

Bangkok Expressway and Metro Public Company Limited  
and its subsidiaries  
Report and consolidated interim financial statements  
For the three-month period ended 31 March 2018

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

To the Shareholders of Bangkok Expressway and Metro Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Bangkok Expressway and Metro Public Company Limited and its subsidiaries as at 31 March 2018, the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of Bangkok Expressway and Metro Public Company Limited for the same period. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

### **Scope of review**

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

### **Conclusion**

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

Israporn Wisutthiyan  
Certified Public Accountant (Thailand) No. 7480

EY Office Limited  
Bangkok: 10 May 2018

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

**Statement of financial position**

**As at 31 March 2018**

(Unit: Thousand Baht)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>31 March 2018</u>	<u>31 December 2017</u>	<u>31 March 2018</u>	<u>31 December 2017</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	4	1,155,225	2,627,063	1,048,743	2,526,936
Current investments	5	1,178,883	1,449,457	1,168,096	1,437,883
Trade and other receivables	6	586,580	426,286	569,548	419,017
Current portion of long-term loans to related party	3	-	-	18,000	18,000
Current portion of receivable under the concession agreement	7	1,649,683	1,649,683	1,649,683	1,649,683
Other current assets		200,907	127,581	190,808	118,434
<b>Total current assets</b>		<b>4,771,278</b>	<b>6,280,070</b>	<b>4,644,878</b>	<b>6,169,953</b>
<b>Non-current assets</b>					
Long-term loans to and interest receivable					
from related parties, net of current portion	3	-	-	4,741,996	4,968,496
Receivable under the concession agreement, net of current portion	7	12,097,677	12,510,098	12,097,677	12,510,098
Investments in subsidiaries	8	-	-	303,586	303,586
Investments in associates	9	9,664,094	9,592,231	7,454,845	7,499,815
Other long-term investment	10	1,728,078	1,654,862	1,728,078	1,654,862
Investment properties		120,357	120,357	120,357	120,357
Building and equipment	11	347,404	361,168	305,241	315,813
Rights to operate expressway sectors	12	37,717,231	38,448,874	31,652,172	32,244,581
Rights to use sites for expressway construction	13	640,814	719,073	640,814	719,073
Intangible asset under concession agreement of					
the MRT Blue Line Project	14	27,754,938	25,954,096	27,416,267	25,608,389
Project cost of the MRT Chalong Ratchadham Line	15	660,230	666,743	660,230	666,743
Prepaid project remuneration	3	2,722,886	2,487,433	2,722,886	2,487,433
Other intangible assets	16	72,936	75,258	68,470	70,297
Deferred tax assets		5,824	4,998	-	-
Other non-current assets		48,780	44,105	18,163	17,154
<b>Total non-current assets</b>		<b>93,581,249</b>	<b>92,639,296</b>	<b>89,930,782</b>	<b>89,186,697</b>
<b>Total assets</b>		<b>98,352,527</b>	<b>98,919,366</b>	<b>94,575,660</b>	<b>95,356,650</b>

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 March 2018**

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	31 March 2018	31 December 2017	31 March 2018	31 December 2017
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	17	13,629,537	3,629,185	13,629,537	3,629,185
Trade and other payables	18	1,663,971	2,107,885	1,597,329	2,036,963
Current portion of long-term loans from financial institutions	19	3,541,760	3,808,760	3,541,760	3,808,760
Unearned fare box revenue		147,353	138,262	147,353	138,262
Deposits on stored value ticket		57,144	54,368	57,144	54,368
Income tax payable		75,051	62,132	34,372	36,455
Current portion of provision for compensation					
for site acquisition cost	21	1,608,000	1,600,000	1,608,000	1,600,000
Other current liabilities					
Retention guarantees		23,389	19,917	15,983	12,233
Value added tax payable		74,589	56,979	64,875	48,315
Withholding tax deducted at source payable		30,595	94,181	28,543	90,214
Others		31,423	11,156	26,064	8,982
Total current liabilities		20,882,812	11,582,825	20,750,960	11,463,737
Non-current liabilities					
Long-term loans from financial institutions, net of current portion	19	15,793,724	25,801,112	15,293,724	25,301,112
Debentures	20	28,172,336	28,170,623	28,172,336	28,170,623
Derivative financial liabilities		62,567	52,954	62,567	52,954
Provision for compensation for site acquisition cost,					
net of current portion	21	637,274	1,411,402	637,274	1,411,402
Unearned revenue from advertising management rights	22	-	-	12,802	13,114
Provision for long-term employee benefits	23	508,463	483,787	491,343	467,539
Deferred tax liabilities		326,073	217,152	326,073	217,152
Other non-current liabilities		19,576	20,213	1,564	1,752
Total non-current liabilities		45,520,013	56,157,243	44,997,683	55,635,648
Total liabilities		66,402,825	67,740,068	65,748,643	67,099,385

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 March 2018**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>31 March 2018</u>	<u>31 December 2017</u>	<u>31 March 2018</u>	<u>31 December 2017</u>
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Shareholders' equity</b>				
Share capital				
Registered				
15,285,000,000 ordinary shares of Baht 1 each	15,285,000	15,285,000	15,285,000	15,285,000
Issued and paid-up				
15,285,000,000 ordinary shares of Baht 1 each	15,285,000	15,285,000	15,285,000	15,285,000
Premium on ordinary shares	5,816,938	5,816,938	5,816,938	5,816,938
Retained earnings				
Appropriated - statutory reserve	1,077,490	1,077,490	1,077,490	1,077,490
Unappropriated	9,684,607	8,948,481	6,697,642	6,120,200
Other components of shareholders' equity	(28,832)	(59,724)	(50,053)	(42,363)
Equity attributable to shareholders of the Company	31,835,203	31,068,185	28,827,017	28,257,265
Non-controlling interests of the subsidiaries	114,499	111,113	-	-
<b>Total shareholders' equity</b>	<b>31,949,702</b>	<b>31,179,298</b>	<b>28,827,017</b>	<b>28,257,265</b>
<b>Total liabilities and shareholders' equity</b>	<b>98,352,527</b>	<b>98,919,366</b>	<b>94,575,660</b>	<b>95,356,650</b>

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

Directors

(Unaudited but reviewed)

**Bangkok Expressway and Metro Public Company Limited and its subsidiaries****Income statement****For the three-month period ended 31 March 2018**

(Unit: Thousand Baht)

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>Note</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Revenues</b>					
Revenue from expressway business		2,537,349	2,454,164	2,181,404	2,121,059
Revenue from rail business		1,182,467	1,126,554	1,182,467	1,126,554
Revenue from commercial development business	24	165,835	150,670	98,713	92,383
Other income					
Gains on sale of investments	5, 9	41,765	1,911	59,249	1,821
Interest income		119,310	17,178	150,826	57,944
Others		12,341	19,576	50,873	50,942
<b>Total revenues</b>		<b>4,059,067</b>	<b>3,770,053</b>	<b>3,723,532</b>	<b>3,450,703</b>
<b>Expenses</b>					
Cost of expressway business		455,185	393,872	405,833	345,588
Cost of rail business		872,754	859,671	872,754	859,671
Cost of commercial development business		43,407	54,468	23,875	29,936
Amortisation on rights to operate completed expressway sectors and compensation for site acquisition cost	12, 13, 21	945,400	903,870	806,166	774,838
Amortisation on intangible asset under concession agreement of the MRT Blue Line Project	14	46,161	117,856	37,136	110,646
Selling expenses		25,642	18,159	13,686	10,507
Administrative expenses		270,066	238,430	255,104	221,207
<b>Total expenses</b>		<b>2,658,615</b>	<b>2,586,326</b>	<b>2,414,554</b>	<b>2,352,393</b>
<b>Profit before share of profit from investments in associates, finance cost and income tax expenses</b>		<b>1,400,452</b>	<b>1,183,727</b>	<b>1,308,978</b>	<b>1,098,310</b>
Share of profit from investments in associates		95,798	71,988	-	-
<b>Profit before finance cost and income tax expenses</b>		<b>1,496,250</b>	<b>1,255,715</b>	<b>1,308,978</b>	<b>1,098,310</b>
Finance cost		(593,982)	(379,127)	(588,623)	(378,922)
<b>Profit before income tax expenses</b>		<b>902,268</b>	<b>876,588</b>	<b>720,355</b>	<b>719,388</b>
Income tax expenses	25	(162,756)	(172,209)	(142,913)	(155,754)
<b>Profit for the period</b>		<b>739,512</b>	<b>704,379</b>	<b>577,442</b>	<b>563,634</b>
<b>Profit attributable to:</b>					
Equity holders of the Company		736,126	702,313	577,442	563,634
Non-controlling interests of the subsidiaries		3,386	2,066		
		<u>739,512</u>	<u>704,379</u>		
<b>Basic earnings per share (Baht)</b>					
Profit attributable to equity holders of the Company	26	0.05	0.05	0.04	0.04

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

(Unaudited but reviewed)

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

**Statement of comprehensive income**

**For the three-month period ended 31 March 2018**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Profit for the period</b>	<u>739,512</u>	<u>704,379</u>	<u>577,442</u>	<u>563,634</u>
<b>Other comprehensive income</b>				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>				
Unrealised loss from cash flow hedges of the Company, net of income tax	(7,690)	(10,951)	(7,690)	(10,951)
Share of other comprehensive income from associates, net of income tax	<u>38,582</u>	<u>30,277</u>	<u>-</u>	<u>-</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods, net of income tax	<u>30,892</u>	<u>19,326</u>	<u>(7,690)</u>	<u>(10,951)</u>
<b>Other comprehensive income for the period</b>	<u>30,892</u>	<u>19,326</u>	<u>(7,690)</u>	<u>(10,951)</u>
<b>Total comprehensive income for the period</b>	<u>770,404</u>	<u>723,705</u>	<u>569,752</u>	<u>552,683</u>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	767,018	721,639	<u>569,752</u>	<u>552,683</u>
Non-controlling interests of the subsidiaries	<u>3,386</u>	<u>2,066</u>		
	<u>770,404</u>	<u>723,705</u>		

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

(Unaudited but reviewed)

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

## Statement of changes in shareholders' equity

For the three-month period ended 31 March 2018

(Unit: Thousand Baht)

	Consolidated financial statements									
	Equity attributable to the shareholders of the Company									
	Other components of shareholders' equity									
	Other comprehensive income									
	Issued and		Retained earnings		Unrealised	Share of other	Capital deficit	Total other	Total equity	Equity attributable
	paid-up	Premium on	Appropriated -		loss from	comprehensive	from change in	components of	attributable to	to non-controlling
	share capital	ordinary shares	statutory reserve	Unappropriated	cash flow hedges	income from	shareholding	shareholders'	shareholders	interests of
						associates	in subsidiary	equity	of the Company	the subsidiaries
										shareholders' equity
Balance as at 1 January 2017	15,285,000	5,816,938	928,690	7,763,596	(14,887)	(57,937)	(32,149)	(104,973)	29,689,251	93,453
Profit for the period	-	-	-	702,313	-	-	-	-	702,313	2,066
Other comprehensive income for the period	-	-	-	-	(10,951)	30,277	-	19,326	19,326	-
Total comprehensive income for the period	-	-	-	702,313	(10,951)	30,277	-	19,326	721,639	2,066
Balance as at 31 March 2017	15,285,000	5,816,938	928,690	8,465,909	(25,838)	(27,660)	(32,149)	(85,647)	30,410,890	95,519
Balance as at 1 January 2018	15,285,000	5,816,938	1,077,490	8,948,481	(42,363)	14,788	(32,149)	(59,724)	31,068,185	111,113
Profit for the period	-	-	-	736,126	-	-	-	-	736,126	3,386
Other comprehensive income for the period	-	-	-	-	(7,690)	38,582	-	30,892	30,892	-
Total comprehensive income for the period	-	-	-	736,126	(7,690)	38,582	-	30,892	767,018	3,386
Balance as at 31 March 2018	15,285,000	5,816,938	1,077,490	9,684,607	(50,053)	53,370	(32,149)	(28,832)	31,835,203	114,499

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



(Unaudited but reviewed)

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

**Statement of changes in shareholders' equity**

**For the three-month period ended 31 March 2018**

(Unit: Thousand Baht)

	Separate financial statements					Total shareholders' equity
	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Other components of shareholders' equity	
			Appropriated - statutory reserve	Unappropriated	Other comprehensive income	
					Unrealised loss from cash flow hedges	
<b>Balance as at 1 January 2017</b>	15,285,000	5,816,938	928,690	5,077,414	(14,887)	27,093,155
Profit for the period	-	-	-	563,634	-	563,634
Other comprehensive income for the period	-	-	-	-	(10,951)	(10,951)
Total comprehensive income for the period	-	-	-	563,634	(10,951)	552,683
<b>Balance as at 31 March 2017</b>	15,285,000	5,816,938	928,690	5,641,048	(25,838)	27,645,838
<b>Balance as at 1 January 2018</b>	15,285,000	5,816,938	1,077,490	6,120,200	(42,363)	28,257,265
Profit for the period	-	-	-	577,442	-	577,442
Other comprehensive income for the period	-	-	-	-	(7,690)	(7,690)
Total comprehensive income for the period	-	-	-	577,442	(7,690)	569,752
<b>Balance as at 31 March 2018</b>	15,285,000	5,816,938	1,077,490	6,697,642	(50,053)	28,827,017

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

(Unaudited but reviewed)

**Bangkok Expressway and Metro Public Company Limited and its subsidiaries****Cash flow statement****For the three-month period ended 31 March 2018**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Cash flows from operating activities</b>				
Profit before tax	902,268	876,588	720,355	719,388
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Amortisation and depreciation	905,623	922,099	753,575	782,122
Revenue recognition of unearned revenue from advertising management rights	-	-	(312)	(312)
Gains on sale of investments	(41,765)	(1,911)	(59,249)	(1,821)
Unrealised gain on change in value of investments	(4,469)	(11,914)	(4,468)	(11,912)
Gains on disposal/write-off of equipment and intangible asset under concession agreement of the MRT Blue Line Project	(465)	(1,747)	(465)	(1,747)
Project remuneration expense	87,301	135,205	87,301	135,205
Compensation for site acquisition cost	112,131	123,365	112,131	123,365
Provision for long-term employee benefits	23,839	18,865	22,967	18,243
Share of profit from investments in associates	(95,798)	(71,988)	-	-
Unrealised gain on exchange rate	(143)	(91)	(143)	(91)
Interest income	(119,310)	(17,175)	(150,826)	(57,943)
Interest expenses	443,849	370,044	439,904	370,044
Profit from operating activities before changes in operating assets and liabilities	2,213,061	2,341,340	1,920,770	2,074,541
Operating assets (increase) decrease				
Trade and other receivables	(160,294)	44,425	(150,531)	21,749
Receivable under the concession agreement	412,421	-	412,421	-
Other current assets	41,815	26,828	40,773	21,126
Other non-current assets	(4,551)	(3,487)	(1,138)	314
Cash paid for project remuneration	(322,624)	(305,560)	(322,624)	(305,560)
Operating liabilities increase (decrease)				
Trade payables and other payables	123,732	317,257	127,967	336,281
Unearned fare box revenue	9,091	7,086	9,091	7,086
Deposits on stored value ticket	2,776	2,473	2,776	2,473
Other current liabilities	(22,237)	(63,056)	(24,279)	(68,383)
Other non-current liabilities	(637)	708	(188)	(469)
Cash paid for compensation for site acquisition cost	(800,000)	(750,000)	(800,000)	(750,000)
Net cash flows from operating activities	1,492,553	1,618,014	1,215,038	1,339,158
Cash received from interest income	121,214	12	121,214	12
Cash paid for income tax	(41,806)	(41,140)	(34,152)	(35,388)
<b>Net cash flows from operating activities</b>	<b>1,571,961</b>	<b>1,576,886</b>	<b>1,302,100</b>	<b>1,303,782</b>

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

(Unaudited but reviewed)

**Bangkok Expressway and Metro Public Company Limited and its subsidiaries****Cash flow statement (continued)****For the three-month period ended 31 March 2018**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Cash flows from investing activities</b>				
Cash received from sales of current investments	2,983,500	5,414,595	2,605,500	5,060,695
Cash paid for purchase of current investments	(2,707,764)	(4,947,495)	(2,330,615)	(4,592,030)
Cash received from sales of investments in associates	103,589	-	103,589	-
Cash received from sales of investment before amalgamation	-	300,000	-	300,000
Increase in other long-term investments	(73,216)	(193,385)	(73,216)	(193,385)
Cash received from long-term loans to related parties	-	-	188,249	155,302
Cash received from sales of equipment and intangible asset under concession agreement of the MRT Blue Line Project	1,548	1,753	1,548	1,753
Purchase of equipment	(2,340)	(17,110)	(2,238)	(13,955)
Advance payment for purchase of equipment	(254)	-	-	-
Cash received from interest income	3,912	7,562	73,685	80,034
Cash paid for project costs of the MRT Chalong Ratchadham Line	-	(65,000)	-	(65,000)
Cash paid for intangible asset under concession agreement of the MRT Blue Line Project	(2,590,594)	(246,599)	(2,588,605)	(240,590)
Cash paid for expressway construction	(69,178)	(65,345)	(69,178)	(65,345)
Interest expenses capitalised as cost of projects	(29,458)	-	(29,458)	-
Increase in intangible assets	<u>(2,337)</u>	<u>(7,265)</u>	<u>(2,337)</u>	<u>(7,265)</u>
<b>Net cash flows from (used in) investing activities</b>	<u>(2,382,592)</u>	<u>181,711</u>	<u>(2,123,076)</u>	<u>420,214</u>
<b>Cash flows from financing activities</b>				
Cash received from short-term loans from financial institutions	10,000,000	-	10,000,000	-
Repayment of long-term loans from financial institutions	(10,318,690)	-	(10,318,690)	-
Cash paid for financial fees	(74,002)	-	(74,002)	-
Interest paid	<u>(268,515)</u>	<u>(125,360)</u>	<u>(264,525)</u>	<u>(125,360)</u>
<b>Net cash flows used in financing activities</b>	<u>(661,207)</u>	<u>(125,360)</u>	<u>(657,217)</u>	<u>(125,360)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>(1,471,838)</u>	<u>1,633,237</u>	<u>(1,478,193)</u>	<u>1,598,636</u>
Cash and cash equivalents at beginning of period	<u>2,627,063</u>	<u>777,001</u>	<u>2,526,936</u>	<u>729,293</u>
<b>Cash and cash equivalents at end of period</b>	<u><u>1,155,225</u></u>	<u><u>2,410,238</u></u>	<u><u>1,048,743</u></u>	<u><u>2,327,929</u></u>
<b>Supplemental cash flows information</b>				
Non-cash items consist of:				
Increase in payable from expressway construction	32,448	-	32,448	-
Increase in accrued interest expenses capitalised as cost of projects	10,000	-	10,000	-

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

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

**Notes to consolidated interim financial statements**

**For the three-month period ended 31 March 2018**

**1. General information**

**1.1 Corporate information**

Bangkok Expressway and Metro Public Company Limited (“the Company”) is a public company from amalgamation under Thai law on 30 December 2015 and domiciled in Thailand. The Company’s major shareholder is CH. Karnchang Public Company Limited, which was a public company incorporated in Thailand. The Company is principally engaged in the construction and management of expressways, the operation of metro services and commercial development. Its registered office of the Company is at 587 Sutthisarnvinitchai Road, Dindaeng Subdistrict, Dindaeng District, Bangkok. The Company has four branches.

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

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

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

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

**1.3 Basis of consolidation**

These interim consolidated financial statements have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2017, with no changes in shareholding structure of subsidiaries during the period.

## **1.4 New financial reporting standards**

### **(a) Financial reporting standards that became effective in the current year**

During the period, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2017 ) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

### **(b) Financial reporting standard that will become effective in the future**

During the period, the Federation of Accounting Professions issued the financial reporting standard TFRS 15 Revenue from Contracts with Customers, which is effective for fiscal years beginning on or after 1 January 2019. Key principles of this standard are summarised below.

#### **TFRS 15 Revenue from Contracts with Customers**

TFRS 15 supersedes TAS 11 Construction Contracts and TAS 18 Revenue, together with related Interpretations. Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

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.

## **2. Significant accounting policies**

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2017.

### 3. Related party transactions

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

The relationship between the Company and its subsidiaries and the related parties which the Company and its subsidiaries have transactions with during the three-month periods ended 31 March 2018 and 2017 are 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 company
Bangkok Metro Networks Limited	Subsidiary company
CK Power Public Company Limited	Associated company
TTW Public Company Limited	Associated company
Krungthai Bank Public Company Limited	Related company through a director of the company's authority in the bank
Bangkok Bank Public Company Limited	Related company through a director of the company's authority in the bank
Xayaburi Power Company Limited	Related company through common directors of the Company
Bangpa-in Land Development Company Limited	Related company through common directors of the Company
Plan B Public Company Limited	Related company through having common directors with a subsidiary company since 9 February 2018

(Unaudited but reviewed)

Such significant transactions and pricing policy are summarised below.

(Unit: Million Baht)

	For the three-month periods ended 31 March				
	Consolidated financial		Separate financial		
	statements		statements		Pricing policy
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	
<u>Transactions with major shareholder</u>					
Interest income	-	6	-	6	At the fixed rate per annum
Cost of rail projects	1,422	-	1,422	-	Base on contracts
Cost of expressway construction	121	-	121	-	Base on contracts
Expressway and civil works maintenance expenses	97	87	97	87	Base on contracts
Office rental and service expenses	2	2	-	-	Base on contracts
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Commercial development revenue	-	-	82	73	Base on contracts
Interest income from long-term loans	-	-	32	41	Base on contracts
Project management income	-	-	38	36	Baht 12.5 million per month (2017: Baht 12 million per month)
<u>Transactions with related companies</u>					
Commercial development revenue	22	2	8	2	Base on contracts
Interest income from M&E Systems	112	-	112	-	FDR plus stipulated margins per annum
Costs of commercial development	3	-	-	-	Agreed between the parties
Remuneration from fare box (Inclusive of VAT)	85	118	85	118	Concession agreement
Remuneration from commercial development	2	17	2	17	Concession agreement
Property tax	1	1	1	1	At the rates charged by Bangkok Metropolitan Administration
Financial fee	34	6	33	5	Base on contracts
Interest expenses on long-term loans	71	82	71	82	At the fixed rate and MLR minus stipulated margins, 6M FDR plus stipulated margins and FDR plus stipulated margins per annum (2017: At the fixed rate, MLR minus stipulated margins and 6M FDR plus stipulated margins per annum)

(Unaudited but reviewed)

As at 31 March 2018 and 31 December 2017, the balances of the accounts between the Company and its subsidiaries and related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	31 March 2018	31 December 2017 (Audited)	31 March 2018	31 December 2017 (Audited)
<b><u>Trade and other receivables (Note 6)</u></b>				
<b><u>Trade receivables</u></b>				
Bangkok Metro Networks Limited	-	-	59,272	77,820
Mass Rapid Transit Authority of Thailand	494,867	326,236	494,867	326,236
Plan B Media Public Company Limited <sup>(1)</sup>	15,335	-	-	-
Total	510,202	326,236	554,139	404,056
<b><u>Other receivables</u></b>				
Northern Bangkok Expressway Company Limited	-	-	13,375	12,840
<b><u>Prepaid expenses</u></b>				
Krunghthai Bank Public Company Limited	2,468	6,467	788	4,162
<b><u>Advance payment under service contract</u></b>				
CH. Karnchang Public Company Limited	14,022	24,969	14,022	24,969
<b><u>Long-term loans to and interest receivable from related parties</u></b>				
Northern Bangkok Expressway Company Limited	-	-	4,601,496	4,823,496
Bangkok Metro Networks Limited	-	-	158,500	163,000
Total	-	-	4,759,996	4,986,496
Less: current portion	-	-	(18,000)	(18,000)
Long-term loans to and interest receivable from related parties, net of current portion	-	-	4,741,996	4,968,496
<b><u>Receivable under the concession agreement (Note 7)</u></b>				
Mass Rapid Transit Authority of Thailand	13,747,360	14,159,781	13,747,360	14,159,781
<b><u>Prepaid project remuneration</u></b>				
Mass Rapid Transit Authority of Thailand	2,722,886	2,487,433	2,722,886	2,487,433
<b><u>Trade and other payables (Note 18)</u></b>				
CH. Karnchang Public Company Limited	544,165	1,291,085	544,155	1,291,075
Mass Rapid Transit Authority of Thailand	112,279	111,928	112,279	111,928
Krunghthai Bank Public Company Limited	991	1,545	928	1,476
Plan B Media Public Company Limited <sup>(1)</sup>	2,912	-	-	-
Others	2,003	3,094	64	1,254
Total	662,350	1,407,652	657,426	1,405,733
<b><u>Unearned revenue</u></b>				
Plan B Media Public Company Limited <sup>(1)</sup>	1,729	-	1,729	-
<b><u>Retention guarantees</u></b>				
CH. Karnchang Public Company Limited	7,852	4,153	6,573	2,874
<b><u>Unearned revenue from advertising management rights (Note 22)</u></b>				
Bangkok Metro Networks Limited	-	-	14,050	14,362

<sup>(1)</sup> This Company is a related company since 9 February 2018.



(Unaudited but reviewed)

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

		(Unit: Thousand Baht)		
		Increase	Decrease	
	1 January 2018	during the period	during the period	31 March 2018
Northern Bangkok Expressway Company Limited				
Long-term loan	3,992,709	-	(183,749)	3,808,960
Interest receivable	830,787	30,129	(68,380)	792,536
Total	4,823,496	30,129	(252,129)	4,601,496
Bangkok Metro Networks Limited				
Long-term loan	163,000	-	(4,500)	158,500
Interest receivable	-	1,393	(1,393)	-
Total	163,000	1,393	(5,893)	158,500
Grand total	4,986,496	31,522	(258,022)	4,759,996

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.

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

	(Unit: Thousand Baht)			
	Consolidated and Separate financial statements			
		Increase	Decrease	
Long-term loans	1 January 2018	during the period	during the period	31 March 2018
Krungthai Bank Public Company Limited	9,394,584	-	(4,372,301)	5,022,283
Bangkok Bank Public Company Limited	4,221,631	-	(4,221,631)	-
Total	13,616,215	-	(8,593,932)	5,022,283

### **Directors and management benefits**

During the three-month periods ended 31 March 2018 and 2017, the Company and its subsidiaries had employee benefit expenses of their directors and managements as below.

	(Unit: Thousand Baht)			
	For the three-month periods ended 31 March			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Short-term employee benefits	37,691	40,298	34,235	34,946
Post-employment benefits	2,603	1,420	2,458	1,278
Total	40,294	41,718	36,693	36,224

**4. Cash and cash equivalents**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
		(Audited)		(Audited)
Cash	32,179	31,734	30,294	29,954
Bank deposits	1,123,046	2,595,329	1,018,449	2,496,982
Total	1,155,225	2,627,063	1,048,743	2,526,936

The Company has pledged the bank accounts used to deposit moneys received for work on the MRT Chalong Ratchadham Line Project, and transferred rights to debit or withdraw from the deposit accounts used to make payment of loans and related financial fees to a group of lenders to secure the Company's loan.

As at 31 March 2018, the balance of the pledged bank account amounted to Baht 1,018 (31 December 2017: Baht 1,018).

**5. Current investments**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March	31 December	31 March	31 December
	2018	2017	2018	2017
		(Audited)		(Audited)
<b>Investments in trading securities</b>				
Unit trusts	1,121,038	895,985	1,110,254	884,415
Add: Unrealised gain on changes in value of investments	47,845	43,472	47,842	43,468
Unit trusts - Fair value	1,168,883	939,457	1,158,096	927,883
<b>Investments in held-to-maturity debt security</b>				
Bills of exchange	10,000	510,000	10,000	510,000
Total current investments	1,178,883	1,449,457	1,168,096	1,437,883

**6. Trade and other receivables**

	Consolidated financial statements		Separate financial statements	
	31 March	31 December	31 March	31 December
	2018	2017	2018	2017
		(Audited)		(Audited)
<u>Trade receivables</u>				
Trade receivables				
- Related parties (Note 3)	510,202	326,236	554,139	404,056
- Unrelated parties	76,905	101,923	-	-
Less: Allowance for doubtful debts	(5,182)	(5,182)	-	-
Total trade receivables - net	581,925	422,977	554,139	404,056
<u>Other receivables</u>				
Other receivables				
- Related parties (Note 3)	-	-	13,375	12,840
- Unrelated parties	2,358	1,585	1,417	1,544
Advances	1,726	1,177	46	30
Accrued income	571	547	571	547
Total other receivables	4,655	3,309	15,409	14,961
Total trade and other receivables - net	586,580	426,286	569,548	419,017

Most of the trade receivables of the Company and its subsidiaries were within their credit terms or past due up to 3 months. As at 31 March 2018, the outstanding balances of trade receivables in the consolidated financial statements that are one year past due amounted to approximately Baht 6 million (31 December 2017: 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 2017: Baht 5 million) (Separate financial statements: Nil).

(Unaudited but reviewed)

**7. Receivable under the concession agreement**

	(Unit: Thousand Baht)
	Consolidated and Separate financial statements
Net book value as at 1 January 2018	14,159,781
Decrease during the period	(412,421)
Net book value as at 31 March 2018	13,747,360
Current	1,649,683
Non-current	12,097,677
Total receivable under the concession agreement	13,747,360

Receivable under the concession agreement is a receivable for M&E system (Inclusive of VAT) of Phase 1 of the MRT Chalong Ratchadham Line Project. The Mass Rapid Transit Authority of Thailand ("MRTA") will pay the remuneration and interest in the form of monthly installments until 2026. The Company transferred rights to receive cash from receivable under the concession agreement to the group of lenders, in settlement of long-term loans from financial institutions, as described in Notes 19 to the interim financial statement.

Interest income for M&E Systems for the three-month period ended 31 March 2018 amounted to Baht 112 million (2017: Nil).

**8. 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		Proportion of investment		Cost	
	31 March	31 December	31 March	31 December	31 March	31 December	31 March	31 December
	2018	2017	2018	2017	2018	2017	2018	2017
					(Percent)	(Percent)		(Audited)
Northern Bangkok Expressway Company Limited	6,000	6,000	5,250	5,250	99.99	99.99	2,604	2,604
Bangkok Metro Networks Limited	254	254	254	254	65.19	65.19	166	166
Total							2,770	2,770
Less: Allowance for impairment of investments							(2,466)	(2,466)
Cost - net							304	304

## 9. Investments in associates

(Unit: Million Baht)

Consolidated financial statements										
Company's name	Nature of business	Incorporated country	Shareholding percentage		Cost		Carrying amounts based on equity method		Fair values	
			31 March	31 December	31 March	31 December	31 March	31 December	31 March	31 December
			2018	2017	2018	2017	2018	2017	2018	2017
			(Percent)	(Percent)		(Audited)		(Audited)		(Audited)
CK Power Public Company Limited	Investment in electricity generation and distribution business	Thailand	19.34	19.40	3,213	3,223	3,144	3,121	5,531 <sup>(1)</sup>	5,777 <sup>(1)</sup>
TTW Public Company Limited	Production and sales of treated water	Thailand	19.29	19.45	6,919	6,976	6,520	6,471	9,314	9,701
Total					10,132	10,199	9,664	9,592	14,845	15,478

(Unit: Million Baht)

Separate financial statements									
Company's name	Nature of business	Incorporated country	Shareholding percentage		Cost		Fair value		
			31 March	31 December	31 March	31 December	31 March	31 December	
			2018	2017	2018	2017	2018	2017	
			(Percent)	(Percent)		(Audited)		(Audited)	
CK Power Public Company Limited	Investment in electricity generation and distribution business	Thailand	19.34	19.40	3,213	3,223	5,531 <sup>(1)</sup>	5,777 <sup>(1)</sup>	
TTW Public Company Limited	Production and sales of treated water	Thailand	19.29	19.45	4,242	4,277	9,314	9,701	
Total					7,455	7,500	14,845	15,478	

<sup>(1)</sup> Excluding the fair value of warrants amounting to Baht 171 million (31 December 2017: Baht 189 million).

In February 2018, the Company sold 4.5 million ordinary shares of CK Power Public Company Limited amounting to Baht 19 million, and recorded gains on sale of investment in this associated company of Baht 9 million in profit or loss in the consolidated and separate financial statements for the three-month period ended 31 March 2018. As a result, its interest in the equity of CK Power Public Company Limited decreased from 19.40 percent to 19.34 percent.

In addition, the Company sold 6.3 million ordinary shares of TTW Public Company Limited amounting to Baht 85 million, and recorded gains on sale of investment in this associated company of Baht 32 million in profit or loss in the consolidated financial statements for the three-month period ended 31 March 2018 and Baht 50 million in profit or loss in the separate financial statements for the three-month period then ended. As a result, its interest in the equity of TTW Public Company Limited decreased from 19.45 percent to 19.29 percent.

**10. Other long-term investment**

(Unit: Million Baht)

			Consolidated and Separate financial statements							
Company's	Nature of	Country of	Registered capital		Paid-up capital		Proportion of investment		Cost	
name	business	incorporation	31 March	31 December	31 March	31 December	31 March	31 December	31 March	31 December
			2018	2017	2018	2017	2018	2017	2018	2017
							(Percent)	(Percent)		(Audited)
Xayaburi Power	Generating and	The Lao People's	26,861	26,861	23,041	22,065	7.50	7.50	1,728	1,655
Company Limited	sale of electricity	Democratic republic								
Total									1,728	1,655

During December 2017 to February 2018, Xayaburi Power Company Limited called up additional parts of the unpaid portion of its shares, totaling Baht 73 million, and the Company made payment for the shares in the current period.

Subsequently in March 2018, Xayaburi Power Company Limited additionally called up Baht 15 million. The Company made payments for those share in April 2018.

The 201.46 million ordinary shares of Xayaburi Power Company Limited held by the Company have been pledged to secure of long-term loans of such company.

**11. Building and equipment**

A reconciliation of the net book value of the building and equipment during the three-month period ended 31 March 2018 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<b>Net book value as at 1 January 2018</b>	361,168	315,813
Acquisitions during the period - at cost	2,340	2,238
Disposals during the period - net book value at disposal date	(1,083)	(1,083)
Depreciation for the period	(15,021)	(11,727)
<b>Net book value as at 31 March 2018</b>	<b>347,404</b>	<b>305,241</b>

(Unaudited but reviewed)

## 12. Rights to operate expressway sectors

A reconciliation of the net book value of the rights to operate completed expressway sectors during the three-month period ended 31 March 2018 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<b>Net book value as at 1 January 2018</b>	38,448,874	32,244,581
Increase during the period - at cost	101,626	101,626
Amortisation for the period	(833,269)	(694,035)
<b>Net book value as at 31 March 2018</b>	<u>37,717,231</u>	<u>31,652,172</u>

The Company transferred its rights in the Si Rat - Outer Ring Road Expressway Project to secure long-term loans.

## 13. Rights to use sites for expressway construction

A reconciliation of the net book value of the rights to use sites for expressway construction during the three-month period ended 31 March 2018 is summarised below.

	(Unit: Thousand Baht)
	Consolidated and Separate financial statements
<b>Net book value as at 1 January 2018</b>	719,073
Amortisation for the period	(78,259)
<b>Net book value as at 31 March 2018</b>	<u>640,814</u>

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

**14. Intangible asset under concession agreement of the MRT Blue Line Project**

A reconciliation of the net book value of the intangible asset under concession agreement of the MRT Blue Line Project during the three-month period ended 31 March 2018 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<b>Net book value as at 1 January 2018</b>	25,954,096	25,608,389
Increase during the period - at cost	1,807,545	1,805,556
Interest cost	39,458	39,458
Amortisation for the period	(46,161)	(37,136)
<b>Net book value as at 31 March 2018</b>	<b>27,754,938</b>	<b>27,416,267</b>

During the period, the Company has capitalised the borrowing cost as part of intangible assets under concession agreement of the MRT Blue Line Project. The weighted average rate used to determine the amount of borrowing cost eligible from capitalisation was 2.88 percent.

**15. Project cost of the MRT Chalong Ratchadham Line**

A reconciliation of the net book value of project cost of the MRT Chalong Ratchadham Line during the three-month period ended 31 March 2018 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated and Separate financial statements	
<b>Net book value as at 1 January 2018</b>	666,743	
Amortisation for the period	(6,513)	
<b>Net book value as at 31 March 2018</b>	<b>660,230</b>	

**16. Other intangible assets**

A reconciliation of the net book value of other intangible assets for the three-month period ended 31 March 2018 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<b>Net book value as at 1 January 2018</b>	75,258	70,297
Acquisitions during the period - at cost	2,337	2,337
Amortisation for the period	(4,659)	(4,164)
<b>Net book value as at 31 March 2018</b>	<b>72,936</b>	<b>68,470</b>



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

(Unit: Thousand Baht)

		Consolidated and Separate financial statements	
		31 March 2018	31 December 2017
	Interest rate		
	(Percent per annum)		(Audited)
Promissory Notes	At the fixed rate	13,632,000	3,632,000
Less: Deferred financial fees		(2,463)	(2,815)
Total		13,629,537	3,629,185

On 30 March 2018, the Company issued a Baht 10,000 million promissory note that matures on 27 April 2018 to a commercial bank, to make payment of the long-term loans described in Note 19 to the interim financial statements.

Subsequently, in April 2018, the Company issued debenture No. 1/2018 totaling Baht 10,000 million to redeem the promissory note.

**18. Trade and other payables**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March	31 December	31 March	31 December
	2018	2017	2018	2017
		(Audited)		(Audited)
Trade payables - related parties (Note 3)	586,868	1,334,514	583,798	1,334,366
Trade payables - unrelated parties	378,781	341,818	354,925	305,781
Accrued interest - related parties (Note 3)	-	2,416	-	2,416
Accrued interest - unrelated parties	322,124	134,374	322,036	134,242
Accrued expense - related parties (Note 3)	75,482	70,722	73,628	68,951
Accrued expense - unrelated parties	286,235	209,745	260,564	189,377
Other payables	14,481	14,296	2,378	1,830
Total trade and other payables	1,663,971	2,107,885	1,597,329	2,036,963

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

Loans	Credit facility (Million Baht)	Consolidated financial statements		Separate financial statements	
		31 March 2018	31 December 2017	31 March 2018	31 December 2017
			(Audited)		(Audited)
1. Tranche Gor (Fully drew down)	5,750	-	5,711,619	-	5,711,619
2. Tranche Khor (Fully drew down)	4,250	-	4,221,631	-	4,221,631
3. Long-term loan (Fully drew down)	8,000	6,000,000	6,000,000	6,000,000	6,000,000
4. Tranche A (Fully drew down)	13,557	12,789,589	13,173,277	12,789,589	13,173,277
5. Tranche B (Fully drew down)	62	58,411	60,163	58,411	60,163
6. Long-term loan (Available credit facilities to be drawn down: Baht 14,000 million)	14,000	-	-	-	-
7. Long-term loan (Available credit facilities to be drawn down: Baht 4,740 million)	5,700	500,000	500,000	-	-
<b>Total</b>	<b>51,319</b>	<b>19,348,000</b>	<b>29,666,690</b>	<b>18,848,000</b>	<b>29,166,690</b>
Less: Current portion of long-term loans		(3,541,760)	(3,808,760)	(3,541,760)	(3,808,760)
Less: Deferred financial fees		(12,516)	(56,818)	(12,516)	(56,818)
<b>Long-term loans - net of current portion</b>		<b>15,793,724</b>	<b>25,801,112</b>	<b>15,293,724</b>	<b>25,301,112</b>

Movements in the long-term loans for the three-month period ended 31 March 2018 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
<b>Balance as at 1 January 2018</b>	29,666,690	29,166,690
Less: Repayment during the period	(10,318,690)	(10,318,690)
<b>Balance as at 31 March 2018</b>	<b>19,348,000</b>	<b>18,848,000</b>

Long-term loans number 1 to 2

The long-term loans are secured by assets of the Company such as 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, dividend payment and conditions for mandatory prepayment.

As described in Note 17 to the interim financial statements, on 30 March 2018, the Company issued a promissory note amounting to Baht 10,000 million, bearing interest at a fixed rate, to make full repayment of long-term loans number 1 and 2, together with prepayment fees of Baht 98.7 million. At present, the Company is in the process of redeeming the collateral.

Long-term loan number 3

The Company entered into an interest rate swap agreement to change the interest rate from a floating rate of 6M THBFIX plus stipulated margins to a fixed rate.

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.

Long-term loans number 4 to 5

The Company pledged bank accounts used to deposit moneys received for work on the M&E Systems of the MRT Chalong Ratchadham Line (Note 4) and transferred rights to receive payments for such work to the group of lenders (Note 7). The Company had interest expenses amounting to Baht 112 million on such loans for the three-month period ended 31 March 2018 (2017: Nil).

Under the Credit Facility Agreement, the Company must comply with normal financial covenants relating to various matters, such as maintenance of debt service coverage ratio and debt to equity ratio, dividend payment and conditions for mandatory prepayment.

Long-term loan number 6

On 26 January 2018, the Company signed a long-term loan agreement with a group of lenders, granting facility of Baht 14,000 million to invest in the procurement, installation and testing of the M&E Systems of the MRT Blue Line Extension Project. The credit facility carries interest at a rate of 6M THBFIX plus stipulated margin, and are repayable in quarterly installments from December 2021 until December 2035.

Under the Credit Facility Agreement, the Company must comply with normal financial covenants relating to various matters, such as maintenance of debt service coverage ratio and debt to equity ratio, dividend payment and conditions for mandatory prepayment.

Long-term loan number 7

This is a loan of a subsidiary company. Under the loan agreement, the subsidiary must comply with normal financial covenants relating to various matters, such as the maintenance of debt service coverage ratio and debt to equity ratio, dividend payment and conditions for mandatory prepayment.

**20. Debentures**

				(Unit: Thousand Baht)	
				Consolidated and Separate financial statements	
Type of debenture	Issuance date	Term	Interest rate	31 March 2018	31 December 2017
		(Years)	(Percent per annum)		(Audited)
No. 1/2016	24 June 2016	3 - 12	2.22 - 3.61	14,700,000	14,700,000
No. 2/2016	11 August 2016	12	3.61	500,000	500,000
No. 3/2016	21 October 2016	4 - 11	2.62 - 3.95	8,000,000	8,000,000
No. 1/2017	7 September 2017	5 - 7	2.65 - 3.10	5,000,000	5,000,000
Total				28,200,000	28,200,000
Less: Deferred debenture issuing cost				(27,664)	(29,377)
Debentures - net				28,172,336	28,170,623

There are no movements in the debentures account during the three-month period ended 31 March 2018.

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

In April 2018, the Company issued Baht 10,000 million of 3 - 7 years debentures (no. 1/2018) bearing interest at rates of 2.05 to 3.01 percent per annum. These debentures are registered, unsubordinated, and unsecured, without a debenture holders' representative.

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

Movement in provision for compensation for site acquisition cost account for the three-month period ended 31 March 2018 is summarised below.

		(Unit: Thousand Baht)
		Consolidated and Separate financial statements
<b>Balance as at 1 January 2018</b>		3,011,402
Payment during the period		(800,000)
Interest cost		33,872
<b>Balance as at 31 March 2018</b>		2,245,274
Less: Current portion		(1,608,000)
Provision for compensation for site acquisition cost		
- net of current portion		637,274

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

Movement in unearned revenue from advertising management rights account for the three-month period ended 31 March 2018 in the separate financial statement is summarised below.

	(Unit: Thousand Baht)
<b>Balance as at 1 January 2018</b>	14,362
Less: Recognise to revenue during the period	(312)
<b>Balance as at 31 March 2018</b>	14,050
Less: Current portion	(1,248)
Unearned revenue from advertising management rights - net of current portion	12,802

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

Movements in provision for long-term employee benefits account for the three-month period ended 31 March 2018 is summarised below.

	Consolidated financial statements	(Unit: Thousand Baht) Separate financial statements
<b>Balance as at 1 January 2018</b>	483,787	467,539
Increase during the period	24,676	23,804
<b>Balance as at 31 March 2018</b>	508,463	491,343

**24. Revenue from commercial development business**

Revenue from commercial development business derived from sources of income in separate financial statement for the three-month period ended 31 March 2018, consisting of revenue on expressway system amounting to Baht 11 million and revenue on rail system amounting to Baht 88 million (2017: amounting to Baht 12 million and amounting to Baht 80 million, respectively).

**25. Income taxes**

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

Income tax expenses for the three-month periods ended 31 March 2018 and 2017 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Current income tax:</b>				
Interim corporate income tax charge	52,738	17,152	32,069	-
<b>Deferred tax:</b>				
Relating to origination and reversal of				
temporary differences	110,018	155,057	110,844	155,754
<b>Tax expenses reported in the income statement</b>	<u>162,756</u>	<u>172,209</u>	<u>142,913</u>	<u>155,754</u>

The amounts of income tax relating to each component of other comprehensive income for the three-month periods ended 31 March 2018 and 2017 are as follows:

	(Unit: Thousand Baht)	
	Consolidated and Separate financial statements	
	<u>2018</u>	<u>2017</u>
Deferred tax related to		
- Unrealised loss from cash flow hedges	(1,923)	(2,738)
Total	<u>(1,923)</u>	<u>(2,738)</u>

**26. 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.

(Unaudited but reviewed)

## 27. 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 and profit information segments of the Company and its subsidiaries for the three-month periods ended 31 March 2018 and 2017 are as follows:

(Unit: Million Baht)

	Consolidated financial statements													
	Expressway business segment <sup>1)</sup>		Rail business segment <sup>2)</sup>		Commercial development business segment <sup>3)</sup>		Other segments <sup>4)</sup>		Total segments		Elimination of inter-segment revenues		Consolidation	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Revenue from external customers	2,537	2,454	1,182	1,127	166	151	-	-	3,885	3,732	-	-	3,885	3,732
Inter-segment revenues	-	-	-	-	82	73	38	36	120	109	(120)	(109)	-	-
Total revenues	<u>2,537</u>	<u>2,454</u>	<u>1,182</u>	<u>1,127</u>	<u>248</u>	<u>224</u>	<u>38</u>	<u>36</u>	<u>4,005</u>	<u>3,841</u>	<u>(120)</u>	<u>(109)</u>	<u>3,885</u>	<u>3,732</u>
Segment profit	1,137	1,156	273	160	113	86	-	-	1,523	1,402	-	-	1,523	1,402
Unallocated income and expenses:														
Interest income													119	17
Gain from sales of investments													42	2
Other income													13	19
Share of profit from investments in associates													96	72
Selling expenses													(26)	(18)
Administrative expenses													(270)	(238)
Finance cost													(594)	(379)
Income tax expense													(163)	(173)
Non-controlling interests of the subsidiaries													(4)	(2)
Profit for the period													736	702

<sup>1)</sup> The expressway business segment includes the construction and operation of the expressway.

<sup>2)</sup> The rail business segment includes the operation of the rapid transit system.

<sup>3)</sup> The commercial development business segment includes the rental of retail space, and the provision of advertising media services and telecommunication services inside and outside underground train stations and on expressway.

<sup>4)</sup> The other segments include that the Company is employed to operate Bang Pa-In - Pakkret expressway.

**28. Commitments and contingent liabilities****28.1 Capital commitments**

The Company and its subsidiaries have capital commitments as follows:

	31 March 2018	31 December 2017
		(Audited)
a) Performance improvement for farebox collection systems	Baht 29 million and USD 3 million	Baht 29 million and USD 3 million
b) Acquisition of equipment	Baht 16 million	Baht 19 million
c) Supply, installation and testing of the M&E Systems of the MRT Blue Line Project	Baht 12,030 million	Baht 12,827 million
d) Additional for design and construction of the Si Rat - Outer Ring Road Expressway Project	Baht 118 million	Baht 217 million
e) Improvement of computerised maintenance management system	Baht 75 million	Baht 75 million
f) Other capital commitments	Baht 38 million	Baht 3 million

**28.2 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 M&E Project which were signed in November 2013, November 2015, September 2017 and October 2017 with four companies. These contracts will expire during 2021 until 2029.

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

(Unit: Million)

	Consolidated financial statements									
	31 March 2018					31 December 2017				
						(Audited)				
	Baht	USD	EUR	SGD	YEN	Baht	EUR	SGD	YEN	
Payable:										
In up to 1 year	981	-	2	1	379	994	2	1	379	
In over 1 year and up to 5 years	4,776	1	19	5	1,518	4,711	12	5	1,518	
In over 5 years	5,116	3	27	4	1,265	5,419	12	5	1,360	



**28.3 Commitments under various service agreements**

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

	31 March 2018	(Unit: Million Baht) 31 December 2017 (Audited)
Payable:		
In up to 1 year	272	360
In over 1 year and up to 5 years	107	55

**28.4 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:

	31 March 2018	(Unit: Million Baht) 31 December 2017 (Audited)
Payable:		
In up to 1 year	18	19
In over 1 year and up to 5 years	18	21

**28.5 Guarantees**

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

	31 March 2018	(Unit: Million Baht) 31 December 2017 (Audited)
a) Issued to the EXAT in accordance with the operation of the Si Rat - Outer Ring Road Expressway Project agreement	6	6
b) Issued to the MRTA in accordance with the operation of the MRT Blue Line Concession agreement	210	210
c) Issued to MRTA in accordance with the Agreement for the MRT Chalong Ratchadham Project agreement	200	200
d) Issued to the Metropolitan Electricity Authority to guarantee electricity under rail projects	67	67
e) Other guarantees	15	15

**28.6 Other commitments**

	(Unit: Million Baht)	
	31 March 2018	31 December 2017
		(Audited)
a) Commitments in respect of the uncalled portion of investments		
Northern Bangkok Expressway Company Limited	750	750
Xayaburi Power Company Limited	286	359
b) Commitment in respect of Expressway inspection, replacement and improvement agreements (paid within one year)	12	18

**29. 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:

29.1 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

29.1.1 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.

At present, it is pending the Supreme Administration Court schedule the date to deliver the verdict.

#### 29.1.2 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, 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 judgement with the Supreme Administrative Court.

At present, it is pending the Supreme Administration Court schedule the date to deliver the verdict.

#### 29.1.3 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 December 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, EXAT submitted a petition to the Central Administrative Court requesting the Court to revoke the arbitral award.

On 21 October 2016, the Company submitted a petition to the Central Administrative Court requesting a judgment to enforce compliance with the arbitral award.

The Central Administrative Court issued the order of joinder trial the prescribed end of fact inquisitorial date on 18 January 2017, by way of establishing the case that EXAT filed a petition for the withdrawal of the arbitral award as the major case.

On 13 March 2017, EXAT submitted its testimonial for the case that the Company submitted the petition to the Court to enforce the compliance with the arbitral award (minor case).

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

29.1.4 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 the year 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. In addition, EXAT submitted a petition to the Central Administrative Court requesting the Court to revoke the arbitral award.

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

29.1.5 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.

During the year 2017, the Company and EXAT submitted the closing statement to the Thai Arbitration Institute.

At present, the dispute is pending the Arbitral Tribunal to render the judgment.

29.1.6 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 Arbitral Tribunal 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.

In the first quarter of the current year, the Company and EXAT submitted the closing statement to the Thai Arbitration Institute.

At present, the dispute is pending the Arbitral Tribunal to render the judgment.

29.1.7 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.

29.1.8 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.

29.2 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

29.2.1 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.

On 30 August 2017, the Central Administrative Court issued the judgment to revoke the arbitral award only on the second ground part - the cost of free flow drains. The Court rules that the Arbitral Tribunal has illegally received the claim because EXAT submitted the case when the ground part was precluded by prescription.

On 29 September 2017, the Company appealed the Central Administrative Court's judgment to the Supreme Administrative Court.

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

29.2.2 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 - Pakkret 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 be 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.

On 1 February 2018, the Arbitral Tribunal stipulated the issues in dispute and the terms of the arbitral procedures, setting dates for examination of witnesses of EXAT in November 2018 and witnesses of the subsidiary in December 2018 - February 2019.

At present, it is pending the witness examination procedures.

### 29.2.3 Cost of utilisation 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 utilisation 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.

The Arbitral Tribunal has determined the date to witness examinations in June 2018 for both EXAT and the subsidiary.

At present, it is pending the witness examination procedures.

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

## 30. Fair value hierarchy

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

### Fair value hierarchy

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

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

(Unaudited but reviewed)

As of 31 March 2018, the Company and its subsidiary had the following assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Thousand Baht)

	Consolidated financial statement			
	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>				
Current investments				
Unit trusts	-	1,168,883	-	1,168,883
<b>Financial liabilities measured at fair value</b>				
Derivative				
Interest rate swap agreement	-	62,567	-	62,567

(Unit: Thousand Baht)

	Separate financial statement			
	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>				
Current investments				
Unit trusts	-	1,158,096	-	1,158,096
<b>Financial liabilities measured at fair value</b>				
Derivative				
Interest rate swap agreement	-	62,567	-	62,567

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

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

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



### **31. Events after the reporting period**

On 20 April 2018, the 2018 Annual General Meeting of the shareholders passed the following resolutions:

#### **1) Sales of other long-term investment**

To approve the sale of all investment in Xayaburi Power Limited to CK Power Public Company Limited for a total of Baht 2,065 million. The gain from sale of these investment will be recorded in the second quarter of this year.

#### **2) Dividend payment**

To approve a dividend payment of Baht 0.13 per share, totaling Baht 1,987 million. Baht 0.06 per share, or a total of Baht 917 million, was paid as an interim dividend on 20 September 2017, leaving a dividend of Baht 0.07 per share, totaling Baht 1,070 million, which is to be paid on 14 May 2018. This dividend will be recorded in the second quarter of this year.

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

These interim financial statements were authorised for issue by the Company's authorised directors on 10 May 2018.