

Bangkok Expressway and Metro Public Company Limited  
and its subsidiaries  
Report and consolidated interim financial statements  
For the three-month and nine-month periods ended  
30 September 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 September 2016, the related consolidated statements of income and comprehensive income for the three-month and nine-month periods ended 30 September 2016, the consolidated statements of changes in shareholders' equity and cash flows for the nine-month period ended 30 September 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 November 2016

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

**Statement of financial position**

**As at 30 September 2016**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2016	31 December 2015	30 September 2016	31 December 2015
		(Unaudited	(Audited)	(Unaudited	(Audited)
		but reviewed)		but reviewed)	
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	4	858,287	4,483,375	820,952	4,459,058
Current investments	5	3,255,857	497,357	3,245,946	479,974
Trade and other receivables	6	1,477,350	84,628	1,480,673	85,057
Current portion of receivable from sales of investment	3	749,902	564,015	749,902	564,015
Prepaid expenses		115,016	57,427	111,463	54,069
Other current assets		78,392	182,458	69,473	163,946
<b>Total current assets</b>		6,534,804	5,869,260	6,478,409	5,806,119
<b>Non-current assets</b>					
Receivable from sales of investment, net of current portion	3	-	756,834	-	756,834
Investments in associates	7	9,605,189	9,836,589	7,499,815	7,525,674
Investments in subsidiaries	8	-	-	303,586	303,586
Other long-term investment	9	1,156,050	913,087	1,156,050	913,087
Long-term loans to and interest receivable					
from related parties	3	-	-	6,432,496	6,854,496
Investment properties	10	120,357	120,357	120,357	120,357
Building and equipment	11	344,129	154,366	284,430	150,638
Construction in process		-	19,600,401	-	19,600,401
Rights to operate completed expressway sectors	12	42,308,557	20,327,463	35,475,996	13,069,901
Rights to use sites for expressway construction	13	1,092,837	1,320,194	1,092,837	1,320,194
Intangible asset under concession agreement of					
the MRTA Initial System Project - Chaloe					
Ratchamongkhon Line	14	17,057,363	16,987,640	16,723,660	16,654,148
Advance payment under expressway construction contract	3	-	398,250	-	398,250
Deferred project cost of rail	15	612,964	271,397	612,964	271,397
Deferred of project remuneration		1,441,908	942,249	1,441,908	942,249
Deferred tax assets		233,963	474,861	227,185	472,108
Other intangible assets	16	57,030	36,237	51,835	36,165
Other non-current assets		117,557	85,419	88,320	50,909
<b>Total non-current assets</b>		74,147,904	72,225,344	71,511,439	69,440,394
<b>Total assets</b>		80,682,708	78,094,604	77,989,848	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 September 2016**

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	30 September 2016	31 December 2015	30 September 2016	31 December 2015
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	17	14,394,501	22,410,000	14,394,501	22,400,000
Trade and other payables	18	1,479,252	2,579,554	1,389,279	2,538,959
Unearned fare box revenue		112,310	89,974	112,310	89,974
Deposits on stored value ticket		43,874	34,739	43,874	34,739
Current portion of long-term loans from financial institutions	19	1,000,000	118,500	1,000,000	75,000
Income tax payable		6,778	306,736	-	306,736
Current portion of provision for compensation for site acquisition cost	21	1,500,000	1,500,000	1,500,000	1,500,000
Other current liabilities					
Retention guarantees		63,111	161,069	59,174	158,402
Others		368,820	114,148	328,936	99,469
Total current liabilities		18,968,646	27,314,720	18,828,074	27,203,279
Non-current liabilities					
Long-term loans from financial institutions, net of current portion	19	14,166,481	17,329,067	14,166,481	17,215,881
Debentures	20	15,177,062	-	15,177,062	-
Provision for compensation for site acquisition cost, net of current portion	21	2,754,532	4,066,672	2,754,532	4,066,672
Unearned revenue from advertising management rights	22	-	-	14,674	15,611
Derivative financial liabilities		79,292	-	79,292	-
Provision for long-term employee benefits	23	266,246	237,842	256,982	230,181
Other non-current liabilities		18,158	16,269	3,238	1,429
Total non-current liabilities		32,461,771	21,649,850	32,452,261	21,529,774
Total liabilities		51,430,417	48,964,570	51,280,335	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 September 2016**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>30 September 2016</u>	<u>31 December 2015</u>	<u>30 September 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	7,434,284	7,254,261	4,870,519	4,611,032
Other components of shareholders' equity	(176,410)	(113,097)	(63,434)	-
Equity attributable to shareholders of the Company	29,160,302	29,043,592	26,709,513	26,513,460
Non-controlling interests of the subsidiaries	91,989	86,442	-	-
<b>Total shareholders' equity</b>	<b>29,252,291</b>	<b>29,130,034</b>	<b>26,709,513</b>	<b>26,513,460</b>
<b>Total liabilities and shareholders' equity</b>	<b>80,682,708</b>	<b>78,094,604</b>	<b>77,989,848</b>	<b>75,246,513</b>

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

Directors

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

**Statement of financial position**

**As at 30 September 2016**

(Unit: Thousand Baht)

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Current portion of receivable from sales of investment	3	749,902	564,015	749,902	564,015
Prepaid expenses		115,016	57,427	111,463	54,069
Other current assets		78,392	182,458	69,473	163,946
<b>Total current assets</b>		6,534,804	5,869,260	6,478,409	5,806,119
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Building and equipment	11	344,129	154,366	284,430	150,638
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Deferred tax assets		233,963	474,861	227,185	472,108
Other intangible assets	16	57,030	36,237	51,835	36,165
Other non-current assets		117,557	85,419	88,320	50,909
<b>Total non-current assets</b>		74,147,904	72,225,344	71,511,439	69,440,394
<b>Total assets</b>		80,682,708	78,094,604	77,989,848	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 September 2016**

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	30 September 2016	31 December 2015	30 September 2016	31 December 2015
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	17	14,394,501	22,410,000	14,394,501	22,400,000
Trade and other payables	18	1,479,252	2,579,554	1,389,279	2,538,959
Unearned fare box revenue		112,310	89,974	112,310	89,974
Deposits on stored value ticket		43,874	34,739	43,874	34,739
Current portion of long-term loans from financial institutions	19	1,000,000	118,500	1,000,000	75,000
Income tax payable		6,778	306,736	-	306,736
Current portion of provision for compensation for site acquisition cost	21	1,500,000	1,500,000	1,500,000	1,500,000
Other current liabilities					
Retention guarantees		63,111	161,069	59,174	158,402
Others		368,820	114,148	328,936	99,469
Total current liabilities		18,968,646	27,314,720	18,828,074	27,203,279
Non-current liabilities					
Long-term loans from financial institutions, net of current portion	19	14,166,481	17,329,067	14,166,481	17,215,881
Debentures	20	15,177,062	-	15,177,062	-
Provision for compensation for site acquisition cost, net of current portion	21	2,754,532	4,066,672	2,754,532	4,066,672
Unearned revenue from advertising management rights	22	-	-	14,674	15,611
Derivative financial liabilities		79,292	-	79,292	-
Provision for long-term employee benefits	23	266,246	237,842	256,982	230,181
Other non-current liabilities		18,158	16,269	3,238	1,429
Total non-current liabilities		32,461,771	21,649,850	32,452,261	21,529,774
Total liabilities		51,430,417	48,964,570	51,280,335	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 September 2016**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>30 September 2016</u>	<u>31 December 2015</u>	<u>30 September 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	7,434,284	7,254,261	4,870,519	4,611,032
Other components of shareholders' equity	(176,410)	(113,097)	(63,434)	-
Equity attributable to shareholders of the Company	29,160,302	29,043,592	26,709,513	26,513,460
Non-controlling interests of the subsidiaries	91,989	86,442	-	-
<b>Total shareholders' equity</b>	<b>29,252,291</b>	<b>29,130,034</b>	<b>26,709,513</b>	<b>26,513,460</b>
<b>Total liabilities and shareholders' equity</b>	<b>80,682,708</b>	<b>78,094,604</b>	<b>77,989,848</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

## Statement of changes in shareholders' equity

For the nine-month period ended 30 September 2016

(Unit: Thousand Baht)

Consolidated financial statements											
Equity attributable to the shareholders of the Company											
						Other components of shareholders' equity					
						Other comprehensive	Capital deficit		Total equity	Equity	
						income	from change in	Total other	attributable to	attributable to	
						Unrealised loss	shareholding	components of	shareholders	non-controlling	Total
Issued and	Premium on	Investment	Retained earnings (Deficit)				interest	shareholders'	of the Company	interests of	shareholders' equity
paid-up	ordinary shares	before amalgamation	Appropriated -	Unappropriated	from cash flow hedges	in subsidiary	equity			the subsidiaries	
share capital			statutory reserve								
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	-	-	-	-	2,593,212	-	-	-	2,593,212	43,965	2,637,177
Other comprehensive income for the period	-	-	-	-	5,119	(68,028)	-	(68,028)	(62,909)	-	(62,909)
Total comprehensive income for the period	-	-	-	-	2,598,331	(68,028)	-	(68,028)	2,530,303	43,965	2,574,268
Decrease in share capital to write-off the retained losses	(12,915,000)	-	-	-	12,915,000	-	-	-	-	-	-
Sales of investment before amalgamation (Note 24)	-	-	2,340,329	-	-	-	-	-	2,340,329	-	2,340,329
Dividend paid (Note 25)	-	-	-	-	(1,925,000)	-	-	-	(1,925,000)	-	(1,925,000)
Balance as at 30 September 2015	15,285,000	5,816,938	-	800,000	7,197,740	(102,471)	-	(102,471)	28,997,207	200,977	29,198,184
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	-	-	-	-	2,014,223	-	-	-	2,014,223	5,547	2,019,770
Other comprehensive income for the period	-	-	-	-	-	(63,313)	-	(63,313)	(63,313)	-	(63,313)
Total comprehensive income for the period	-	-	-	-	2,014,223	(63,313)	-	(63,313)	1,950,910	5,547	1,956,457
Dividend paid (Note 25)	-	-	-	-	(1,834,200)	-	-	-	(1,834,200)	-	(1,834,200)
Balance as at 30 September 2016	15,285,000	5,816,938	-	800,490	7,434,284	(144,261)	(32,149)	(176,410)	29,160,302	91,989	29,252,291

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 (continued)**

**For the nine-month period ended 30 September 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	-	-	-	2,093,687	-	2,093,687
Other comprehensive income for the period	-	-	-	-	(63,434)	(63,434)
Total comprehensive income for the period	-	-	-	2,093,687	(63,434)	2,030,253
Dividend paid (Note 25)	-	-	-	(1,834,200)	-	(1,834,200)
<b>Balance as at 30 September 2016</b>	15,285,000	5,816,938	800,490	4,870,519	(63,434)	26,709,513

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 nine-month period ended 30 September 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	2,456,123	3,336,528	2,497,768
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:			
Amortisation and depreciation	2,563,880	2,469,213	2,123,637
Recognise to revenue from unearned revenue from advertising management rights	-	-	(937)
Amortisation of prepaid expenses	143,030	135,755	131,486
Gain on investments	(24,192)	(1,286,992)	(38,425)
Loss (gain) on disposal/write-off of equipment and intangible asset under concession agreement of the MRTA Initial System Project - Chaloem Ratchamongkhon Line	3,937	(2,457)	3,853
Compensation for site acquisition cost	415,217	445,475	415,217
Provision for long-term employee benefits	26,431	27,665	24,828
Share of profit from investments in associates	(307,761)	(344,458)	-
Unrealised loss on exchange rate	117	5,826	117
Interest income	(50,351)	(42,296)	(193,659)
Dividend income	-	-	(498,954)
Interest expenses	805,011	992,212	799,629
Profit from operating activities before changes in operating assets and liabilities	6,031,442	5,736,471	5,264,560
Operating assets (increase) decrease			
Trade and other receivables	(1,376,432)	22,707	(1,371,197)
Prepaid expenses	(199,219)	(193,570)	(187,526)
Other current assets	96,504	(49,797)	97,438
Deferred of project remuneration	(499,659)	(470,761)	(499,659)
Other non-current assets	(25,538)	(15,455)	(25,538)
Operating liabilities increase (decrease)			
Trade and other payables	(1,936)	68,820	(52,229)
Unearned fare box revenue	22,336	(126)	22,336
Deposits on stored value ticket	9,135	(3,081)	9,135
Cash paid for compensation for site acquisition cost	(1,500,000)	(1,500,000)	(1,500,000)
Other current liabilities	155,543	75,592	129,067
Other non-current liabilities	(2,609)	7,560	(2,689)
Cash flows from operating activities	2,709,567	3,678,360	1,883,698
Cash received from interest income	8,754	4,007	8,742
Cash paid for income tax	(475,048)	(564,566)	(460,659)
<b>Net cash flows from operating activities</b>	<b>2,243,273</b>	<b>3,117,801</b>	<b>1,431,781</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 nine-month period ended 30 September 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>			
Increase in current investments	(2,740,951)	(1,689,437)	(2,748,659)
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	600,000	2,300,000	600,000
Increase in other long-term investment	(242,963)	(156,750)	(242,963)
Cash received from long-term loans to related parties	-	-	482,115
Cash paid for long-term loans to related parties	-	-	(160,000)
Cash received from interest income	15,915	5,275	243,822
Cash received from dividend income	498,954	528,855	498,954
Cash received from sales of equipment and intangible asset under concession agreement of the MRTA Initial System Project - Chaloem Ratchamongkhon Line	5,313	2,486	5,173
Purchase of equipment	(221,769)	(25,472)	(163,456)
Advance payment for purchase of equipment	(754)	-	-
Increase in intangible asset under concession agreement of the MRTA Initial System Project - Chaloem Ratchamongkhon Line	(385,996)	(27,671)	(374,442)
Cash paid for expressway construction	(5,184,523)	(5,917,784)	(5,183,668)
Interest expenses capitalised as cost of expressway projects	(301,990)	(272,023)	(301,990)
Cash paid for project cost of rail	(366,091)	(74,221)	(366,091)
Increase in intangible assets	(27,566)	(8,203)	(22,032)
<b>Net cash flows used in investing activities</b>	<b>(8,305,450)</b>	<b>(6,694,596)</b>	<b>(7,686,266)</b>
<b>Cash flows from financing activities</b>			
Cash received from overdraft and short-term loans from financial institutions	10,390,000	3,010,001	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	4,746,000	8,494,000
Repayment of long-term loans from financial institutions	(10,759,186)	(30,000)	(10,602,500)
Cash received from debentures	15,500,000	-	15,500,000
Cash paid for redemption of debentures	(300,000)	(3,000,000)	(300,000)
Cash paid for financial fee	(56,106)	(20,900)	(56,106)
Cash paid for interest expenses	(597,419)	(872,445)	(584,815)
Dividend paid	(1,834,200)	(1,925,000)	(1,834,200)
<b>Net cash flows from financing activities</b>	<b>2,437,089</b>	<b>1,907,656</b>	<b>2,616,379</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(3,625,088)</b>	<b>(1,669,139)</b>	<b>(3,638,106)</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>858,287</b>	<b>707,909</b>	<b>820,952</b>

**Supplemental cash flows information**

Non-cash items consist of:

Transfer advance payment for purchase equipment to equipment	1,247	-	-
Transfer advance payment to intangible asset under concession agreement of the MRTA Initial System Project - Chaloem Ratchamongkhon Line	123	-	-
Purchase of equipment under finance lease agreements	3,443	-	3,443

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 nine-month periods ended 30 September 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.

On 6 August 2016, Mass Rapid Transit Authority of Thailand (MRTA) started operation of the MRT Purple Line Project, Bang Yai - Rat Burana, Bang Yai - Bang Sue Section (Klong Bang Pai station - Tao Poon station) (“the MRT Chalong Ratchadham Line project”), whereby the Company is the grantee of the Concession for Supply of M&E Systems and O&M Services of this project. The Company delivered the operating civil infrastructure and M&E system equipment under the MRT Chalong Ratchadham Line phase I concession agreement to MRTA, and MRTA has in turn assigned the rights to provide O&M services to the Company in accordance with the Phase II agreement. The Company recorded M&E system receivable amounting to Baht 16,422 million and M&E system payable amounting to Baht 16,422 million, in accordance with the Phase I agreement, and presented the net balance in the financial statements because the Company had entered into an agreement to transfer the performance obligations and assign the rights to receive payments under the Phase I agreement with MTRA to a bank, as collateral for the related company.

On 22 August 2016, Expressway Authority of Thailand (EXAT) started operation of the Si Rat Expressway - Bangkok Outer Ring Road under a concession agreement in respect of the investment, design, construction, management, operation and maintenance of the Si Rat - Outer Ring Road Expressway Project. The Company is responsible for the capital investment and all operating expenses for the entire duration of the concession period, in exchange for the rights to toll revenue and any other related income throughout the concession period.

## **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 nine-month periods ended 30 September 2015 and consolidated statements of changes in shareholder's equity and cash flows for the nine-month period ended 30 September 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.

The relationship between the Company and its subsidiaries and the related parties which the Company and its subsidiaries have transactions with during the nine-month periods ended 30 September 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 September			Pricing policy
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	
<u>Transactions with major shareholders</u>				
Interest income	9	33	9	At the rate of 3.67% per annum
Expressway and civil works maintenance expenses	47	-	40	Contract price
Cost incurred from expressway construction contracts	720	2,160	720	Contract price
Cash receipt for the MRT Chalong Ratchadham Line project	32	22	32	Contract price
Office rental and service	2	2	-	Contract price
<u>Transactions with subsidiary companies</u>				
(eliminated from the consolidated financial statements)				
Commercial development revenue				
Bangkok Metro Networks Limited	-	-	72	Contract rate
Interest income on long-term loans				
Northern Bangkok Expressway Company Limited	-	-	41	At the rate of 3.06% - 3.48% per annum
Bangkok Metro Networks Limited	-	-	1	At the rate of 3.50% per annum
Total	-	-	42	
Management income				
Northern Bangkok Expressway Company Limited	-	-	30	Baht 10 million per month
<u>Transactions with associated companies</u>				
Dividend income				
TTW Public Company Limited	-	-	233	776.10 million shares of Baht 0.30 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	116	104	116	Concession agreement
Costs of commercial development				
Mass Rapid Transit Authority of Thailand	17	16	17	Concession agreement
Property tax				
Mass Rapid Transit Authority of Thailand	1	2	1	At the rates charged by Bangkok Metropolitan Administration



(Unaudited but reviewed)

(Unit: Million Baht)

	For the three-month periods ended 30 September			Pricing policy
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	
<u>Transaction with related companies (continued)</u>				
Financial arrangement fee				
Krungthai Bank Public Company Limited	<u>5</u>	<u>4</u>	<u>4</u>	Contract rate
Financial fee				
Krungthai Bank Public Company Limited	5	2	2	Contract rate
Bangkok Bank Public Company Limited	<u>1</u>	<u>1</u>	<u>1</u>	Contract rate
Total	<u>6</u>	<u>3</u>	<u>3</u>	
Interest expenses on short-term loans				
Krungthai Bank Public Company Limited	<u>51</u>	<u>27</u>	<u>51</u>	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	27	70	26	
Bangkok Bank Public Company Limited	<u>28</u>	<u>26</u>	<u>28</u>	
Total	<u>55</u>	<u>96</u>	<u>54</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>86</u>	<u>53</u>	<u>86</u>	71.25 million shares of Baht 1.21 each (2015: 71.25 million shares of Baht 0.74 each)

(Unaudited but reviewed)

(Unit: Million Baht)

	For the nine-month periods ended 30 September			Pricing policy
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	
<u>Transactions with major shareholders</u>				
Interest income	29	33	29	At the rate of 3.67% per annum
Expressway and civil works maintenance expenses	117	15	92	Contract price
Cost incurred from expressway construction contracts	3,983	6,480	3,983	Contract price
Cash receipt for the MRT Chalong Ratchadham Line project	86	62	86	Contract price
Office rental and service	5	5	-	Contract price
<u>Transactions with subsidiary companies</u>				
(eliminated from the consolidated financial statements)				
Commercial development revenue				
Bangkok Metro Networks Limited	-	-	205	Contract rate
Interest income on long-term loans				
Northern Bangkok Expressway Company Limited	-	-	135	At the rate of 3.06% - 3.48% per annum
Bangkok Metro Networks Limited	-	-	1	At the rate of 3.50% per annum
Total	-	-	136	
Management income				
Northern Bangkok Expressway Company Limited	-	-	90	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	-	-	467	780.79 million shares of Baht 0.30 each and 776.10 million shares of Baht 0.30 each
Total	-	-	499	
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	3	3	3	Contract price
Bangkok Bank Public Company Limited	3	3	3	Contract price
Total	6	6	6	
Costs of fare box (Inclusive of VAT)				
Mass Rapid Transit Authority of Thailand	320	298	320	Concession agreement
Costs of commercial development				
Mass Rapid Transit Authority of Thailand	50	49	50	Concession agreement
Property tax				
Mass Rapid Transit Authority of Thailand	3	26	3	At the rates charged by Bangkok Metropolitan Administration

(Unaudited but reviewed)

(Unit: Million Baht)

For the nine-month periods ended 30 September			
	Consolidated		Pricing policy
	financial statements	Separate financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>
Financial arrangement fee			
Krungthai Bank Public Company Limited	10	12	8
Financial fee			
Krungthai Bank Public Company Limited	91	24	88
Bangkok Bank Public Company Limited	2	1	2
Total	93	25	90
Interest expenses on short-term loans			
Krungthai Bank Public Company Limited	326	38	326
			At the rates of 2.85% and MOR per annum (2015: 3.55% and MOR per annum)
<u>Transactions with related companies</u>			
Interest expenses on long-term loans			
Krungthai Bank Public Company Limited	176	194	171
Bangkok Bank Public Company Limited	86	60	86
Total	262	254	257
			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	243	157	243
			71.25 million shares of Baht 3.41 each (2015: 71.25 million shares of Baht 2.20 each)

(Unaudited but reviewed)

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

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	30 September	31 December	30 September	31 December
	2016	2015	2016	2015
		(Audited)		(Audited)
<b><u>Cash and cash equivalents</u></b>				
Krungthai Bank Public Company Limited	97,352	268,029	68,411	247,258
Bangkok Bank Public Company Limited	32	32	32	32
Total	97,384	268,061	68,443	247,290
<b><u>Trade and other receivables (Note 6)</u></b>				
CH. Karnchang Public Company Limited	1,097,960	17,120	1,097,960	17,120
Northern Bangkok Expressway Company Limited	-	-	10,700	10,700
Bangkok Metro Networks Limited	-	-	74,186	52,172
Mass Rapid Transit Authority of Thailand	281,175	-	281,175	-
Total	1,379,135	17,120	1,464,021	79,992
<b><u>Receivable from sales of investment</u></b>				
CH. Karnchang Public Company Limited	769,741	1,369,741	769,741	1,369,741
Less: Deferred interest income	(19,839)	(48,892)	(19,839)	(48,892)
Total	749,902	1,320,849	749,902	1,320,849
Current portion	(749,902)	(564,015)	(749,902)	(564,015)
Long-term portion	-	756,834	-	756,834
<b><u>Prepaid expenses</u></b>				
Krungthai Bank Public Company Limited	8,086	5,312	7,656	3,007
<b><u>Advance payment under service contract</u></b>				
CH. Karnchang Public Company Limited	-	3,746	-	-
<b><u>Long-term loans to and interest receivable from related parties</u></b>				
Northern Bangkok Expressway Company Limited	-	-	6,274,496	6,854,496
Bangkok Metro Networks Limited	-	-	158,000	-
Total	-	-	6,432,496	6,854,496
<b><u>Advance payment under construction contract</u></b>				
CH. Karnchang Public Company Limited	-	398,250	-	398,250
<b><u>Short term loans from financial institution (only principal) (Note 17)</u></b>				
Krungthai Bank Public Company Limited	7,000,000	18,410,000	7,000,000	18,400,000

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2016	2015	2016	2015
		(Audited)		(Audited)
<b><u>Trade and other payables (Note 18)</u></b>				
CH. Karnchang Public Company Limited	725,522	1,958,150	724,877	1,957,506
Mass Rapid Transit Authority of Thailand	105,360	103,204	105,360	103,204
Finansa Securities Company Limited	-	20,350	-	20,350
Krungthai Bank Public Company Limited	978	4,059	978	4,059
Bangkok Bank Public Company Limited	268	571	268	571
Others	1,678	938	-	-
Total	833,806	2,087,272	831,483	2,085,690
<b><u>Long-term loans from financial institutions</u></b>				
<b><u>(only principal) (Note19)</u></b>				
Krungthai Bank Public Company Limited	3,065,129	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	6,010,984	10,119,174	6,010,984	9,962,488
<b><u>Retention guarantees</u></b>				
CH. Karnchang Public Company Limited	-	152,988	-	152,988
<b><u>Unearned revenue from advertising management rights</u></b>				
Bangkok Metro Networks Limited				
Current portion (Note 18, 22)	-	-	1,248	1,248
Long-term portion (Note 22)	-	-	14,674	15,611
Total	-	-	15,922	16,859

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

(Unit: Thousand Baht)

		Increase	Decrease	
	1 January 2016	during the period	during the period	30 September 2016
Northern Bangkok Expressway Company Limited				
Long-term loans	5,673,827	-	(480,115)	5,193,712
Interest receivable	1,180,669	135,185	(235,070)	1,080,784
Total	6,854,496	135,185	(715,185)	6,274,496
Bangkok Metro Networks Limited				
Long-term loans	-	160,000	(2,000)	158,000
Interest receivable	-	979	(979)	-
Total	-	160,979	(2,979)	158,000
Grand total	6,854,496	296,164	(718,164)	6,432,496

(Unaudited but reviewed)

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 September 2016
Krungthai Bank Public Company Limited	18,410,000	7,000,000	(18,410,000)	7,000,000

(Unit: Thousand Baht)

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

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

(Unit: Thousand Baht)

Consolidated financial statements				
		Increase	Decrease	
Long-term loans	1 January 2016	during the period	during the period	30 September 2016
Krungthai Bank Public Company Limited	7,173,319	215,826	(4,324,016)	3,065,129
Bangkok Bank Public Company Limited	2,945,855	-	-	2,945,855
Total	10,119,174	215,826	(4,324,016)	6,010,984

(Unit: Thousand Baht)

Separate financial statements				
		Increase	Decrease	
Long-term loans	1 January 2016	during the period	during the period	30 September 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

(Unaudited but reviewed)

### **Directors and management benefits**

During the three-month and nine-month periods ended 30 September 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 September		
	Consolidated financial statements		Separate financial statements
	2016	2015	2016
Short-term employee benefits	21,054	31,710	17,822
Post-employment benefits	2,052	1,413	1,936
Total	23,106	33,123	19,758

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September		
	Consolidated financial statements		Separate financial statements
	2016	2015	2016
Short-term employee benefits	84,906	132,187	72,732
Post-employment benefits	5,777	5,827	5,432
Total	90,683	138,014	78,164

## **4. Cash and cash equivalents**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015
		(Audited)		(Audited)
Cash	29,731	36,185	27,846	34,630
Bank deposits	828,556	4,047,190	793,106	4,024,428
Bills of exchange	-	400,000	-	400,000
Total	858,287	4,483,375	820,952	4,459,058

(Unaudited but reviewed)

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 released its rights to withdraw funds from the bank deposits.

## 5. Current investments

(Unit: Thousand Baht)

Consolidated financial statements				
30 September 2016		31 December 2015		
		(Audited)		
	Cost	Fair value	Cost	Fair value
Unit trusts	1,751,857	1,803,544	454,678	497,357
Bill of exchange	1,452,313	1,452,313	-	-
	<u>3,204,170</u>	<u>3,255,857</u>	<u>454,678</u>	<u>497,357</u>

(Unit: Thousand Baht)

Separate financial statements				
30 September 2016		31 December 2015		
		(Audited)		
	Cost	Fair value	Cost	Fair value
Unit trusts	1,741,947	1,793,633	437,295	479,974
Bill of exchange	1,452,313	1,452,313	-	-
	<u>3,194,260</u>	<u>3,245,946</u>	<u>437,295</u>	<u>479,974</u>



**6. Trade and other receivables**

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 September	31 December	30 September	31 December
	2016	2015	2016	2015
		(Audited)		(Audited)
<u>Trade receivables</u>				
Trade receivables				
- Related parties	304,715	17,120	378,901	69,292
- Unrelated parties	85,524	66,530	-	-
Less: Allowance for doubtful debts	(4,438)	(4,438)	-	-
Total trade receivables - net	385,801	79,212	378,901	69,292
<u>Other receivables</u>				
Other receivables				
- Related parties	1,056,420	-	1,067,120	10,700
- Unrelated parties	9,891	2,128	9,839	2,048
Advances	490	273	65	2
Accrued income				
- Related party	18,000	-	18,000	-
- Unrelated parties	6,748	3,015	6,748	3,015
Total other receivables	1,091,549	5,416	1,101,772	15,765
Trade and other receivables - net	1,477,350	84,628	1,480,673	85,057

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

(Unaudited but reviewed)

**7. Investments in associates**

(Unit: Million Baht)

## Consolidated financial statements

Company's name	Carrying amounts based on							
	Proportion of shareholding		Cost		equity method		Fair values	
	30 September	31 December	30 September	31 December	30 September	31 December	30 September	31 December
	2016	2015	2016	2015	2016	2015	2016	2015
	(%)	(%)		(Audited)		(Audited)		(Audited)
CK Power Public Company Limited	19.40	19.40	3,223	3,223	3,136	3,123	4,690 <sup>(1)</sup>	2,803 <sup>(1)</sup>
TTW Public Company Limited	19.45	19.57	6,976	7,018	6,469	6,714	8,382	8,198
			10,199	10,241	9,605	9,837	13,072	11,001

(Unit: Million Baht)

## Separate financial statements

Company's name	Proportion of shareholding		Cost		Fair values		Dividend received during	
							the three-month	the nine-month
	30 September	31 December	30 September	31 December	30 September	31 December	period ended	period ended
	2016	2015	2016	2015	2016	2015	30 September 2016	30 September 2016
	(%)	(%)		(Audited)		(Audited)		
CK Power Public Company Limited	19.40	19.40	3,223	3,223	4,690 <sup>(1)</sup>	2,803 <sup>(1)</sup>	-	32
TTW Public Company Limited	19.45	19.57	4,277	4,303	8,382	8,198	233	467
			7,500	7,526	13,072	11,001	233	499

<sup>(1)</sup> Excluding the fair value of warrants amounting to Baht 185 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 that subsidiary be unable to comply with its obligations under the Financing Documents or default on loan repayment.

In September 2016 the subsidiary signed a long-term loan agreement with a group of domestic lenders for repayment of the original loan and the above obligations have been cancelled.

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 September	31 December	30 September	31 December	30 September	31 December	30 September	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, 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 pledged all share certificates for its 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 has already released the pledge of these share certificates..

**9. Other long-term investment**

(Unit: Million Baht)

Consolidated and Separate financial statements								
Company's name	Registered capital		Paid-up capital		Proportion of shareholding		Cost	
	30 September	31 December	30 September	31 December	30 September	31 December	30 September	31 December
	2016	2015	2016	2015	2016	2015	2016	2015
					(%)	(%)		(Audited)
Xayaburi Power Company Limited	26,861	26,861	15,414	12,175	7.50	7.50	1,156	913
Total							1,156	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 34% of the unpaid portion of 71.3 million shares held by the Company (par value of Baht 10 each), or a total of Baht 243 million. The Company already paid for such share subscription.

Subsequently in October and November 2016, Xayaburi Power Company Limited additionally called up Baht 53 million, or 7% of 71.3 million shares (par value of Baht 10 each). The Company made a payment of Baht 27 million in October 2016, and the remaining Baht 26 million is to be paid in November 2016.

**10. Investment properties**

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

**11. Building and equipment**

Movements of the building and equipment account during the nine-month period ended 30 September 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	226,459	166,899
Disposals/write-off during the period - net book value at disposal/write-off date	(9,030)	(8,908)
Depreciation for the period	(27,666)	(24,199)
<b>Net book value as at 30 September 2016</b>	<b>344,129</b>	<b>284,430</b>

**12. Rights to operate completed expressway sectors**

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

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
<b>Net book value as at 1 January 2016</b>	20,327,463	13,069,901
Transfer from construction in process	24,185,274	24,185,274
Amortisation for the period	(2,204,180)	(1,779,179)
<b>Net book value as at 30 September 2016</b>	<u>42,308,557</u>	<u>35,475,996</u>

The Company has transferred its rights to operate expressway sectors to secure long-term loans.

During the period, the Company transferred construction in process of the Si Rat - Outer Ring Road Expressway Project amounting to Baht 24,185 million to the right to operate completed expressway sectors and started amortisation of this right from commencement of operations.

**13. Rights to use sites for expressway construction**

Movement of the rights to use sites for expressway construction during the nine-month period ended 30 September 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	(227,357)
<b>Net book value as at 30 September 2016</b>	<u>1,092,837</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 nine-month period ended 30 September 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	386,119	374,442
Disposals/write-off during the period - net book value at disposal/write off date	(219)	(118)
Amortisation for the period	(316,177)	(304,812)
<b>Net book value as at 30 September 2016</b>	<u>17,057,363</u>	<u>16,723,660</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 these long-term loans and is currently in process of redeeming the collateral.

The subsidiary pledged part of its telecommunication equipment with a lender to secure a long-term loan. In July 2016, the subsidiary repaid the long-term loans and in October 2016 completed the release of all of the collateral.

**15. Deferred project cost of rail**

Deferred project cost of rail is an expenditure related to the MRT Chalong Ratchadham Line project which is amortised over the concession period, beginning from commencement of operations, and forms part of costs of rail in the income statement.

**16. Intangible assets**

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

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
<b>Net book value as at 1 January 2016</b>	36,237	36,165
Acquisitions during the period - at cost	27,566	22,032
Amortisation for the period	(6,773)	(6,362)
<b>Net book value as at 30 September 2016</b>	<u>57,030</u>	<u>51,835</u>

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

		(Unit: Thousand Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
		30 September	31 December	30 September	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	7,000,000	18,410,000	7,000,000	18,400,000
- Unrelated parties	2.85 - 3.20	<u>7,400,000</u>	<u>4,000,000</u>	<u>7,400,000</u>	<u>4,000,000</u>
Total		14,400,000	22,410,000	14,400,000	22,400,000
Less: Deferred financial fee		<u>(5,499)</u>	-	<u>(5,499)</u>	-
Short-term loans from financial institutions - net		<u>14,394,501</u>	<u>22,410,000</u>	<u>14,394,501</u>	<u>22,400,000</u>

(Unaudited but reviewed)

## 18. Trade and other payables

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	30 September	31 December	30 September	31 December
	2016	2015	2016	2015
		(Audited)		(Audited)
Trade payables - related parties (Note 3)	832,752	2,062,292	830,429	2,060,710
Trade payables - unrelated parties	297,044	378,788	264,157	359,687
Accrued interest - related parties (Note 3)	1,054	4,630	1,054	4,630
Accrued interest - unrelated parties	212,294	1,127	212,294	1,067
Accrued expenses - related parties (Note 3)	-	20,350	-	20,350
Accrued expenses - unrelated parties	120,985	102,016	78,145	89,803
Unearned revenue from advertising management rights (Note 3)	-	-	1,248	1,248
Others	15,123	10,351	1,952	1,464
Total trade and other payables	<u>1,479,252</u>	<u>2,579,554</u>	<u>1,389,279</u>	<u>2,538,959</u>



(Unaudited but reviewed)

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

				(Unit: Thousand Baht)			
				Consolidated financial statements		Separate financial statements	
				30 September 2016	31 December 2015	30 September 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	-	156,686	-	-
Total				15,234,259	17,499,445	15,234,259	17,342,759
Less: Current portion for long-term loans				(1,000,000)	(118,500)	(1,000,000)	(75,000)
Less: Deferred financial fee				(67,778)	(51,878)	(67,778)	(51,878)
Long-term loans - net of current portion				14,166,481	17,329,067	14,166,481	17,215,881

(Unaudited but reviewed)

Detail of long-term loans are as follows:

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

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

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	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	(10,759,186)	(10,602,500)
<b>Balance as at 30 September 2016</b>	15,234,259	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 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 MRT Chaloem Ratchamongkhon, the maintenance of certain financial ratios.

In June 2016, the Company repaid all long-term loans, together with prepayment fees amounting to Baht 212 million, and this is presented under finance cost. The Company has now released the collateral, except for the M&E equipment of the project, a depot building and administration building which it is in the process of redeeming.

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.

In July 2016, the subsidiary made full repayment of the long-term loans, together with prepayment fees of Baht 3 million. The subsidiary released all of the collateral in October 2016.

## 20. Debentures

Debentures as at 30 September 2016 have the following details

					(Unit: Thousand Baht)	
					Consolidated and Separate	
					financial statements	
Type of					30 September	31 December
debenture	Term	Issuance date	Maturity date	Interest rate	2016	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	1,615,000	-
- 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	-
No. 2/2559	12 years	11 August 2016	24 June 2028	3.61	500,000	-
Total					15,200,000	-
Less: Deferred debenture issuing cost					(22,938)	-
Debentures - net					15,177,062	-

Movements in the debentures account during the nine-month period ended 30 September 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		15,500,000
Less: Early redemption of debentures during the period		(300,000)
Total		15,200,000
Less: Deferred debenture issuing cost		(22,938)
<b>Balance as at 30 September 2016</b>		15,177,062

All of the Company's debentures are registered debentures, unsubordinated, and unsecured, without a debenture holders' representative, that pay interest semi-annually. The debentures contain covenants relating to the maintenance of interest bearing debt to equity ratio.

In October 2016, the Company issued debenture No. 3/2016 amounting to Baht 8,000 million, consisting of registered, unsubordinated and unsecured debentures, without a debenture holders' representative. The terms of the debentures range from 4 years to 11 years and they bear interest at fixed rates of 2.62% to 3.95% per annum.

(Unaudited but reviewed)

## 21. Provision for compensation for site acquisition cost

Movement in provision for compensation for site acquisition cost account for the nine-month period ended 30 September 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	(1,500,000)
Interest cost	187,860
<b>Balance as at 30 September 2016</b>	4,254,532
Less: Current portion of provision	(1,500,000)
Provision for compensation for site acquisition cost - net of current portion	2,754,532

## 22. Unearned revenue from advertising management rights

Movement in unearned revenue from advertising management rights account for the nine-month period ended 30 September 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	(937)
<b>Balance as at 30 September 2016</b>	15,922
Less: Current portion (note 18)	(1,248)
Unearned revenue from advertising management rights - net of current portion	14,674

## 23. Provision for long-term employee benefits

Movements in provision for long-term employee benefits account, which is compensations on employees' retirement, for the nine-month period ended 30 September 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	30,210	28,607
Utilised	(1,806)	(1,806)
<b>Balance as at 30 September 2016</b>	266,246	256,982

**24. Investment before amalgamation**

In July 2015, Bangkok Expressway Public Company Limited sold and transferred all of Bangkok Metro Public Company Limited's ordinary shares to CK.Karnchang Public Company Limited for a total amount of Baht 3,670 million. Bangkok Expressway Public Company Limited recognised the profit from the sale of this investment of Baht 1,236 million in the consolidated income statement for three-month and nine-month periods ended 30 September 2015.

**25. Dividend**

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

Dividend	Approved by	Total dividend	Dividend per share	Paid on
		(Million Baht)	(Baht)	
Dividend for the year 2015	Annual General Meeting of the Share holders on 5 April 2016	1,070	0.07	29 April 2016
Dividend for the first half of the year 2016	Meeting of the Board of Directors on 31 August 2016	764	0.05	27 September 2016
Total dividend for the nine-month period ended 30 September 2016		<u>1,834</u>	<u>0.12</u>	

Dividend payment for the nine-month period ended 30 September 2015 in consolidated financial statements were dividends paid in respect of Bangkok Expressway Public Company Limited before the amalgamation, amounting to approximately Baht 1,925 million. This represents dividends per share, calculated based on the 770 million paid-up shares held by Bangkok Expressway Public Company Limited, of Baht 2.50 per share.

**26. 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.

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

(Unit: Thousand Baht)

	For the three-month periods ended 30 September		
	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	28,443	314,006	14,442
<b>Deferred tax:</b>			
Relating to origination and reversal of temporary differences	142,677	98,736	144,345
<b>Tax expenses reported in the income statement</b>	<u>171,120</u>	<u>412,742</u>	<u>158,787</u>

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September		
	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	179,597	535,331	143,300
<b>Deferred tax:</b>			
Relating to origination and reversal of temporary differences	256,756	164,020	260,781
<b>Tax expenses reported in the income statement</b>	<u>436,353</u>	<u>699,351</u>	<u>404,081</u>

**27. 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 September		
	Consolidated		Separate
	financial statements		financial statements
	<u>2016</u>	<u>2015</u>	<u>2016</u>
Profit for the period (Thousand Baht)	807,744	1,519,237	876,013
Weighted average number of			
ordinary shares (Thousand shares)	15,285,000	15,285,000	15,285,000
Basic earnings per share (Baht/share)	0.05	0.10	0.06

  

	For the nine-month periods ended 30 September		
	Consolidated		Separate
	financial statements		financial statements
	<u>2016</u>	<u>2015</u>	<u>2016</u>
Profit for the period (Thousand Baht)	2,014,233	2,593,212	2,093,687
Weighted average number of			
ordinary shares (Thousand shares)	15,285,000	15,285,000	15,285,000
Basic earnings share (Baht/share)	0.13	0.17	0.14

For comparative purposes, basic earnings per share in consolidated financial statements for the three-month and nine-month periods ended 30 September 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 nine-month periods ended 30 September 2016, which is the number of ordinary shares held by outside shareholders after amalgamation.



(Unaudited but reviewed)

## 28. 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 nine-month periods ended 30 September 2016 and 2015 are as follows:

(Unit: Million Baht)

	For the three-month periods ended 30 September													
	Expressway business segment		Rail business 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	2,369	2,223	916	601	147	131	-	-	3,432	2,955	-	-	3,432	2,955
Inter-segment revenues	-	-	-	-	72	62	30	30	102	92	(102)	(92)	-	-
Total revenues	<u>2,369</u>	<u>2,223</u>	<u>916</u>	<u>601</u>	<u>219</u>	<u>193</u>	<u>30</u>	<u>30</u>	<u>3,534</u>	<u>3,047</u>	<u>(102)</u>	<u>(92)</u>	<u>3,432</u>	<u>2,955</u>
Segment income	1,120	1,061	211	34	89	77	-	-	1,420	1,172	-	-	1,420	1,172
Unallocated income and expenses:														
Interest income													20	35
Gain from sales of investment before amalgamation													-	1,236
Other income													14	10
Share of profit from investments in associates													113	87
Selling expenses													(39)	(16)
Administrative expenses													(250)	(222)
Finance cost													(296)	(358)
Income tax expense													(171)	(413)
Non-controlling interests of the subsidiaries													(3)	(12)
<b>Profit for the period</b>													<b>808</b>	<b>1,519</b>

<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 nine-month periods ended 30 September													
	Expressway business segment		Rail business segment		Commercial developments 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	6,844	6,550	2,115	1,774	417	410	-	-	9,376	8,734	-	-	9,376	8,734
Inter-segment revenues	-	-	-	-	205	188	90	60	295	248	(295)	(248)	-	-
Total revenues	<u>6,844</u>	<u>6,550</u>	<u>2,115</u>	<u>1,774</u>	<u>622</u>	<u>598</u>	<u>90</u>	<u>60</u>	<u>9,671</u>	<u>8,982</u>	<u>(295)</u>	<u>(248)</u>	<u>9,376</u>	<u>8,734</u>
Segment income	3,290	3,147	345	132	247	225	-	-	3,882	3,504	-	-	3,882	3,504
Unallocated income and expenses:														
Interest income													51	43
Gain from sales of investment before amalgamation													-	1,236
Other income													41	61
Share of profit from investments in associates													308	344
Selling expenses													(71)	(52)
Administrative expenses													(694)	(692)
Finance cost													(1,061)	(1,108)
Income tax expense													(436)	(699)
Non-controlling interests of the subsidiaries													(6)	(44)
<b>Profit for the period</b>													<u>2,014</u>	<u>2,593</u>

<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.

## 29. Commitments and contingent liabilities

### 29.1 Capital commitments

The Company and its subsidiaries have capital commitments as follows:

	30 September 2016	31 December 2015
		(Audited)
- Management of Si Rat - Outer Ring Road Expressway project	-	Baht 3,660 million
- Performance improvement for farebox collection systems	Baht 21 million and US Dollar 3 million	Baht 24 million and US Dollar 4 million
- Acquisition of equipment	Baht 34 million	Baht 78 million
- Renovation of server room at administration building	-	Baht 3 million

### 29.2 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 Metro 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:

	30 September 2016				31 December 2015			
					(Audited)			
	<u>Baht</u>	<u>EUR</u>	<u>SGD</u>	<u>YEN</u>	<u>Baht</u>	<u>EUR</u>	<u>SGD</u>	<u>YEN</u>
Payable:								
In up to 1 year	743	2	1	379	676	4	1	158
In over 1 year and up to 5 years	4,882	12	5	1,518	4,692	13	5	1,518
In over 5 years	2,622	6	7	1,834	3,360	8	7	2,119

**29.3 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)	
	<u>30 September 2016</u>	<u>31 December 2015</u>
		(Audited)
Payable:		
In up to 1 year	320	95
In over 1 year and up to 4 years	234	68

**29.4 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)	
	<u>30 September 2016</u>	<u>31 December 2015</u>
		(Audited)
Payable:		
In up to 1 year	20	11
In over 1 year and up to 5 years	37	15

## 29.5 Guarantees

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

	(Unit: Million Baht)	
	30 September 2016	31 December 2015
		(Audited)
- Issued to the EXAT in accordance with the operation of the Si Rat - Outer Ring Road Expressway Project agreement	500	500
- Issued to the MRTA in accordance with the operation of the MRTA Initial System Project - Chaloem Ratchamongkhon Line agreement	150	150
- Issued to the MRTA in accordance with the Agreement for the MRT Chalong Ratchadham Line project agreement, using the credit line of a related company.	200	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 Chalong Ratchadham Line Project, Tao Poon to Bang Sue Section <sup>1)</sup>	-	31
- Issued to the Metropolitan Electricity Authority of rail business	67	67
- Other guarantees	12	12

<sup>1)</sup> During the current period, 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 Chalong Ratchadham Line Project, Tao Poon to Bang Sue Section which is included in MRT Chaloem Ratchamongkhon Extension Project.

## 29.6 Other commitments

	(Unit: Million Baht)	
	30 September 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	858	1,101
- Commitment in respect of undertaking to provide financial support to CK Power Public Company Limited (as detailed in Note 7)	-	154
- Commitment in respect of Expressway inspection, replacement and improvement agreements (paid within one year)	34	21

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

The Company and the subsidiary had a total of 11 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, The essence of each dispute was as follows:

#### **30.1 Disputes submitted by the Company and the subsidiary claiming for damages in 8 disputes, with the total amount until the date of submission of the disputes of approximately Baht 28,179.8 million**

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

The Company submitted a statement of claim requiring EXAT to compensate for the deficient revenue with interest in the amount of Baht 3,831.4 million, due to different opinions as to which date was the Priority Component Opening Date, which affected the commencement of the toll revenue sharing with the Company under the Agreement.

The Arbitral Tribunal rendered its arbitral award on the dispute requiring EXAT to pay the toll revenue sharing including interest under the Agreement as required by the Company. EXAT subsequently issued a letter refusing to comply with the arbitral award.

And, 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. The interest was calculated up to the date on which the Company submitted the petition to the Court, amounting to Baht 1,189.7 million, with the total 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.

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.

30.1.2 Competing road with the Udon Ratthaya Expressway

The subsidiary submitted a statement of claim requiring EXAT to compensate for the deficient revenue, based on the ground 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, thereby rendering such damages until the date of submission of the dispute (excluding interest) to Baht 1,790 million.

The Arbitral Tribunal rendered its arbitral award on the dispute requiring EXAT to compensate for the deficient revenue with interest under the Agreement as required by the subsidiary. EXAT then issued a letter to the subsidiary refusing to comply with such arbitral award. And, 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, 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.

On 31 May 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.

30.1.3 Issuance of variation orders by EXAT

The Company submitted a statement of claim requiring EXAT to compensate the Company for damages caused by EXAT's issuance of additional variation orders for certain construction work of the Si Rat Expressway in the total amount of Baht 209.1 million (excluding interest).

The Arbitral Tribunal unanimously rendered its arbitral award requiring EXAT to pay the construction costs and expenses as per the Notice of Variation in the total amount of Baht 382.5 million, including interest under the Agreement.

On 4 February 2014, EXAT issued a letter refusing to comply with the arbitral award. And, 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 and the Company's preparation of a petition for enforcement of the arbitral award for submission to the Central Administrative Court.

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

The Company submitted a statement of claim requiring EXAT to compensate the Company for damages caused by the revision of toll rates of the Chalerm Mahanakorn Expressway and the Si Rat Expressway for 2003, which was not in accordance with the Agreement, thereby causing the damages, including interest, in the total amount of Baht 4,368 million.

The Arbitral Tribunal, by the majority of votes, rendered its arbitral award requiring EXAT to compensate the Company for damages in the amount of Baht 4,368 million, including interest under the Agreement.

EXAT then issued a letter refusing to comply with such arbitral award. And, 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 of its answer to the petition, together with an explanation on objection to EXAT's explanation, and a petition for enforcement of the arbitral award for submission to the Central Administrative Court.

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

The Company submitted a statement of claim requiring EXAT to compensate the Company for damages caused by the revision of toll rates of Sector D of the Si Rat Expressway for the year 2003, which was not in accordance with the Agreement, in the total amount of Baht 1,048.2 million.

At present, it is pending the required arbitration proceedings of the Thai Arbitration Institute.



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

The Company submitted a statement of claim requiring EXAT to compensate the Company for damages caused by the revision of toll rates (of the Chalerm Mahanakorn Expressway and the Si Rat Expressway) for the year 2008, which was not in accordance with the Agreement, in the total amount of Baht 9,091.8 million, together with interest under the Agreement.

At present, it is pending the required arbitration proceedings of the Thai Arbitration Institute.

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

The Company submitted a statement of claim requiring EXAT to compensate the Company for damages caused by the revision of toll rates of Sector D of the Si Rat Expressway for the year 2008, which was not in accordance with the Agreement, together with interest calculated up to 31 May 2013, in the total amount of Baht 4,062.8 million, including interest under the Agreement.

At present, it is pending the required arbitration proceedings of the Thai Arbitration Institute.

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

The subsidiary submitted a statement of claim requiring EXAT to compensate the subsidiary for damages, together with interest, caused by the revision of toll rates of the Udon Ratthaya Expressway, which was not in accordance with the Agreement, in the amount of Baht 908.7 million, together with interest under the Agreement.

At present, it is pending the required arbitration proceedings of the Thai Arbitration Institute.

**30.2 Disputes submitted by EXAT claiming for damages in 3 disputes, with the total amount until the date of submission of the disputes of approximately Baht 1,589.2 million**

30.2.1 Construction of the Udon Ratthaya Expressway, Phase 2

EXAT submitted a statement of claim 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 under the Agreement.

At present, it is pending the required arbitration proceedings of the Thai Arbitration Institute.

**30.2.2 Cost of utilization of the Control Center Building (Bang Phun)**

EXAT submitted a statement of claim requiring the subsidiary to be responsible for the cost of utilization of the Control Center Building (Bang Phun) in the amount of Baht 1.1 million, which the subsidiary was of the view that such cost claimed by EXAT was not within its scope of responsibility under the Agreement.

At present, it is pending the required arbitration proceedings of the Thai Arbitration Institute.

**30.2.3 Cost of arrangements of the entrance - exit and resolution of complaints**

EXAT submitted a statement of claim requiring the Company to be responsible for the cost of arrangements of the entrance - exit claimed by complainants, and the cost of free flow drains, in the total amount of Baht 0.4 million, which the Arbitral Tribunal rendered its arbitral award ruling that EXAT had no right to claim for such costs.

On 7 May 2014, EXAT submitted a petition for revocation of the arbitral award.

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

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

**31. 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 September 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	-	3,255,857	-	3,255,857
<b>Financial liabilities measured at fair value</b>				
Derivative				
Interest rate swap	-	79,292	-	79,292

(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	-	3,245,946	-	3,245,946
<b>Financial liabilities measured at fair value</b>				
Derivative				
Interest rate swap	-	79,292	-	79,292

#### 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.

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

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