

Bangkok Expressway and Metro Public Company Limited  
and its subsidiaries  
Report and consolidated interim financial statements  
For the three-month and six-month periods ended  
30 June 2016

## **Independent Auditor's Report on Review of Interim Financial Information**

To the Shareholders of Bangkok Expressway and Metro Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Bangkok Expressway and Metro Public Company Limited and its subsidiaries as at 30 June 2016, the related consolidated statements of income and comprehensive income for the three-month and six-month periods ended 30 June 2016, the consolidated statements of changes in shareholders' equity and cash flows for the six-month period ended 30 June 2016, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of Bangkok Expressway and Metro Public Company Limited for the same period. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

### **Scope of review**

I conducted my review in accordance with Thai Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

### **Conclusion**

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*.

Waraporn Prapasirikul

Certified Public Accountant (Thailand) No. 4579

EY Office Limited

Bangkok: 10 August 2016

**Bangkok Expressway and Metro Public Company Limited and its subsidiaries**

**Statement of financial position**

**As at 30 June 2016**

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	30 June 2016	31 December 2015	30 June 2016	31 December 2015
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents	4	4,272,984	4,483,375	4,235,196	4,459,058
Current investments	5	1,825,473	497,357	1,816,804	479,974
Trade and other receivables	6	98,546	84,628	125,698	85,057
Current portion of receivable from sales of investment	3	574,337	564,015	574,337	564,015
Prepaid expenses		51,922	57,427	44,441	54,069
Other current assets		113,694	182,458	106,981	163,946
Total current assets		6,936,956	5,869,260	6,903,457	5,806,119
Non-current assets					
Receivable from sales of investment, net of current portion	3	466,906	756,834	466,906	756,834
Investments in associates	7	9,703,287	9,836,589	7,499,815	7,525,674
Investments in subsidiaries	8	-	-	303,586	303,586
Other long-term investment	9	1,069,837	913,087	1,069,837	913,087
Long-term loans to and interest receivable					
from related party	3	-	-	6,481,496	6,854,496
Investment properties	10	120,357	120,357	120,357	120,357
Building and equipment	11	253,359	154,366	233,180	150,638
Construction in process		23,171,153	19,600,401	23,171,153	19,600,401
Rights to operate completed expressway sectors	12	18,888,460	20,327,463	11,908,595	13,069,901
Rights to use sites for expressway construction	13	1,169,836	1,320,194	1,169,836	1,320,194
Intangible asset under concession agreement of the MRTA Initial System Project - Chaloem					
Ratchamongkhon Line	14	17,156,627	16,987,640	16,825,832	16,654,148
Advance payment under expressway					
construction contract	3	72,000	398,250	72,000	398,250
Advance payment for the MRT Purple Line Project		430,382	271,397	430,382	271,397
Deferred of project remuneration		1,269,650	942,249	1,269,650	942,249
Deferred tax assets		380,277	474,861	375,168	472,108
Other intangible assets	15	45,058	36,237	45,035	36,165
Other non-current assets		118,380	85,419	77,261	50,909
Total non-current assets		74,315,569	72,225,344	71,520,089	69,440,394
Total assets		81,252,525	78,094,604	78,423,546	75,246,513

The accompanying notes are an integral part of the financial statements.

**Bangkok Expressway and Metro Public Company Limited and its subsidiaries**

**Statement of financial position (continued)**

**As at 30 June 2016**

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	30 June 2016	31 December 2015	30 June 2016	31 December 2015
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	16	14,402,398	22,410,000	14,392,398	22,400,000
Trade and other payables	17	1,467,932	2,579,554	1,424,717	2,538,959
Unearned fare box revenue		103,814	89,974	103,814	89,974
Deposits on stored value ticket		39,995	34,739	39,995	34,739
Current portion of long-term loans from financial institutions	18	1,054,250	118,500	1,000,000	75,000
Income tax payable		93,480	306,736	80,235	306,736
Current portion of provision for compensation for site acquisition cost	20	1,500,000	1,500,000	1,500,000	1,500,000
Other current liabilities					
Retention guarantees		172,393	161,069	168,433	158,402
Others		211,539	114,148	182,121	99,469
Total current liabilities		19,045,801	27,314,720	18,891,713	27,203,279
Non-current liabilities					
Long-term loans from financial institutions, net of current portion	18	14,247,144	17,329,067	14,166,208	17,215,881
Debentures	19	14,976,854	-	14,976,854	-
Provision for compensation for site acquisition cost, net of current portion	20	3,441,912	4,066,672	3,441,912	4,066,672
Unearned revenue from advertising management rights	3, 21	-	-	14,986	15,611
Derivative financial liabilities		97,474	-	97,474	-
Provision for long-term employee benefits	22	256,202	237,842	247,472	230,181
Other non-current liabilities		18,567	16,269	3,721	1,429
Total non-current liabilities		33,038,153	21,649,850	32,948,627	21,529,774
Total liabilities		52,083,954	48,964,570	51,840,340	48,733,053

The accompanying notes are an integral part of the financial statements.

**Bangkok Expressway and Metro Public Company Limited and its subsidiaries**

**Statement of financial position (continued)**

**As at 30 June 2016**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>30 June 2016</u>	<u>31 December 2015</u>	<u>30 June 2016</u>	<u>31 December 2015</u>
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Shareholders' equity</b>				
Share capital				
Registered				
15,285,000,000 ordinary shares of Baht 1 each	15,285,000	15,285,000	15,285,000	15,285,000
Issued and fully paid				
15,285,000,000 ordinary shares of Baht 1 each	15,285,000	15,285,000	15,285,000	15,285,000
Premium on ordinary shares	5,816,938	5,816,938	5,816,938	5,816,938
Retained earnings				
Appropriated - statutory reserve	800,490	800,490	800,490	800,490
Unappropriated	7,390,790	7,254,261	4,758,757	4,611,032
Other components of shareholders' equity	(213,175)	(113,097)	(77,979)	-
Equity attributable to shareholders of the Company	29,080,043	29,043,592	26,583,206	26,513,460
Non-controlling interests of the subsidiaries	88,528	86,442	-	-
<b>Total shareholders' equity</b>	<b>29,168,571</b>	<b>29,130,034</b>	<b>26,583,206</b>	<b>26,513,460</b>
<b>Total liabilities and shareholders' equity</b>	<b>81,252,525</b>	<b>78,094,604</b>	<b>78,423,546</b>	<b>75,246,513</b>

The accompanying notes are an integral part of the financial statements.

Directors

(Unaudited but reviewed)

**Bangkok Expressway and Metro Public Company Limited and its subsidiaries****Income statement****For the three-month period ended 30 June 2016**

(Unit: Thousand Baht)

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>
	<u>Note</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>
<b>Revenues</b>				
Toll revenue		2,196,898	2,130,931	1,880,140
Fare box revenue		583,973	584,415	583,973
Commercial development revenue		138,086	143,298	87,656
Other income				
Interest income		14,761	1,384	60,475
Dividend income		-	-	266,125
Others		9,843	10,976	36,060
<b>Total revenues</b>		<b>2,943,561</b>	<b>2,871,004</b>	<b>2,914,429</b>
<b>Expenses</b>				
Costs of toll		313,602	288,830	254,886
Costs of fare box		308,527	358,234	308,527
Costs of commercial development		47,597	60,557	26,789
Amortisation of rights to operate completed expressway sectors and compensation for site acquisition cost	12, 13, 20	843,252	829,472	705,637
Amortisation on intangible asset under concession agreement of the MRTA Initial System Project - Chaloem Ratchamongkhon Line and remuneration fee to the grantor	14	193,542	185,257	189,778
Selling expenses		15,404	18,242	7,302
Administrative expenses		226,939	234,966	210,416
<b>Total expenses</b>		<b>1,948,863</b>	<b>1,975,558</b>	<b>1,703,335</b>
<b>Profit before share of profit from investments in associates, finance cost and income tax expenses</b>		<b>994,698</b>	<b>895,446</b>	<b>1,211,094</b>
Share of profit from investments in associates		102,300	135,524	-
<b>Profit before finance cost and income tax expenses</b>		<b>1,096,998</b>	<b>1,030,970</b>	<b>1,211,094</b>
Finance cost		(486,556)	(395,139)	(483,610)
<b>Profit before income tax expenses</b>		<b>610,442</b>	<b>635,831</b>	<b>727,484</b>
Income tax expenses	24	(103,733)	(125,786)	(94,300)
<b>Profit for the period</b>		<b>506,709</b>	<b>510,045</b>	<b>633,184</b>
<b>Profit attributable to:</b>				
Equity holders of the Company		504,380	496,226	633,184
Non-controlling interests of the subsidiaries		2,329	13,819	
		<b>506,709</b>	<b>510,045</b>	
<b>Basic earnings per share</b>				
Profit attributable to equity holders of the Company	25	0.03	0.03	0.04

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

**Bangkok Expressway and Metro Public Company Limited and its subsidiaries**

**Statement of comprehensive income**

**For the three-month period ended 30 June 2016**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>
	<u>2016</u>	<u>2015</u>	<u>2016</u>
<b>Profit for the period</b>	<u>506,709</u>	<u>510,045</u>	<u>633,184</u>
<b>Other comprehensive income</b>			
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>			
Unrealised loss from cash flow hedges of the Company, net of income tax	(77,979)	-	(77,979)
Unrealised loss from cash flow hedges of associate, net of income tax	(8,101)	(15,304)	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods, net of income tax	(86,080)	(15,304)	(77,979)
<b>Other comprehensive income for the period</b>	<u>(86,080)</u>	<u>(15,304)</u>	<u>(77,979)</u>
<b>Total comprehensive income for the period</b>	<u>420,629</u>	<u>494,741</u>	<u>555,205</u>
<b>Total comprehensive income attributable to:</b>			
Equity holders of the Company	418,300	480,922	555,205
Non-controlling interests of the subsidiaries	2,329	13,819	
	<u>420,629</u>	<u>494,741</u>	

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

**Bangkok Expressway and Metro Public Company Limited and its subsidiaries****Income statement****For the six-month period ended 30 June 2016**

(Unit: Thousand Baht)

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>
	<u>Note</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>
<b>Revenues</b>				
Toll revenue		4,475,383	4,326,731	3,835,968
Fare box revenue		1,199,225	1,172,942	1,199,242
Commercial development revenue		270,121	280,102	171,574
Other income				
Interest income		30,823	7,450	125,108
Dividend income		-	-	266,125
Others		27,205	51,113	96,838
<b>Total revenues</b>		<b>6,002,757</b>	<b>5,838,338</b>	<b>5,694,855</b>
<b>Expenses</b>				
Costs of toll		591,859	559,022	483,217
Costs of fare box		683,886	712,455	683,886
Costs of commercial development		96,739	116,250	51,442
Amortisation of rights to operate completed expressway sectors and compensation for site acquisition cost	12, 13, 20	1,714,601	1,681,502	1,436,904
Amortisation on intangible asset under concession agreement of the MRTA Initial System Project - Chaloem Ratchamongkhon Line and remuneration fee to the grantor	14	396,770	377,463	389,306
Selling expenses		31,205	35,526	14,495
Administrative expenses		443,877	470,516	413,782
<b>Total expenses</b>		<b>3,958,937</b>	<b>3,952,734</b>	<b>3,473,032</b>
<b>Profit before share of profit from investments in associates, finance cost and income tax expenses</b>		<b>2,043,820</b>	<b>1,885,604</b>	<b>2,221,823</b>
Share of profit from investments in associates		195,250	257,202	-
<b>Profit before finance cost and income tax expenses</b>		<b>2,239,070</b>	<b>2,142,806</b>	<b>2,221,823</b>
Finance cost		(765,271)	(750,228)	(758,854)
<b>Profit before income tax expenses</b>		<b>1,473,799</b>	<b>1,392,578</b>	<b>1,462,969</b>
Income tax expenses	24	(265,234)	(286,610)	(245,294)
<b>Profit for the period</b>		<b>1,208,565</b>	<b>1,105,968</b>	<b>1,217,675</b>
<b>Profit attributable to:</b>				
Equity holders of the Company		1,206,479	1,073,975	1,217,675
Non-controlling interests of the subsidiaries		2,086	31,993	
		<b>1,208,565</b>	<b>1,105,968</b>	
<b>Basic earnings per share</b>				
Profit attributable to equity holders of the Company	25	0.08	0.07	0.08

The accompanying notes are an integral part of the financial statements.



(Unaudited but reviewed)

**Bangkok Expressway and Metro Public Company Limited and its subsidiaries**

**Statement of comprehensive income**

**For the six-month period ended 30 June 2016**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>
	<u>2016</u>	<u>2015</u>	<u>2016</u>
<b>Profit for the period</b>	<u>1,208,565</u>	<u>1,105,968</u>	<u>1,217,675</u>
<b>Other comprehensive income</b>			
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>			
Unrealised loss from cash flow hedges of the Company, net of income tax	(77,979)	-	(77,979)
Unrealised loss from cash flow hedges of associate, net of income tax	(22,099)	(3,640)	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods, net of income tax	(100,078)	(3,640)	(77,979)
<b>Other comprehensive income for the period</b>	<u>(100,078)</u>	<u>(3,640)</u>	<u>(77,979)</u>
<b>Total comprehensive income for the period</b>	<u>1,108,487</u>	<u>1,102,328</u>	<u>1,139,696</u>
<b>Total comprehensive income attributable to:</b>			
Equity holders of the Company	1,106,401	1,070,335	<u>1,139,696</u>
Non-controlling interests of the subsidiaries	2,086	31,993	
	<u>1,108,487</u>	<u>1,102,328</u>	

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

## Bangkok Expressway and Metro Public Company Limited and its subsidiaries

## Statement of changes in shareholders' equity

For the six-month period ended 30 June 2016

(Unit: Thousand Baht)

Consolidated financial statements											
Equity attributable to the shareholders of the Company											
	Other components of shareholders' equity										
	Issued and paid-up share capital	Premium on ordinary shares	Investment before amalgamation	Retained earnings (Deficit)		Other comprehensive	from change in	Total other	Total equity	Equity attributable	Total
				Appropriated -	income	shareholding	components of	attributable to	to non-controlling		
				statutory reserve	Unrealised loss	interest	shareholders'	shareholders	interests of		
				Unappropriated	from cash flow hedges	in subsidiary	equity	of the Company	the subsidiaries	shareholders' equity	
Balance as at 1 January 2015	28,200,000	5,816,938	(2,340,329)	800,000	(6,390,591)	(34,443)	-	(34,443)	26,051,575	157,012	26,208,587
Profit for the period	-	-	-	-	1,073,975	-	-	-	1,073,975	31,993	1,105,968
Other comprehensive income for the period	-	-	-	-	-	(3,640)	-	(3,640)	(3,640)	-	(3,640)
Total comprehensive income for the period	-	-	-	-	1,073,975	(3,640)	-	(3,640)	1,070,335	31,993	1,102,328
Decrease in share capital to write-off the retained losses	(12,915,000)	-	-	-	12,915,000	-	-	-	-	-	-
Dividend paid (Note 23)	-	-	-	-	(1,309,000)	-	-	-	(1,309,000)	-	(1,309,000)
Balance as at 30 June 2015	15,285,000	5,816,938	(2,340,329)	800,000	6,289,384	(38,083)	-	(38,083)	25,812,910	189,005	26,001,915
Balance as at 1 January 2016	15,285,000	5,816,938	-	800,490	7,254,261	(80,948)	(32,149)	(113,097)	29,043,592	86,442	29,130,034
Profit for the period	-	-	-	-	1,206,479	-	-	-	1,206,479	2,086	1,208,565
Other comprehensive income for the period	-	-	-	-	-	(100,078)	-	(100,078)	(100,078)	-	(100,078)
Total comprehensive income for the period	-	-	-	-	1,206,479	(100,078)	-	(100,078)	1,106,401	2,086	1,108,487
Dividend paid (Note 23)	-	-	-	-	(1,069,950)	-	-	-	(1,069,950)	-	(1,069,950)
Balance as at 30 June 2016	15,285,000	5,816,938	-	800,490	7,390,790	(181,026)	(32,149)	(213,175)	29,080,043	88,528	29,168,571

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

**Bangkok Expressway and Metro Public Company Limited and its subsidiaries**

**Statement of changes in shareholders' equity**

**For the six-month period ended 30 June 2016**

(Unit: Thousand Baht)

	Separate financial statements					Total shareholders' equity
	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Other components of shareholders' equity	
			Appropriated - statutory reserve	Unappropriated	Other comprehensive income	
					Unrealised loss from cash flow hedges	
<b>Balance as at 1 January 2016</b>	15,285,000	5,816,938	800,490	4,611,032	-	26,513,460
Profit for the period	-	-	-	1,217,675	-	1,217,675
Other comprehensive income for the period	-	-	-	-	(77,979)	(77,979)
Total comprehensive income for the period	-	-	-	1,217,675	(77,979)	1,139,696
Dividend paid (Note 23)	-	-	-	(1,069,950)	-	(1,069,950)
<b>Balance as at 30 June 2016</b>	15,285,000	5,816,938	800,490	4,758,757	(77,979)	26,583,206

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

**Bangkok Expressway and Metro Public Company Limited and its subsidiaries****Cash flow statement****For the six-month period ended 30 June 2016**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>
	<u>2016</u>	<u>2015</u>	<u>2016</u>
<b>Cash flows from operating activities</b>			
Profit before tax	1,473,799	1,392,578	1,462,969
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:			
Amortisation and depreciation	1,662,952	1,604,737	1,376,918
Recognise to revenue from unearned revenue from advertising management rights	-	-	(625)
Amortisation of prepaid expenses	84,652	91,417	77,414
Gain on investments	(19,475)	(39,093)	(33,783)
Gain on disposal/write-off of equipment and intangible asset under concession agreement of the MRTA Initial System Project - Chaloem Ratchamongkhon Line	(567)	(2,119)	(605)
Compensation for site acquisition cost	275,597	295,705	275,597
Provision for long-term employee benefits	17,055	20,295	15,986
Share of profit from investments in associates	(195,250)	(257,202)	-
Unrealised gain on exchange rate	-	(100)	-
Interest income	(30,663)	(7,022)	(124,994)
Dividend income	-	-	(266,125)
Interest expenses	528,372	658,393	523,650
Profit from operating activities before changes in operating assets and liabilities	3,796,472	3,757,589	3,306,402
Operating assets (increase) decrease			
Trade and other receivables	(11,765)	11,395	(38,502)
Prepaid expenses	(76,672)	(113,621)	(65,308)
Other current assets	44,335	(34,506)	44,862
Deferred of project remuneration	(327,400)	(307,873)	(327,400)
Other non-current assets	(14,700)	(8,748)	(14,749)
Operating liabilities increase (decrease)			
Trade and other payables	(141,706)	58,146	(145,219)
Unearned fare box revenue	13,840	(3,563)	13,840
Deposits on stored value ticket	5,256	(5,234)	5,256
Cash paid for compensation for site acquisition cost	(750,000)	(750,000)	(750,000)
Other current liabilities	107,823	146,710	91,792
Other non-current liabilities	(2,364)	2,278	(2,369)
Cash flows from operating activities	2,643,119	2,752,573	2,118,605
Cash received from interest income	6,812	4,006	6,800
Cash paid for interest expenses	(241,417)	(224,881)	(236,661)
Cash paid for income tax	(358,917)	(356,749)	(355,361)
<b>Net cash flows from operating activities</b>	<b>2,049,597</b>	<b>2,174,949</b>	<b>1,533,383</b>

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

**Bangkok Expressway and Metro Public Company Limited and its subsidiaries****Cash flow statement (continued)****For the six-month period ended 30 June 2016**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>
	<u>2016</u>	<u>2015</u>	<u>2016</u>
<b>Cash flows from investing activities</b>			
Decrease (increase) in current investments	(1,315,284)	780,652	(1,324,160)
Cash paid for purchase of investment in associate	-	(1,402,165)	-
Cash received from sales of investment in associate	46,971	42,514	46,971
Cash received from sales of investment before amalgamation	300,000	-	300,000
Increase in other long-term investment	(156,750)	(104,025)	(156,750)
Cash received from long-term loans to related party	-	-	308,769
Cash received from interest income	3,139	5,275	161,714
Cash received from dividend income	266,125	294,619	266,125
Cash received from sales of equipment	2,942	2,138	2,942
Purchase of equipment	(111,845)	(13,841)	(95,816)
Advance payment for purchase of equipment	(1,208)	(680)	-
Cash received from sale of intangible asset under concession agreement of the MRTA Initial System Project - Chaloem Ratchamongkhon Line	63	-	-
Increase in intangible asset under concession agreement of the MRTA Initial System Project - Chaloem Ratchamongkhon Line	(373,677)	(19,074)	(368,931)
Cash paid for expressway construction	(4,013,217)	(4,582,609)	(4,012,362)
Advance payment for the MRT Purple Line Project	(158,436)	(39,396)	(158,436)
Interest expenses capitalised as cost of projects	(231,976)	(167,451)	(231,976)
Increase in intangible assets	(12,679)	(1,863)	(12,679)
<b>Net cash flows used in investing activities</b>	<b>(5,755,832)</b>	<b>(5,205,906)</b>	<b>(5,274,589)</b>
<b>Cash flows from financing activities</b>			
Increase in overdraft and short-term loans from financial institutions	10,400,000	3,010,000	10,400,000
Cash paid for short-term loans from financial institutions	(18,400,000)	-	(18,400,000)
Cash received from long-term loans from financial institutions	8,494,000	2,926,000	8,494,000
Repayment of long-term loans from financial institutions	(10,624,000)	(19,500)	(10,602,500)
Cash received from debentures	15,000,000	-	15,000,000
Cash paid for redemption of debentures	-	(3,000,000)	-
Cash paid for financial fee	(52,246)	(18,500)	(52,246)
Cash paid for interest expenses	(251,960)	(329,786)	(251,960)
Dividend paid	(1,069,950)	(1,309,000)	(1,069,950)
<b>Net cash flows from financing activities</b>	<b>3,495,844</b>	<b>1,259,214</b>	<b>3,517,344</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(210,391)</b>	<b>(1,771,743)</b>	<b>(223,862)</b>
Cash and cash equivalents at beginning of period	4,483,375	2,377,048	4,459,058
<b>Cash and cash equivalents at end of period</b>	<b>4,272,984</b>	<b>605,305</b>	<b>4,235,196</b>

**Supplemental cash flows information**

Non-cash items consist of:

Transfer advance payment for purchase equipment to equipment	1,247	-	-
Purchase of equipment under finance lease agreements	3,632	-	3,632

The accompanying notes are an integral part of the financial statements.

**Bangkok Expressway and Metro Public Company Limited and its subsidiaries**

**Notes to consolidated interim financial statements**

**For the three-month and six-month periods ended 30 June 2016**

**1. General information**

**1.1 Corporate information**

Bangkok Expressway and Metro Public Company Limited (“the Company”) is a public company incorporated from an amalgamation on 30 December 2015 and domiciled in Thailand. The Stock Exchange of Thailand had approved the listing shares of the Company which were traded on the Stock Exchange of Thailand commencing from 5 January 2016. The Company’s major shareholder is CH. Karnchang Public Company Limited, which was incorporated in Thailand. Its registered address is 587 Sutthisarnvinitchai Road, Dindaeng Subdistrict, Dindaeng District, Bangkok. The Company has four branches.

The Company is principally engaged in the construction and management of expressways, the operation of metro services and commercial development.

**1.2 Basis for preparation of interim financial statements**

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2015) *Interim Financial Reporting*, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, income, comprehensive income, changes in shareholders’ equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the Thai language financial statements.

### **1.3 Basis of consolidation**

These consolidated interim financial statements have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2015, with no changes in shareholding structure of subsidiaries during the period.

The Company presented consolidated statements of income and comprehensive income for the three-month and six-month periods ended 30 June 2015 and consolidated statements of changes in shareholder's equity and cash flows for the six-month period ended 30 June 2015 to reflect the operating results, and cash flows of the group of companies under common control on the basis of economic substance, even though the legal form of the Company was established on 30 December 2015.

### **1.4 New financial reporting standards**

During the period, the Company has adopted the revised and new financial reporting standards and accounting treatment guidance issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the financial statements of the Company and its subsidiaries.

## **2. Significant accounting policies**

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the period ended 31 December 2015.

## **3. Related party transactions**

During the period, the Company and its subsidiaries had significant business transactions with related parties. Such transactions arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and its subsidiaries and those related parties.

(Unaudited but reviewed)

The relationship between the Company and its subsidiaries and the related parties which the Company and its subsidiaries have transactions with during the six-month periods ended 30 June 2016 and 2015 are summarised below.

Name of related parties	Relationship with the Company
CH. Karnchang Public Company Limited	Major shareholders
Northern Bangkok Expressway Company Limited	Subsidiary company
Bangkok Metro Networks Limited	Subsidiary company
CK Power Public Company Limited	Associated company
TTW Public Company Limited	Associated company
Mass Rapid Transit Authority of Thailand (MRTA)	Shareholders
Krungthai Bank Public Company Limited	the Company's director has authority in bank
Bangkok Bank Public Company Limited	the Company's director has authority in bank
Xayaburi Power Company Limited	Common directors
Finansa Securities Company Limited	Common directors

Such significant transactions and pricing policy are summarised below.

(Unit: Million Baht)

	For the three-month periods ended 30 June			Pricing policy
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	
<u>Transactions with major shareholders</u>				
Interest income	9	-	9	At the rate of 3.67% per annum
Expressway and civil works maintenance expenses	32	6	21	Contract price
Cost incurred from expressway construction contracts	1,530	2,160	1,530	Contract price
Cash receipt for the MRT Purple Line Project	27	21	27	Contract price
Office rental and service	1	1	-	Contract price
<u>Transactions with subsidiary companies</u>				
(eliminated from the consolidated financial statements)				
Commercial development revenue				
Bangkok Metro Networks Limited	-	-	68	Contract rate
Interest income on long-term loans				
Northern Bangkok Expressway Company Limited	-	-	46	At the rate of 3.15% - 3.48% per annum
Management income				
Northern Bangkok Expressway Company Limited	-	-	30	Baht 10 million per month



## (Unaudited but reviewed)

(Unit: Million Baht)

	For the three-month periods ended 30 June			Pricing policy
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	
<u>Transactions with associated companies</u>				
Dividend income				
CK Power Public Company Limited	-	-	32	1,429.95 million shares of Baht 0.0223 each
TTW Public Company Limited	-	-	234	780.79 million shares of Baht 0.30 each
Total	-	-	266	
Payments for additional shares subscription				
CK Power Public Company Limited	-	1,088	-	362.82 million shares of Baht 3.00 each
<u>Transactions with related companies</u>				
Commercial development revenue				
Krungthai Bank Public Company Limited	1	1	1	Contract price
Bangkok Bank Public Company Limited	1	1	1	Contract price
Total	2	2	2	
Costs of fare box (Inclusive of VAT)				
Mass Rapid Transit Authority of Thailand	99	95	99	Concession agreement
Costs of commercial development				
Mass Rapid Transit Authority of Thailand	17	17	17	Concession agreement
Property tax				
Mass Rapid Transit Authority of Thailand	1	1	1	At the rates charged by Bangkok Metropolitan Administration
Financial arrangement fee				
Krungthai Bank Public Company Limited	4	4	3	Contract rate
Financial fee				
Krungthai Bank Public Company Limited	83	19	83	Contract rate
Bangkok Bank Public Company Limited	1	-	1	Contract rate
Total	84	19	84	
Interest expenses on short-term loans				
Krungthai Bank Public Company Limited	110	11	110	At the rates of 2.85% and MOR per annum (2015: 3.55% and MOR per annum)
Interest expenses on long-term loans				
Krungthai Bank Public Company Limited	73	65	71	At the rates of 4.00%, 4.75%, MLR, MLR - 2.525%, 6M FDR + 2% and 6M FDR + 2.66875% per annum (2015: 4.00%, MLR + 0.25%, MLR, MLR - 2.525%, 6M FDR + 2% and 6M FDR + 2.66875% per annum)
Bangkok Bank Public Company Limited	28	20	28	
Total	101	85	99	
Payments for additional shares subscription				
Xayaburi Power Company Limited	83	53	83	71.25 million shares of Baht 1.17 each (2015: 71.25 million shares of Baht 0.75 each)

## (Unaudited but reviewed)

(Unit: Million Baht)

	For the six-month periods ended 30 June			Pricing policy
	Consolidated		Separate	
	financial statements	financial statements	financial statements	
	2016	2015	2016	
<u>Transactions with major shareholders</u>				
Interest income	20	-	20	At the rate of 3.67% per annum
Expressway and civil works maintenance expenses	70	15	52	Contract price
Cost incurred from expressway construction contracts	3,263	4,320	3,263	Contract price
Cash receipt for the MRT Purple Line Project	54	40	54	Contract price
Office rental and service	3	3	-	Contract price
<u>Transactions with subsidiary companies</u>				
(eliminated from the consolidated financial statements)				
Commercial development revenue				
Bangkok Metro Networks Limited	-	-	133	Contract rate
Interest income on long-term loans				
Northern Bangkok Expressway Company Limited	-	-	94	At the rate of 3.15% - 3.48% per annum
Management income				
Northern Bangkok Expressway Company Limited	-	-	60	Baht 10 million per month
<u>Transactions with associated companies</u>				
Dividend income				
CK Power Public Company Limited	-	-	32	1,429.95 million shares of Baht 0.0223 each
TTW Public Company Limited	-	-	234	780.79 million shares of Baht 0.30 each
Total	-	-	266	
Payments for additional shares subscription				
CK Power Public Company Limited	-	1,088	-	362.82 million shares of Baht 3.00 each
<u>Transactions with related companies</u>				
Commercial development revenue				
Krungthai Bank Public Company Limited	2	2	2	Contract price
Bangkok Bank Public Company Limited	2	2	2	Contract price
Total	4	4	4	
Costs of fare box (Inclusive of VAT)				
Mass Rapid Transit Authority of Thailand	204	194	204	Concession agreement
Costs of commercial development				
Mass Rapid Transit Authority of Thailand	33	33	33	Concession agreement
Property tax				
Mass Rapid Transit Authority of Thailand	2	24	2	At the rates charged by Bangkok Metropolitan Administration
Financial arrangement fee				
Krungthai Bank Public Company Limited	8	10	7	Contract rate
Financial fee				
Krungthai Bank Public Company Limited	86	19	86	Contract rate
Bangkok Bank Public Company Limited	2	-	2	Contract rate
Total	88	19	88	
Interest expenses on short-term loans				
Krungthai Bank Public Company Limited	275	11	275	At the rates of 2.85% and MOR per annum (2015: 3.55% and MOR per annum)

(Unaudited but reviewed)

(Unit: Million Baht)

	For the six-month periods ended 30 June			Pricing policy
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	
<u>Transactions with related companies (continued)</u>				
Interest expenses on long-term loans				
Krungthai Bank Public Company Limited	150	123	145	
Bangkok Bank Public Company Limited	58	34	58	
Total	<u>208</u>	<u>157</u>	<u>203</u>	At the rates of 4.00%, 4.75%, MLR, MLR - 2.525%, 6M FDR + 2% and 6M FDR + 2.66875% per annum (2015: 4.00%, MLR + 0.25%, MLR, MLR - 2.525%, 6M FDR + 2% and 6M FDR + 2.66875% per annum)
Payments for additional shares subscription				
Xayaburi Power Company Limited	<u>157</u>	<u>104</u>	<u>157</u>	71.25 million shares of Baht 2.20 each (2015: 71.25 million shares of Baht 1.46 each)

As at 30 June 2016 and 31 December 2015, the balances of the accounts between the Company and its subsidiaries and related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
		(Audited)		(Audited)
<u>Cash and cash equivalents</u>				
Krungthai Bank Public Company Limited	66,181	268,029	54,064	247,258
Bangkok Bank Public Company Limited	32	32	32	32
Total	<u>66,213</u>	<u>268,061</u>	<u>54,096</u>	<u>247,290</u>
<u>Trade and other receivables (Note 6)</u>				
CH. Karnchang Public Company Limited	19,260	17,120	19,260	17,120
Northern Bangkok Expressway Company Limited	-	-	10,700	10,700
Bangkok Metro Networks Limited	-	-	87,634	52,172
Krungthai Bank Public Company Limited	724	-	724	-
Total	<u>19,984</u>	<u>17,120</u>	<u>118,318</u>	<u>79,992</u>
<u>Receivable from sales of investment</u>				
CH. Karnchang Public Company Limited	1,069,741	1,369,741	1,069,741	1,369,741
Less: Deferred interest income	(28,498)	(48,892)	(28,498)	(48,892)
Total	<u>1,041,243</u>	<u>1,320,849</u>	<u>1,041,243</u>	<u>1,320,849</u>
Current portion	<u>(574,337)</u>	<u>(564,015)</u>	<u>(574,337)</u>	<u>(564,015)</u>
Long-term portion	<u>466,906</u>	<u>756,834</u>	<u>466,906</u>	<u>756,834</u>
<u>Prepaid expenses</u>				
Krungthai Bank Public Company Limited	<u>9,128</u>	<u>5,312</u>	<u>8,073</u>	<u>3,007</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2016	31 December 2015 (Audited)	30 June 2016	31 December 2015 (Audited)
<b><u>Advance payment under service contract</u></b>				
CH. Karnchang Public Company Limited	1,099	3,746	-	-
<b><u>Long-term loans to and interest receivable from related party</u></b>				
Northern Bangkok Expressway Company Limited	-	-	6,481,496	6,854,496
<b><u>Advance payment under construction contract</u></b>				
CH. Karnchang Public Company Limited	72,000	398,250	72,000	398,250
<b><u>Short term loans from financial institution (only principal) (Note 16)</u></b>				
Krungthai Bank Public Company Limited	7,010,000	18,410,000	7,000,000	18,400,000
<b><u>Trade and other payables (Note 17)</u></b>				
CH. Karnchang Public Company Limited	992,166	1,958,150	987,863	1,957,506
Mass Rapid Transit Authority of Thailand	96,322	103,204	96,322	103,204
Finansa Securities Company Limited	-	20,350	-	20,350
Krungthai Bank Public Company Limited	1,006	4,059	983	4,059
Bangkok Bank Public Company Limited	268	571	268	571
Others	799	938	-	-
Total	1,090,561	2,087,272	1,085,436	2,085,690
<b><u>Long-term loans from financial institutions (only principal) (Note 18)</u></b>				
Krungthai Bank Public Company Limited	3,200,315	7,173,319	3,065,129	7,016,633
Bangkok Bank Public Company Limited	2,945,855	2,945,855	2,945,855	2,945,855
Total	6,146,170	10,119,174	6,010,984	9,962,488
<b><u>Retention guarantees</u></b>				
CH. Karnchang Public Company Limited	161,794	152,988	161,113	152,988
<b><u>Unearned revenue from advertising management rights</u></b>				
Bangkok Metro Networks Limited				
Current portion (Note 17, 21)	-	-	1,248	1,248
Long-term portion (Note 21)	-	-	14,986	15,611
Total	-	-	16,234	16,859

(Unaudited but reviewed)

During the current period, movements in long-term loans to and interest receivable from related party in the separate financial statement were as follow:

(Unit: Thousand Baht)				
		Increase	Decrease	
	1 January 2016	during the period	during the period	30 June 2016
Northern Bangkok Expressway Company Limited				
Long-term loans	5,673,827	-	(308,769)	5,365,058
Interest receivable	1,180,669	94,343	(158,574)	1,116,438
Total	6,854,496	94,343	(467,343)	6,481,496

During the current period, movements in short-term loans from financial institution (only principal) were as follow:

(Unit: Thousand Baht)				
Consolidated financial statements				
		Increase	Decrease	
Short-term loans	1 January 2016	during the period	during the period	30 June 2016
Krungthai Bank Public Company Limited	18,410,000	7,000,000	(18,400,000)	7,010,000

(Unit: Thousand Baht)				
Separate financial statements				
		Increase	Decrease	
Short-term loans	1 January 2016	during the period	during the period	30 June 2016
Krungthai Bank Public Company Limited	18,400,000	7,000,000	(18,400,000)	7,000,000

(Unaudited but reviewed)

During the current period, movement in long-term loans from financial institutions (only principal) were as follow:

(Unit: Thousand Baht)

Long-term loans	Consolidated financial statements			
	1 January 2016	Increase during the period	Decrease during the period	30 June 2016
Krungthai Bank Public Company Limited	7,173,319	193,012	(4,166,016)	3,200,315
Bangkok Bank Public Company Limited	2,945,855	-	-	2,945,855
Total	10,119,174	193,012	(4,166,016)	6,146,170

(Unit: Thousand Baht)

Long-term loans	Separate financial statements			
	1 January 2016	Increase during the period	Decrease during the period	30 June 2016
Krungthai Bank Public Company Limited	7,016,633	193,012	(4,144,516)	3,065,129
Bangkok Bank Public Company Limited	2,945,855	-	-	2,945,855
Total	9,962,488	193,012	(4,144,516)	6,010,984

### **Directors and management benefits**

During the three-month and six-month periods ended 30 June 2016 and 2015, the Company and its subsidiaries had employee benefit expenses of their directors and managements as below.

(Unit: Thousand Baht)

	For the three-month periods ended 30 June		
	Consolidated financial statements		Separate financial statements
	<u>2016</u>	<u>2015</u>	<u>2016</u>
Short-term employee benefits	44,672	51,633	38,708
Post-employment benefits	1,931	2,208	1,814
Total	46,603	53,841	40,522

(Unit: Thousand Baht)

	For the six-month periods ended 30 June		
	Consolidated financial statements		Separate financial statements
	<u>2016</u>	<u>2015</u>	<u>2016</u>
Short-term employee benefits	63,852	100,477	54,910
Post-employment benefits	3,725	4,414	3,496
Total	67,577	104,891	58,406

(Unaudited but reviewed)

**4. Cash and cash equivalents**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
		(Audited)		(Audited)
Cash	19,672	36,185	17,787	34,630
Bank deposits	2,693,312	4,047,190	2,657,409	4,024,428
Bills of exchange	1,560,000	400,000	1,560,000	400,000
Total	4,272,984	4,483,375	4,235,196	4,459,058

The Company pledged its rights to draw bank deposits with outstanding balances as at 31 December 2015 of approximately Baht 107 million to a group of domestic lenders to secure the Company's long-term loans from these lenders. The Company is able to draw from these deposits for its use in normal operation.

In June 2016, the Company repaid the long-term loan and is currently in the process of redeeming its rights to withdraw funds from the bank deposits.

**5. Current investments**

(Unit: Thousand Baht)

	Consolidated financial statements			
	30 June 2016		31 December 2015	
			(Audited)	
	Cost	Fair value	Cost	Fair value
Unit trusts	1,227,148	1,275,473	454,678	497,357
Bill of exchange	550,000	550,000	-	-
	1,777,148	1,825,473	454,678	497,357

(Unit: Thousand Baht)

	Separate financial statements			
	30 June 2016		31 December 2015	
			(Audited)	
	Cost	Fair value	Cost	Fair value
Unit trusts	1,218,480	1,266,804	437,295	479,974
Bill of exchange	550,000	550,000	-	-
	1,768,480	1,816,804	437,295	479,974

**6. Trade and other receivables**

	Consolidated financial statements		Separate financial statements	
	30 June	31 December	30 June	31 December
	2016	2015	2016	2015
		(Audited)		(Audited)
<u>Trade receivables</u>				
Trade receivables				
- Related parties (Note 3)	19,984	17,120	107,618	69,292
- Unrelated parties	75,300	66,530	-	-
Less: Allowance for doubtful debts	(4,438)	(4,438)	-	-
Total trade receivables - net	90,846	79,212	107,618	69,292
<u>Other receivables</u>				
Other receivables				
- Related party (Note 3)	-	-	10,700	10,700
- Unrelated parties	1,156	2,129	1,095	2,048
Advances	655	273	396	2
Accrued income	5,889	3,014	5,889	3,015
Total other receivables	7,700	5,416	18,080	15,765
Trade and other receivables - net	98,546	84,628	125,698	85,057

Most of the trade receivables of the Company and its subsidiaries were within their credit terms. As at 30 June 2016, the outstanding balances of such receivables in the consolidated financial statements that are one year or more past due amounted to approximately Baht 5 million (31 December 2015: Baht 6 million) (The separate financial statement: Nil). The Company and its subsidiaries had assessed their net realisable value of such past due receivables and the allowance for doubtful accounts amounting to Baht 4 million was recorded in the consolidated financial statements (31 December 2015: Baht 4 million) (The separate financial statement: Nil).



(Unaudited but reviewed)

**7. Investments in associates**

(Unit: Million Baht)

Consolidated financial statements								
Company's name	Proportion of shareholding		Cost		Carrying amounts based on equity method		Fair values	
	30 June 2016 (%)	31 December 2015 (%)	30 June 2016	31 December 2015 (Audited)	30 June 2016	31 December 2015 (Audited)	30 June 2016	31 December 2015 (Audited)
CK Power Public Company Limit	19.40	19.40	3,223	3,223	3,095	3,123	4,089 <sup>(1)</sup>	2,803 <sup>(1)</sup>
TTW Public Company Limited	19.45	19.57	6,976	7,018	6,608	6,714	8,615	8,198
			10,199	10,241	9,703	9,837	12,704	11,001

(Unit: Million Baht)

Separate financial statements							
Company's name	Proportion of shareholding		Cost		Fair values		Dividend received during the six-month period ended 30 June 2016
	30 June 2016 (%)	31 December 2015 (%)	30 June 2016	31 December 2015 (Audited)	30 June 2016	31 December 2015 (Audited)	
CK Power Public Company Limited	19.40	19.40	3,223	3,223	4,089 <sup>(1)</sup>	2,803 <sup>(1)</sup>	32
TTW Public Company Limited	19.45	19.57	4,277	4,303	8,615	8,198	234
			7,500	7,526	12,704	11,001	266

<sup>(1)</sup> Excluding the fair value of warrants amounting to Baht 207 million (31 December 2015: Baht 127 million).

CK Power Public Company Limited

The Company agreed to provide sponsor support to CK Power Public Company Limited, whereby it will provide financial support to a subsidiary of CK Power Public Company Limited in proportion to its shareholding, or a total of not more than Baht 154 million, should its subsidiary be unable to comply with its obligations under the Financing Documents or default on loan repayment.

As at 30 June 2016, the 176.5 million shares of CK Power Public Company Limited held by the Company were still under a 3-year silent period, which commenced from the initial trading date of the shares on the Stock Exchange of Thailand (18 July 2013). However, this silent period ended in July 2016.

TTW Public Company Limited

In March 2016, the Company disposed 4.69 million ordinary shares of TTW Public Company Limited, resulted in the decrease in proportion of shareholding from 19.57% to 19.45%.

**8. Investments in subsidiaries**

Details of investments in subsidiaries as presented in separate financial statements are as follows:

Company's name	Registered capital		Paid-up capital		Proportion of investment		Cost	
	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December
	2016	2015	2016	2015	2016	2015	2016	2015
					(%)	(%)		(Audited)
Northern Bangkok Expressway Company Limited	6,000	6,000	5,250	5,250	99.99	99.99	2,604	2,604
Bangkok Metro Networks Limited	254	254	254	254	65.19	65.19	166	166
Total							2,770	2,770
Less : Allowance for impairment of investments							(2,466)	(2,466)
Cost - net							304	304

The assets of Northern Bangkok Expressway Company Limited such as deposits at banks, current investments, and rights in the Bang Pa-In - Pakkret Expressway System, rights in toll revenues and beneficiary rights under insurance policies are secured against the loans from the Company. However, the subsidiary is able to make withdrawals from deposit at banks and trading of current investments for use as regular operating expenses.

The Company has pledged all share certificates of investment in Bangkok Metro Networks Limited with a group of domestic lenders to secure its long-term loans from those lenders. In June 2016, the Company repaid the long-term loans and is currently in the process of releasing the pledge of the share certificates for its investment in Bangkok Metro Networks Limited.

**9. Other long-term investment**

(Unit: Million Baht)

Company's name	Consolidated and Separate financial statements							
	Registered capital		Paid-up capital		Proportion of shareholding		Cost	
	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December
	2016	2015	2016	2015	2016	2015	2016	2015
					(%)	(%)		(Audited)
Xayaburi Power Company Limited	26,861	26,861	14,265	12,175	7.50	7.50	1,070	913
Total							1,070	913

The 121.9 million ordinary shares of Xayaburi Power Company Limited held by the Company have been pledged to secure of long-term loans of such company.

During the current period, Xayaburi Power Company Limited called up an additional 22% of the unpaid portion of 71.3 million shares held by the Company (par value of Baht 10 each), or a total of Baht 157 million. The Company already paid for such share subscription.

Subsequently in July and August 2016, Xayaburi Power Company Limited additionally called up Baht 55 million, or 8% of 71.3 million shares (par value of Baht 10 each). The Company made a payment of Baht 28 million in July 2016, and the remaining Baht 27 million is to be paid in August 2016.

**10. Investment properties**

The Company has pledged all investment properties as collateral against credit facilities granted by group of lenders.

(Unaudited but reviewed)

## 11. Building and equipment

Movements of the building and equipment account during the six-month period ended 30 June 2016 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<b>Net book value as at 1 January 2016</b>	154,366	150,638
Acquisitions during the period - at cost	116,724	99,448
Disposals/write-off during the period - net book value at disposal/write-off date	(2,335)	(2,335)
Depreciation for the period	(15,396)	(14,571)
<b>Net book value as at 30 June 2016</b>	<u>253,359</u>	<u>233,180</u>

## 12. Rights to operate completed expressway sectors

Movements of the rights to operate completed expressway sectors during the six-month period ended 30 June 2016 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<b>Net book value as at 1 January 2016</b>	20,327,463	13,069,901
Amortisation for the period	(1,439,003)	(1,161,306)
<b>Net book value as at 30 June 2016</b>	<u>18,888,460</u>	<u>11,908,595</u>

The Company has transferred its rights in the Second Stage Expressway to secure long-term loans.

## 13. Rights to use sites for expressway construction

Movement of the rights to use sites for expressway construction during the six-month period ended 30 June 2016 is summarised below.

	(Unit: Thousand Baht)
	Consolidated and Separate financial statements
<b>Net book value as at 1 January 2016</b>	1,320,194
Amortisation for the period	(150,358)
<b>Net book value as at 30 June 2016</b>	<u>1,169,836</u>

The rights to use sites for expressway construction is a part of rights to operate completed expressway sectors.

#### 14. Intangible asset under concession agreement of the MRTA Initial System Project - Chaloem Ratchamongkhon Line

Movements of the intangible asset under concession agreement of the MRTA Initial System Project - Chaloem Ratchamongkhon Line account during the six-month period ended 30 June 2016 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<b>Net book value as at 1 January 2016</b>	16,987,640	16,654,148
Acquisitions during the period - at cost	373,800	368,931
Disposals/write-off during the period - net book value at disposal/write off date	(102)	-
Amortisation for the period	(204,711)	(197,247)
<b>Net book value as at 30 June 2016</b>	<u>17,156,627</u>	<u>16,825,832</u>

Project costs consist of M&E equipment, depot building and administration building. They will be transferred to the MRTA at the end of the concession period of 25 years, on an Acquire, Operate and Transfer basis.

The Company pledged M&E equipment, depot building and administration building of the Project with a group of domestic lenders to secure its long-term loans from those lenders. In June 2016, the Company repaid such long-term loans and is currently in process of redeeming the collateral.

The subsidiary has pledged part of its telecommunication equipment with a lender to secure a long-term loan.

#### 15. Intangible assets

Movements of intangible assets for the six-month period ended 30 June 2016 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<b>Net book value as at 1 January 2016</b>	36,237	36,165
Acquisitions during the period - at cost	12,680	12,680
Amortisation for the period	(3,859)	(3,810)
<b>Net book value as at 30 June 2016</b>	<u>45,058</u>	<u>45,035</u>

(Unaudited but reviewed)

**16. Short-term loans from financial institutions**

		(Unit: Thousand Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
		30 June	31 December	30 June	31 December
		2016	2015	2016	2015
Interest rate					
(% per annum)			(Audited)		(Audited)
Short-term loans from financial institutions					
- Related parties (Note 3)	2.85 and MOR	7,010,000	18,410,000	7,000,000	18,400,000
- Unrelated parties	2.85 - 3.20	7,400,000	4,000,000	7,400,000	4,000,000
Total		14,410,000	22,410,000	14,400,000	22,400,000
Less: Deferred financial fee		(7,602)	-	(7,602)	-
Short-term loans from financial institutions - net		14,402,398	22,410,000	14,392,398	22,400,000

**17. Trade and other payables**

		(Unit: Thousand Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
		30 June	31 December	30 June	31 December
		2016	2015	2016	2015
			(Audited)		(Audited)
Trade payables - related parties (Note 3)		1,089,484	2,062,292	1,084,382	2,060,710
Trade payables - unrelated parties		208,696	378,788	198,230	359,687
Accrued interest - related parties (Note 3)		1,077	4,630	1,054	4,630
Accrued interest - unrelated parties		39,671	1,127	39,671	1,067
Accrued expenses - related parties (Note 3)		-	20,350	-	20,350
Accrued expenses - unrelated parties		115,139	102,016	99,131	89,803
Unearned revenue from advertising management rights (Note 3)		-	-	1,248	1,248
Others		13,865	10,351	1,001	1,464
Total trade and other payables		1,467,932	2,579,554	1,424,717	2,538,959

(Unaudited but reviewed)

**18. Long-term loans from financial institutions**

				(Unit: Thousand Baht)			
				Consolidated financial statements		Separate financial statements	
				30 June 2016	31 December 2015	30 June 2016	31 December 2015
					(Audited)		(Audited)
	Objective	Interest rate	Period of repayment				
1. Tranche Gor (Fully drew down)	Refinance remaining long-term loans	4.0% p.a.	Within July 2019	74,664	74,664	74,664	74,664
2. Tranche Khor (Fully drew down)	Lending to subsidiary company to repay its long-term loans from commercial banks	4.0% p.a.	Within July 2019	9,595	9,595	9,595	9,595
3. Tranche Chor (Fully drew down)	Working capital	MLR - 2.525% and 6M FDR + 2.66875% p.a.	Within July 2019	1,000,000	1,000,000	1,000,000	1,000,000
4. Tranche Gor (the credit facilities which have not yet been drawn down: Baht 2,214 million)	For the construction of expressway system	MLR - 2.525% p.a.	Within September 2027	3,536,250	3,536,250	3,536,250	3,536,250
5. Tranche Khor (the credit facilities which have not yet been drawn down: Baht 1,636 million)	For the construction of expressway system	6M FDR + 2% p.a.	Within September 2027	2,613,750	2,613,750	2,613,750	2,613,750
6. Long-term loan (Fully drew down)	Working capital of the Company	3.18 p.a. (per contract: 6M THBFX + 1.15% p.a.)	Within May 2021	8,000,000	-	8,000,000	-
7. Tranche A (Fully drew down)	For the payment of intangible asset under concession agreement of the MRTA Initial System Project - Chaloem Ratchamongkhon Line	MLR + 0.25% p.a. (4.75% p.a. from 30 December 2015 to 31 December 2016)	Within December 2024	-	9,102,500	-	9,102,500
8. Tranche F (Fully drew down)	For the purchase of new rolling stock and to fund capital expenditures	MLR + 0.25% p.a. (4.75% p.a. from 30 December 2015 to 31 December 2016)	Within December 2024	-	1,006,000	-	1,006,000
9. Long-term loan (Fully drew down)	Working capital of the subsidiary	MLR p.a.	Within December 2018	135,186	156,686	-	-
Total				15,369,445	17,499,445	15,234,259	17,342,759
Less: Current portion for long-term loans				(1,054,250)	(118,500)	(1,000,000)	(75,000)
Less: Deferred financial fee				(68,051)	(51,878)	(68,051)	(51,878)
Long-term loans - net of current portion				14,247,144	17,329,067	14,166,208	17,215,881

(Unaudited but reviewed)

Detail of long-term loans are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
		(Audited)		(Audited)
Long-term loans				
- Related parties (Note 3)	6,146,170	10,119,174	6,010,984	9,962,488
- Unrelated parties	9,223,275	7,380,271	9,223,275	7,380,271
Total	15,369,445	17,499,445	15,234,259	17,342,759

Movement in the long-term loans for the six-month period ended 30 June 2016 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<b>Balance as at 1 January 2016</b>	17,499,445	17,342,759
Add: Drawdown during the period	8,494,000	8,494,000
Less: Repayment of loan during the period	(10,624,000)	(10,602,500)
<b>Balance as at 30 June 2016</b>	15,369,445	15,234,259

#### Long-term loans number 1 to 5

The long-term loans are secured by assets of the Company such as land and structure thereon, rights under the Second Stage Expressway Agreement, rights in toll revenues, and beneficiary rights under insurance policies.

Under the loan agreements, the Company must comply with normal financial covenants relating to various matters, such as the maintenance of debt service coverage ratio, debt to equity ratio, shareholding proportion in a subsidiary company, dividend payment and conditions for mandatory prepayment. In this respect, the Company has the total financial expenses of Baht 4.8 million per year payable to the agents of the lenders (2015: Baht 4.8 million).

#### Long-term loans number 6

In April 2016, the Company signed a credit agreement with a commercial bank, granting facilities of Baht 8,000 million. The Company had fully drawn down these facilities in May 2016. In addition, the Company entered into an interest rate swap contract to change the interest rate from a floating rate of 6M THBFIX + 1.15% per annum to a fixed rate of 3.18% per annum.



Long-term loans number 7 to 8

The loans are secured by the mortgage of M&E equipment of the project, a depot building and administration building, pledges of the Company's share certificates and the subsidiary's share certificates, and the assignment of rights and obligations under the concession agreement and the rights to receive deposits at banks.

The loan agreements include covenants imposed by the lenders concerning, among other things, the percentage shareholdings of the principal shareholders, changes in the Company's management, entering into other loan agreements, entering into any new business or activity which is not related to the Project, the maintenance of certain financial ratios.

In June 2016, the Company repaid all long-term loans together with prepayment fee amounting to Baht 212 million. The Company is currently in the process of redeeming the collateral.

Long-term loan number 9

The long-term loan from financial institution of the subsidiary is secured by pledges of the subsidiary's share certificates which are held by shareholders other than the Company and the transfer of rights to receive revenue from telecommunication customers, revenue from the Passenger Information Display business (PID), revenue from the Platform Screen Door advertising, and revenue from Digital Media and the pledge of some of the telecommunication equipment to the lender.

The loan agreement includes covenants imposed by the lender concerning, among other things, the percentage shareholding of the principal shareholders, repayment of loans and amounts payable to related companies and/or group companies, dividend payment and the maintenance of certain financial ratios.

**19. Debentures**

Debentures as at 30 June 2016 have the following details

					(Unit: Thousand Baht)	
					Consolidated and Separate	
					financial statements	
Type of debenture	Term	Issuance date	Maturity date	Interest rate	30 June 2016	31 December 2015
No. 1/2559				(% per annum)		
- Tranche 1	3 years	24 June 2016	24 June 2019	2.22	5,000,000	-
- Tranche 2	5 years	24 June 2016	24 June 2021	2.52	1,915,000	-
- Tranche 3	7 years	24 June 2016	24 June 2023	3.00	2,000,000	-
- Tranche 4	10 years	24 June 2016	24 June 2026	3.30	3,335,000	-
- Tranche 5	12 years	24 June 2016	24 June 2028	3.61	2,750,000	-
Total					15,000,000	-
Less: Deferred debenture issuing cost					(23,146)	-
Debentures - net					14,976,854	-

Movements in the debentures account during the six-month period ended 30 June 2016 are summarised below.

		(Unit: Thousand Baht)
		Consolidated and Separate
		financial statements
<b>Balance as at 1 January 2016</b>		-
Add: Issuance of debentures during the period		15,000,000
Total		15,000,000
Less: Deferred debenture issuing cost		(23,146)
<b>Balance as at 30 June 2016</b>		14,976,854

All of the Company's debentures are registered debentures, unsubordinated, and unsecured, without a debenture holders' representative, that pay interest semi-annually.

The above debentures contain covenants relating to the maintenance of interest bearing debt to equity ratio.

**20. Provision for compensation for site acquisition cost**

Movement in provision for compensation for site acquisition cost account for the six-month period ended 30 June 2016 is summarised below.

	(Unit: Thousand Baht) Consolidated and Separate financial statements
<b>Balance as at 1 January 2016</b>	5,566,672
Payment during the period	(750,000)
Interest cost	125,240
<b>Balance as at 30 June 2016</b>	4,941,912
Less: Current portion of provision	(1,500,000)
Provision for compensation for site acquisition cost	
- net of current portion	<u>3,441,912</u>

**21. Unearned revenue from advertising management rights**

Movement in unearned revenue from advertising management rights account for the six-month period ended 30 June 2016 in the separate financial statement is summarised below.

	(Unit: Thousand Baht)
<b>Balance as at 1 January 2016</b>	16,859
Less: Recognise to revenue during the period	(625)
<b>Balance as at 30 June 2016</b>	16,234
Less: Current portion (note 17)	(1,248)
Unearned revenue from advertising management rights	
- net of current portion	<u>14,986</u>

**22. Provision for long-term employee benefits**

Movements in provision for long-term employee benefits account, which is compensations on employees' retirement, for the six-month period ended 30 June 2016 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<b>Balance as at 1 January 2016</b>	237,842	230,181
Increase during the period	20,141	19,072
Utilised	(1,781)	(1,781)
<b>Balance as at 30 June 2016</b>	<u>256,202</u>	<u>247,472</u>

**23. Dividend**

Dividend declared for the six-month period ended 30 June 2016 in consolidated financial statement and separate financial statement consisted of the following:

Dividend	Approved by	Total dividend (Million Baht)	Dividend per share (Baht)	Paid on
Dividend for the year 2015	Annual General Meeting of the shareholders on 5 April 2016	<u>1,070</u>	<u>0.07</u>	29 April 2016

Dividend payment for the six-month period ended 30 June 2015 in consolidated financial statement were dividends paid in respect of Bangkok Expressway Public Company Limited before the amalgamation, amounting to approximately Baht 1,309 million. This represents dividends per share, calculated based on the 770 million paid-up shares held by Bangkok Expressway Public Company Limited, of Baht 1.70 per share.

**24. Income taxes**

Interim corporate income tax was calculated on profit before income tax for the period, using the estimated effective tax rate for the year.

(Unaudited but reviewed)

Income tax expenses for the three-month and six-month periods ended 30 June 2016 and 2015 are made up as follows:

(Unit: Thousand Baht)			
For the three-month periods ended 30 June			
	Consolidated		Separate
	financial statements		financial statements
	<u>2016</u>	<u>2015</u>	<u>2016</u>
<b>Current income tax:</b>			
Interim corporate income tax charge	87,829	167,938	76,723
<b>Deferred tax:</b>			
Relating to origination and reversal of temporary differences	15,904	(42,152)	17,577
<b>Tax expenses reported in the income statement</b>	<u>103,733</u>	<u>125,786</u>	<u>94,300</u>

(Unit: Thousand Baht)			
For the six-month periods ended 30 June			
	Consolidated		Separate
	financial statements		financial statements
	<u>2016</u>	<u>2015</u>	<u>2016</u>
<b>Current income tax:</b>			
Interim corporate income tax charge	151,155	221,326	128,859
<b>Deferred tax:</b>			
Relating to origination and reversal of temporary differences	114,079	65,284	116,435
<b>Tax expenses reported in the income statement</b>	<u>265,234</u>	<u>286,610</u>	<u>245,294</u>

**25. Earnings per share**

Basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period.

Basic earnings per share are calculated as below:

	For the three-month periods ended 30 June		
	Consolidated		Separate
	financial statements		financial statements
	<u>2016</u>	<u>2015</u>	<u>2016</u>
Profit for the period (Thousand Baht)	504,380	496,226	633,184
Weighted average number of			
ordinary shares (Thousand shares)	15,285,000	15,285,000	15,285,000
Basic earnings per share (Baht/share)	0.03	0.03	0.04

  

	For the six-month periods ended 30 June		
	Consolidated		Separate
	financial statements		financial statements
	<u>2016</u>	<u>2015</u>	<u>2016</u>
Profit for the period (Thousand Baht)	1,206,479	1,073,975	1,217,675
Weighted average number of			
ordinary shares (Thousand shares)	15,285,000	15,285,000	15,285,000
Basic earnings share (Baht/share)	0.08	0.07	0.08

For comparative purposes, basic earnings per share in consolidated financial statement for the three-month and six-month periods ended 30 June 2015 was calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue for the three-month and six-month periods ended 30 June 2016, which is the number of ordinary shares held by outside shareholders after amalgamation.

(Unaudited but reviewed)

## 26. Segment information

Operating segment information is reported in a manner consistent with the reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assets its performance.

Revenues and profit information regarding operation segments of the Company and its subsidiaries for the three-month and six-month periods ended 30 June 2016 and 2015 are as follows:

(Unit: Million Baht)

	For the three-month periods ended 30 June													
	Construction and management of expressway system		The MRTA Initial System Project segment		Commercial Development business segment <sup>1)</sup>		Other segments		Total Segment		Elimination of inter-segment revenues		Consolidation	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Revenue from external customers	2,197	2,131	584	584	138	144	-	-	2,919	2,859	-	-	2,919	2,859
Inter-segment revenues	-	-	-	-	68	68	30	15	98	83	(98)	(83)	-	-
Total revenues	<u>2,197</u>	<u>2,131</u>	<u>584</u>	<u>584</u>	<u>206</u>	<u>212</u>	<u>30</u>	<u>15</u>	<u>3,017</u>	<u>2,942</u>	<u>(98)</u>	<u>(83)</u>	<u>2,919</u>	<u>2,859</u>
Segment income	1,040	1,013	89	48	83	75	-	-	1,212	1,136	-	-	1,212	1,136
Unallocated income and expenses:														
Interest income													15	1
Other income													10	11
Share of profit from investments in Associates													102	136
Selling expenses													(15)	(18)
Administrative expenses													(227)	(235)
Finance cost													(487)	(395)
Income tax expense													(104)	(126)
Non-controlling interests of the subsidiaries													(2)	(14)
Profit for the period													504	496

<sup>1)</sup> The Commercial development business segment includes the rental of retail space, and the provision of advertising media services and telecommunication services in underground train stations and expressways.

(Unaudited but reviewed)

(Unit: Million Baht)

	For the six-month periods ended 30 June													
	Construction and management of expressway system		The MRTA Initial System Project segment		Commercial Development business segment <sup>1)</sup>		Other segments		Total Segment		Elimination of inter-segment revenues		Consolidation	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Revenue from external customers	4,476	4,327	1,199	1,173	270	280	-	-	5,945	5,780	-	-	5,945	5,780
Inter-segment revenues	-	-	-	-	133	126	60	30	193	156	(193)	(156)	-	-
Total revenues	4,476	4,327	1,199	1,173	403	406	60	30	6,138	5,936	(193)	(156)	5,945	5,780
Segment income	2,169	2,087	132	98	159	148	-	-	2,460	2,333	-	-	2,460	2,333
Unallocated income and expenses:														
Interest income													31	8
Other income													27	51
Share of profit from investments in associates													195	257
Selling expenses													(31)	(36)
Administrative expenses													(444)	(470)
Finance cost													(765)	(750)
Income tax expense													(265)	(287)
Non-controlling interests of the subsidiaries													(2)	(32)
Profit for the period													1,206	1,074

<sup>1)</sup>The Commercial development business segment includes the rental of retail space, and the provision of advertising media services and telecommunication services in underground train stations and expressways.



## 27. Commitments and contingent liabilities

### 27.1 Capital commitment

As at 30 June 2016, the Company had capital commitments of Baht 688 million (31 December 2015: Baht 3,660 million) relating to the management of the Si Rat - Outer Ring Road Expressway Project, Baht 89 million (31 December 2015: Baht 78 million) relating to the acquisition of equipment, Baht 19 million and US Dollar 3 million (31 December 2015: Baht 24 million and US Dollar 4 million) relating to the upgrade of farebox collection systems and Baht 3 million (31 December 2015: Baht 3 million) relating to the renovation of server room at administration building.

### 27.2 Long-term service commitments

The Company and its subsidiaries have commitments in respect of the Procurement of M&E equipment contract, and the Maintenance of M&E equipment and trackwork and infrastructure and civil works contracts of the MRTA Initial System Project - Chaloem Ratchamongkhon Line and the MRT Purple Line Project which were signed in December 2001, November 2013 and November 2015 with three companies. These contracts will expire during 2018 until 2024.

Future minimum service fees payable under these contracts, excluding escalation in accordance with the general consumer price index are as follows:

(Unit: Million)

	The MRTA Initial System Project - Chaloem Ratchamongkhon Line				The MRT Purple Line Project							
	30 June 2016		31 December 2015		30 June 2016				31 December 2015			
			(Audited)						(Audited)			
	Baht	EUR	Baht	EUR	Baht	EUR	SGD	YEN	Baht	EUR	SGD	YEN
Payable:												
In up to 1 year	335	1	509	4	339	-	1	348	167	-	1	158
In over 1 year and up to 5 years	2,473	11	2,335	12	2,362	1	5	1,518	2,357	1	5	1,518
In over 5 years	1,400	6	1,693	7	1,468	1	7	1,929	1,667	1	7	2,119

**27.3 Commitments under various service agreements**

The Company and its subsidiaries have commitments under various service agreements. Future minimum service fees payable are as follows:

	(Unit: Million Baht)	
	30 June 2016	31 December 2015
		(Audited)
Payable:		
In up to 1 year	335	95
In over 1 year and up to 4 years	262	68

**27.4 Operating lease commitments**

The Company and its subsidiaries had entered into several lease agreements in respect of the lease of office building space, equipment and motor vehicles. The terms of the agreements are generally between 2 and 5 years. Future minimum lease payments required under these operating lease agreements were as follows:

	(Unit: Million Baht)	
	30 June 2016	31 December 2015
		(Audited)
Payable:		
In up to 1 year	14	11
In over 1 year and up to 5 years	24	15

**27.5 Guarantees**

There were the following outstanding performance bonds and bank guarantees issued by banks on behalf of the Company.

	(Unit: Million Baht)	
	30 June 2016	31 December 2015
		(Audited)
- Issued to the MRTA as required under the operation of the MRTA Initial System Project - Chaloem Ratchamongkhon Line	150	150
- Issued to the Metropolitan Electricity Authority of The MRTA Initial System Project - Chaloem Ratchamongkhon Line	37	37
The MRT Purple Line Project	30	30

(Unaudited but reviewed)

	(Unit: Million Baht)	
	30 June 2016	31 December 2015
		(Audited)
- Issued to the MRTA in accordance with phase I of the Agreement for the MRT Purple Line Project, Bang Yai - Rat Burana, Bang Yai - Bang Sue Section (Khlomg Bang Phai Station - Tao Poon Station), using the credit line of a related party	700	700
- Issued to the MRTA as part of the proposal to invest in the Supply of M&E systems and O&M services for the MRT Purple Line Project, Tao Poon to Bang Sue Section. <sup>1)</sup>	-	31
- Issued to the EXAT in according to concession agreement in respect of the investment, design, construction, management, operation and maintenance of the Si Rat - Outer Ring Road Expressway Project	500	500
- Other guarantees	12	12

<sup>1)</sup> During the current period, Mass Rapid Transit Authority of Thailand (MRTA) returned guarantee documents to the Company because the Cabinet had passed a resolution to halt the selection process for a private investor for the MRTA Initial System Project and the hire of an operator for the MRT Purple Line Project, Tao Poon to Bang Sue Section which is included in MRT Blue Line Extension Project.

## 27.6 Other commitments

	(Unit: Million Baht)	
	30 June 2016	31 December 2015
		(Audited)
- Commitments in respect of the uncalled portion of investments		
Northern Bangkok Expressway Company Limited	750	750
Xayaburi Power Company Limited	944	1,101
- Commitment in respect of undertaking to provide financial support to CK Power Public Company Limited (as detailed in Note 7)	154	154
- Commitment in respect of Expressway inspection, replacement and improvement agreements (paid within one year)	6	21

## 28. The disputes with Expressway Authority of Thailand (EXAT)

The Company and the subsidiary had a total of 12 disputes with EXAT, which were referred to the Arbitral Tribunal in accordance with the dispute settlement procedures under the Agreements and in the Administrative Court, divided into the disputes that the Company and the subsidiary referred to the dispute settlement proceedings under the Agreements and demanded for damages with the total amount until the date of submission of the disputes of approximately Baht 28,179.8 million; and the disputes that EXAT submitted claims for damages with the total amount until the date of submission of the disputes of approximately Baht 1,590.9 million. The essence of each dispute was as follows:

## **28.1 Disputes submitted by the Company and the subsidiary claiming for damages**

### **28.1.1 Priority Component Opening Date under the Second Stage Expressway Agreement**

The Company completed the construction of the “Priority Component” of the Si Rat Expressway on 13 November 1992, in respect of which the Agreement specified that the date on which the Construction Completion takes place in respect of the Priority Component should be deemed as the Priority Component Opening Date, and the Company would then be entitled to receive the toll revenue sharing, but EXAT just commenced sharing the toll revenue with the Company on 2 September 1993, thereby rendering the Company to lose such revenue which should have been received under the Agreement.

EXAT and the Company had different opinions as to which date was the Priority Component Opening Date, from which EXAT was obliged under the Agreement to commence sharing the toll revenue with the Company onwards.

On 9 July 2001, the Company then referred such dispute to the Arbitral Tribunal requesting an arbitral award requiring EXAT to compensate for the deficient revenue plus interest until the date of submission of the dispute in the amount of Baht 3,831.4 million. In this respect, EXAT raised an objection and counterclaimed in the total amount of Baht 15,575.4 million.

On 15 December 2008, the Arbitral Tribunal rendered its arbitral award on the dispute requiring EXAT to pay the toll revenue sharing for urban network which should have been received by the Company for the period from 13 November 1992 to 2 September 1993, amounting to Baht 1,974.6 million, calculated for interest up to 30 June 2001, amounting to Baht 1,856.8 million, totaling Baht 3,831.4 million, including the interest from 1 July 2001 onwards until the payment would be made in full to the Company, and dismissed EXAT’s counterclaim requiring the Company to compensate for such toll revenue in the amount of Baht 15,575.4 million. In this regard, EXAT subsequently issued a letter refusing to comply with the arbitral award.

On 20 April 2009, EXAT submitted a petition to the Central Administrative Court requesting the Court to revoke the arbitral award or order refusing to enforce compliance with the arbitral award, and on 19 October 2011, the Company submitted a petition to the Central Administrative Court requesting a judgment to enforce compliance with the arbitral award as another case, with the disputed amount of Baht 5,021.1 million.

On 13 September 2013, the Central Administrative Court adjudged to dismiss EXAT's petition requesting the Court to revoke the arbitral award and adjudged to enforce the Company's petition by requiring EXAT to pay the toll revenue sharing for urban network which should have been received by the Company for the period from 13 November 1992 to 2 September 1993, amounting to Baht 1,974.6 million, with interest under the Agreement calculated from 13 November 1992 up to 30 June 2001, amounting to Baht 1,856.8 million, including the interest calculated from 1 July 2001 up to the date on which the Company submitted the petition to the Court, 19 October 2011, amounting to Baht 1,189.7 million, thereby bringing a total of the toll revenue sharing together with interest to Baht 5,021.1 million, to the Company, as well as requiring EXAT to pay the default interest on the principal until the payment would be made, together with interest, in full to the Company, whereby EXAT shall make such payment in full within 60 days from the date on which the case is final.

On 11 October 2013, EXAT lodged an appeal against the Central Administrative Court's judgment with the Supreme Administrative Court.

At present, it is pending the Supreme Administrative Court's consideration.

#### 28.1.2 Competing road with the Udon Rathaya Expressway

The Agreement specified that during the term of the Agreement, should EXAT or the Government put into effect any arrangements for the construction or substantial improvement of any road or highway of an expressway standard within the primary catchment area of the Expressway, which has the effect of reducing the actual volume of traffic using the Expressway or the revenue arising therefrom from the projections, EXAT shall compensate the subsidiary for such effect.

Given that the Government granted permission for construction of the Extension of the Don Muang Tollway Project, from the National Memorial to Rangsit Section, which constituted a competing road under the Agreement, and affected the financial position of the subsidiary, the subsidiary therefore demanded EXAT to compensate for such effect as per the Independent Certification Engineer's letter certifying the effect upon the subsidiary.

On 20 December 2004, the subsidiary then referred such dispute to the Arbitral Tribunal for an arbitral award requiring EXAT to compensate for the deficient revenue, thereby rendering such damages until the date of submission of the dispute (excluding interest) to Baht 1,790 million.

On 27 November 2008, the Arbitral Tribunal rendered its arbitral award on the dispute requiring EXAT to compensate for the deficient revenue from the projection to the subsidiary for the year 1999 in the amount of Baht 730.8 million, with interest from 14 June 2000 onwards, until the payment would be made in full, and for the year 2000 in the amount of Baht 1,059.2 million, with interest from 22 March 2001 onwards, until the payment would be made in full.

Subsequently, EXAT issued a letter to the subsidiary, confirming that the arbitral award was illegitimate; and the enforcement of such arbitral award was considered a violation to the public order and good moral of the people, EXAT was thus unable to comply with such arbitral award.

On 3 March 2009, EXAT submitted a petition to the Central Administrative Court requesting the Court to revoke the arbitral award.

On 1 September 2011, the subsidiary submitted a petition to the Central Administrative Court requesting a judgment to enforce compliance with the arbitral award as another case, with the disputed amount of Baht 3,296.7 million.

On 3 May 2013, the Central Administrative Court adjudged to dismiss EXAT's petition requesting the Court to revoke the arbitral award and the Central Administrative Court also issued a judgment to enforce compliance with the arbitral award, thereby requiring EXAT to compensate for revenue reduced from the projection to the subsidiary for the year 1999 in the amount of Baht 730.8 million and for the year 2000 in the amount of Baht 1,059.2 million together with interest until the said payment would be made in full.

On 31 May 2013, EXAT lodged an appeal against the Central Administrative Court's judgment in both cases with the Supreme Administrative Court.

At present, it is pending the Supreme Administrative Court's consideration.

#### 28.1.3 Issuance of variation orders by EXAT

EXAT issued additional variation orders for certain construction work of the Si Rat Expressway and confirmed that EXAT would be responsible for such costs as actually incurred by such variation orders. The Independent Certification Engineer subsequently issued a letter certifying the additional costs in the total amount of Baht 209.1 million (excluding interest). EXAT refused to make such payment as certified by the Independent Certification Engineer.

On 9 December 2009, the Company submitted a statement of claim to the Thai Arbitration Institute, demanding EXAT to compensate the Company for damages caused by EXAT's issuance of three variation orders.

On 20 December 2013, the Arbitral Tribunal unanimously rendered its arbitral award requiring EXAT to pay the construction costs and expenses as per such variation orders in the total amount of the principal with interest of Baht 382.5 million, including the interest on the principal in the amount of Baht 209.1 million, calculated from the day following the date of submission of the statement of claim until the said payment would be made in full to the Company.

On 17 January 2014, the Company issued a letter to EXAT requiring compliance with the arbitral award. On 4 February 2014, EXAT issued a letter refusing to comply with the arbitral award because the arbitral award was illegitimate.

On 26 March 2014, EXAT submitted a petition to the Central Administrative Court requesting the Court to revoke the arbitral award.

At present, it is pending the Central Administrative Court's consideration.

28.1.4 Revision of toll rates of the Chalerm Mahanakorn Expressway and the Si Rat Expressway for the year 2003

The Company requested to revise the toll rates under the Second Stage Expressway Agreement which stipulates that the toll rates shall be revised every five year interval. In this regard, EXAT and the Company had different opinions in respect of the calculation of the tolls to be revised, and as such, EXAT issued the toll rate notification which did not increase the toll rates as proposed by the Company.

On 14 May 2008, the Company submitted the statement of claim to the Thai Arbitration Institute, demanding EXAT to compensate the Company for damages caused by the revision of toll rates for 2003, which was not in accordance with the Agreement. Subsequently, on 27 March 2009, the Company submitted a petition for amendment to the statement of claim in respect of the figures of the toll rates for 2003 based on the Ministry of Interior Notification dated 23 October 1998 in accordance with the decision of the Supreme Court under the Supreme Court Judgment No. 11102/2551, thereby changing the total damages claimed by the Company against EXAT, together with interest up to 31 March 2008, to the total amount of Baht 4,368 million.

On 12 February 2016, the Arbitral Tribunal, by the majority of votes, rendered its arbitral award requiring EXAT to compensate the Company for damages, together with interest, in the amount of Baht 4,368 million, including interest under Clause 25.6 of the Agreement on the principal of the damages in the amount of Baht 3,776.1 million, calculated on a daily basis from 1 April 2008 onwards until EXAT would make such payment in full and compensate the Company for damages as difference between the toll rates under the Ministry of Transport Notification dated 29 August 2003 and the valid toll rates under the Agreement, calculated on a daily basis based on the number of each type of cars using the urban and suburban networks of the Second Stage Expressway System from 1 April 2008 onwards, as well as default interest from 1 April 2008 onwards until EXAT would compensate the Company for such damages, together with interest.

On 14 March 2016, the Company issued a letter to EXAT requiring compliance with the arbitral award. EXAT then issued a letter to the Company notifying that the arbitral award was illegitimate, EXAT therefore could not comply with such arbitral award.

On 30 May 2016, EXAT submitted a petition to the Central Administrative Court requesting the Court to revoke the arbitral award.

At present, it is pending the Company's preparation for submission of its answer and preparation of a petition for enforcement of the arbitral award for submission to the Central Administrative Court.

#### 28.1.5 Revision of toll rates of Sector D of the Si Rat Expressway for the year 2003

The Company requested to revise the toll rates under the Agreement for the Extension of the Second Stage Expressway System (Sector D) which stipulates that the toll rates shall be revised every five year interval. In this regard, EXAT and the Company had different opinions in respect of the calculation of the tolls to be revised, and as such, EXAT issued the toll rate notification which did not increase the toll rates as proposed by the Company.

On 24 July 2008, the Company submitted the statement of claim to the Thai Arbitration Institute, demanding EXAT to compensate the Company for damages caused by the revision of toll rates for the year 2003, which was not in accordance with the Agreement, in the total amount of Baht 1,048.2 million.

The Company cited its witnesses to testify until completion. At present, it is in the process of the witness examination of EXAT.



28.1.6 Revision of toll rates of the Chalerm Mahanakorn Expressway and the Si Rat Expressway for the year 2008

The Company requested to revise the toll rates under the Second Stage Expressway Agreement which stipulates that the toll rates shall be revised every five year interval. In this regard, EXAT and the Company had different opinions in respect of the calculation of the tolls to be revised, and as such, EXAT issued the toll rate notification which did not increase the toll rates as proposed by the Company.

On 13 June 2013, the Company submitted the statement of claim to the Thai Arbitration Institute, demanding EXAT to compensate the Company for damages, together with interest calculated up to 31 May 2013, in the total amount of Baht 9,091.8 million, and interest shall be calculated on the principal of the damages in the amount of Baht 7,909.6 million calculated from 1 June 2013 onwards until EXAT would compensate the Company for such damages, together with interest in full; and also demanding EXAT to compensate for damages from 1 June 2013 onwards until EXAT would adjust and apply the toll rates in accordance with the rates as proposed by the Company under the Agreement, together with interest on the principal of such damages.

The Company cited a total of four witnesses to testify before the Arbitral Tribunal, and then stated that there was no witness to testify.

EXAT submitted a petition requesting postponement of the hearing dates for its witness examination to be held on 1, 5, 20 and 28 April 2016, as it is pending EXAT's proposing the matter to its Board for consideration on any justifiable doubt as to impartiality and independence of the Chairman of the Arbitral Tribunal and the Company's arbitrator. The Arbitral Tribunal had considered the matter and ordered granting permission to cancel all four hearing dates for witness examination. In this regard, the Chairman of the Arbitral Tribunal stated that he withdrew from serving as the Chairman of the Arbitral Tribunal in this dispute, as he was engaged in various businesses. At present, it is pending the Thai Arbitration Institute scheduling of a meeting for selection of candidates for appointment as a new Chairman of the Arbitral Tribunal.

28.1.7 Revision of toll rates of Sector D of the Si Rat Expressway for the year 2008

The Company requested to revise the toll rates under the Agreement for the Extension of the Second Stage Expressway System (Sector D) which stipulates that the toll rates shall be revised every five year interval. In this regard, EXAT and the Company had different opinions in respect of the calculation of the tolls to be revised, and as such, EXAT issued the toll rate notification which did not increase the toll rates as proposed by the Company.

On 28 June 2013, the Company submitted the statement of claim to the Thai Arbitration Institute, demanding EXAT to compensate the Company for damages, together with interest calculated up to 31 May 2013, in the total amount of Baht 4,062.8 million, and interest shall be calculated on the principal of the damages in the amount of Baht 3,557.8 million from 1 June 2013 onwards until EXAT would compensate the Company for the principal of such damages, together with interest in full; and also demanding EXAT to compensate for damages from 1 June 2013 onwards until EXAT would adjust and apply the toll rates in accordance with the rates as proposed by the Company under the Agreement, together with interest on the principal of such damages.

On 16 June 2014, the Company submitted a letter of appointment of its arbitrator. On 10 July 2015, EXAT submitted a letter of appointment of its arbitrator to the Thai Arbitration Institute.

On 20 January 2016, the Company submitted a petition requesting addition of the number of its arbitrators from three to five arbitrators..

On 20 June 2016, EXAT submitted a statement for objection to the Company's petition requesting addition of the number of its arbitrators.

At present, it is pending the Thai Arbitration Institute's process in nomination, selection and appointment of the Chairman of the Arbitral Tribunal.

28.1.8 Revision of toll rates of Udon Ratthaya Expressway for the year 2003

The subsidiary requested to revise the toll rates under the Bang Pa-in - Pak Kret Expressway Agreement which stipulates that the toll rates shall be revised every five year interval. In this regard, EXAT and the subsidiary had different opinions in respect of the calculation of the tolls to be revised, and as such, EXAT issued the toll rate notification which did not increase the toll rates as proposed by the subsidiary.

On 22 October 2013, the subsidiary submitted the statement of claim to the Thai Arbitration Institute, demanding EXAT to compensate the subsidiary for damages, together with interest, in the total amount of Baht 908.7 million, and interest shall be calculated on a daily basis on the principal of the damages in the amount of Baht 561.9 million from the day following the date of submission of the statement of claim until EXAT would compensate the subsidiary for the principal of such damages, together with interest in full.

On 23 June 2014, the subsidiary submitted a letter of appointment of its arbitrator. On 25 June 2015, EXAT submitted a letter of appointment of its arbitrator to the Thai Arbitration Institute.

On 20 January 2016, the subsidiary submitted a petition requesting addition of the number of its arbitrators from three to five arbitrators.

On 15 June 2016, EXAT submitted a statement for objection to the subsidiary's petition requesting addition of the number of its arbitrators.

At present, it is pending the Thai Arbitration Institute's process in nomination, selection and appointment of the Chairman of the Arbitral Tribunal.

## **28.2 Disputes submitted by EXAT claiming for damages**

### **28.2.1 Construction of the Udon Ratthaya Expressway, Phase 2**

On 29 January 2016, EXAT submitted a statement of claim to the Thai Arbitration Institute requiring the subsidiary to complete the construction of the Udon Ratthaya Expressway, Phase 2, in accordance with Clause 8.5 a. of the conditions of the Agreement, and compensate for the amount of Baht 1,587.7 million, together with interest on the principal under the Agreement in the amount of Baht 1,448.9 million, calculated on a daily basis from 30 January 2016 onwards until the payment would be made in full.

On 15 June 2016, the subsidiary submitted a statement of defense to the Thai Arbitration Institute, and EXAT submitted a petition for amendment to its statement of claim on 17 June 2016. In addition, the Thai Arbitration Institute issued a letter dated 30 June 2016 notifying the disputing parties to confirm the number of their respective arbitrators required for appointment in this dispute, by submitting a statement to the Thai Arbitration Institute within 15 days from the date of receipt of such letter.

At present, it is pending the subsidiary's preparation of an additional statement of defense for submission to the Thai Arbitration Institute by 20 July 2016, and a statement for confirmation of the number of its arbitrators required for appointment in this dispute for submission to the Thai Arbitration Institute by 22 July 2016.

#### 28.2.2 Other disputes

EXAT referred another three disputes to the Arbitral Tribunal requiring the Company and its subsidiary to be held liable for costs, in the total amount of Baht 3 million, which the Company and its subsidiary were of the view that such costs claimed by EXAT were not within their scope of responsibility under the Agreements. In this regard, the Arbitral Tribunal rendered its arbitral awards on two disputes, which were referred by EXAT to the Administrative Court for enforcement of the arbitral awards and revocation of the arbitral awards.

Since the disputes are pending consideration, the Company and the subsidiary therefore did not record such entries in the financial statements.

### 29. Fair value hierarchy

The Company and its subsidiaries use the market approach to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available.

#### Fair value hierarchy

In applying the above-mentioned valuation techniques, the Company and its subsidiaries endeavor to use relevant observable inputs as much as possible. TFRS 13 *Fair Value Measurement* establishes a fair value hierarchy categorising such inputs into three levels as follows:

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

(Unaudited but reviewed)

As of 30 June 2016, the Company and its subsidiaries had the following assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>				
Current investments				
Unit trusts	-	1,825,473	-	1,825,473
<b>Financial liabilities measured at fair value</b>				
Derivative				
Interest rate swap	-	97,474	-	97,474

(Unit: Thousand Baht)

	Separate financial statements			
	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>				
Current investments				
Unit trusts	-	1,816,804	-	1,816,804
<b>Financial liabilities measured at fair value</b>				
Derivative				
Interest rate swap	-	97,474	-	97,474

#### Valuation techniques and inputs to Level 2 valuations

The fair value of investments in unit trust has been determined from their net asset value as announced by Asset Management Company.

The fair value of derivatives has been determined by using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as interest rate yield curves.

### **30. Event after the reporting period**

- 30.1 On 29 July 2016, the Company entered into a loan agreement with Bangkok Metro Networks Company Limited (subsidiary), whereby it agreed to provide a loan facility of Baht 180 million to the subsidiary to be used to settle liabilities to financial institutions and as working capital. The loan carries interest at 3.5 percent per annum and principal is to be repaid within 10 years. The subsidiary has already drawn down Baht 160 million of the loan.

(Unaudited but reviewed)

30.2 On 6 August 2016, Mass Rapid Transit Authority of Thailand (MRTA) started operating of the MRT Purple Line Project, Bang Yai - Rat Burana, Bang Yai - Bang Sue Section (Klong Bang Pai station - Tao Poon station), whereby the Company is the grantee of the Concession for Supply of M&E Systems and O&M Services of this project.

### **31. Approval of interim financial statements**

These interim financial statements were authorised for issue by the Company's authorised directors on 10 August 2016.