

Bangkok Expressway and Metro Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2016

Independent Auditor's Report

To the Shareholders of Bangkok Expressway and Metro Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Bangkok Expressway and Metro Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2016, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Bangkok Expressway and Metro Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bangkok Expressway and Metro Public Company Limited and its subsidiaries and of Bangkok Expressway and Metro Public Company Limited as at 31 December 2016, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are described below.

Revenue recognition from expressway and rail businesses

During 2016, the Group recognised revenue from the expressway and rail businesses totaling Baht 12,531 million. In addition, in the current year, the Company started the operation of the MRT Chalong Ratchadham Line Project and the Si Rat - Outer Ring Road Expressway. As the revenue from the expressway and rail businesses is significant, I therefore focused on the amount and timing of revenue recognition in the financial statements in accordance with the Group's accounting policy, as described in Note 4 to the financial statements.

I have read and gained an understanding of the concession agreements relevant to the revenue of the expressway and rail businesses, and assessed and tested the IT system and its internal controls with respect to the revenue cycle and revenue collection to determine whether they were in compliance with the Group's policy. In addition, I performed analytical procedures on revenue data by route and by time duration, to detect possible irregularities in revenue recognition throughout the period.

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

As at 31 December 2016, the Company's intangible asset under concession agreement of the MRTA Initial System Project - Chaloem Ratchamongkhon Line with finite useful lives amounted to Baht 16,635 million. The Company has amortised these intangible assets based on ridership ratio, which relies on the judgment and experience of the external expert who was appointed by management to estimate ridership throughout the concession agreement. In addition, the process of determining whether there is impairment of intangible assets requires management to exercise a high degree of judgment to identify the cash generating units, estimate the cash inflows that are expected to be generated from those groups of assets in the future, and set the discount rate and growth rate.

I have assessed the identified cash generating units and the financial models selected by management by gaining an understanding of the management's decision-making process. In addition, I tested the significant assumptions applied by management in preparing estimates of the cash flows expected to be realised from the assets, through a comparison of those assumptions with information from both internal and external sources, a review of cash flow projections in comparison to actual operating results, and assessment of the discount rate applied by management through analysis of the Company's average costs. I also gained an understanding of and assessed the assumptions and approaches used by the expert in forecasting ridership throughout the concession period, tested the calculation of the recoverable amounts of the assets using the selected financial model and considered the impact of changes in key assumptions on those recoverable values, including changes in the discount rate and revenue growth rates throughout the remainder of the concession period. Moreover, I reviewed the disclosure made with respect to the impairment assessment for intangible assets.

Disputes

As discussed in Note 40.2 to the financial statements, the Company and its subsidiary has 3 ongoing disputes with amounts in dispute totaling Baht 1,589 million, which relate to the concession agreement of the expressway business. As these disputes are not yet finalised, the management needs to exercise significant judgement and take into account related laws and regulations in assessing their outcomes. However, the actual outcomes of the disputes may differ from the assessments made by management.

I inquired with the Company's management and legal department regarding the procedures followed to collate and monitor disputes filed and pending as at the date of the financial statements, and reviewed legal consultation fees of the Group. I also inquired into the details and progress of disputes and the methods applied by management to assess the outcomes of the disputes, and assessed the judgment exercised by management in assessing the outcomes of the disputes by reading relevant conditions and provisions of agreements, together with the claims and objections submitted by the Company and counterparties to the Arbitral Tribunal for the purpose of providing background into the disputes. I sent confirmation letters to the external lawyers retained by the Group to obtain case details and status. I also assessed the credibility of the lawyers in accordance with relevant auditing standards. In addition, I reviewed the disclosure of information relating to disputes in the notes to the financial statements.

Recording and presentation of M&E system equipment related to the MRT Chalong Ratchadham Line under the concession agreement

As discussed in Note 1.1 (B.2) to the financial statements, on 6 August 2016, the Company received M&E system equipment from a related company, and delivered this equipment to the Mass Rapid Transit Authority of Thailand (“MRTA”) in accordance with Phase I of the concession agreement. On the same day MRTA delivered the operating civil infrastructure and M&E system equipment to the Company in order to start operation in accordance with Phase II of the agreement. Since this is a significant event during the current year, I have focused on the recording and presentation of transactions related to the M&E system equipment under Phase I of the agreement in the financial statements, and the disclosure made in the notes to financial statements.

I examined the accounting records and the presentation of transactions related to the M&E system equipment, and assessed the disclosure made in the notes to financial statements by reading and gaining an understanding of the agreements made with MRTA and the related party. I also inquired with the management to assess management’s understanding of the substance of the transactions and the conditions and undertakings per the agreements, and assessed the judgment that management exercised in recording these transactions. In addition, I applied a sampling method to verify the supporting documents for initial recognition, and recognition of revenue, expenses, cash receipts and cash payments related to such transactions and reviewed the related disclosure in the notes to financial statements.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor’s report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor’s report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Miss Waraporn Prapasirikul.

Waraporn Prapasirikul
Certified Public Accountant (Thailand) No. 4579

EY Office Limited
Bangkok: 22 February 2017

Bangkok Expressway and Metro Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2016

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
Assets					
Current assets					
Cash and cash equivalents	7	777,001,145	4,483,374,825	729,292,774	4,459,058,285
Current investments	8	5,941,349,949	497,356,702	5,932,097,666	479,973,938
Trade and other receivables	9	1,614,563,463	84,628,359	1,619,496,342	85,056,434
Current portion of receivable from sales of investment	6, 29	756,834,379	564,014,862	756,834,379	564,014,862
Current portion of long-term loans to related party	6	-	-	12,000,000	-
Other current assets		129,541,368	239,884,440	114,430,633	218,014,947
Total current assets		9,219,290,304	5,869,259,188	9,164,151,794	5,806,118,466
Non-current assets					
Receivable from sales of investment, net of current portion	6, 29	-	756,834,379	-	756,834,379
Long-term loans to and interest receivable from related parties	6	-	-	6,273,496,436	6,854,496,436
Investments in subsidiaries	10	-	-	303,585,600	303,585,600
Investments in associates	11	9,667,680,300	9,836,588,559	7,499,815,400	7,525,674,114
Other long-term investment	12	1,237,849,790	913,087,490	1,237,849,790	913,087,490
Investment properties	13	120,357,493	120,357,493	120,357,493	120,357,493
Building and equipment	14	340,732,838	154,365,572	283,862,387	150,637,870
Project costs under construction	15	-	19,600,400,995	-	19,600,400,995
Rights to operate completed expressway sectors	16	41,551,825,215	20,327,463,226	34,808,993,374	13,069,901,132
Rights to use sites for expressway construction	17	1,020,623,701	1,320,193,685	1,020,623,701	1,320,193,685
Intangible asset under concession agreement of the MRTA Initial System Project - Chaloem Ratchamongkhon Line	18	16,959,960,538	16,987,640,143	16,634,651,364	16,654,147,858
Advance payment under expressway construction contract	6	-	398,250,000	-	398,250,000
Project cost of the MRT Chalong Ratchadham Line	19	627,255,954	271,396,970	627,255,954	271,396,970
Deferred of project remuneration		1,614,607,949	942,249,276	1,614,607,949	942,249,276
Other Intangible assets	20	68,228,569	36,236,800	63,496,944	36,165,371
Deferred tax assets	34	201,887,940	474,860,502	198,541,907	472,107,377
Other non-current assets		155,262,494	85,418,857	120,793,415	50,907,716
Total non-current assets		73,566,272,781	72,225,343,947	70,807,931,714	69,440,393,762
Total assets		82,785,563,085	78,094,603,135	79,972,083,508	75,246,512,228

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 31 December 2016

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	21	4,715,775,247	22,410,000,000	4,715,775,247	22,400,000,000
Trade and other payables	22	819,413,535	2,579,553,648	749,456,028	2,538,958,973
Current portion of long-term loans from financial institutions	23	2,066,750,000	118,500,000	2,066,750,000	75,000,000
Unearned fare box revenue		111,971,378	89,973,896	111,971,378	89,973,896
Deposits on stored value ticket		43,313,997	34,738,933	43,313,997	34,738,933
Income tax payable		31,444,025	306,735,926	13,598,158	306,735,926
Current portion of provision for compensation					
for site acquisition cost	25	1,500,000,000	1,500,000,000	1,500,000,000	1,500,000,000
Other current liabilities					
Retention guarantees		70,983,137	161,068,581	66,356,635	158,402,109
Others		198,105,957	114,148,191	177,267,676	99,468,810
Total current liabilities		9,557,757,276	27,314,719,175	9,444,489,119	27,203,278,647
Non-current liabilities					
Long-term loans from financial institutions, net of current portion	23	16,952,402,523	17,329,066,575	16,952,402,523	17,215,880,794
Debentures	24	23,167,912,861	-	23,167,912,861	-
Derivative financial liabilities		18,608,408	-	18,608,408	-
Provision for compensation for site acquisition cost,					
net of current portion	25	2,817,151,698	4,066,671,698	2,817,151,698	4,066,671,698
Unearned revenue from advertising management rights	6, 26	-	-	14,362,122	15,610,482
Provision for long-term employee benefits	27	471,043,876	237,842,102	461,245,260	230,180,611
Other non-current liabilities		17,982,160	16,269,432	2,756,127	1,429,421
Total non-current liabilities		43,445,101,526	21,649,849,807	43,434,438,999	21,529,773,006
Total liabilities		53,002,858,802	48,964,568,982	52,878,928,118	48,733,051,653

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 31 December 2016

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
Shareholders' equity					
Share capital					
Registered					
15,285,000,000 ordinary shares of Baht 1 each		15,285,000,000	15,285,000,000	15,285,000,000	15,285,000,000
Issued and paid-up					
15,285,000,000 ordinary shares of Baht 1 each	28	15,285,000,000	15,285,000,000	15,285,000,000	15,285,000,000
Premium on ordinary shares		5,816,938,084	5,816,938,084	5,816,938,084	5,816,938,084
Retained earnings					
Appropriated - statutory reserve	30	928,690,000	800,490,000	928,690,000	800,490,000
Unappropriated		7,763,596,451	7,254,261,049	5,077,414,032	4,611,032,491
Other components of shareholders' equity		(104,972,966)	(113,097,160)	(14,886,726)	-
Equity attributable to shareholders of the Company		29,689,251,569	29,043,591,973	27,093,155,390	26,513,460,575
Non-controlling interests of the subsidiaries		93,452,714	86,442,180	-	-
Total shareholders' equity		29,782,704,283	29,130,034,153	27,093,155,390	26,513,460,575
Total liabilities and shareholders' equity		82,785,563,085	78,094,603,135	79,972,083,508	75,246,512,228

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

Directors

Bangkok Expressway and Metro Public Company Limited and its subsidiaries

Income statement

For the year ended 31 December 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		For the year ended 31 December 2016	For the year ended 31 December 2015	For the year ended 31 December 2016	For the period as from 30 December 2015 to 31 December 2015
Revenues					
Revenue from expressway business		9,300,724,132	8,814,588,007	7,977,852,606	33,722,296
Revenue from rail business		3,230,064,080	2,373,562,621	3,230,080,880	9,289,325
Revenue from commercial development business		573,349,010	549,431,372	359,433,237	1,888,328
Other income					
Interest income		68,199,690	57,843,948	246,333,581	1,574,453
Dividend Income		-	-	498,953,704	-
Gain from sales of investment before amalgamation		-	1,235,526,377	-	-
Gain from sales of investment		31,090,443	62,222,728	45,235,624	94,782
Others		29,967,268	11,636,374	137,747,730	708,582
Total revenues		13,233,394,623	13,104,811,427	12,495,637,362	47,277,766
Expenses					
Cost of expressway business		1,345,932,621	1,239,604,475	1,096,699,281	3,142,785
Cost of rail business		1,959,861,340	1,444,542,770	1,959,861,340	6,916,308
Cost of commercial development business		199,943,914	210,151,434	114,773,566	574,190
Amortisation of rights to operate completed expressway sectors and compensation for site acquisition cost	16, 17, 25	3,470,883,807	3,422,566,022	2,956,153,554	11,342,032
Amortisation on intangible asset under concession agreement of the MRTA Initial System Project - Chaloem Ratchamongkhon Line and remuneration fee to the grantor	18, 19	851,636,080	777,584,371	823,939,384	3,404,574
Selling expenses		92,540,321	79,252,582	59,370,640	20,179
Administrative expenses		1,038,036,681	1,035,883,873	975,452,881	6,197,896
Total expenses		8,958,834,764	8,209,585,527	7,986,250,646	31,597,964
Profit before share of profit from investments in associates, finance cost and income tax expenses		4,274,559,859	4,895,225,900	4,509,386,716	15,679,802
Share of profit from investments in associates	11.2	347,349,465	461,212,789	-	-
Profit before finance cost and income tax expenses		4,621,909,324	5,356,438,689	4,509,386,716	15,679,802
Finance cost		(1,446,116,624)	(1,934,186,129)	(1,434,581,980)	(3,583,095)
Profit before income tax expenses		3,175,792,700	3,422,252,560	3,074,804,736	12,096,707
Income tax expenses	34	(562,927,698)	(721,234,596)	(511,890,549)	(2,417,217)
Profit for the period		2,612,865,002	2,701,017,964	2,562,914,187	9,679,490
Profit attributable to:					
Equity holders of the Company		2,605,854,468	2,649,736,343	2,562,914,187	9,679,490
Non-controlling interests of the subsidiaries		7,010,534	51,281,621	-	-
		2,612,865,002	2,701,017,964		
Basic earnings per share					
Profit attributable to equity holders of the Company	35	0.170	0.173	0.168	0.001

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

Bangkok Expressway and Metro Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		For the year ended 31 December 2016	For the year ended 31 December 2015	For the year ended 31 December 2016	For the period as from 30 December 2015 to 31 December 2015
Profit for the period		<u>2,612,865,002</u>	<u>2,701,017,964</u>	<u>2,562,914,187</u>	<u>9,679,490</u>
Other comprehensive income					
<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		(14,886,726)	-	(14,886,726)	-
Unrealised gain (loss) from cash flow hedges of associate, net of income tax	11.2	19,198,381	(46,505,941)	-	-
Unrealised gain from revaluation of available for sale investment	11.2	<u>3,812,539</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods, net of income tax		<u>8,124,194</u>	<u>(46,505,941)</u>	<u>(14,886,726)</u>	<u>-</u>
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gain (loss) of the Company, net of income tax	27, 34	(134,132,646)	5,606,050	(134,132,646)	-
Actuarial gain (loss) of associates	11.2	<u>13,580</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other comprehensive income not to be reclassified to profit or loss in subsequent periods, net of income tax		<u>(134,119,066)</u>	<u>5,606,050</u>	<u>(134,132,646)</u>	<u>-</u>
Other comprehensive income for the period		<u>(125,994,872)</u>	<u>(40,899,891)</u>	<u>(149,019,372)</u>	<u>-</u>
Total comprehensive income for the period		<u>2,486,870,130</u>	<u>2,660,118,073</u>	<u>2,413,894,815</u>	<u>9,679,490</u>
Total comprehensive income attributable to:					
Equity holders of the Company		2,479,859,596	2,608,836,452	<u>2,413,894,815</u>	<u>9,679,490</u>
Non-controlling interests of the subsidiaries		<u>7,010,534</u>	<u>51,281,621</u>		
		<u>2,486,870,130</u>	<u>2,660,118,073</u>		

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

Bangkok Expressway and Metro Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2016

(Unit: Baht)

Consolidated financial statements												
Equity attributable to the shareholders of the Company												
	Retained earnings (Deficit)					Other components of shareholders' equity				Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
	Issued and paid-up share capital	Premium on ordinary shares	Investment before amalgamation	Appropriated - statutory reserve	Unappropriated	Unrealised Gain (loss) from cash flow hedges	Surplus on change in value of investment in available-for-sale	Capital deficit from change in shareholding in subsidiary	Total other components of shareholders' equity			
Balance as at 1 January 2015	28,200,000,000	5,816,938,084	(2,340,328,827)	800,000,000	(6,390,591,344)	(34,442,517)	-	-	(34,442,517)	26,051,575,396	157,011,857	26,208,587,253
Profit for the year	-	-	-	-	2,649,736,343	-	-	-	-	2,649,736,343	51,281,621	2,701,017,964
Other comprehensive income for the year	-	-	-	-	5,606,050	(46,505,941)	-	-	(46,505,941)	(40,899,891)	-	(40,899,891)
Total comprehensive income for the year	-	-	-	-	2,655,342,393	(46,505,941)	-	-	(46,505,941)	2,608,836,452	51,281,621	2,660,118,073
Decrease in share capital to write-off the retained losses (Note 28)	(12,915,000,000)	-	-	-	12,915,000,000	-	-	-	-	-	-	-
Sales of investment before amalgamation (Note 29)	-	-	2,340,328,827	-	-	-	-	-	-	2,340,328,827	-	2,340,328,827
Capital deficit from change in shareholding in subsidiary	-	-	-	-	-	-	-	(32,148,702)	(32,148,702)	(32,148,702)	-	(32,148,702)
Decrease in equity attributable to non-controlling interest of subsidiary from change in shareholding in subsidiary	-	-	-	-	-	-	-	-	-	-	(121,851,298)	(121,851,298)
Transferred to statutory reserve (Note 30)	-	-	-	490,000	(490,000)	-	-	-	-	-	-	-
Dividend paid (Note 36)	-	-	-	-	(1,925,000,000)	-	-	-	-	(1,925,000,000)	-	(1,925,000,000)
Balance as at 31 December 2015	15,285,000,000	5,816,938,084	-	800,490,000	7,254,261,049	(80,948,458)	-	(32,148,702)	(113,097,160)	29,043,591,973	86,442,180	29,130,034,153
Balance as at 1 January 2016	15,285,000,000	5,816,938,084	-	800,490,000	7,254,261,049	(80,948,458)	-	(32,148,702)	(113,097,160)	29,043,591,973	86,442,180	29,130,034,153
Profit for the year	-	-	-	-	2,605,854,468	-	-	-	-	2,605,854,468	7,010,534	2,612,865,002
Other comprehensive income for the year	-	-	-	-	(134,119,066)	4,311,655	3,812,539	-	8,124,194	(125,994,872)	-	(125,994,872)
Total comprehensive income for the year	-	-	-	-	2,471,735,402	4,311,655	3,812,539	-	8,124,194	2,479,859,596	7,010,534	2,486,870,130
Transferred to statutory reserve (Note 30)	-	-	-	128,200,000	(128,200,000)	-	-	-	-	-	-	-
Dividend paid (Note 36)	-	-	-	-	(1,834,200,000)	-	-	-	-	(1,834,200,000)	-	(1,834,200,000)
Balance as at 31 December 2016	15,285,000,000	5,816,938,084	-	928,690,000	7,763,596,451	(76,636,803)	3,812,539	(32,148,702)	(104,972,966)	29,689,251,569	93,452,714	29,782,704,283

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

Bangkok Expressway and Metro Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2016

(Unit: Baht)

	Separate financial statements					
	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Other components of shareholders' equity	Total shareholders' equity
			Appropriated - statutory reserve	Unappropriated	Other comprehensive income	
					Unrealised loss from cash flow hedges	
Balance as at 30 December 2015 (Amalgamation date)	15,285,000,000	5,816,938,084	800,000,000	4,601,843,001	-	26,503,781,085
Profit for the period	-	-	-	9,679,490	-	9,679,490
Total comprehensive income for the period	-	-	-	9,679,490	-	9,679,490
Transferred to statutory reserve (Note 30)	-	-	490,000	(490,000)	-	-
Balance as at 31 December 2015	<u>15,285,000,000</u>	<u>5,816,938,084</u>	<u>800,490,000</u>	<u>4,611,032,491</u>	<u>-</u>	<u>26,513,460,575</u>
Balance as at 1 January 2016	15,285,000,000	5,816,938,084	800,490,000	4,611,032,491	-	26,513,460,575
Profit for the period	-	-	-	2,562,914,187	-	2,562,914,187
Other comprehensive income for the period	-	-	-	(134,132,646)	(14,886,726)	(149,019,372)
Total comprehensive income for the period	-	-	-	2,428,781,541	(14,886,726)	2,413,894,815
Transferred to statutory reserve (Note 30)	-	-	128,200,000	(128,200,000)	-	-
Dividend paid (Note 36)	-	-	-	(1,834,200,000)	-	(1,834,200,000)
Balance as at 31 December 2016	<u>15,285,000,000</u>	<u>5,816,938,084</u>	<u>928,690,000</u>	<u>5,077,414,032</u>	<u>(14,886,726)</u>	<u>27,093,155,390</u>

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

Bangkok Expressway and Metro Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2016

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December 2016	For the year ended 31 December 2015	For the year ended 31 December 2016	For the period as from 31 December 2015 to 31 December 2016
Cash flows from operating activities				
Profit before tax	3,175,792,700	3,422,252,560	3,074,804,736	12,096,707
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Amortisation and depreciation	3,422,513,416	3,270,656,984	2,872,420,659	10,803,177
Recognise to revenue from unearned revenue from advertising management rights	-	-	(1,248,360)	(6,712)
Allowance for doubtful debt	471,546	-	-	-
Amortisation of financial fees	17,883,479	39,449,343	17,883,479	-
Gain from sales of investment before amalgamation	-	(1,235,526,377)	-	-
Gain on investments	(31,090,443)	(62,222,728)	(45,235,624)	(94,782)
Loss (gain) on disposal/write off of equipment and intangible asset under concession agreement of the MRTA Initial System Project -				
Chaloem Ratchamongkhon Line	1,197,724	(3,481,422)	1,282,797	-
Compensation for site acquisition cost	550,049,984	595,973,617	550,049,984	2,715,838
Provision for long-term employee benefits	63,285,807	36,803,472	61,148,682	156,411
Share of profit from investments in associates	(347,349,465)	(461,212,789)	-	-
Unrealised loss (gain) on exchange rate	509,200	552,419	509,200	(67,989)
Dividend income	-	-	(498,953,704)	-
Interest income	(67,646,250)	(57,085,937)	(245,903,758)	(1,574,454)
Interest expenses	1,173,937,460	1,330,203,885	1,167,084,082	3,387,489
Profit from operating activities before changes in operating assets and liabilities	7,959,555,158	6,876,363,027	6,953,842,173	27,415,685
Operating assets (increase) decrease				
Trade and other receivables	(1,530,393,882)	21,466,299	(1,534,439,908)	23,063,969
Other current assets	100,361,854	(41,775,407)	97,193,942	15,256,485
Deferred of project remuneration	(672,358,673)	(633,417,011)	(672,358,673)	(4,164,667)
Other non-current assets	(59,034,205)	(27,667,427)	(55,823,728)	(286,260)
Operating liabilities increase (decrease)				
Trade payables and other payables	35,153,974	133,650,482	4,875,937	12,575,699
Unearned fare box revenue	21,997,482	3,038,660	21,997,482	195,509
Deposits on stored value ticket	8,575,064	(735,750)	8,575,064	31,500
Other current liabilities	(14,279,907)	(75,632,327)	(16,791,607)	504,835
Other non-current liabilities	(2,731,699)	(12,808,430)	(3,117,720)	(660,958)
Cash paid for compensation for site acquisition cost	(1,500,000,000)	(1,500,000,000)	(1,500,000,000)	-
Net cash flows from operating activities	4,346,845,166	4,742,482,116	3,303,952,962	73,931,797
Cash received from interest income	14,076,604	4,537,910	14,052,160	368,251
Cash paid for income tax	(515,595,620)	(585,484,131)	(494,208,005)	(3,683)
Net cash flows from operating activities	3,845,326,150	4,161,535,895	2,823,797,117	74,296,365

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

Bangkok Expressway and Metro Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2016

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	For the year ended	For the year ended	For the year ended	For the period as from
	31 December 2016	31 December 2015	31 December 2016	31 December 2015 to 31 December 2016
Cash flows from investing activities				
Decrease (increase) in current investments	(5,419,545,593)	1,901,788,886	(5,428,000,700)	-
Increase of investments in subsidiary	-	(154,000,000)	-	-
Cash paid for purchases of investments in associates	-	(1,402,165,044)	-	-
Cash received from sales of investments in associates	46,971,310	42,514,120	46,971,310	-
Cash received from sales of investment before amalgamation	600,000,000	2,300,000,000	600,000,000	-
Increase in other long-term investments	(324,762,300)	(213,750,000)	(324,762,300)	-
Cash received from long-term loans to related parties	-	-	612,586,000	-
Cash paid for long-term loans to related party	-	-	(170,000,000)	-
Cash received from sales of equipment and intangible asset under concession agreement of the MRTA Initial System Project -				
Chaloem Ratchamongkhon Line	8,074,075	3,514,566	7,764,986	-
Purchase of equipment	(233,560,594)	(39,352,287)	(173,420,119)	(4,280,897)
Cash received from interest income	12,907,263	9,339,041	317,603,648	1,136,911
Cash received from dividend income	498,953,704	528,855,465	498,953,704	-
Cash paid for the MRT Chalong Ratchadham Line	(362,076,317)	(134,104,815)	(362,076,317)	(3,135,190)
Increase in intangible asset under concession agreement of the MRTA Initial System Project - Chaloem Ratchamongkhon Line	(412,493,534)	(141,867,979)	(393,001,035)	-
Cash paid for expressway construction	(5,732,648,468)	(7,038,885,967)	(5,731,793,324)	-
Interest expenses capitalised as cost of expressway projects	(301,989,908)	(385,316,949)	(301,989,908)	(2,614,171)
Increase in intangible assets	(43,075,180)	(8,680,720)	(37,541,180)	-
Net cash flows used in investing activities	(11,663,245,542)	(4,732,111,683)	(10,838,705,235)	(8,893,347)
Cash flows from financing activities				
Cash received for in short-term loans from financial institutions	10,400,000,000	20,410,000,000	10,400,000,000	-
Cash paid for short-term loans from financial institutions	(28,090,000,000)	-	(28,080,000,000)	-
Cash received from long-term loans from financial institutions	12,344,000,000	5,356,000,000	12,344,000,000	-
Repayment of long-term loans from financial institutions	(10,759,185,781)	(40,500,000)	(10,602,500,000)	-
Cash received from debentures	23,500,000,000	-	23,500,000,000	-
Cash paid for redemption of debentures	(300,000,000)	(19,400,000,000)	(300,000,000)	-
Cash paid for financial fees	(67,423,644)	(21,495,301)	(67,423,644)	-
Interest paid	-1,081,644,863	-1,702,101,798	-1,074,733,749	-1,139
Dividend paid	(1,834,200,000)	(1,925,000,000)	(1,834,200,000)	-
Net cash flows from (used in) financing activities	4,111,545,712	2,676,902,901	4,285,142,607	(1,139)
Net increase (decrease) in cash and cash equivalents	(3,706,373,680)	2,106,327,113	(3,729,765,511)	65,401,879
Cash and cash equivalents at beginning of period	4,483,374,825	2,377,047,712	4,459,058,285	4,393,656,406
Cash and cash equivalents at end of period	777,001,145	4,483,374,825	729,292,774	4,459,058,285

Supplemental cash flows information

Non-cash items consist of:

Transfer of project costs under construction to completed expressway	19,600,400,995	7,065,481	19,600,400,995	-
Receivable from sales of other long-term investment	-	1,320,849,241	-	1,320,849,241
Payable from expressway construction	1,886,114,853	603,437,005	1,884,706,415	-
Purchase of equipment under financial lease	3,255,708	-	3,255,708	-

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

Bangkok Expressway and Metro Public Company Limited and its subsidiaries
Notes to consolidated financial statements
For the year ended 31 December 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 Company’s major shareholder is the CH. Karnchang Public Company Limited, which was incorporated in Thailand and its registered address is 587 Sutthisarn 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. Details are as follows:

A. Construction and management of expressways

The Company has been granted concessions by the Expressway Authority of Thailand (EXAT) for the construction and management of expressways, as follows:

A.1 The Si Rat Expressway (the Second Stage Expressway System) under the Second Stage Expressway agreement (Sector A, Sector B and Sector C) and the Extension of the Second Stage Expressway agreement (Sector D).

The Company, as a concessionaire, invested in the design, construction and management of expressways. These consists of 4 sectors: Sector A (Rama IX-Ratchadapisek), Sector B (Phayathai-Bangkhlo), Sector C (Ratchadapisek-Chaeng Watthana) and Sector D (Rama IX-Srinagarindra). The concession periods are 30 years commencing on 1 March 1990 for Sectors A, B and C, and on 17 April 1997 for Sector D. The EXAT has the right to collect all toll revenues and is to compensate the Company in the form of toll revenue sharing at the rates specified in the concession agreement, throughout the concession period. The Company has the right to extend the concession for two further periods of 10 years each, depending upon terms and conditions that are to be agreed between the parties.

- A.2 The Si Rat - Outer Ring Road Expressway Project, under a concession agreement in respect of the investment, design, construction, management, operation and maintenance.

The Company, as concessionaire, invested in the design, construction, management, operation and maintenance the Si Rat - Outer Ring Road Expressway Project, and is also responsible for expressway operation expenses throughout the concession period, which is for 30 years commencing on 14 December 2012. The Company has the right to collect all toll revenue and rights to all other related income, and is to compensate EXAT in the form of toll revenue sharing at the rates specified in the concession agreement, throughout the concession period.

The Si Rat - Outer Ring Road Expressway stated operation on 22 August 2016.

- A.3 The Udon Rattaya Expressway Project (Bang Pa-In - Pak Kret Expressway) under a concession agreement in respect of the construction and management of the expressway project of a subsidiary.

The Subsidiary, as concessionaire, invested in the design, construction and management of the expressway, together with related business under a 30-year concession commencing on 27 September 1996. The EXAT has the right to collect all toll revenue and is to compensate the Subsidiary in the form of revenue sharing at the rates specified in the concession agreement, throughout the concession period. The Subsidiary has the right to extend the concession for two further periods of 10 years each, depending upon terms and conditions that are to be agreed between the parties.

B. Operation of metro services

The Company received concessions from the Mass Rapid Transit Authority of Thailand (“MRTA”) to operate metro services, as follows:

- B.1 Project - Chaloe M Ratchamongkhon (Blue Line (Hua Lamphong Station - Bang Sue Station)) (the “MRT Blue Line Project”) under a concession agreement with the MRTA for the MRTA Initial System Project - Chaloe M Ratchamongkhon Line.

The Company, as concessionaire, invested in M&E Equipment and is to operate and maintain the MRTA Initial System for a concession period of 25 years, commencing on 2 July 2004. The MRTA Initial System officially commenced operation on 3 July 2004. Under the concession agreement, the Company has the right to collect all fare revenue and commercial development revenue and agrees to apportion revenue to the MRTA, including remuneration from fares, remuneration from commercial development, apportionment of profit calculated from the return on equity (ROE) and any benefit derived from the interest rate on a credit agreement being lower than a rate specified in the concession agreement.

- B.2 The MRT Chalong Ratchadham Line Project (Bang Yai-Rat Burana, Bang Yai-Bang Sue Section (Khleng Bang Phai Station-Tao Poon Station) (the “MRT Purple Line Project”) Contract 4: Concession for Supply of M&E Systems and O&M Services.

The Company, as concessionaire, invested in the M&E Systems and rolling stock. In addition, the Company provides operation and maintenance services. The MRTA has the right to collect fare box revenues and commercial revenues from the use of all civil infrastructure and the M&E Systems, and is to compensate the Company in the form of M&E System equipment costs (Phase I) and operation and maintenance service fees (Phase II). Details are as below:

Phase I: Design and Build

The Company is to design, supply, install and test the M&E Systems within 1,200 days after the agreement date (4 September 2013). In return the Company is to receive remuneration and interest totaling Baht 20,011 million from the MRTA in the form of monthly payments over a period of 10 years, beginning from the date of the Commissioning Certificate.

Subsequently, in September 2013, the Company subcontracted all Phase 1 works under its responsibility to a related company for fees and interest amounting to Baht 20,011 million. However, the Company will pay the fees to the related company based on when the Company receives remuneration from MRTA. In addition, the Company has entered into an agreement assigning the rights to receipts under the agreement with the MRTA to the related company’s bank, as collateral for loans.

On 6 August 2016, the Company received the M&E Systems and rolling stock under Phase I agreement from its related company and on the same date delivered the M&E Systems and rolling stock to the MRTA. Since the Company had transferred the performance obligations under the Phase 1 agreement to the related company and assigned the rights to receive payments under the Phase 1 agreement from the MRTA to the bank of the related company, as collateral for loans of the related company in 2013, the Company therefore presented receivable from MRTA - the M&E Systems and rolling stock, amounting to Baht 16,422 million, net of the amount payable to the related company for M&E Systems and rolling stock, amounting to Baht 16,422 million. In addition, the Company presented the revenue associated with these transactions net of related expenses in the consolidated and separate financial statements.

Phase II: O&M services

The Company is responsible for the operation of metro services, including repair, maintenance and improvement of all equipment and materials related to the civil infrastructure works and M&E Systems for a period of 30 years from the date specified in the Commissioning Certificate and/or the date that the MRTA delivers the civil infrastructure and M&E Systems equipment to the Company. The compensation for Phase II under the agreement totals Baht 57,208 million (excluding escalations for inflation and adjustments to reflect electricity prices) and will be paid to the Company on a monthly basis over 30 years.

On 6 August 2016, the Company is delivered the operating civil infrastructure and M&E system equipment of the MRT Chalong Ratchadham Line to the MRTA. On that day, the operation of the MRT Chalong Ratchadham Line Project officially started.

B.3 The MRT Blue Line Project: Tao Poon station-Bang Sue station

The Company was selected as operator of the MRT Blue Line Project: Tao Poon station-Bang Sue station to supply M&E systems equipment, and operation and maintenance services, in accordance with a Cabinet resolution dated 28 October 2014. On 16 February 2017, the Company signed the agreement for a total contract price of Baht 918 million, with the MRTA. Details are as follows:

Phase I: Source and supply M&E systems. The term of Phase I is not more than 6 months from the date MRTA instructed the Company to commence.

Phase II: Providing O&M service. The term of Phase II is 2 years commencing from the official starting date of operation of the MRT Blue Line Project.

C. Commercial development business, which consists of commercial developments related to the expressways and the operation of metro services.

1.2 Amalgamation

The Company was formed as a result of the amalgamation of 2 companies in accordance with the Public Limited Companies Act B.E. 2535 on 30 December 2015. The amalgamating companies were Bangkok Expressway Public Company Limited and Bangkok Metro Public Company Limited.

As a result of the amalgamation, the Company received the assets, liabilities, rights and obligations of these companies and therefore presented beginning account balances based on the combined net book values as presented in the financial statements of these companies as of 29 December 2015. This amalgamation was considered to be a business combination under common control. The amalgamation did not result in a change in the group's shareholding structure, and the Company presented information in the consolidated financial statements for the year ended 31 December 2015 to reflect the financial position, 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.

The Stock Exchange of Thailand approved the listing of the shares of the Company to be traded on the Stock Exchange of Thailand commencing from 5 January 2016.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

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

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Bangkok Expressway and Metro Public Company Limited (“the Company”) and its subsidiaries (“the subsidiaries”). Details are as follows:

Company's name	Nature of business	Country of incorporation	Proportion of Shareholding	
			<u>2016</u> Percent	<u>2015</u> Percent
Northern Bangkok Expressway Company Limited	Operation and management of Bang Pa-In - Pakkret Expressway	Thailand	99.99	99.99
Bangkok Metro Networks Limited	Rental of retail space and provision of advertising services and telecommunication services in underground train stations	Thailand	65.19	65.19

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Company and the subsidiaries have been eliminated from the consolidated financial statements.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

- 2.3 The separate financial statements, which present investment in subsidiaries and associates presented under the cost method.

3 New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

During the year, the Company and subsidiaries have adopted the revised (revised 2015) 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 Company and its subsidiaries' financial statements.

3.2 Financial reporting standard that will become effective in the future

During the current year, the Federation of Accounting Professions issued a number of the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2017. 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 management of the Company and its subsidiaries believe that the revised and new financial reporting standards and interpretations and new accounting treatment guidance will not have any significant impact on the financial statements when they are initially applied.

However, one standard involves changes to key principles, which are summarised below.

TAS 27 (revised 2016) Separate Financial Statements

This revised standard stipulates an additional option to account for investments in subsidiaries, joint ventures and associates in separate financial statements under the equity method, as described in TAS 28 (revised 2016) Investments in Associates and Joint Ventures. However, the entity is to apply the same accounting treatment for each category of investment. If an entity elects to account for such investments using the equity method in the separate financial statements, it has to adjust the transaction retrospectively.

At present, the management of the Company and its subsidiaries is evaluating the impact of this standard to the financial statements in the year when it is adopted.

4. Significant accounting policies

4.1 Revenue and expense recognition

a) Toll revenue

Toll revenue represent the invoiced value, excluding value added tax, of service rendered.

b) Toll revenue sharing

Toll revenue sharing represent the invoiced value excluding value added tax on accrual basis.

c) Fare box revenue recognition

Smart card and smart token sales are recognised as revenue when the services are rendered. Prepaid value in stored value smart cards is recorded as unearned fare box revenue in current liabilities in the statement of financial position.

d) Revenue from provision of operating services

Revenue from provision of operating services is recognised when services have been rendered taking into accounting the stage of completion, excluding value added tax. Service rate charged is in accordance with rates stipulated in the agreement.

e) Commercial development revenue

Commercial development revenue is recognised as income when service has been rendered.

f) Other revenues and expenses recognition

Interest income

Interest income is recognised on an accrual basis based on the effective rate.

Dividends

Dividends are recognised when the right to receive the dividends is established.

Other expenses

Expenses are recognised on accrual basis.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and cash at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Trade and other receivables

Trade and other receivables are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

4.4 Investments

- a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.
- b) Investments in debt securities, both due within one year and expected to be held to maturity, are recorded at amortised cost. The premium/discount on debt securities is amortised/accreted by the effective rate method with the amortised/accreted amount presented as an adjustment to the interest income.
- c) Investment in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for impairment loss (if any).
- d) Investment in associates are accounted for in the consolidated financial statements using the equity method.
- e) Investments in subsidiaries and associates are accounted for in the separate financial statements using the cost method.

The fair value of marketable securities is based on the latest bid price of the last working day of the year. The fair value of debt instruments is determined based on the required rate of return or the yield rates quoted by the Thai Bond Market Association. The fair value of unit trusts is determined from their net asset value.

The weighted average method is used for computation of the cost of investments.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

4.5 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

No depreciation has been provided for land awaiting sales.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

4.6 Building and equipment and depreciation

Building and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of building and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Building and construction improvement	5 years
Furniture and fixture	5 years
Tools, instruments and equipment	3 - 5 years, 20 years
Vehicles	5 - 16 years

Depreciation is included in determining income. No depreciation has been provided for assets under installations.

An item of building and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

4.7 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.8 Amortisation of rights to operate completed expressway sectors and amortisation

Rights to operate completed expressway sectors represent the cost of construction of the Second Stage Expressway, the Si Rat - Outer Ring Road Expressway and Bang Pa-In - Pakkret Expressway. It is stated at cost less accumulated amortisation and allowance for loss on impairment (if any).

The rights to operate completed expressway sectors are amortised as expenses in income statements with the unit of throughput method over the concession period. The amortisation of rights to operate completed expressway sectors is charged to profit or loss and calculated as follows:

$$\begin{aligned}\text{Annual amortisation} &= \text{Net rights to operate completed expressway sectors} \times \\ &\quad \text{Percentage of the number of vehicle volume for the year} \\ \text{Percentage of the number of vehicle} &= \frac{\text{Current year's number of actual vehicle volume}}{\text{volume for the year}} \\ &\quad \text{(Current year's number of actual vehicle volume} + \\ &\quad \text{Projected vehicle volume after current year to the} \\ &\quad \text{remaining years of the agreement)} \\ \text{Net rights to operate completed} &= \text{Total actual cost of rights to operate completed expressway} \\ \text{expressway sectors} &\quad \text{sectors} - \text{Accumulated amortisation}\end{aligned}$$

No amortisation is provided for project costs under construction.

4.9 Rights to use sites for expressway construction and amortisation

The Company initially recorded the rights to use sites for expressway construction at cost, equal to the present value of future compensation for site acquisition cost to be paid to the EXAT under the Second Stage Expressway System agreement. Following initial recognition, the rights are carried at cost less accumulated amortisation and allowance for loss on impairment (if any).

The Company amortises the rights to use sites for expressway construction as an expense in the income statement is proportion to the number of actual vehicle volume. The Company reviews for impairment of the asset whenever there are indications of impairment and reviews the amortisation method at least once per year.

4.10 Intangible assets under concession agreement of the MRTA Initial System Project - Chaloe m Ratchamongkhon Line and amortisation

Intangible assets under concession agreement of the MRTA Initial System Project - Chaloe m Ratchamongkhon Line (the “MRT Blue Line Project”) are stated at cost less accumulated amortisation and allowance for loss on impairment (if any).

The Company and its subsidiary capitalised as assets all expenditures related to the MRT Blue Line Project, which including management and consultant fees, design costs, electrical and mechanical works and rolling stock purchased during the concession period, interest and other financing expenses. These will be amortised to expenses over the concession period after the commencement of operations.

Equipment - Metro system

The Company has been adopting the unit of throughput method to amortise such intangible assets under concession agreement of the MRTA Initial System Project - Chaloe m Ratchamongkhon Line based on the following formula:

$$\begin{aligned} \text{Amortisation for the year} &= \text{Net intangible assets under concession agreement of the MRTA Initial System Project-Chaloe m Ratchamongkhon Line at the beginning of the year} \times \text{Percentage of passengers for the year} \\ \text{Percentage of Passengers for the year} &= \frac{\text{Current year's actual passengers}}{(\text{Actual passengers for the current year} + \text{Projected passengers during the remaining concession year})} \\ \text{Net intangible assets under concession agreement of the MRTA Initial System Project - Chaloe m Ratchamongkhon Line} &= \text{Total intangible assets under concession agreement of the MRTA Initial System Project-Chaloe m Ratchamongkhon Line} - \text{Accumulated amortisation} \end{aligned}$$

Equipment - Other system

Amortisation of intangible assets under concession agreement of the MRTA Initial System Project - Chaloe m Ratchamongkhon Line is calculated by reference to its cost on the straight-line basis over the following estimated useful lives:

Equipment and rental area at station improvement	5 years and concession period
Telecommunication equipment	5 years and concession period
Advertising equipment	5 years

Amortisation of intangible assets under concession agreement of the MRTA Initial System Project - Chaloe m Ratchamongkhon Line of the Company and its subsidiary is included in profit or loss.

No amortisation is provided on assets under installations.

4.11 Other intangible assets and amortisation

The Company and its subsidiaries are initially recognised intangible assets at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and allowance for loss on impairment (if any).

Intangible assets with finite useful lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

The intangible assets with finite useful lives is computer software with 3 years, 5 years and 10 years useful lives.

4.12 Project cost of the MRT Chalong Ratchadham Line

Project cost of the MRT Chalong Ratchadham Line is stated at cost less accumulated amortisation and allowance for loss on impairment (if any). The amortisation is calculated on the straight-line basis over the concession period.

The amortisation is included in determine income.

4.13 Deferred financial fees

Financial expenses related to borrowings that are typically incurred on or before signing facility agreements and before the actual draw down of the loans are recorded as deferred financial fees. Deferred financial fees is presented as a deduction against the related loan account and amortised proportionately to the amount of the loan facility already drawn over the term of the loans.

The amortisation of deferred financial fees is capitalised as part of the cost of the respective assets until to get ready for their intended use.

4.14 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of the cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost to business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash generating units that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

4.15 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Company and its subsidiaries, whether directly or indirectly, or which are under common control with the Company and its subsidiaries.

They also include associated companies, and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company and its subsidiaries, key management personnel, directors and officers with authority in the planning and direction of the Company and its subsidiaries' operations.

4.16 Long-term leases

Leases of equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases are depreciated over the useful life of the asset.

Leases of equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

4.17 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

4.18 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries performs impairment reviews in respect of their assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

4.19 Employee benefits

Short-term employee benefits

The company and its subsidiaries will recognise salaries, wages, bonuses and contributions to the social security fund as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Company, its subsidiaries and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company and its subsidiaries. The fund's assets are held in a separate trust fund and the contributions of the Company and its subsidiaries are recognised as expenses when incurred.

Defined benefit plans

The Company and its subsidiaries have obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

4.20 Provisions

Provisions are recognised when the Company and its subsidiaries have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provision for compensation for site acquisition cost

The Company records provision for compensation for site acquisition cost based on the present value of future payments to be paid to the EXAT to compensate the site acquisition cost as stated in the Second Stage Expressway System agreement.

4.21 Periodic maintenance

All annual maintenance costs are charged directly to the income statement in the year on which they are incurred. The independent specialists have stated that if annual repairs are carried out in accordance with the specified standard, there will be no requirement for major maintenance. As a result, no further amounts are set aside as provision for maintenance.

4.22 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.23 Derivative financial instruments and hedging

Derivative financial instruments

The Company and associated companies use derivative financial instruments to manage its risks associated with exchange rate and interest rate, such as interest rate swap agreements.

Such derivatives are initially recognised and measured at fair value on the date on which the derivative contract is entered into and are subsequently remeasured at fair value, which has been calculated using the quoted market rates, at the end of reporting period. Gains or losses resulting from changes in the fair value of the derivative financial instruments are recognised as financial assets or financial liabilities when the gain or loss occurs. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss from changes in the fair value depends on the nature of the item being hedged.

Hedge accounting - Cash flow hedges

The Company and associated companies apply hedge accounting when the risk that has been hedged can be clearly identified and the effectiveness of the hedge can be measured. Gains or losses arising from changes in the fair value of hedging instruments or derivatives that effectively hedge exposure to fluctuations in cash flows that are either attributable to a particular risk associated with a recognised financial asset or financial liability, or to a highly probable forecast transaction, are recognised directly in other comprehensive income and transferred to be recognised in profit or loss when the hedged cash flow transaction occurs. However, if the hedge instrument is not effective, any gain or loss from a change in the fair value of the derivative financial instrument is recognised immediately to profit or loss.

4.24 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement 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

At the end of each reporting period, the Company and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Fair value of financial instruments

In determining the fair value of financial instruments that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes credit risks for both bank and counter parties consideration of liquidity, correlation and longer-term volatility of financial instruments. Change in assumption which is related to calculating input, could affect fair value in financial statement and the disclosure of fair value hierarchy.

Impairment of investment in subsidiaries

The Company reviews impairment of investment in subsidiaries, which requires management to prepare projection of the cash flow expected to be generated by the investment in the future, and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Building improvement and equipment/Depreciation

In determining depreciation of building improvement and equipment, the management is required to make estimates of the useful lives and residual values of the Company's building improvement and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review building improvement and equipment for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Amortisation of rights to operate completed expressway sectors and rights to use sites for expressway construction

In determining amortisation of rights to operate completed expressway sectors and rights to use sites for expressway construction, the management has to project vehicle volume after current year for the remaining years of the agreement. Vehicle volume is projected based on the number of vehicles as assessed by an independent appraiser, and adjusted by comparison to actual vehicle volume. However, the actual vehicle volume in the future could differ from the estimate depending upon changes in external factors that may affect toll rates and vehicle volume.

Amortisation of intangible under concession agreement of the MRTA Initial System Project Chaloem Ratchamongkhon Line

In determining amortisation of intangible under concession agreement of the MRTA Initial System Project Chaloem Ratchamongkhon Line, the management has to project the number of passengers after current year for the remaining year of the agreement. Various assumptions needed to project by an accredited independent valuer, such as traffic model, network rail, average cost of fuel, and fare structure.

Impairment testing of intangible asset under concession agreement of the MRTA Initial System Project - Chaloem Ratchamongkhon Line

Impairment testing of intangible assets under concession agreement of the MRTA Initial System Project - Chaloem Ratchamongkhon Line at the end of each reporting period requires management to prepare projections of the cash flows expected to be generated by the intangible assets under concession agreement of the MRTA Initial System Project - Chaloem Ratchamongkhon Line or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

Disputes

The Company and its subsidiaries have contingent liabilities as a result of litigation. The Company's management has used judgment to assess of the results of the litigation and believes that no loss will result. Therefore no contingent liabilities are recorded as at the end of reporting period.

6. 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 those related parties.

The relationship between the Company, its subsidiaries and the related parties which have transactions with during the period summarised below.

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

Such significant transactions and pricing policy are summarised below.

	(Unit: Million Baht)				
	Consolidated financial statements		Separate financial statements		Pricing policy
	For the year ended 31 December 2016	For the year ended 31 December 2015	For the year ended 31 December 2016	For the period as from 30 December 2015 to 31 December 2015	
<u>Transactions with major shareholders</u>					
Interest income	36	45	36	-	At the rate of 3.67% per annum
Expressway and civil works maintenance expenses	174	19	174	-	Base on contracts
Cost of expressway construction contracts	3,983	8,370	3,983	-	Base on contracts
Cash receipt for the MRT Chalong Ratchadham Line project	104	86	104	-	Base on contracts
Gain from sales of investment	-	1,236	-	-	2,050 Million Shares, Baht 1.79 per share
Office rental and service expenses	7	7	-	-	Base on contracts
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Commercial development revenue	-	-	282	1	Base on contracts
Interest income from long-term loans	-	-	178	1	At the rate of 3.06% - 3.48% and 3.5% per annum (2015: 3.66% per annum)
Project management income	-	-	120	1	Baht 10 million per month
<u>Transactions with associated companies</u>					
Dividend income	-	-	499	-	As declared
<u>Transactions with related companies</u>					
Commercial development revenue	8	8	8	-	Base on contracts
Costs of fare box (Inclusive of VAT)	436	401	436	1	Concession agreement
Costs of commercial development	67	66	67	-	Concession agreement
Consulting fees	-	40	-	-	Base on contracts
Property tax	4	37	4	-	At the rates charged by Bangkok Metropolitan Administration
Financial arrangement fee	14	17	11	-	Base on contracts
Financial fee	95	33	92	2	Base on contracts
Interest expenses on short-term loans	337	78	337	1	At the rates of 2.85% and 3.55% per annum (2015: 3.55% per annum)
Interest expenses on long-term loans	325	449	320	3	At the rates of 4.00%, MLR, MLR - 2.525, 6M FDR + 2 and 6M FDR + 2.66875 per annum

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
<u>Trade and other receivables (Note 9)</u>				
<u>Trade receivables</u>				
CH. Karnchang Public Company Limited	12,840	17,120	12,840	17,120
Bangkok Metro Networks Limited	-	-	74,473	52,172
Mass Rapid Transit Authority of Thailand	490,232	-	490,232	-
Total	503,072	17,120	577,545	69,292
<u>Other receivables</u>				
CH. Karnchang Public Company Limited	1,029,562	-	1,029,562	-
Northern Bangkok Expressway Company Limited	-	-	10,700	10,700
Total	1,029,562	-	1,040,262	10,700
<u>Receivable from sales of investment</u>				
CH. Karnchang Public Company Limited	769,741	1,369,741	769,741	1,369,741
Less: Deferred interest income	(12,907)	(48,892)	(12,907)	(48,892)
Total	756,834	1,320,849	756,834	1,320,849
Current portion	(756,834)	(564,015)	(756,834)	(564,015)
Long-term portion	-	756,834	-	756,834
<u>Prepaid expenses</u>				
Krungthai Bank Public Company Limited	6,528	5,312	4,223	3,007
<u>Advance payment under service contract</u>				
CH. Karnchang Public Company Limited	3,906	3,746	3,906	-
<u>Long-term loans to and interest receivable from related parties</u>				
Northern Bangkok Expressway Company Limited	-	-	6,120,496	6,854,496
Bangkok Metro Networks Limited	-	-	165,000	-
Total	-	-	6,285,496	6,854,496
Less: Current portion	-	-	(12,000)	-
Long-term loans to and interest receivable from related parties, net of current portion	-	-	6,273,496	6,854,496
<u>Advance payment under construction contract</u>				
CH. Karnchang Public Company Limited	-	398,250	-	398,250

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<u>Short term loans from financial institution</u>				
<u>(only principal) (Note 21)</u>				
Krungthai Bank Public Company Limited	-	18,410,000	-	18,400,000
<u>Trade and other payables (Note 22)</u>				
CH. Karnchang Public Company Limited	163,398	1,958,150	161,587	1,957,506
Mass Rapid Transit Authority of Thailand	102,916	103,204	102,916	103,204
Krungthai Bank Public Company Limited	1,192	4,059	1,123	4,059
Bangkok Bank Public Company Limited	871	571	871	571
Finansa Securities Company Limited	-	20,350	-	20,350
Others	1,874	938	-	-
Total	270,251	2,087,272	266,497	2,085,690
<u>Long-term loans from financial institutions</u>				
<u>(only principal) (Note23)</u>				
Krungthai Bank Public Company Limited	4,701,378	7,173,319	4,701,378	7,016,633
Bangkok Bank Public Company Limited	4,582,105	2,945,855	4,582,105	2,945,855
Total	9,283,483	10,119,174	9,283,483	9,962,488
<u>Retention guarantees</u>				
CH. Karnchang Public Company Limited	57,925	152,988	56,646	152,988
<u>Unearned revenue from advertising management</u>				
<u>rights (Note26)</u>				
Bangkok Metro Networks Limited	-	-	15,610	16,859

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

(Unit: Thousand Baht)				
	1 January 2016	Increase during the period	Decrease during the period	31 December 2016
Northern Bangkok Expressway Company Limited				
Long-term loans	5,673,827	-	(607,586)	5,066,241
Interest receivable	1,180,669	175,833	(302,247)	1,054,255
Total	6,854,496	175,833	(909,833)	6,120,496
Bangkok Metro Networks Limited				
Long-term loans	-	170,000	(5,000)	165,000
Interest receivable	-	2,450	(2,450)	-
Total	-	172,450	(7,450)	165,000
Grand total	6,854,496	348,283	(917,283)	6,285,496

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

(Unit: Thousand Baht)				
Consolidated financial statements				
	1 January 2016	Increase during the period	Decrease during the period	31 December 2016
Krungthai Bank Public Company Limited	18,410,000	7,000,000	(25,410,000)	-

(Unit: Thousand Baht)				
Separate financial statements				
	1 January 2016	Increase during the period	Decrease during the period	31 December 2016
Krungthai Bank Public Company Limited	18,400,000	7,000,000	(25,400,000)	-

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	
	1 January 2016	during the period	during the period	31 December 2016
Krungthai Bank Public Company Limited	7,173,319	1,829,359	(4,301,299)	4,701,379
Bangkok Bank Public Company Limited	2,945,855	1,636,250	-	4,582,105
Total	10,119,174	3,465,609	(4,301,299)	9,283,484

(Unit: Thousand Baht)

	Separate financial statements			
		Increase	Decrease	
	1 January 2016	during the period	during the period	31 December 2016
Krungthai Bank Public Company Limited	7,016,633	1,829,359	(4,144,613)	4,701,379
Bangkok Bank Public Company Limited	2,945,855	1,636,250	-	4,582,105
Total	9,962,488	3,465,609	(4,144,613)	9,283,484

Directors and management's remuneration

The Company and its subsidiaries had employee benefit expenses of their directors and management as below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
				For the period as from
	For the year end 31 December	For the year end 31 December	For the year end 31 December	30 December 2015 to 31 December
	2016	2015	2016	2015
Short-term employee benefits	115,857	215,449	100,582	1,691
Post-employment benefits	5,706	7,957	5,245	36
Total	121,563	223,406	105,827	1,727

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Cash	43,671	36,185	41,891	34,630
Bank deposits	733,330	4,447,190	687,402	4,424,428
Total	<u>777,001</u>	<u>4,483,375</u>	<u>729,293</u>	<u>4,459,058</u>

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 in full and released its rights to withdraw funds from the bank deposits.

8. Current investments

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Unit trusts	4,432,102	454,678	4,422,853	437,295
Add: Unrealised gain on changes in value of current investments	57,051	42,679	57,048	42,679
Unit trusts - Fair value	4,489,153	497,357	4,479,901	479,974
Bills of exchange	1,452,197	-	1,452,197	-
Total current investments	<u>5,941,350</u>	<u>497,357</u>	<u>5,932,098</u>	<u>479,974</u>

9. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<u>Trade receivables</u>				
Trade receivables				
- Related parties (Note 6)	503,072	17,120	577,545	69,292
- Unrelated parties	85,155	66,530	-	-
Less: Allowance for doubtful debts	(4,910)	(4,438)	-	-
Total trade receivables - net	<u>583,317</u>	<u>79,212</u>	<u>577,545</u>	<u>69,292</u>
<u>Other receivables</u>				
Other receivables				
- Related parties (Note 6)	1,029,562	-	1,040,262	10,700
- Unrelated parties	1,456	2,129	1,407	2,048
Advances	(54)	273	-	2
Accrued income	<u>282</u>	<u>3,014</u>	<u>282</u>	<u>3,014</u>
Total other receivables	<u>1,031,246</u>	<u>5,416</u>	<u>1,041,951</u>	<u>15,764</u>
Trade and other receivables - net	<u><u>1,614,563</u></u>	<u><u>84,628</u></u>	<u><u>1,619,496</u></u>	<u><u>85,056</u></u>

Most of the trade receivables of the Company and its subsidiaries were within their credit terms. As at 31 December 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 5 million in the consolidated financial statements (31 December 2015: Baht 4 million) (Separate financial statements: Nil).

10. Investments in subsidiaries

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

(Unit: Million Baht)

Company's name	Registered capital		Paid-up capital		Shareholding percentage		Cost		Allowance for impairment		Net book value	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	(Percent)											
Northern Bangkok Expressway Company Limited	6,000	6,000	5,250	5,250	99.99	99.99	2,604	2,604	(2,450)	(2,450)	154	154
Bangkok Metro Networks Limited	254	254	254	254	65.19	65.19	166	166	(16)	(16)	150	150
							2,770	2,770	(2,466)	(2,466)	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 in full and has already released the pledge of these share certificates.

11. Investments in associates

11.1 Details of associates

(Unit: Million Baht)

Company's name	Nature of business	Incorporated country	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			2016	2015	2016	2015	2016	2015
			(Percent)					
CK Power Public Company Limited	Holding company manufacture and distribution of electricity	Thailand	19.40	19.40	3,223	3,223	3,121	3,123
TTW Public Company Limited	Production and sales of treated water	Thailand	19.45	19.57	6,976	7,018	6,547	6,714
					10,199	10,241	9,668	9,837

(Unit: Million Baht)						
Company's name	Nature of business	Incorporated country	Separate financial statements			
			Shareholding percentage		Cost	
			2016	2015	2016	2015
			(Percent)			
CK Power Public Company Limited	Holding company manufacture and distribution of electricity	Thailand	19.40	19.40	3,223	3,223
TTW Public Company Limited	Production and sales of treated water	Thailand	19.45	19.57	4,277	4,303
					7,500	7,526

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 a 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%.

11.2 Share of comprehensive income and dividend received

The Company has recognised its share of profit (loss) from investments in associates in the consolidated financial statements and dividend income in the separate financial statements as follows:

(Unit: Million Baht)						
Company's name	Consolidated financial statements				Separate financial statements	
	Share of profit from investments in associates during the year		Share of other comprehensive income from investments in associates during the year		Dividend received	
	For the year ended 31 December 2016	For the year ended 31 December 2015	For the year ended 31 December 2016	For the year ended 31 December 2015	For the year ended 31 December 2016	For the period as from 30 December 2015 to 31 December 2015
CK Power Public Company Limited	10	80	18	(37)	32	-
TTW Public Company Limited	337	381	5	(9)	467	-
Total	347	461	23	(46)	499	-

11.3 Fair value of investments in listed associates

In respect of investments in associates that are listed companies on the Stock Exchange of Thailand, their fair values are as follows:

Company's name	(Unit: Million Baht)	
	Fair values as at 31 December	
	<u>2016</u>	<u>2015</u>
CK Power Public Company Limited	5,062 ⁽¹⁾	2,803 ⁽¹⁾
TTW Public Company Limited	8,304	8,198
Total	<u>13,366</u>	<u>11,001</u>

⁽¹⁾ Excluding the fair value of warrants amounting to Baht 189 million (2015: Baht 127 million).

11.4 Summarised financial information about material associates

Summarised information about financial position

	(Unit: Million Baht)			
	CK Power Public		TTW Public	
	Company Limited		Company Limited	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Current assets	7,622	5,196	5,298	7,299
Non-current assets	51,636	49,371	20,461	19,345
Current liabilities	(1,444)	(2,416)	(1,972)	(3,265)
Non-current liabilities	(27,311)	(20,338)	(12,253)	(11,949)
Non-controlling interests of the subsidiaries	(12,760)	(14,058)	(42)	(40)
Net assets	17,743	17,755	11,492	11,390
Shareholding percentage (%)	19.40	19.40	19.45	19.57
Share of net assets	3,442	3,444	2,235	2,229
Elimination entries	(321)	(321)	-	-
Rights to produce and sell treated water	-	-	1,916	2,075
Goodwill	-	-	2,396	2,410
Carrying amounts of associates based on equity method	3,121	3,123	6,547	6,714

Summarised information about comprehensive income

(Unit: Million Baht)

	For the year ended 31 December			
	CK Power Public Company Limited		TTW Public Company Limited	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Revenue	6,359	6,851	5,499	5,574
Profit	191	786	2,492	2,698
Other comprehensive income	150	(433)	24	(50)
Total comprehensive income	341	353	2,516	2,648

12. Other long-term investments

(Unit: Million Baht)

Company's name	Nature of business	Incorporated country	Consolidated and separate financial statements							
			Registered capital		Paid-up capital		Shareholding percentage		Cost	
			<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
							(Percent)			
Xayaburi Power Company Limited	Manufacture and distribution of electricity	Laos	26,861	26,861	16,505	12,175	7.50	7.50	1,238	913
Total other long-term investments									1,238	913

During the current year, Xayaburi Power Company Limited called up additional parts of the unpaid portion of its shares, totaling Baht 325 million, and the Company made payment for the shares.

Subsequently in December 2016 and January 2017, Xayaburi Power Company Limited called up a further Baht 165 million. The Company made payments of the share capital in January and February 2017.

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

13. Investment properties

The fair value of the investment properties as at 31 December 2016 and 2015 stated below:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statement	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2016</u>
Land awaiting sales	315	302	315	302

The fair value of above investment properties has been determined based on the valuation performance by an accredited independent valuer, using market approach.

The Company has pledged all investment properties as collateral against credit facilities received from a group of lenders.

14. Building and equipment

(Unit: Thousand Baht)

	Consolidated financial statements				
	Building and construction improvement	Furniture and fixture	Tools, instruments and equipment	Vehicles	Total
Cost:					
1 January 2015	33,896	46,277	146,271	314,025	540,469
Additions	867	2,407	8,869	27,207	39,350
Disposals/Write off	-	(86)	(10,329)	(14,179)	(24,594)
Transfer in (out)	(36)	36	-	-	-
31 December 2015	34,727	48,634	144,811	327,053	555,225
Additions	4,633	6,254	79,171	146,643	236,731
Disposals/Write off	-	(6,183)	(7,745)	(32,741)	(46,669)
Transfer in (out)	-	(45)	45	-	-
31 December 2016	39,390	48,660	216,282	440,955	745,287
Accumulated Depreciation:					
1 January 2015	25,786	38,741	124,626	199,237	388,390
Depreciation for the period	4,435	1,923	10,863	19,819	37,040
Depreciation on disposals/write off	-	(86)	(10,306)	(14,179)	(24,571)
31 December 2015	30,221	40,578	125,183	204,877	400,859
Depreciation for the period	2,376	2,239	16,164	20,536	41,315
Depreciation on disposals/write off	-	(6,079)	(7,671)	(23,870)	(37,620)
31 December 2016	32,597	36,738	133,676	201,543	404,554
Net book value:					
31 December 2015	4,506	8,056	19,628	122,176	154,366
31 December 2016	6,793	11,922	82,606	239,412	340,733

Depreciation for the year (including in selling and administrative expense)

2015	37,040
2016	41,315

(Unit: Thousand Baht)

	Separate financial statements				
	Building and construction improvement	Furniture and fixture	Tools, instruments and equipment	Vehicles	Total
Cost:					
30 December 2015	34,693	42,529	133,035	316,011	526,268
Additions	-	-	-	4,281	4,281
31 December 2015	34,693	42,529	133,035	320,292	530,549
Additions	4,662	6,097	22,924	142,991	176,674
Disposals/Write off	-	(1,743)	(3,274)	(32,054)	(37,071)
31 December 2016	39,355	46,883	152,685	431,229	670,152
Accumulated depreciation:					
30 December 2015	30,173	35,097	114,833	199,656	379,759
Depreciation for the period	13	10	55	74	152
31 December 2015	30,186	35,107	114,888	199,730	379,911
Depreciation for the period	2,376	2,079	10,353	19,714	34,522
Depreciation on disposals/write off	-	(1,733)	(3,227)	(23,183)	(28,143)
31 December 2016	32,562	35,453	122,014	196,261	386,290
Net book value:					
31 December 2015	4,507	7,422	18,147	120,562	150,638
31 December 2016	6,793	11,430	30,671	234,968	283,862
Depreciation (including in selling and administrative expense)					
For the period as from 30 December 2015 to 31 December 2015					152
For the year ended 31 December 2016					34,522

As at 31 December 2016, the Company and its subsidiaries have certain of building and equipment which have been fully depreciated but are still in use. The original cost, before deducting accumulated depreciation, of those assets amounted to Baht 309 million (2015: Baht 328 million) and the Company only amounted to Baht 300 million (2015: Baht 310 million).

15. Project costs under construction

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December 2016	For the year ended 31 December 2015	For the year ended 31 December 2016	For the period as from 30 December 2015 to 31 December 2015
Balance at the beginning of the period	19,600,401	10,744,376	19,600,401	19,597,787
Addition during the period	4,544,795	8,862,091	4,544,795	2,614
Transfer to rights to operate completed expressway sectors	(24,145,196)	(6,066)	(24,145,196)	-
Balance at the end of the period	-	19,600,401	-	19,600,401

Project costs under construction is expenditures related to the construction of the Si Rat-Outer Ring Road Expressway Project, which has been financed with debentures and long-term loans from financial institutions. Borrowing costs amounting to Baht 285 million were capitalised during the year ended 31 December 2016 (2015: Baht 430 million), with the weighted average rate of 1.4% used to determine the amount of borrowing costs eligible for capitalisation (2015: 2.9%).

In August 2016, the Company transferred such cost of project under construction, amounting to Baht 24,145 million, to right to operate completed expressway sectors.

16. Rights to operate completed expressway sectors

The net book value of rights to operate completed expressway sectors are presented below.

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Cost	85,761,545	61,616,349	72,917,255	48,772,059
Less: Accumulated amortisation	(44,209,720)	(41,288,886)	(38,108,262)	(35,702,158)
Net book value	41,551,825	20,327,463	34,808,993	13,069,901

A reconciliation of the net book value of the rights to operate completed expressway sectors are summarised below.

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December 2016	For the year ended 31 December 2015	For the year ended 31 December 2016	For the period as from 30 December 2015 to 31 December 2015
Net book value at the beginning of the period	20,327,463	23,146,990	13,069,901	13,078,527
Transfer from project cost under construction	24,145,196	7,065	24,145,196	-
Amortisation for the period	(2,920,834)	(2,826,592)	(2,406,104)	(8,626)
Net book value at the end of the period	<u>41,551,825</u>	<u>20,327,463</u>	<u>34,808,993</u>	<u>13,069,901</u>

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

In August 2016, the Company transferred project costs in process of the Si Rat - Outer Ring Road Expressway Project amounting to Baht 24,145 million to right to operate completed expressway sectors and started amortisation of this right from the commencement of operations (22 August 2016).

17. Rights to use sites for expressway construction

The net book value of rights to use sites for expressway construction are presented below.

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Cost	6,644,790	6,644,790	6,644,790	6,644,790
Less: Accumulated amortisation	<u>(5,624,166)</u>	<u>(5,324,596)</u>	<u>(5,624,166)</u>	<u>(5,324,596)</u>
Net book value	<u>1,020,624</u>	<u>1,320,194</u>	<u>1,020,624</u>	<u>1,320,194</u>

A reconciliation of the net book value of the rights to use sites for expressway construction are summarised below.

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December 2016	For the year ended 31 December 2015	For the year ended 31 December 2016	For the period as from 30 December 2015 to 31 December 2015
Net book value at the beginning				
of the period	1,320,194	1,611,877	1,320,194	1,321,274
Less: Amortisation for the period	(299,570)	(291,683)	(299,570)	(1,080)
Net book value at the end of the period	1,020,624	1,320,194	1,020,624	1,320,194

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

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

The net book value of intangible asset under concession agreement of the MRTA Initial System Project - Chaloem Ratchamongkhon Line is presented below.

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Cost	20,693,035	20,284,392	20,161,745	19,768,880
Less: Accumulated amortisation	(3,733,074)	(3,296,752)	(3,527,094)	(3,114,732)
Net book value	16,959,961	16,987,640	16,634,651	16,654,148

A reconciliation of the net book value of the intangible asset under concession agreement of the MRTA Initial System Project - Chaloem Ratchamongkhon Line are summarised below.

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December 2016	For the year ended 31 December 2015	For the year ended 31 December 2016	For the period as from 30 December 2015 to 31 December 2015
Net book value at the beginning				
of the period	16,987,640	17,245,679	16,654,148	16,656,132
Additions	412,616	141,868	393,001	-
Disposals/write-off	(218)	(8)	(118)	-
Amortisation for the period	(440,077)	(399,899)	(412,380)	(1,984)
Net book value at the end of the period	<u>16,959,961</u>	<u>16,987,640</u>	<u>16,634,651</u>	<u>16,654,148</u>

Project cost of intangible asset under concession agreement of the MRTA Initial System Project - Chaloem Ratchamongkhon Line includes the expenditure of M&E System and O&M Services, telecommunication equipment at the stations and advertising equipment.

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 already released 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 already released the collateral.

19. Project cost of the MRT Chalong Ratchadham Line

Project cost of the MRT Chalong Ratchadham Line is expenditures related the MRT Chalong Ratchadham Line project, which are amortised on a straight-line basis over the concession period, as from commencement of operations.

The net book value of project cost of the MRT Chalong Ratchadham Line is presented below.

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	
	<u>2016</u>	<u>2015</u>
Cost	636,462	271,397
Less: Accumulated amortisation	<u>(9,206)</u>	<u>-</u>
Net book value	<u>627,256</u>	<u>271,397</u>

A reconciliation of the net book value of project cost of the MRT Chalong Ratchadham Line are summarised below.

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December 2016	For the year ended 31 December 2015	For the year ended 31 December 2016	For the period as from 30 December 2015 to 31 December 2015
Net book value at the beginning				
of the period	271,397	136,821	271,397	268,238
Additions	365,065	134,576	365,065	3,159
Amortisation for the period	<u>(9,206)</u>	<u>-</u>	<u>(9,206)</u>	<u>-</u>
Net book value at the end of the period	<u>627,256</u>	<u>271,397</u>	<u>627,256</u>	<u>271,397</u>

20. Intangible assets

Net book value of intangible assets which are computer software is presented below.

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Cost	144,582	101,507	137,627	100,086
Less: Accumulated amortisation	(76,353)	(65,270)	(74,130)	(63,921)
Net book value	<u>68,229</u>	<u>36,237</u>	<u>63,497</u>	<u>36,165</u>

A reconciliation of the net book value of intangible assets is presented below.

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December 2016	For the year ended 31 December 2015	For the year ended 31 December 2016	For the period as from 30 December 2015 to 31 December 2015
Net book value at the beginning				
of the period	36,237	34,592	36,165	36,207
Acquisition of computer software	43,075	8,771	37,541	-
Amortisation for the period	(11,083)	(7,126)	(10,209)	(42)
Net book value at the end of the period	<u>68,229</u>	<u>36,237</u>	<u>63,497</u>	<u>36,165</u>

21. Short-term loans from financial institutions

(Unit: Thousand Baht)					
	Interest rate (Percent per annum)	Consolidated financial statements		Separate financial statements	
		<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Short-term loans from financial institutions					
- Related party (Note 6)	3.55 and MOR	-	18,410,000	-	18,400,000
- Unrelated parties	2.75 (2015: 3.10 - 3.20)	4,720,000	4,000,000	4,720,000	4,000,000
Total		4,720,000	22,410,000	4,720,000	22,400,000
Less: Deferred financial fees		(4,225)	-	(4,225)	-
Total		<u>4,715,775</u>	<u>22,410,000</u>	<u>4,715,775</u>	<u>22,400,000</u>

22. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Trade payables - related parties (Note 6)	219,023	2,062,292	217,143	2,060,710
Trade payables - unrelated parties	305,491	378,788	263,155	359,687
Accrued interest - related parties (Note 6)	1,651	4,630	1,651	4,630
Accrued interest - unrelated parties	96,397	1,127	96,397	1,067
Accrued expense - related parties (Note 6)	49,577	20,350	47,703	20,350
Accrued expense - unrelated parties	139,959	102,016	120,777	89,803
Unearned revenue from advertising management rights (Note 26)	-	-	1,248	1,248
Other payables	<u>7,316</u>	<u>10,351</u>	<u>1,382</u>	<u>1,464</u>
Total trade and other payables	<u>819,414</u>	<u>2,579,554</u>	<u>749,456</u>	<u>2,538,959</u>

23. Long-term loans

						(Unit: Thousand Baht)			
						Consolidated		Separate	
						financial statements		financial statements	
						2016	2015	2016	2015
	Credit	Objective	Interest rate	Period of repayment					
	(Million Baht)								
1.	Tranche Gor (Fully drew down)	29,888	Refinance remaining long-term loans	4.0% p.a.	To be repaid in full in July 2019	74,664	74,664	74,664	74,664
2.	Tranche Khor (Fully drew down)	4,998	Lending to subsidiary to repay its long-term loans from commercial banks	4.0% p.a.	To be repaid in full in July 2019	9,595	9,595	9,595	9,595
3.	Tranche Chor (Fully drew down)	1,000	Working capital	MLR - 2.525% and 6M FDR + 2.66875% p.a.	To be repaid in full in July 2019	1,000,000	1,000,000	1,000,000	1,000,000
4.	Tranche Gor (Fully drew down)	5,750	For the construction of expressway system	MLR - 2.525% p.a.	Repayment in monthly installments commencing October 2017 to September 2027	5,750,000	3,536,250	5,750,000	3,536,250
5.	Tranche Khor (Fully drew down)	4,250	For the construction of expressway system	6M FDR + 2% p.a.	Repayment in monthly installments commencing October 2017 to September 2027	4,250,000	2,613,750	4,250,000	2,613,750
6.	Long-term loan (Fully drew down)	8,000	Working capital	3.18% p.a (contract: 6M THBFIX + 1.15% p.a.)	Repayment in monthly installments commencing May 2017 to May 2021	8,000,000	-	8,000,000	-

						(Unit: Thousand Baht)			
						Consolidated financial statements		Separate financial statements	
	Credit	Objective	Interest rate	Period of repayment		2016	2015	2016	2015
	(Million Baht)								
7. Tranche A (Fully drew down)	11,000	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)	Repayment in quarterly installments commencing September 2016, with the final installment due in December 2024		-	9,102,500	-	9,102,500
8. Tranche F (Fully drew down)	1,500	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)	Repayment in quarterly installments commencing September 2016, with the final installment due in December 2024		-	1,006,000	-	1,006,000
9. Long-term loan (Fully drew down)	245	Working capital of the subsidiary	MLR p.a.	Repayment in quarterly installments commencing April 2010, with the final installment due in January 2018		-	156,686	-	-
Total	66,631					19,084,259	17,499,445	19,084,259	17,342,759
Less: Current portion for long-term loans							(118,500)	(2,066,750)	(75,000)
Less: Deferred financial fees						(65,106)	(51,878)	(65,106)	(51,878)
Long-term loans - net of current portion						16,952,403	17,329,067	16,952,403	17,215,881

Detail and movement of long-term loans account are as follows:

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Long-term loans				
- Related parties (Note 6)	9,283,484	10,119,174	9,283,484	9,962,488
- Unrelated parties	9,800,775	7,380,271	9,800,775	7,380,271
Total	<u>19,084,259</u>	<u>17,499,445</u>	<u>19,084,259</u>	<u>17,342,759</u>

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December 2016	For the year ended 31 December 2015	For the year ended 31 December 2016	For the year ended 31 December 2015
Balance at beginning of period	17,499,445	12,183,945	17,342,759	17,342,759
Add: Drawdown during the period	12,344,000	5,356,000	12,344,000	-
Less: Repayment during the period	(10,759,186)	(40,500)	(10,602,500)	-
Balance at end of period	<u>19,084,259</u>	<u>17,499,445</u>	<u>19,084,259</u>	<u>17,342,759</u>

For the 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 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).

For the 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.

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 and debt to equity ratio.

For the long-term loan 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, 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 Blue line, 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. At present, the Company already released 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.

In July 2016, the subsidiary made full repayment of the long-term loans, together with prepayment fees of Baht 3 million, and this is presented under finance cost. At present, the subsidiary already released the collateral.

24. Debentures

Debentures as at 31 December 2016 and 2015 have the following details:

						(Unit: Thousand Baht)	
						Consolidated and separate	
						financial statements	
Type of debenture	Term	Issuance date	Maturity date	Interest rate		2016	2015
No. 1/2016				(% 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. 2/2016	12 years	11 August 2016	24 June 2028	3.61		500,000	-
No. 3/2016							
- Tranche 1	4 years	21 October 2016	21 October 2020	2.62		2,500,000	-
- Tranche 2	9 years	21 October 2016	21 October 2025	3.78		2,500,000	-
- Tranche 3	11 years	21 October 2016	21 October 2027	3.95		3,000,000	-
Total						23,200,000	-
Less: Deferred debenture issuing cost						(32,087)	-
Debentures - net						23,167,913	-

Movements in the debentures account are summarised below.

				(Unit: Thousand Baht)	
		Consolidated		Separate	
		financial statements		financial statements	
					For the period as from
		For the year ended 31 December 2016	For the year ended 31 December 2015	For the year ended 31 December 2016	30 December 2015 to 31 December 2015
Balance at beginning of period		-	19,400,000	-	-
Add: Issuance of debentures during the period		23,500,000	-	23,500,000	-
Less: Redemption of debentures during the period		(300,000)	(19,400,000)	(300,000)	-
Balance at end of period		23,200,000	-	23,200,000	-

25. Provision for compensation for site acquisition costs

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December 2016	For the year ended 31 December 2015	For the year ended 31 December 2016	For the period as from 30 December 2015 to 31 December 2015
Provision for compensation for site acquisition				
cost as at the beginning of period	5,566,672	6,762,382	5,566,672	5,565,036
Payment during period	(1,500,000)	(1,500,000)	(1,500,000)	-
Interest cost	250,480	304,290	250,480	1,636
Provision for compensation for				
site acquisition cost at the end of period	4,317,152	5,566,672	4,317,152	5,566,672
Less: Current portion	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)
Provision for compensation for				
site acquisition cost - net of current portion	2,817,152	4,066,672	2,817,152	4,066,672

The Company is committed to make payments totaling Baht 16,816 million to compensate the EXAT for site acquisition costs, from the 15th year to the 30th year of the agreement, or year 2004 to year 2019 as stipulated in the Second Stage Expressway Agreement.

As at 31 December 2016, the Company had already paid Baht 12,100 million of this compensation (2015: Baht 10,600 million).

26. Unearned revenue from advertising management rights

The Company entered into a contract granting commercial development rights to the subsidiary, to manage advertising services through the Passenger Information Display System (PID), which is installed in underground stations and on trains. The agreement has started from the date the Company notifies the subsidiary of the commencement of advertising services through the PID (1 January 2010). During the year 2015, the Company extended the contract period from 31 December 2021 to 2 July 2029.

Under this agreement, the Company received remuneration from the subsidiary amounting to Baht 35 million which is presented under the caption of “Unearned revenue from advertising management rights” and amortised throughout the contract period. Moreover, the Company received an additional annual remuneration fee calculated at the contract rates starting from commencement date.

Movements in unearned revenue from advertising management rights account are summarised below.

	(Unit: Thousand Baht)
Balance as at 30 December 2015	16,866
Less: Recognise to revenue during the period	<u>(7)</u>
Balance as at 31 December 2015	16,859
Less: Recognise to revenue during the period	<u>(1,249)</u>
Balance as at 31 December 2016	15,610
Less: Current portion (note 6, 22)	<u>(1,248)</u>
Unearned revenue from advertising management rights - net of current portion	<u><u>14,362</u></u>

27. Provision for long-term employee benefits

Provision for long-term employee benefits, which is compensations on employees' retirement, was as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the year ended 31 December 2016	For the year ended 31 December 2015	For the year ended 31 December 2016	For the period as from 30 December 2015 to 31 December 2015
Defined benefit obligation at beginning				
of period	237,842	217,143	230,181	230,023
Current service cost	59,308	27,915	57,428	129
Interest cost	9,962	8,429	9,704	44
Actuarial (gain) loss arising from				
- Demographic assumptions changes	46,248	(4,302)	46,248	-
- Financial assumptions changes	92,748	3,811	92,748	-
- Experience adjustments	28,670	(6,517)	28,670	-
Benefits paid during the period	(3,734)	(8,637)	(3,734)	(15)
Provision for long-term employee benefits				
at end of period	471,044	237,842	461,245	230,181

Long-term employee benefit expenses included in the profit or loss consist of the following:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the year ended 31 December 2016	For the year ended 31 December 2015	For the year ended 31 December 2016	For the period as from 30 December 2015 to 31 December 2015
Current service cost	54,360	23,482	52,481	90
Interest cost	8,926	7,441	8,668	38
Past service costs recognised during the period	-	5,880	-	28
Total expenses recognised in profit or loss	63,286	36,803	61,149	156
Line items under which such expenses are included in profit or loss				
Costs of expressway business	14,326	9,992	14,326	54
Costs of rail business	21,047	9,747	21,047	33
Costs of commercial development business	939	594	163	-
Selling expenses	488	204	-	-
Administrative expenses	22,511	14,363	21,896	60
Finance Cost	3,975	1,903	3,717	9

The Company and its subsidiaries expect to pay long-term employee benefits during the next year amounting to Baht 23 million (Separate financial statements: Baht 22 million) (2015: Baht 2 million (Separate financial statements: Baht 2 million)).

As at 31 December 2016, the weighted average duration of the liabilities for long-term employee benefit of the Company and its subsidiaries are 14.45 - 17.69 years (Separate financial statements: 14.45 - 17.69 years (2015: 15.38 - 18.80 years (Separate financial statements: 16.39 - 18.80 years)).

Significant actuarial assumptions are summarised below:

	Consolidated financial statements		Separate financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	(% p.a.)	(% p.a.)	(% p.a.)	(% p.a.)
Discount rate	2.4, 2.5, 3.4	3.4, 3.5, 4.2	2.4, 2.5	3.5, 4.2
Future salary increase rate	7.0 - 7.5	6.0 - 8.0	7.5	6.0 - 8.0
Staff turnover rate (depending on age)	2.0 - 17.0	3.0 - 21.0	2.0 - 17.0	3.0 - 21.0

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2016 and 2015 are summarised below:

(Unit: Million Baht)

	31 December 2016			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(54)	66	(53)	64
Future salary increase rate	62	(53)	60	(52)
Staff turnover rate	(57)	36	(56)	35

(Unit: Million Baht)

	31 December 2015			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(30)	36	(29)	35
Future salary increase rate	34	(29)	33	(28)
Staff turnover rate	(25)	24	(24)	24

28. Share capital - the reduction of shares to write-off the retained loss before amalgamation

On 2 April 2015, the Annual General Meeting of the shareholders of Bangkok Metro Public Company Limited for the year 2015 passed a resolution to approve a reduction of the Company's registered and paid-up share capital from Baht 20,500 million (20,500 million ordinary shares of Baht 1 each) to Baht 7,585 million (20,500 million ordinary shares of Baht 0.37 each), by decreasing the par value of each share, in order to write-off the retained losses of Baht 12,915 million as at 30 September 2014.

29. Investment before amalgamation

Investment before amalgamation is the ordinary shares of Bangkok Metro Public Company Limited held by Bangkok Expressway Public Company Limited which have a cost of Baht 2,340 million (2,050 million ordinary shares, or a shareholding of 10 percent).

In July 2015, Bangkok Expressway Public Company Limited sold and transferred all of the 2,050 million ordinary shares that it held in Bangkok Metro Public Company Limited, together with its pledge obligations, to CH. Karnchang Public Company Limited at a price of Baht 1.79 per share, or for a total of Baht 3,670 million. This was in accordance with resolutions approved by the 2015 Annual General Meeting of the shareholders on 2 April 2015. Bangkok Expressway Public Company Limited received Baht 2,000 million on the settlement date and CH. Karnchang Public Company Limited is to complete payment of the remaining amount of Baht 1,670 million within August 2017. Payment is to be made in five, six-monthly installments beginning in August 2015, with the first to the fourth installments amounting to Baht 300 million and the final installment amounting to Baht 470 million. Bangkok Expressway Public Company Limited recognised a gain on the sales of the investment of Baht 1,236 million in the consolidated statement of income for the year ended 31 December 2015, deferred interest income of Baht 94 million in the statement of financial position, netted against receivable from sales of investment.

30. Statutory reserve

Pursuant to Section 116 of the Public Company Limited Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5% of its net income, after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered share capital. The statutory reserve is not available for dividend distribution.

31. Toll revenues

31.1 Under the Construction and Management of the Second Stage Expressway System (SES) Contract, the Company and the EXAT agreed to share toll revenues receive from the First Stage Expressway System (FES), the Second Stage Expressway System (SES) and the Bang Pa-In - Pakkret Expressway as follows:

	The Company (Percent)	The EXAT (Percent)
<u>Urban Network (FES and SES Sectors A and B)</u>		
(a) First 9 years from the "Priority Component Opening Date" (PCOD) (already expired)	60	40
(b) Last 9 years ending 29 February 2020	40	60
(c) Period between (a) and (b) above	50	50
<u>Suburban Network (SES Sector C)</u>		
(a) The earlier of the PCOD to the completion of SES Sector B or 19 October 1996	60	40
(b) Period after (a) above until end of contract period	100	Nil
<u>Suburban Network (SES Sector D)</u>		
From the construction completion date of relevant Sections until end of contract period (21 April 2027)	100	Nil
<u>The Bang Pa-In - Pakkret Expressway</u>		
From the construction completion date of relevant Sections until end of contract period (26 September 2026)	100	Nil

Effective from 2 September 2002, the ratio for the sharing of toll revenue from urban expressways (the First Stage Expressway System and the Second Stage Expressway System Sectors A and B) between the Company and the EXAT was changed from 60:40 to 50:50, and effective from 1 March 2011, the ratio for the sharing of toll revenue from urban expressway was changed from 50:50 to 40:60.

Further share of toll revenues (derived from the FES only) is due to the Company for the period from the Priority Component Opening Date, as defined by the contract with the EXAT, up to 2 September 1993. However, no such amount has been included in the financial statements because the determination of the Priority Component Opening Date and the applicable rates of toll are still matters of dispute between the Company and the EXAT as discussed in Note 40.1.1.

31.2 Under a concession agreement of the Si Rat - Outer Ring Road Expressway Project, the Company and the EXAT agreed to share toll revenues receive from the Si Rat - Outer Ring Road Expressway as follows:

	The Company	The EXAT
	(Percent)	(Percent)
<u>The Si Rat - Outer Ring Road Expressway</u>		
From the construction completion date of relevant Sections		
until end of contract period (15 December 2042)	100	Nil

32. Fare box revenue and commercial development revenue

Under concession agreement of the MRTA Blue Line Project, the Company agrees to apportion revenue to the MRTA, which consist of remuneration from fares, remuneration from commercial development, apportionment of profit calculated from the Return on Equity (ROE) and any benefit derived from the interest rate on a credit agreement being lower than a specified rate in the Concession Agreement.

32.1 Remuneration from fares

a) Annual remuneration

The Company agrees to apportion revenue from fares to the MRTA on an annual basis, commencing from the 11th year after commencement of the revenue-generating service until the end of the contract period. Total commitments amount to Baht 43,567 million (inclusive of VAT), with annual commitments in the amounts stipulated in the agreement.

b) Percentage remuneration

The Company agrees to apportion fares revenue to the MRTA in the form of monthly payments, at a percentage of total revenue from fares (inclusive of VAT) from the year it commences the revenue-generating service. The rates are 1 percent for the 1st - 14th years, 2 percent for the 15th year, 5 percent for the 16th-18th years and 15 percent for the 19th-25th years.

32.2 Remuneration from commercial development

a) Annual remuneration

The Company agrees to apportion revenue from commercial development to the MRTA on an annual basis from the year it commences the revenue-generating service until the end of the contract period. Total commitments amount to Baht 930 million (inclusive of VAT) with commitments in the amounts stipulated in the agreement.

b) Percentage remuneration

The Company agrees to apportion 7 percent of annual revenue from commercial development (inclusive of VAT) to the MRTA in the form of monthly payments, from the year it commences the revenue-generating service until the end of the contract period.

33. Expenses by nature

Significant expenses by nature are as follow:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	For the year ended 31 December 2016	For the year ended 31 December 2015	For the year ended 31 December 2016	For the period as from 30 December 2015 to 31 December 2015
Amortisation and depreciation	3,422,513	3,270,658	2,872,421	10,803
Salaries, wages and other employee benefits for the Company's staff and its subsidiaries	1,586,663	1,175,958	1,515,205	9,330
Salary, wages and other benefits of the employee of EXAT	735,511	667,376	592,446	1,558
Repair and maintenance expenses	908,857	774,541	815,067	293
Compensation for site acquisition cost	550,050	595,974	550,050	2,716
Utilities expenses	512,585	495,235	482,544	1,984
Remuneration fees under concession agreement	503,776	467,182	503,539	1,872
Expenses with respect to facilitation and safety on expressway and stations	352,668	228,508	326,883	1,143
Insurance expenses	105,890	104,377	99,237	517

34. Income tax

Income tax expenses are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the	For the	For the	For the period
	year ended	year ended	year ended	as from
	31 December	31 December	31 December	30 December
	2016	2015	2016	2015 to
				31 December
				2015
Current income tax:				
Current income tax for the period	252,576	575,464	200,946	2,499
Adjustment in respect of current income tax of previous year	125	(175)	125	-
Deferred tax:				
Relating to origination and reversal of temporary differences	310,227	145,946	310,820	(82)
Income tax expense reported in the statement of comprehensive income	562,928	721,235	511,891	2,417

The amounts of income tax relating to each component of other comprehensive income are as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
			financial statements	
	For the	For the	For the	For the period
	year ended	year ended	year ended	as from
	31 December	31 December	31 December	30 December
	2016	2015	2016	2015 to
				31 December
				2015
<u>The Company</u>				
Deferred tax related to				
- Unrealised loss from cash flow hedges	(3,722)	-	(3,722)	-
- Actuarial gain (loss)	(33,533)	(1,401)	(33,533)	-
Total for the Company	(37,255)	(1,401)	(37,255)	-
<u>Associates</u>				
Deferred tax related to				
- Unrealised gain from cash flow hedges	5,756	11,626	-	-
Total for associates	5,756	11,626	-	-
Total	(31,499)	10,225	(37,255)	-

The reconciliation between accounting profit and income tax expense is shown below.

(Unit: Thousand Baht)			
	Consolidated		Separate
	financial statements		financial statements
	For the year ended 31 December 2016	For the year ended 31 December 2015	For the period as from 30 December 2015 to 31 December 2015
Accounting profit before tax	3,175,793	3,422,253	3,074,805
Applicable tax rate	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	635,159	684,451	614,961
Adjustment in respect of income tax of previous year	125	(175)	125
Effects of:			
Tax-exempt revenues	(99,509)	(105,771)	(99,509)
Loss on investments	32,933	15,874	-
Non-deductible expenses	3,628	11,711	2,590
Additional expense deductions allowed	(9,296)	(2,093)	(5,883)
Unused tax loss	-	117,179	-
Others	(112)	59	(393)
Total	(72,356)	36,959	(103,195)
Income tax expenses reported in the statement of comprehensive income	562,928	721,235	511,891

The components of deferred tax assets and deferred tax liabilities as at 31 December 2016 and 2015 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Deferred tax assets (liabilities)				
Allowance for doubtful accounts	325	231	-	-
Accrued bonus	6,658	5,139	5,597	4,146
Allowance for asset impairment	5,185	10,334	5,185	10,334
Provision for long-term employee benefits	94,209	47,566	92,249	46,036
Provision for compensation for site acquisition cost	863,430	1,113,334	863,430	1,113,334
Accumulated amortisation - Rights to operate completed expressway sectors	(424,200)	(438,946)	(424,200)	(438,946)
Rights to use sites for expressway construction	(204,125)	(264,039)	(204,125)	(264,039)
Deferred of project remuneration	(134,488)	-	(134,488)	-
Unrealised gain from revaluation of investments	(11,410)	(8,536)	(11,410)	(8,536)
Deferred interest income	2,582	9,778	2,582	9,778
Derivative liabilities	3,722	-	3,722	-
Deferred tax assets - net	<u>201,888</u>	<u>474,861</u>	<u>198,542</u>	<u>472,107</u>

35. 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.

Earning per share are calculated as below:

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December 2016	For the year ended 31 December 2015	For the year ended 31 December 2016	For the period as from 30 December 2015 to 31 December 2015
Profit for the period (Thousand Baht)	2,605,854	2,649,736	2,562,914	9,679
Weighted average number of ordinary shares (Thousand shares)	15,285,000	15,285,000	15,285,000	15,285,000
Earnings per share (Baht/share)	0.170	0.173	0.168	0.001

For comparative purposes, basic earnings per share for the year ended 31 December 2015 was calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year for 2016, which is the number of ordinary shares held by outside shareholders after amalgamation.

36. Dividend payment

Dividend declared for the year ended 31 December 2016 in consolidated financial statements and separate financial statements consisted of the following:

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)	Paid on
Dividend for the year 2015	Annual General Meeting of the shareholders on 5 April 2016	1,070	0.07	29 April 2016
Dividend for the first half of the year 2016	Board of Directors' meeting on 31 August 2016	764	0.05	27 September 2016
Total dividends for the year ended 31 December 2016		1,834	0.12	

Dividend payment for the years ended 31 December 2015 were dividends paid in respect of Bangkok Expressway Public Company Limited before the amalgamation, amounting to approximately Baht 1,925 million, respectively. 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, respectively.

37. 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.

Revenue, profit and expenses information the segment of the Company and its subsidiaries for the year ended 31 December 2016 and 2015 are as follows:

(Unit: Million Baht)

	For the year ended 31 December													
	Expressway business segment ¹⁾		Rail business segment ²⁾		Commercial development business segment ³⁾		Other segments ⁴⁾		Total segments		Elimination of inter-segment revenues		Consolidation	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Revenue from external customers	9,301	8,815	3,230	2,374	573	549	-	-	13,104	11,738	-	-	13,104	11,738
Inter-segment revenues	-	-	-	-	282	254	120	90	402	344	(402)	(344)	-	-
Total revenues	9,301	8,815	3,230	2,374	855	803	120	90	13,506	12,082	(402)	(344)	13,104	11,738
Segment profit	4,484	4,152	461	181	331	310	-	-	5,276	4,643	-	-	5,276	4,643
Unallocated income and expenses:														
Interest income													68	58
Gain from sales of investment before amalgamation													-	1,236
Gain from sales of investment													31	62
Other income													30	11
Share of profit from investments in associates													347	461
Selling expenses													(92)	(79)
Administrative expenses													(1,038)	(1,036)
Finance cost													(1,446)	(1,934)
Income tax expense													(563)	(721)
Non-controlling interests of the subsidiaries													(7)	(51)
Profit for the year													2,606	2,650

¹⁾ The expressway business segment includes the construction and operation of the expressway

²⁾ The rail business segment includes the operation of the rapid transit system.

³⁾ 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 expressway.

⁴⁾ The other segments include that the Company is employed to operate Bang Pa-In - Pak Kret expressway.

Transfer prices between business segments are as set out in Note 6 to the financial statements.

Geographic information

The Company and its subsidiaries operate in Thailand only. As a result, all the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

Major customers

For the year ended 2016 and 2015, the Company and its subsidiaries have no major customer with revenue of 10 percent or more of an entity's revenues.

38. Provident fund

The Company, its subsidiaries and its employees have participated in TISCO Ruamtun 2 Registered Provident Fund as approved by Ministry of Finance in accordance with the Provident Fund Act B.E. 2530. Employees, the Company and its subsidiaries contributed to the fund monthly at the rates of 3-10 percent of basic salary. The fund, which is managed by TISCO Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year 2016, the Company and its subsidiaries recognised the contribution of Baht 60 million (2015: Baht 48 million) as expenses and recognised the contribution of Baht 59 million in separate financial statements (For the period ended 30 December 2015 to 31 December 2015: Baht 0.2 million).

39. Commitments and contingent liabilities

39.1 Capital commitments

The Company and its subsidiaries have capital commitments as follows:

	As at 31 December	
	2016	2015
a) Management of Si Rat - Outer Ring Road Expressway Project	-	Baht 3,660 million
b) Performance improvement for farebox collection systems	Baht 18 million and US Dollar 3 million	Baht 24 million and US Dollar 4 million
c) Acquisition of equipment	Baht 49 million	Baht 78 million
d) Renovation of server room at administration building	-	Baht 3 million
e) Improvement of civil works	Baht 65 million	-

39.2 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:

(Unit: Million)

	As at 31 December							
	2016				2015			
	Baht	EUR	SGD	JPY	Baht	EUR	SGD	JPY
Payable:								
In up to 1 year	807	2	1	379	676	4	1	158
In over 1 year and up to 5 years	4,968	12	5	1,518	4,692	13	5	1,518
In over 5 years	2,395	6	6	1,739	3,360	8	7	2,119

39.3 Commitments under various service agreements

The Company and its subsidiaries have commitments under various service agreements as follows:

(Unit: Million Baht)

	As at 31 December	
	2016	2015
Payable within:		
In up 1 year	290	95
In over 1 year and up to 4 years	196	68

39.4 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)	
	As at 31 December	
	2016	2015
Payable:		
In up to 1 year	21	11
In over 1 year and up to 5 years	31	15

39.5 Guarantees

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

	(Unit: Million Baht)	
	As at 31 December	
	2016	2015
a) Issued to the EXAT in accordance with the operation of the Si Rat - Outer Ring Road Expressway Project agreement	500	500
b) Issued to the MRTA in accordance with the operation of the MRTA Initial System Project - Chaloem Ratchamongkhon Line agreement	150	150
c) 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
d) 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 ¹⁾	-	31
e) Issued to the Metropolitan Electricity Authority of rail business	67	67
f) Other guarantees	12	12

¹⁾ During the current period, the 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 station to Bang Sue station which is included in MRT Chaloem Ratchamongkhon Project.

39.6 Other commitments

(Unit: Million Baht)		
As at 31 December		
	2016	2015
a) Commitments in respect of the uncalled portion of investments		
Northern Bangkok Expressway Company Limited	750	750
Xayaburi Power Company Limited	776	1,101
b) Commitment in respect of undertaking to provide financial support to CK Power Public Company Limited (as detailed in Note 11.1)	-	154
c) Commitment in respect of Expressway inspection, replacement and improvement agreements (paid within one year)	23	21

40. 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:

40.1 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

40.1.1 Priority Component Opening Date under the Second Stage Expressway Agreement

On 9 July 2001, 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.

On 15 December 2008, 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.

The Supreme Administrative Court has determined the end of fact inquisitorial date on 5 January 2017.

At present, it is among processes of appointing of the judges for issuance of the opinion, determining of the first trial date and determining the adjudication date of the case.

40.1.2 Competing road with the Udon Rattaya Expressway

On 20 December 2004, 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.

On 27 November 2008, 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.

40.1.3 Issuance of variation orders by EXAT

On 9 December 2009, 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).

On 20 October 2013, 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 such arbitral award. And, on 26 March 2014, EXAT submitted a petition to the Central Administrative Court requesting the Court to revoke the arbitral award.

The Central Administrative Court has determined the end of fact inquisitorial date on 23 September 2016.

On 21 October 2016, the Company submitted a petition to the Central Administrative Court requesting a judgment to enforce compliance with the arbitral award. At present, it is pending EXAT to submit its statement.

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

On 14 November 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 2003, which was not in accordance with the Agreement, thereby causing the damages, including interest, in 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 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.

On 4 November 2016, the Company submitted its answer to the petition to the Central Administrative Court.

At present, it is pending EXAT to submit its opposition.

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

On 24 July 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 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 Parties to submit their closing statement. The Company is required to submit its closing statement within 22 February 2017 and EXAT is required to submit its closing statement within 17 March 2017.

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

On 13 June 2013, the Company submitted a statement of claim to the Thai Arbitration Institute 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.

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

On 28 June 2013, the Company submitted a statement of claim to the Thai Arbitration Institute 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.

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

On 22 October 2013, the subsidiary submitted a statement of claim to the Thai Arbitration Institute requiring EXAT to compensate the subsidiary for damages, caused by the revision of toll rates of the Udon Ratthaya Expressway for the year 2003, 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.

40.2 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

40.2.1 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 Bang Pa-In - Pak Kret Expressway Agreement, and compensate for the amount of Baht 1,587.7 million, together with interest under the Agreement. The Agreement states that although the conditions of the Agreement to commence the construction has been fulfilled, the subsidiary shall not yet obliged to carry out the construction if EXAT breach of the Agreement causing the subsidiary to suffer financial set back materially. EXAT are in breach of the Agreement with the competing road and the revision of toll rates. Therefore, the subsidiary acquired its rights to not commence the construction and EXAT is not entitled to claim for indemnity.

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

40.2.2 Cost of utilization of the Control Center Building (Bang Phun)

On 27 February 2009, EXAT submitted a statement of claim to the Thai Arbitration Institute 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.

40.2.3 Cost of arrangements of the entrance - exit and resolution of complaints

On 11 May 2007, 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.

41. Fair value hierarchy

As at 31 December 2016 and 2015, the Company and its subsidiaries had the assets and liabilities that were measured or disclosed at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated financial statements							
	Level 1		Level 2		Level 3		Total	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Asset measured at fair value								
Current investment								
Unit trust	-	-	4,489	497	-	-	4,489	497
Liabilities measured at fair value								
Derivative								
Interest rate swap	-	-	19	-	-	-	19	-
Asset for which fair value are disclosed								
Other long-term investment	-	-	-	-	1,130	809	1,130	809
Investment properties	-	-	-	-	315	302	315	302
Liabilities for which fair value are disclosed								
Long-term loans	-	-	-	-	18,984	16,181	18,984	16,181
Debentures	-	-	22,425	-	-	-	22,425	-

(Unit: Million Baht)

	Separated financial statements							
	Level 1		Level 2		Level 3		Total	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Asset measured at fair value								
Current investment								
Unit trust	-	-	4,480	480	-	-	4,480	480
Liabilities measured at fair value								
Derivative								
Interest rate swap	-	-	19	-	-	-	19	-
Asset for which fair value are disclosed								
Other long-term investment	-	-	-	-	1,130	809	1,130	809
Investment properties	-	-	-	-	315	302	315	302
Liabilities for which fair value are disclosed								
Long-term loans	-	-	-	-	18,984	16,181	18,984	16,181
Debentures	-	-	22,425	-	-	-	22,425	-

42. Financial instruments

42.1 Financial risk management

The financial instruments of the Company and its subsidiaries, as defined under Thai Accounting Standard No. 107 “Financial Instruments: Disclosure and Presentations”, principally comprise cash and cash equivalents, current investments trade and other receivables, receivable from sales of investment, long-term loans and interest receivables to related parties short-term loans from financial institution, trade and other payable, long-term loans, debentures and provision for compensation for site acquisition cost. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade and other accounts receivable. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. The maximum exposure to credit risk is limited to the carrying amounts of trade and other accounts receivable as stated in the statements of financial position.

Interest rate risk

The Company and its subsidiaries are exposed to interest rate risk relate primarily to their cash at banks, current investments, long-term loans and interest receivables to related parties short-term loans, debentures and long-term loans. However, since most the financial assets and liabilities of the Company and its subsidiaries bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statements

As at 31 December 2016

	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
	Within 1 year	1 - 5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	-	-	-	390	387	777	0.38 - 1.60
Current investments	-	-	-	4,489	-	4,489	0.98 - 2.72
Trade and other receivables	-	-	-	-	1,615	1,615	-
Receivable from sales of investment	757	-	-	-	-	757	Note 6
	<u>757</u>	<u>-</u>	<u>-</u>	<u>4,879</u>	<u>2,002</u>	<u>7,638</u>	
Financial liabilities							
Short-term loans from financial institution	4,716	-	-	-	-	4,716	Note 21
Trade and other payables	-	-	-	-	819	819	-
Long-term loans	2,000	6,066	-	10,953	-	19,019	Note 23
Debentures	-	9,114	14,053	-	-	23,167	Note 24
Provision for compensation for site acquisition cost	1,500	2,817	-	-	-	4,317	4.50
	<u>8,216</u>	<u>17,997</u>	<u>14,053</u>	<u>10,953</u>	<u>819</u>	<u>52,038</u>	

(Unit: Million Baht)

Consolidated financial statements

As at 31 December 2015

	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
	Within 1 year	1 - 5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	400	-	-	2,119	1,964	4,483	0.38 - 2.80
Current investments	-	-	-	497	-	497	1.10 - 4.47
Trade and other receivables	-	-	-	-	85	85	-
Receivable from sales of investment	564	757	-	-	-	1,321	Note 6
	<u>964</u>	<u>757</u>	<u>-</u>	<u>2,616</u>	<u>2,049</u>	<u>6,386</u>	
Financial liabilities							
Short-term loans from financial institution	22,400	-	-	10	-	22,410	Note 6, 21
Trade and other payables	-	-	-	-	2,580	2,580	-
Long-term loans	10,108	84	-	7,281	-	17,473	Note 23
Provision for compensation for site acquisition cost	1,500	4,067	-	-	-	5,567	4.50
	<u>34,008</u>	<u>4,151</u>	<u>-</u>	<u>7,291</u>	<u>2,580</u>	<u>48,030</u>	

(Unit: Million Baht)

	Separated financial statements						
	As at 31 December 2016						
	Fixed interest rates			Floating	Non-interest		Effective
	Within 1 year	1 - 5 years	Over 5 years	interest rate	bearing	Total	interest rate
							(% p.a.)
Financial assets							
Cash and cash equivalents	-	-	-	353	377	730	0.38 - 1.60
Current investments	-	-	-	4,480	-	4,480	0.98 - 2.72
Trade and other receivables	-	-	-	-	1,609	1,609	-
Receivable from sales of investment	757	-	-	-	-	757	Note 6
Long-term loans and interest							
receivable from related	-	-	-	5,066	1,054	6,120	Note 6
	757	-	-	9,899	3,040	13,696	
Financial liabilities							
Short-term loans from financial	4,716	-	-	-	-	4,716	Note 21
institution							
Trade and other payables	-	-	-	-	749	749	-
Long-term loans	2,000	6,066	-	10,953	-	19,019	Note 23
Debentures	-	9,114	14,053	-	-	23,167	Note 24
Provision for compensation							
for site acquisition cost	1,500	2,817	-	-	-	4,317	4.50
	8,216	17,997	14,053	10,953	749	51,968	

(Unit: Million Baht)

Separated financial statements						
As at 31 December 2015						
	Fixed interest rates		Floating	Non-interest		Effective
	Within 1 year	1 - 5 years	interest rate	bearing	Total	interest rate
						(% p.a.)
Financial assets						
Cash and cash equivalents	400	-	2,097	1,962	4,459	0.38 - 2.80
Current investments	-	-	480	-	480	1.10 - 4.47
Trade and other receivables	-	-	-	85	85	-
Receivable from sales of investment	564	757	-	-	1,321	Note 6
Long-term loans and interest receivable from related	-	-	5,674	1,180	6,854	Note 6
	964	757	8,251	3,227	13,199	
Financial liabilities						
Short-term loans from financial institution	22,400	-	-	-	22,400	Note 6, 21
Trade and other payables	-	-	-	2,539	2,539	-
Long-term loans	10,108	84	7,124	-	17,316	Note 23
Provision for compensation for site acquisition cost	1,500	4,067	-	-	5,567	4.50
	34,008	4,151	7,124	2,539	47,822	

The Company entered into an interest rate swap contract with a local commercial bank to manage risk associated with some of its long-term loan, carrying interest at a floating rate. As at 31 December 2016, the Company has interest rate swap contract, granting facilities of long-term loan of Baht 8,000 million, to swap a floating interest rate of 6M THBFIX + 1.15 percent per annum to a fixed rate of 3.18 percent per annum. The interest rate swap contract terminates in May 2021.

Foreign currency risk

The Company has a significant foreign currency risk in respect of construction payable. As at 31 December 2016, the Company has outstanding financial liabilities denominated amounting to JPY 65 million and USD 0.5 million (2015: EUR 0.4 million) which have not yet been hedged against foreign exchange risk (the majority of these liabilities are repayable within 1 year).

42.2 Fair values of financial instruments

Since the majority of the financial instruments of the Company and its subsidiaries are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statements of financial position. However, the Company and its subsidiaries have assets and liabilities of the type of long-value which the carrying value is different from the fair value.

Set out below is a comparison, by category of carrying amount and fair value, of the financial assets and liabilities as of 31 December 2016 and 2015.

(Unit: Million Baht)

	Consolidated financial statements			
	As at 31 December 2016		As at 31 December 2015	
	Book value	Fair value	Book value	Fair value
Financial assets				
Cash and cash equivalents	777	777	4,483	4,483
Current investments	5,941	5,884	497	455
Trade and other receivables	1,615	1,615	85	85
Receivable from sales of investment	757	757	1,321	1,321
Other long-term investment	1,238	1,130	913	809
Investment properties	120	315	120	302
Financial liabilities				
Short-term loans from financial institutions	4,716	4,682	22,410	22,410
Trade and other payables	819	819	2,580	2,580
Long-term loans from financial institutions	19,019	18,984	17,448	16,181
Debentures	23,168	22,425	-	-

(Unit: Million Baht)

	Separated financial statements			
	As at 31 December 2016		As at 31 December 2015	
	Book value	Fair value	Book value	Fair value
Financial assets				
Cash and cash equivalents	729	729	4,459	4,459
Current investments	5,932	5,875	480	437
Trade and other receivables	1,619	1,619	85	85
Receivable from sales of investment	757	757	1,321	1,321
Long-term loans to related companies	6,273	6,273	6,854	6,854
Other long-term investment	1,238	1,130	913	809
Investment properties	120	315	120	302
Financial liabilities				
Short-term loans from financial institutions	4,716	4,682	22,400	22,400
Trade and other payables	749	749	2,539	2,539
Long-term loans from financial institutions	19,019	18,984	17,291	16,181
Debentures	23,168	22,425	-	-

The fair value of derivatives as at 31 December 2016 is as follow:

	(Unit: Million Baht)	
	As at 31 December 2016	As at 31 December 2015
	Fair Value	Fair Value
	Loss	Gain (Loss)
Derivatives		
Interest rate swap contract	19	-

The Company and its subsidiaries establish fair value of their financial instruments by adopting the following methods and assumptions:

- For equity securities, their fair value is generally derived from quoted market prices, or based on generally accepted pricing models.
- For fixed rate long-term loans and debentures, their fair value is estimated by discounting expected future cash flow by the current market interest rate of the loans with similar terms and conditions.
- For long-term loans carrying interest at the rate approximate to the market rate, the carrying amount in the statements of financial position approximate their fair value.

- d) For derivatives, their fair value 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 spot rates of foreign currencies, yield curves of the respective currencies, interest rate yield curves and commodity price yield curves. The Company and its subsidiaries had considered to counterparty credit risk when determining the fair value of derivatives.

During the current period there were no transfer within the hierarchy of the fair value.

43. Capital management

The primary objective of the Company's capital management is to ensure that it has an appropriate financial structure to preserves the ability to continue its business as a going concern and maximise shareholder value.

The Company manages its capital position with reference to its debt-to-equity ratio in order to comply with a condition in a long-term loan agreements, which requires the Company to maintain a debt-to-equity ratio of not more than 2.5:1

44. Events after the reporting period

44.1 Dividend payment

On 22 February 2017, a meeting of the Board of Directors passed a resolution to propose a dividend payment of Baht 0.11 per share from the 2016 earnings to the Annual General Meeting of the shareholders. Baht 0.05 per share was paid as an interim dividend on 27 September 2016 and the final dividend payment of Baht 0.06 per share will be paid within May 2017. This dividend payment is subject to the approval of the Annual General Meeting of the shareholders.

44.2 The signing of Agreement to Supply of M&E Systems and O&M Services of the MRT Blue Line Project: Tao Poon Station - Bang Sue Station

As discussed in Note 1 (B.3) to the financial statements, the Company was selected as operator of the MRT Blue Line Project, Tao Poon station-Bang Sue station and signed the agreement with the MRTA on 16 February 2017.

45. Approval of financial statements

These financial statements were authorized for issue by the Company's Board of Directors on 22 February 2017.