholders registration book as at 9 April 2003, in the amount of Baht 770,000,000 or Baht 1 per share. The dividend payment was scheduled to be paid on 29 May 2003 as proposed.

#### **Item 5 Election of Directors in place of those who Vacate Offices**

The Chairman requested the Managing Director to clarify to the Meeting regarding the election of directors to replace those who would vacate offices.

The Managing Director clarified that according to Article 13 of the Articles of Association, one third or the closest number to one third of the directors shall vacate offices at every Annual Ordinary General Meeting. For the first and second years after the registration of the Company, the directors who will vacate offices shall be determined by the drawing of lots. For the following years, the directors who hold the longest terms of office shall vacate offices and those who vacate offices by rotation may be re-elected to take offices.

The Company directors as appointed to take offices were as follows:

- |                     |  |                            |
|---------------------|--|----------------------------|
| 1. Gen. Chetta      | Thanajaro  | Appointed on 10 April 2000 |
| 2. Mr. Supong       | Chayutsahakij  | Appointed on 10 April 2000 |
| 3. Mr. Chali        | Sophonpanich   | Appointed on 10 April 2000 |
| 4. Mr. Dusit        | Tengniyom  |                            |
|                     | Appointed on 28 February 2002 to replace Mrs. Yaowaluck Likitwattananurak who had been appointed on 22 February 2001 to replace Ms. Sompis Charoenkiatikul who had been: | Appointed on 10 April 2000 |
| 5. Prof. Suphachai  | Phisitvanich   | Appointed on 10 April 2001 |
| 6. M.L. Prasobchai  | Kasemsant  | Appointed on 10 April 2001 |
| 7. Mr. Akadej       | Bijaphala  | Appointed on 10 April 2001 |
| 8. Dr. Sombat       | Kitjalaksana   | Appointed on 10 April 2001 |
| 9. Dr. Virabongsa   | Ramangkura   | Appointed on 10 April 2002 |
| 10. Mr. Monthien    | Kulthamrong  |                            |
|                     | Appointed on 28 November 2002 to replace Mr. Vatanachai Suvagondha who had been:   | Appointed on 10 April 2002 |
| 11. Mr. Plew        | Trivisvavet  | Appointed on 10 April 2002 |
| 12. Prof. Dr. Kanok | Wongtrangarn   | Appointed on 10 April 2002 |

Therefore, the directors who were due to retire by rotation in the 2003 Annual Ordinary General Meeting of Shareholders on 29 April 2003 would be as follows:

- |    |             |               |
|----|-------------|---------------|
| 1. | Gen. Chetta | Thanajaro     |
| 2. | Mr. Supong  | Chayutsahakij |
| 3. | Mr. Chali   | Sophonpanich  |
| 4. | Mr. Dusit   | Tengniyom     |

and there was a director resigning as such, namely:

- |    |            |              |
|----|------------|--------------|
| 5. | Dr. Sombat | Kitjalaksana |
|----|------------|--------------|

**Opinion of the Board:** The Board of Directors was of the opinion that the following persons should be elected as directors to replace those who would vacate offices.

- |    |                          |  |
|----|--------------------------|--|
| 1. | Gen. Chetta Thanajaro    | To return to the Board of Directors                              |
| 2. | Mr. Supong Chayutsahakij | To return to the Board of Directors                              |
| 3. | Mr. Dusit Tengniyom      | To return to the Board of Directors                              |
| 4. | Mr. Panit Dunnvatanachit | To replace Mr. Chali Sophonpanich who vacated office by rotation |
| 5. | Mr. Suvich Pungchareon   | To replace Dr. Sombat Kitjalaksana who resigned on 29 April 2003 |

In order to be consistent with the good corporate governance, the Board of Directors prepared and distributed profiles of the nominated persons to the shareholders.

Should the Meeting wish to appoint other persons, such persons should be nominated to the Meeting for consideration and appointment.

The Chairman requested the Meeting to consider the matter.

The Meeting considered this matter and voted as follows:

1. Gen. Chetta Thanajaro  
Agreed 410,747,194 votes representing 85.14%  
Abstained 71,669,540 votes representing 14.86%
2. Mr. Supong Chayutsahakij  
Agreed 411,215,894 votes representing 85.24%  
Abstained 71,200,840 votes representing 14.76%
3. Mr. Dusit Tengniyom  
Agreed 411,215,894 votes representing 85.24%  
Abstained 71,200,840 votes representing 14.76%
4. Mr. Panit Dunnvatanachit  
Agreed 410,747,194 votes representing 85.14%  
Abstained 71,669,540 votes representing 14.86%
5. Mr. Suvich Pungchareon  
Agreed 410,747,194 votes representing 85.14%  
Abstained 71,669,540 votes representing 14.86%

The Meeting resolved that three directors who were due to retire by rotation be appointed to return to the Board of Directors and a new director be appointed to replace the resigned director, as follows:

1. Gen. Chetta Thanajaro To return to the Board of Directors
2. Mr. Supong Chayutsahakij To return to the Board of Directors
3. Mr. Dusit Tengniyom To return to the Board of Directors
4. Mr. Panit Dunnvatanachit To replace Mr. Chali Sophonpanich who vacated office by rotation
5. Mr. Suvich Pungchareon To replace Dr. Sombat Kitjalaksana who resigned on 29 April 2003

## **Item 6 Designation of Authorized Signatory Directors of the Company**

The Chairman requested the Managing Director to report on the designation of authorized signatory directors of the Company to the Meeting.

The Managing Director reported to the Meeting that the Company designated five authorized signatory directors, provided that two out of the five directors shall jointly sign and affix the Company seal. The said five directors were as follows:

1. Dr. Virabongsa Ramangkura
2. Mr. Plew Trivisvavet
3. M.L. Prasobchai Kasemsant
4. Dr. Sombat Kitjalaksana
5. Mr. Supong Chayutsahakij

Mr. Supong Chayutsahakij vacated office by rotation and Dr. Sombat Kitjalaksana resigned as director.

**Opinion of the Board:** The Board of Directors was of the opinion that authorized signatory directors of the Company should be designated as follows:

1. Mr. Supong Chayutsahakij
2. Mr. Suvich Pungchareon

Should the Meeting wish to appoint other persons, such persons should be nominated to the Meeting for consideration and appointment as authorized signatory directors of the Company.

The Chairman requested the Meeting to consider the matter.

The Meeting considered this matter and voted for appointment of Mr. Supong Chayutsahakij and Mr. Suvich Pungchareon as authorized signatory directors of the Company, with the results as follows:

Agreed	411,215,894	votes	representing	85.24	%
Abstained	71,200,840	votes	representing	14.76	%

The Meeting resolved to approve designation of Mr. Supong Chayutsahakij and Mr. Suvich Pungchareon as authorized signatory directors. Therefore, there were five authorized signatory directors as follows:

1. Dr. Virabongsa Ramangkura
2. Mr. Plew Trivisvavet
3. Mr. Supong Chayutsahakij
4. M.L. Prasobchai Kasemsant
5. Mr. Suvich Pungchareon

Provided that two out of the five directors shall jointly sign and affix the Company seal.

## **Item 7 Determination of Remuneration for Directors**

The Chairman requested Mr. Plew Trivisvavet, Chairman of the Executive Board, to inform the Meeting of the matter regarding determination of remuneration for directors.

The Chairman of the Executive Board informed the Meeting that by Article 14 of the Articles of Association, directors are entitled to receive remuneration from the Company in the form of honorarium, meeting allowance, consideration, bonus or benefit in any other forms as may be approved by the Meeting of Shareholders.

The Meeting was requested to consider determining the 2003 annual remuneration and bonus for the year 2002 for directors as follows:

1. It was proposed that bonus be paid to the directors for the year 2002 in the amount of Baht 4,500,000;
2. It was proposed that other remuneration in the form of honorarium, meeting allowance, consideration or benefit in any other forms, exclusive of bonus for the year 2003, be paid to the directors for the year 2003 in the amount of Baht 12,000,000;

The Chairman of the Board of Directors and the Chairman of the Executive Board should be authorized to jointly set out the criteria and procedures for payment of such remuneration, which shall remain enforceable until any amendment thereof would be effected.

**Opinion of the Board:** The Board of Directors was of the opinion that the 2003 annual remuneration and bonus for the year 2002 should be paid to the directors.

The Chairman requested the Meeting to consider the matter.

The Meeting considered this matter and voted for payment of bonus to the directors for the year 2002 in the amount of Baht 4,500,000 and payment of other remuneration in the form of honorarium, meeting allowance, consideration or benefit in any other forms to the directors for the year 2003 in the amount of Baht 12,000,000, exclusive of bonus for the year 2003, as follows:

Agreed	404,795,894	votes	representing	83.91 %
Disagreed	6,420,000	votes	representing	1.33 %
Abstained	71,200,840	votes	representing	14.76 %

The Meeting resolved that remuneration for Company directors be determined whereby bonus be paid to the directors for the year 2002 in the amount of Baht 4,500,000 and that payment for other remuneration in the form of honorarium, meeting allowance, consideration or benefit in any other forms to the directors for the year 2003, exclusive of bonus for the

year 2003, be approved in the amount of Baht 12,000,000, thereby the Chairman of the Board of Directors and the Chairman of the Executive Board be authorized to jointly set out the criteria and procedures for payment of such remuneration, which shall remain enforceable until any amendment thereof would be effected.

### **Item 8 Appointment of Auditor and Fixing of Remuneration**

The Chairman requested Professor Suphachai Phisitvanich, Chairman of the Audit Committee, to inform the Meeting of the appointment of auditor and fixing of remuneration.

The Chairman of the Audit Committee informed the Meeting that Article 29 of the Articles of Association stipulates that the auditor shall be appointed and remuneration shall be fixed at every Annual Ordinary General Meeting of Shareholders.

For the year 2002, the Ordinary General Meeting of Shareholders appointed either:

Mr. Narong	Puntawong	Auditor's License No. 3315
Mr. Ruthorn	Chaowanagawi	Auditor's License No. 3247
Miss Rungnapa	Lertsuwankul	Auditor's License No. 3516

of Ernst & Young Limited as the auditor of the Company for the year 2002

with the remuneration not exceeding	Baht 640,000
divided into the cost of auditing the annual financial statements	Baht 400,000
and the cost of reviewing the financial statements for the first three quarters, per quarter at	Baht 80,000

According to the Stock Exchange of Thailand Notification Re: Qualifications and Scope of Work of the Audit Committee, Clause 9 (4) stipulates that the audit committee has duties to consider, select and recommend remuneration of the auditor of the company.

The Board of Directors Meeting No. 1/2003, which was held on 27 February 2003, resolved to present this matter to the 2003 Annual Ordinary General Meeting of Shareholders to consider appointing the auditor and determining remuneration of the auditor of the Company in accordance with the proposal of the Audit Committee Meeting No. 1/2003, which was held on 25 February 2003, as follows, either:

Mr. Narong Puntawong	Auditor's License No. 3315
Mr. Ruthorn Chaowanagawi	Auditor's License No. 3247
Miss Rungnapa Lertsuwankul	Auditor's License No. 3516

of Ernst & Young Limited be appointed as the auditor of the Company for the year 2003, which is the fourth year consecutively

with the remuneration not exceeding	Baht 670,000
divided into the cost of auditing the annual financial statements	Baht 400,000
and the cost of reviewing the financial statements for the first three quarters, per quarter at	Baht 90,000

**Opinion of the Board:** The Board of Directors was of the opinion that either Mr. Narong Puntawong or Mr. Ruthorn Chaowanagawi or Miss Rungnapa Lertsuwankul of Ernst & Young Limited be appointed as the Company's auditor for the year 2003, which is the fourth year consecutively, with the remuneration not to exceed Baht 670,000.

The Chairman requested the Meeting to consider the matter.

The Meeting considered this matter and voted as follows:

Agreed	423,338,494	votes	representing	87.75 %
Disagreed	2,077,400	votes	representing	0.43 %
Abstained	57,000,840	votes	representing	11.82 %

The Meeting resolved that either Mr. Narong Puntawong or Mr. Ruthorn Chaowanagawi or Miss Rungnapa Lertsuwankul of Ernst & Young Limited be appointed as the Company's auditor for the year 2003, which is the fourth year consecutively, with the remuneration not to exceed Baht 670,000 as proposed.

## **Item 9 Amendment of the Articles of Association**

The Chairman requested the Managing Director to clarify to the Meeting regarding the amendment of the Articles of Association.

The Managing Director clarified that the Public Limited Companies Act B.E. 2535 (1992) as amended by the Public Limited Companies Act B.E. 2544 (2001) changed several criteria for the purpose of company administration. The Stock Exchange of Thailand, including the Office of the SEC, also amended the relevant requirements to be complied with by listed companies. Therefore, in order to cause the Company's administration to be in compliance with the relevant laws and regulations, the Articles of Association should be amended as follows:

1. The Company should comply with the notifications of the Stock Exchange of Thailand concerning connected transactions and the acquisition or disposition of material assets (by amending Article 3);

2. Payment for shares in the Company may be made by way of set off in the case of shares newly issued for debt restructuring (by amending Article 4);
3. The Company may hold its own shares, and such shares may be bought back in the following cases:
  - (1) where any shareholders disagree with any resolution of the Meeting of Shareholders in any material matter regarding the rights to vote and to receive dividend payment;
  - (2) For the purpose of financial administration in the case where the Company has retained earnings and excess liquidity by way of buy back of shares, disposition of the bought-back shares and write-off of shares in compliance with such conditions, criteria and procedures as stipulated by law (by adding Article 4/1);
4. The Company may otherwise determine the voting right of preferred shares, each of which is currently fixed with one vote (by amending Article 28).

The relevant paragraphs should also be reordered. In the case that the registrar or any other authorized agencies issue order amending any Article, such Article shall be amended as per the order as appropriate.

The Board of Directors Meeting No. 1/2003, which was held on 27 February 2003, resolved to present this matter to the 2003 Annual Ordinary General Meeting of Shareholders in order to consider approving the proposed amendment of the Articles of Association. Article 28 specifies that amendment of the Articles of Association shall require a resolution passed by the Meeting of Shareholders with not less than three-fourths of the total number of votes of shareholders who attend the Meeting and are entitled to vote.

**Opinion of the Board** The Board of Directors was of the opinion that the amendment of the Articles of Association should be approved to be in compliance with the relevant laws and regulations as follows:

- Compliance with the notifications of the Stock Exchange of Thailand concerning connected transactions and the acquisition and disposition of material assets (by amending Article 3);
- Payment for shares in the Company which may be made by way of set off in the case of shares newly issued for debt restructuring (by amending Article 4);
- Buy back of shares (by adding Article 4/1);

- Determination of the voting right of preferred shares to be less than ordinary shares (by amending Article 28);
- Reordering of the relevant paragraphs.

In the case that the registrar or any other authorized agencies issue order amending any Article, such Article should be amended as per the order as appropriate.

The Chairman requested the Meeting to consider this matter.

The Meeting considered this matter and voted as follows:

Agreed	411,215,894	votes	representing	85.24 %
Abstained	71,200,840	votes	representing	14.76 %

The Meeting resolved to grant approval with more than three-fourths of the total number of votes of shareholders who attended the Meeting and were entitled to vote or representing 85.24 percent, for the Company to amend the Articles of Association as follows:

1. The Company should comply with the notifications of the Stock Exchange of Thailand concerning connected transactions and the acquisition or disposition of material assets (by amending Article 3);
2. Payment for shares in the Company may be made by way of set off in the case of shares newly issued for debt restructuring (by amending Article 4);
3. The Company may hold its own shares, and such shares may be bought back in the following cases:
  - (1) where any shareholders disagree with any resolution of the Meeting of Shareholders in any material matter regarding the rights to vote and to receive dividend payment;
  - (2) For the purpose of financial administration in the case where the Company has retained earnings and excess liquidity by way of buy back of shares, disposition of the bought-back shares and write-off of shares in compliance with such conditions, criteria and procedures as stipulated by law (by adding Article 4/1);
4. The Company may otherwise determine the voting right of preferred shares, each of which is currently fixed with one vote (by amending Article 28).

The relevant paragraphs should also be reordered. In the case that the registrar or any other authorized agencies issue order amending any Article, such Article shall be amended as per the order as appropriate.

**Item 10 Sale of Shares Held in Northern Bangkok Expressway Company Limited**

The Chairman clarified to the Meeting regarding the sale of shares held in Northern Bangkok Expressway Company Limited as follows:

Bangkok Expressway Public Company Limited had invested 99.99 percent of registered capital of Northern Bangkok Expressway Company Limited (NECL). It appeared that NECL sustained losses in operational results, rendering its accumulated loss to be higher than its capital. As at 31 December 2002, its equity amounted to Baht 236 Million below zero. Accordingly, NECL increased its registered capital by Baht 3,000 Million by way of calling for payment of capital increase shares from the existing shareholders, representing 25 percent or amounting to Baht 750 Million. However, NECL would continue to sustain the operational loss until the year 2013.

The Company sustained loss in investment in NECL, which the Revenue Department did not treat such loss as expenditures for tax calculation. The Company was also committed to provide Cash Deficiency Support (CDS) in the amount of Baht 6,000 Million to NECL. As at 28 February 2003, NECL owed the Company in the amount of Baht 8,533 Million. Pursuant to its obligations under the Credit Facility Agreement, NECL would be required to pay interest on the principal to the Company only when NECL has repaid its debt to the banks in full. Moreover, the Company would be required to include in its income tax calculation such interest on loan as collected from NECL.

The Company deemed it appropriate to improve the Company's performance by reducing its tax liability by way of these two solutions, namely merger and sale of shares held in NECL. Both solutions had advantages and restrictions as follows:

1) Merger

Advantage:

1. The Company's tax liability would be reduced because upon NECL's registration of its dissolution, the share value would be equal to zero and the Company would be able to record the whole amount of its operational loss as expenses;
2. The Company's tax liability would be reduced because NECL's operational loss could be deducted as the Company's expenses given the fact that both companies would become the same legal entity;

3. The overall performance would improve given that the operational loss could be recorded as expenses.

Restriction: Such merger would require approval of the public sector.

2) Sale of shares held in NECL

Advantage: The Company's tax liability would be reduced because the sale of NECL shares at book value, which was lower than cost, would incur loss, accordingly the Company would be able to record such loss from the sale of shares as expenses.

Restrictions:

1. NECL's operational loss could not be recorded as the Company's expenses;
2. The sale of NECL shares would require approval of the lenders because the Company used NECL share certificates as collateral of loan;
3. The Company must hold not less than 25 percent of NECL shares in order to be exempt from specific business tax on interest received on such loan granted to NECL since the Company was still obliged to provide CDS to NECL.

Given that the Company's selected solution, namely the merger, had not yet been approved by the public sector, the Company conducted further study on the sale of shares held in NECL through the following arrangements;

- 1) The Company engaged Seri Manop and Doile Company Limited to study various solutions and such company was of the view that the sale of NECL shares held by the Company would be one of the solutions beneficial to the Company, namely:
  1. The overall performance would improve because NECL's loss, once combined with that of the Company, would decrease due to such decrease in the Company's shareholding percentage;
  2. Loss actually incurred by the sale of shares could be recorded as the Company's expenses.
- 2) The Company engaged MVA Asia (Thailand) Limited to study traffic volume of NECL as a basis for calculation of toll revenue to be received until the end of the concession period.

- 3) The Company engaged American Appraisal (Thailand) Limited to evaluate fair market value of NECL.
- 4) The Company engaged IFCT Advisory Company Limited, as financial advisor, to study NECL share price and concluded that the Revenue Department would accept the book value as such price for the sale of shares in the subsidiary. The book value would be determined based on the value of the existing property less liabilities and divided by its registered capital.

The book value before NECL's registered capital increase would therefore amount to Baht (0.79) and after the registered capital increase by calling for 25 percent payment, would amount to Baht 0.73.

### **Opinion of the Board**

1. Bangkok Expressway Public Company Limited should sell shares held in Northern Bangkok Expressway Company Limited, representing not exceeding 75 percent of all ordinary and preferred shares at the book value thereof on the selling date by way of sale by lots.
2. Bangkok Expressway Public Company Limited should seek approval to discharge pledge of shares from the financial institution lenders and upon receipt of such approval, the Board of Directors should be authorized to consider offering shares in Northern Bangkok Expressway Company Limited to such persons or legal entities who express their intention to purchase such shares, as well as setting out conditions and criteria including necessary arrangements in respect of such share offering until the share offering would be completed.

The Meeting raised the following questions.

- 1) Why did the Company sell not exceeding 75 percent of all shares held by the Company and after the sale of NECL shares with a loss result, would such loss be deducted against the Company's profit?

The Managing Director clarified that this was for tax purposes. Given the fact that Company provided financial support to NECL subject to interest charge, such interest income was currently exempt from specific business tax. Should the Company hold less than 25 percent of shares in NECL, the Company would not receive such specific business tax exemption.

The Chairman added that after the sale of shares with a loss result, such loss would be deducted against the Company's profit. Therefore, should the Company's profit decrease, tax payment would decrease accordingly.

- 2) If these shares could not be sold, what would the Company plan to do?

The Chairman clarified that the request for approval for sale of NECL shares was a measure to resolve the financial difficulties while there was no progress on the merger between the Company and NECL. The Company did proceed with this merger for three years and if the merger would become unsuccessful, the Company would then sell such shares. If it would not be possible for the Company to sell NECL shares, the Company still planned to proceed with the merger, which must seek approval from the Expressway and Rapid Transit Authority of Thailand. As for the merger, the 2001 Annual Ordinary General Meeting of Shareholders had passed a resolution to approve such transaction.

- 3) What were the tax benefits expected in this and next years from the sale of shares?

The Managing Director clarified that tax benefits to be obtained would depend on the book value of shares as at the selling date and the sale period. The Company would consider selling such shares by lots so that the Company would obtain the optimal tax benefits.

- 4) Given that NECL owed Baht 8,500 Million to the Company and the Company converted parts of such debt into equity, was there any other debts expected to be repaid?

The Chairman requested Mrs. Payao Marittanaporn, Assistant Managing Director, to clarify this matter.

The Assistant Managing Director clarified that out of Baht 8,500 Million debt between the Company and NECL, Baht 3,000 Million had been converted into equity. The remaining debt would be repaid, both principal and interest, prior to expiration of the concession period. Based on a study by the specialist, it was expected that upon expiration of the concession period, NECL would gain a small amount of profit.

The Chairman requested the Meeting to consider this matter.

The Meeting considered this matter and voted as follows:

Agreed	401,567,694	votes	representing	83.24	%
Abstained	80,849,040	votes	representing	16.76	%

The Meeting resolved as follows:

1. Bangkok Expressway Public Company Limited should sell shares held in Northern Bangkok Expressway Company Limited, representing not exceeding 75 percent of all ordinary and preferred shares at the book value thereof on the selling date by way of sale by lots.
2. Bangkok Expressway Public Company Limited should seek approval to discharge pledge of shares from the financial institution lenders and upon receipt of such approval, the Board of Directors should be authorized to consider offering shares in Northern Bangkok Expressway Company Limited to such persons or legal entities who express their intention to purchase such shares, as well as setting out conditions and criteria including necessary arrangements in respect of such share offering until the share offering would be completed.

#### **Item 11 Answers to Questions and Suggestions of Shareholders**

The shareholders asked questions and offered suggestions, in respect of which the management clarified as follows:

- 1) Since the dispute between the Expressway and Rapid Transit Authority of Thailand (ETA) and the Company concerning adjustment of toll rates had not yet been concluded, what actions would the Company take in respect of the adjustment of toll rates in this year?

The Managing Director clarified regarding the dispute on tolls that the arbitral tribunal did issue an award requiring ETA to pay compensation for damages to the Company based on the difference between toll revenues under the notification issued in accordance with the Agreement, namely such notification dated 27 August 1998, and the notification dated 23 October 1998. The calculation of such compensation would start from the year 1998 to date. However, ETA refused to comply with said award, resulting in the Company's filing of a lawsuit with the court of justice for enforcement of ETA's compliance with the arbitral award. ETA objected to such filing on the ground that this case should be subject to the jurisdiction of the administrative court. At the moment, it was already concluded that this case was subject to the jurisdiction of the court of justice. Despite the fact that the court has not yet issued any verdict on this case, the Company would adjust the toll rates in this year in accordance with the criteria concluded by the arbitral award.

Mr. Nopadol Intralib, legal advisor, added that the administrative court also agreed that this case was under the

jurisdiction of the court of justice. In this regard, the proceedings in the Civil Court of Southern Bangkok would start in June 2003.

The Managing Director stated that the criteria for adjustment of the toll rates was clearly specified in the Agreement. The issues regarding the previous toll adjustment were caused by political reasons, which resulted in the second notification on toll adjustment. Changes at this time would involve the suburban network from Prachachuen to Chaeng Watthana and toll rates for large trucks, which would represent approximately 3-4 percent of all toll revenues. Therefore, toll revenues so received would not significantly affect the revenue projections. The toll adjustment on this occasion for four-wheeled vehicles would use the same basis throughout the urban network, the toll rates would then not be different. The toll adjustment for the suburban network would use a different basis, which was not yet concluded, but the results of calculation should not be remarkably different. This would be pending the consideration of ETA.

- 2) What was the maximum load that the Expressway had been designed to support?

The Managing Director requested Khun Suvich Pungchareon, Managing Director of Northern Bangkok Expressway Company Limited to clarify on this matter.

The Managing Director of Northern Bangkok Expressway Company Limited clarified that in view of the Expressway structure, load tests showed that each span could support more than 600 tons. Therefore, the Expressway could support trucks with more than 21 tons, but the civil work maintenance costs would increase accordingly.

- 3) Would BECL be entitled to use such areas under the Expressway?

The Managing Director clarified that the areas under the Right of Way in the First Stage Expressway would be for ETA's exclusive use. However, in the Second Stage Expressway, the Company was entitled to develop the areas under the Right of Way in accordance with the Agreement, subject to approval of ETA. The Company had submitted to ETA a proposal for development of the areas under the Right of Way, and at the moment, the Company did not yet obtain such approval from ETA.

- 4) When would the CD Road be constructed?

The Managing Director clarified that to date, ETA was still unable to hand over the sites for such construction. Nevertheless, ETA was of the view that the Company remained obliged to construction this road. According to the Agreement, the Company had already been relieved of such construction obligation. Despite this fact, the Company would still be entitled to receive compensation for damages.

- 5) What was the direction of the management to generate more income from other services?

The Managing Director clarified that the Company's management plan to generate more income was focused on convenient use of the Expressway. In the past, the Company carried out improvement on various on- and off-ramps, such as, flyover connecting the Motorway and Sector D of the Si Rat Expressway. After opening such flyover for traffic, there were a great number of motorists using this flyover, which exceeded expectation. Moreover, the Company installed additional toll booths at Asoke 1 Plaza and Hua Lamphong Plaza, and expanded the off-ramp to Silom Road. The Company was also carrying out improvement on toll booths at Prachachuen Plaza and the on-ramp at Yommaraj Plaza, which was expected to be completed in this May. The improvement on the off-ramp to Rama IV was pending the consideration.

- 6) Did the Company have any policy to buy back shares?

The Chairman clarified that the buy back of shares would be made from time to time should the Company have sufficient funds, provided that the optimal benefits of shareholders must be taken into consideration.

- 7) What were the Company's measures for cost control?

The Managing Director clarified that the Company always realized the importance of cost control. Despite this fact, the Company endeavored to improve its services to ensure the most convenient and safe services to motorists, subject to cost-efficiency measure. Since the year 1998, the Company utilized a handful of budget to improve the Expressway, while the number of motorists using the Expressway remarkably increased. Moreover, although the Company did improve and expand its Expressway services over the past 3-4 years, the number of the Company's staff did not increase.

- 8) The Company should disclose the statistics of meeting attendance of directors.

The Chairman accepted such suggestion and would disclose such information at the next Meeting.

There was no other matter for consideration. The Chairman adjourned the Meeting at 4:45 p.m.

(Dr. Virabongsa Ramangkura)  
Chairman of the Meeting

**Minutes of Extraordinary General Meeting of Shareholders No. 1/2003  
of  
Bangkok Expressway Public Company Limited**

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**Time and Place**

Time : 3 September 2003 at 15:20 hours.

Place : Ballroom A on the 3<sup>rd</sup> Floor of the Radisson Hotel Bangkok  
No.92 Rama IX Road, Bangkok Subdistrict, Huaykhwang  
District, Bangkok

**Attendees**

Total number of shareholders	7,675	shareholders
Total number of shares	770,000,000	shares
Number of attending shareholders	288	shareholders
Total number of shares	478,302,763	shares
Representing	62.12	%

A quorum was present.

**Preliminary Proceeding**

Dr. Virabongsa Ramangkura, as Chairman of the Board of Directors, presided over the Meeting. The Chairman informed the Meeting that this Extraordinary General Meeting of Shareholders was convened to consider the agenda of issuance and offering of debentures. The Board of Directors resolved to appoint the Chairman of the Audit Committee as its proxy to attend the Meeting on behalf of the shareholders who could not attend the Meeting in person. There were 288 shareholders out of a total of 7,675 shareholders attending the Meeting in person and by proxy, representing 478,302,763 shares, or 62.12 percent, out of 770,000,000 shares, forming a quorum. The Chairman declared the Meeting open and explained that the voting cards distributed to shareholders were to be used for enabling shareholders to vote against or propose otherwise or abstain. The Chairman then commenced proceeding with the Meeting under the following agenda:

**Item 1 Approval of the Minutes of the 2003 Annual Ordinary General Meeting of Shareholders**

The Chairman informed the Meeting of the Minutes of the 2003 Annual Ordinary General Meeting of Shareholders on 29 April 2003, the copy of which had been sent to shareholders together with the notice of this Meeting.

**Opinion of the Board:** The Board of Directors was of the opinion that the Minutes of the 2003 Annual Ordinary General Meeting of Shareholders should be approved.

The Chairman proposed the Meeting to consider the matter.

The shareholders authorized the Chairman of the Board of Directors to vote on their behalf representing 3,768,500 votes, and authorized the Chairman of the Audit Committee to vote on their behalf representing 57,516,300 votes.

The Meeting considered and voted as follows:

Agreed	478,206,763	votes	representing	99.98 %
Abstained	96,000	votes	representing	0.02 %

The Meeting resolved to approve the Minutes of the 2003 Annual Ordinary General Meeting of Shareholders as proposed.

## **Item 2 Approval for Issuance and Offering of Secured and/or Unsecured Debentures**

The Chairman requested Mr. Supong Chayutsahakij, Vice Chairman of the Executive Board, to explain to the Meeting on the matter of the issuance and offering of secured and/or unsecured debentures.

The Vice Chairman of the Executive Board explained that the Board of Directors Meeting No. 5/2003, held on 31 July 2003, resolved to propose this matter to the Extraordinary General Meeting of Shareholders No. 1/2003 to consider granting approval for the Company to issue and offer secured and/or unsecured debentures in the total amount of not exceeding Baht 36,000 Million in the country and/or overseas to the general public and institutional investors, either in whole or in part, and whether on a single or several occasions. The term of the debentures shall not exceed 10 years.

The Board of Directors and/or its designate shall have the power to determine the details of debentures, type of security, amount, term, par value, offering price, interest rate, principal repayment scheme, offering procedures, period of issuance and offering depending on the circumstances and within the period as

appropriate. Furthermore, the Board of Directors and/or its designate shall also have the power to appoint representative for debenture holders and/or debenture registrar and/or broker and/or underwriter and/or advisor and relevant parties, including consider the execution of agreements and/or any other documents with the relevant parties, preparation and/or filing of various applications, including registration of said debentures with the Thai Bond Dealing Center or other secondary markets, as well as determining the criteria, conditions and relevant particulars and taking any related arrangements so as to accomplish said objectives, subject to the applicable notifications, regulations, requirements and laws.

Article 28 (e) provides that in the case of the Company's issuance of debentures, a resolution shall be passed by affirmative votes of not less than three-fourths of the total number of votes of shareholders who attend the meeting and are entitled to vote.

**Opinion of the Board:** The Board of Directors was of the opinion that the Meeting should approve the issuance and offering of secured and/or unsecured debentures in the amount of not exceeding Baht 36,000 Million as per details proposed by the Board of Directors.

The Chairman further explained to the Meeting that the following shareholders who would have a conflict of interest in this agenda were not eligible to vote:

Bangkok Bank Public Company Limited	in the number of	55,295,390	votes
Krung Thai Bank Public Company Limited	in the number of	38,890,550	votes
Siam Commercial Bank Public Company Limited	in the number of	20,878,530	votes
Thai Military Bank Public Company Limited	in the number of	31,451,163	votes
	Total	146,515,633	votes

The shareholders had queries on the following issues:

1) Objective of issuance of debentures and duration

The Chairman informed the Meeting that the objective of issuance of debentures was to decrease the Company's cost by refinancing the existing loans provided that the interest rate on debentures was less than the lending interest rate. However, if loans from banks would be more beneficial, the Company may suspend the issuance of debentures. This request for approval would give the Company more options. The Company would consider taking steps to ensure the optimal benefit, without giving rise to damage to the shareholders.

Mr. Vichien Jirapakkana, holder of 10,000 shares, requested the Meeting to fix the duration for issuance of debentures. Should no debentures be issued within such period, Mr. Vichien requested to propose this matter to the Meeting for approval again.

Mr. Supong Chayutsahakij further explained that since the circumstances or factors supporting the Company's decision to issue the debentures might have a limited period of time, the Company requested approval from the Meeting so as to enable the Company to carry out in the case where it deemed that the issuance of debentures would bring the most benefit to the Company. At present, the Company did not yet determine an exact time because it would further consider the appropriateness.

2) Would the non-adjustment of the toll in accordance with the Agreement affect the decision to issue debentures and if so, to what extent?

The Chairman explained that the ETA's non-adjustment of the toll in accordance with the criteria and conditions in the Agreement was the matter which the Company would further take relevant steps under the Agreement. However, although the toll was not adjusted in accordance with the Agreement, the Company still had steady financial status and its shares were accepted for underwriting. Thus, the issuance of debentures therefore would depend on a comparison of fund sources so as to conclude that fund raising from any source would be optimal to the Company.

- 3) Would the non-adjustment of the toll in accordance with the Agreement make the cost of debentures to increase?

The Chairman stated that the cost of debentures was expected to increase. However, the Company would enter into negotiations to minimize the cost. The cost of debentures would depend on the Company's credit rating. Should the Company be rated high, the cost of debentures would decrease.

- 4) In the case of issuance of debentures, how much the fee for debt prepayment would be and would the expenses of issuance of debentures be immediately recorded as expenses?

The Chairman explained that the credit facility agreement provides that in the case of debt prepayment, the Company would be required to pay a prepayment fee at the rate of three percent. The Company was therefore required to consider comparing the expenses to be incurred and the expenses incurred by the existing loans, to protect the Company's interest. For recording as expenses, according to the accounting principles, the expenses shall be immediately recorded as expenses upon issuance of debentures.

When there was no further question, the Chairman requested the Meeting to propose the duration for issuance of debentures as proposed by Mr. Vichien Jirapakkana.

Mr. Vichien Jirapakkana proposed that the Meeting should resolve to issue the debentures within three years. Should there be no issuance of debentures within such period, this matter was required to be proposed to the Meeting for approval again.

Mr. Nopadol Intralib, the Company's legal counselor explained to the Meeting that to request a meeting to consider any matter other than those specified in the notice of the meeting might be done upon request by the shareholders holding shares in aggregate of not less than one-third of the total number of shares sold.

The Chairman requested the Meeting to consider approving the proposal.

There were a total of 514,270 votes of shareholders approving the proposal, but the one-third of the total number of votes is

256,666,666 votes. Therefore, the number of votes for approving the proposal did not meet the requirements as specified by laws.

The Chairman therefore requested the Meeting to consider the matter.

The shareholders authorized the Chairman of the Board of Directors to vote on their behalf representing 3,768,500 votes, and authorized the Chairman of the Audit Committee to vote on their behalf representing 57,516,300 votes.

The Meeting considered and voted as follows:

Agreed	331,552,530	votes	representing	99.93	%
Disagreed	10,000	votes	representing	0.00	%
Abstained	224,600	votes	representing	0.07	%

The Meeting considered and resolved to grant approval for the Company, with more than one-third of the total number of votes of shareholders attending the Meeting and voting, or representing 99.93%, to issue and offer secured and/or unsecured debentures in the amount of not exceeding Baht 36,000 Million. The Board of Directors were authorized to proceed in accordance with the proposed principles and details, in order to be well prepared for further use of these financial instruments as appropriate.

### **Item 3 Matters Before the Chairman to the Meeting and Answers to the Questions Raised by Shareholders**

The Chairman informed the Meeting and there were shareholders further raised questions as follows:

- 1) The Chairman informed the Meeting that the Board of Directors Meeting No. 6/2003, held on 2 September 2003, resolved that the Management should prepare as necessary in the case of issuance of debentures to minimize financing cost. On 28 August 2003, the financial institutional lenders offered to decrease interest rate and amend conditions in the current credit facility agreement. The Company therefore deemed it appropriate to consider accepting the offer of the financial institutional lenders, as it was found that the current offer of the lenders would be more beneficial to the Company, both in respect of financial figures and non-monetary conditions.

The Company would further consider proceeding with

the issuance of debentures on an appropriate occasion.

- 2) Why were there problems in construing the Agreement on the toll adjustment?

The Chairman explained that the Agreement had been made before this Board of Directors was appointed. However, having considered the details of the Agreement, it was clear and the Company would follow the procedures of the Agreement, namely, reference to arbitration, in the case of failure to reach an agreement.

- 3) When would the arbitration proceedings be completed, and how was the progress of the dispute regarding the toll adjustment in 1998?

The Chairman explained that the period of time for completion could not be fixed, and requested Mr. Nopadol Intralib, the legal counselor, to explain the progress to the Meeting.

The legal counselor explained that the Arbitral Tribunal issued an award ruling that the Ministry of Interior Notification, dated 27 August 1998, was valid and requiring the ETA to pay compensation to the Company. However, the ETA refused to pay the compensation. The Company then filed a petition with the Civil Court to enforce the arbitral award. At the same time, the ETA filed a petition with the Administrative Court, requesting the Court to revoke the arbitral award. Thereafter, the Administrative Court was of the opinion that the ETA's petition should be filed with the Civil Court. The Administrative Court therefore transferred the case to the Civil Court. Later, the Civil Court considered and issued an order dismissing the ETA's petition. As for the case which the Company had filed for enforcement of the award, the case was pending the proceedings of the Court of First Instance. It was expected that the Court might complete the proceedings within 2003.

There was no other matter for consideration. The Chairman adjourned the Meeting at 16:30 hours.

(Dr. Virabongsa Ramangkura)  
Chairman of the Meeting