

Bangkok Expressway and Metro Public Company Limited
and its subsidiaries
Report and consolidated interim financial statements
For the three-month and six-month periods ended
30 June 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 30 June 2018, the related consolidated statements of income and comprehensive income for the three-month and six-month periods ended 30 June 2018, the consolidated statements of changes in shareholders' equity and cash flows for the six-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: 9 August 2018

Bangkok Expressway and Metro Public Company Limited and its subsidiaries

Statement of financial position

As at 30 June 2018

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	30 June 2018	31 December 2017	30 June 2018	31 December 2017
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents	4	1,720,588	2,627,063	1,618,420	2,526,936
Current investments	5	1,318,779	1,449,457	1,310,173	1,437,883
Trade and other receivables	6	415,830	426,286	392,863	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		120,986	127,581	104,991	118,434
Total current assets		5,225,866	6,280,070	5,094,130	6,169,953
Non-current assets					
Long-term loans to and interest receivable					
from related parties, net of current portion	3	-	-	4,117,496	4,968,496
Receivable under the concession agreement, net of current portion	7	11,685,257	12,510,098	11,685,257	12,510,098
Investments in subsidiaries	8	-	-	303,586	303,586
Investments in associates	9	9,450,422	9,592,231	7,454,845	7,499,815
Other long-term investment	10	-	1,654,862	-	1,654,862
Investment properties		120,357	120,357	120,357	120,357
Building and equipment	11	337,371	361,168	296,793	315,813
Rights to operate expressway sectors	12	36,997,918	38,448,874	31,071,622	32,244,581
Rights to use sites for expressway construction	13	564,595	719,073	564,595	719,073
Intangible asset under concession agreement of					
the MRT Blue Line Project	14	30,842,767	25,954,096	30,508,997	25,608,389
Project cost of the MRT Chalong Ratchadham Line	15	653,860	666,743	653,860	666,743
Prepaid project remuneration	3	2,960,737	2,487,433	2,960,737	2,487,433
Other intangible assets	16	77,059	75,258	72,889	70,297
Deferred tax assets		7,456	4,998	-	-
Other non-current assets		49,504	44,105	17,970	17,154
Total non-current assets		93,747,303	92,639,296	89,829,004	89,186,697
Total assets		98,973,169	98,919,366	94,923,134	95,356,650

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

Bangkok Expressway and Metro Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 June 2018

(Unit: Thousand Baht)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>30 June 2018</u>	<u>31 December 2017</u>	<u>30 June 2018</u>	<u>31 December 2017</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	17	3,221,889	3,629,185	3,221,889	3,629,185
Trade and other payables	18	2,458,504	2,107,885	2,372,108	2,036,963
Current portion of long-term loans from financial institutions	19	3,291,760	3,808,760	3,291,760	3,808,760
Current portion of debentures	20	5,000,000	-	5,000,000	-
Unearned fare box revenue		153,611	138,262	153,611	138,262
Deposits on stored value ticket		59,790	54,368	59,790	54,368
Income tax payable		97,945	62,132	68,382	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		31,656	19,917	22,233	12,233
Value added tax payable		61,969	56,979	54,192	48,315
Withholding tax deducted at source payable		41,954	94,181	39,845	90,214
Others		17,841	11,156	9,597	8,982
Total current liabilities		16,044,919	11,582,825	15,901,407	11,463,737
Non-current liabilities					
Long-term loans from financial institutions, net of current portion	19	16,188,767	25,801,112	15,288,767	25,301,112
Debentures, net of current portion	20	33,165,590	28,170,623	33,165,590	28,170,623
Derivative financial liabilities		33,173	52,954	33,173	52,954
Provision for compensation for site acquisition cost, net of current portion	21	671,147	1,411,402	671,147	1,411,402
Unearned revenue from advertising management rights	22	-	-	12,490	13,114
Provision for long-term employee benefits	23	532,785	483,787	514,793	467,539
Deferred tax liabilities		435,988	217,152	435,988	217,152
Other non-current liabilities		19,259	20,213	1,376	1,752
Total non-current liabilities		51,046,709	56,157,243	50,123,324	55,635,648
Total liabilities		67,091,628	67,740,068	66,024,731	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 30 June 2018

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>30 June 2018</u>	<u>31 December 2017</u>	<u>30 June 2018</u>	<u>31 December 2017</u>
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity				
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	9,592,798	8,948,481	6,745,513	6,120,200
Other components of shareholders' equity	(7,506)	(59,724)	(26,538)	(42,363)
Equity attributable to shareholders of the Company	31,764,720	31,068,185	28,898,403	28,257,265
Non-controlling interests of the subsidiaries	116,821	111,113	-	-
Total shareholders' equity	31,881,541	31,179,298	28,898,403	28,257,265
Total liabilities and shareholders' equity	98,973,169	98,919,366	94,923,134	95,356,650
	-	-	-	-

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

Directors

(Unaudited but reviewed)

Bangkok Expressway and Metro Public Company Limited and its subsidiaries**Income statement****For the three-month period ended 30 June 2018**

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Revenues					
Revenue from expressway business		2,477,349	2,434,622	2,123,501	2,097,775
Revenue from rail business		1,162,021	1,103,564	1,162,021	1,103,564
Revenue from commercial development business	24	160,053	167,101	94,694	99,736
Other income					
Gains on sale of investments	5, 9, 10	244,893	7,381	303,384	7,304
Interest income		112,961	17,328	141,110	57,063
Dividend income	3, 9	-	-	263,006	318,626
Others		5,382	4,707	34,186	36,100
Total revenues		4,162,659	3,734,703	4,121,902	3,720,168
Expenses					
Cost of expressway business		433,049	463,782	376,647	410,028
Cost of rail business		876,571	833,412	876,571	833,412
Cost of commercial development business		41,107	41,618	12,535	17,223
Amortisation on rights to operate completed expressway sectors and compensation for site acquisition cost	12, 13, 21	925,190	900,956	786,427	769,451
Amortisation on intangible asset under concession agreement of the MRT Blue Line Project	14	44,801	38,964	35,652	31,435
Selling expenses		25,625	18,120	14,774	8,664
Administrative expenses		286,701	264,432	266,882	249,968
Total expenses		2,633,044	2,561,284	2,369,488	2,320,181
Profit before share of profit from investments in associates, finance cost and income tax expenses		1,529,615	1,173,419	1,752,414	1,399,987
Share of profit from investments in associates		110,065	93,795	-	-
Profit before finance cost and income tax expenses		1,639,680	1,267,214	1,752,414	1,399,987
Finance cost		(429,861)	(380,287)	(423,441)	(380,156)
Profit before income tax expenses		1,209,819	886,927	1,328,973	1,019,831
Income tax expenses	26	(229,356)	(159,361)	(211,152)	(141,808)
Profit for the period		980,463	727,566	1,117,821	878,023
Profit attributable to:					
Equity holders of the Company		978,141	722,603	1,117,821	878,023
Non-controlling interests of the subsidiaries		2,322	4,963	-	-
		980,463	727,566		
Basic earnings per share (Baht)					
Profit attributable to equity holders of the Company	27	0.06	0.05	0.07	0.06

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

(Unaudited but reviewed)

Bangkok Expressway and Metro Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 30 June 2018

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Profit for the period	<u>980,463</u>	<u>727,566</u>	<u>1,117,821</u>	<u>878,023</u>
Other comprehensive income				
<i>Other comprehensive income to be reclassified</i>				
<i>to profit or loss in subsequent periods:</i>				
Unrealised gain (loss) from cash flow hedges of the Company, net of income tax	23,516	(8,538)	23,516	(8,538)
Share of other comprehensive income from associates, net of income tax	<u>(2,190)</u>	<u>1,235</u>	<u>-</u>	<u>-</u>
Other comprehensive income to be reclassified				
to profit or loss in subsequent periods, net of income tax	<u>21,326</u>	<u>(7,303)</u>	<u>23,516</u>	<u>(8,538)</u>
Other comprehensive income for the period	<u>21,326</u>	<u>(7,303)</u>	<u>23,516</u>	<u>(8,538)</u>
Total comprehensive income for the period	<u>1,001,789</u>	<u>720,263</u>	<u>1,141,337</u>	<u>869,485</u>
Total comprehensive income attributable to:				
Equity holders of the Company	999,467	715,300	<u>1,141,337</u>	<u>869,485</u>
Non-controlling interests of the subsidiaries	<u>2,322</u>	<u>4,963</u>		
	<u>1,001,789</u>	<u>720,263</u>		
	-	-		

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

(Unaudited but reviewed)

Bangkok Expressway and Metro Public Company Limited and its subsidiaries**Income statement****For the six-month period ended 30 June 2018**

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Revenues					
Revenue from expressway business		5,014,698	4,888,786	4,304,905	4,218,834
Revenue from rail business		2,344,488	2,230,118	2,344,488	2,230,118
Revenue from commercial development business	24	325,888	317,770	193,407	192,119
Other income					
Gains on sale of investments	5, 9, 10	286,658	9,292	362,633	9,125
Interest income		232,271	34,506	291,936	115,007
Dividend income	3, 9	-	-	263,006	318,626
Others		17,723	24,284	85,059	87,042
Total revenues		<u>8,221,726</u>	<u>7,504,756</u>	<u>7,845,434</u>	<u>7,170,871</u>
Expenses					
Cost of expressway business		888,234	857,654	782,480	755,616
Cost of rail business		1,749,325	1,693,083	1,749,325	1,693,083
Cost of commercial development business		84,514	96,086	36,410	47,159
Amortisation on rights to operate completed expressway sectors and compensation for site acquisition cost	12, 13, 21	1,870,590	1,804,826	1,592,593	1,544,289
Amortisation on intangible asset under concession agreement of the MRT Blue Line Project	14	90,962	156,820	72,788	142,081
Selling expenses		51,267	36,279	28,460	19,171
Administrative expenses		556,767	502,862	521,986	471,174
Total expenses		<u>5,291,659</u>	<u>5,147,610</u>	<u>4,784,042</u>	<u>4,672,573</u>
Profit before share of profit from investments in associates, finance cost and income tax expenses		<u>2,930,067</u>	<u>2,357,146</u>	<u>3,061,392</u>	<u>2,498,298</u>
Share of profit from investments in associates		205,863	165,783	-	-
Profit before finance cost and income tax expenses		<u>3,135,930</u>	<u>2,522,929</u>	<u>3,061,392</u>	<u>2,498,298</u>
Finance cost		(1,023,843)	(759,414)	(1,012,064)	(759,079)
Profit before income tax expenses		<u>2,112,087</u>	<u>1,763,515</u>	<u>2,049,328</u>	<u>1,739,219</u>
Income tax expenses	26	(392,112)	(331,570)	(354,065)	(297,562)
Profit for the period		<u>1,719,975</u>	<u>1,431,945</u>	<u>1,695,263</u>	<u>1,441,657</u>
Profit attributable to:					
Equity holders of the Company		1,714,267	1,424,916	1,695,263	1,441,657
Non-controlling interests of the subsidiaries		5,708	7,029		
		<u>1,719,975</u>	<u>1,431,945</u>		
Basic earnings per share (Baht)					
Profit attributable to equity holders of the Company	27	0.11	0.09	0.11	0.09

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

(Unaudited but reviewed)

Bangkok Expressway and Metro Public Company Limited and its subsidiaries

Statement of comprehensive income

For the six-month period ended 30 June 2018

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Profit for the period	<u>1,719,975</u>	<u>1,431,945</u>	<u>1,695,263</u>	<u>1,441,657</u>
Other comprehensive income				
<i>Other comprehensive income to be reclassified</i>				
<i>to profit or loss in subsequent periods:</i>				
Unrealised gain (loss) from cash flow hedges of the Company, net of income tax	15,825	(19,489)	15,825	(19,489)
Share of other comprehensive income from associates, net of income tax	<u>36,393</u>	<u>31,512</u>	<u>-</u>	<u>-</u>
Other comprehensive income to be reclassified				
to profit or loss in subsequent periods, net of income tax	<u>52,218</u>	<u>12,023</u>	<u>15,825</u>	<u>(19,489)</u>
Other comprehensive income for the period	<u>52,218</u>	<u>12,023</u>	<u>15,825</u>	<u>(19,489)</u>
Total comprehensive income for the period	<u>1,772,193</u>	<u>1,443,968</u>	<u>1,711,088</u>	<u>1,422,168</u>
Total comprehensive income attributable to:				
Equity holders of the Company	1,766,485	1,436,939	<u>1,711,088</u>	<u>1,422,168</u>
Non-controlling interests of the subsidiaries	<u>5,708</u>	<u>7,029</u>		
	<u>1,772,193</u>	<u>1,443,968</u>		
	-	-		

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

(Unaudited but reviewed)

Bangkok Expressway and Metro Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the six-month period ended 30 June 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	Equity attributable	Total
paid-up	Premium on	Appropriated -	Unappropriated								
share capital	ordinary shares	statutory reserve	Unappropriated	gain (loss) from	income from	from change in	components of	attributable to	to non-controlling	interests of	shareholders' equity
				cash flow hedges	associates	in subsidiary	equity	of the Company	the subsidiaries		
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	29,782,704
Profit for the period	-	-	-	1,424,916	-	-	-	-	1,424,916	7,029	1,431,945
Other comprehensive income for the period	-	-	-	-	(19,489)	31,512	-	12,023	12,023	-	12,023
Total comprehensive income for the period	-	-	-	1,424,916	(19,489)	31,512	-	12,023	1,436,939	7,029	1,443,968
Dividend paid (Note 25)	-	-	-	(917,100)	-	-	-	-	(917,100)	-	(917,100)
Balance as at 30 June 2017	<u>15,285,000</u>	<u>5,816,938</u>	<u>928,690</u>	<u>8,271,412</u>	<u>(34,376)</u>	<u>(26,425)</u>	<u>(32,149)</u>	<u>(92,950)</u>	<u>30,209,090</u>	<u>100,482</u>	<u>30,309,572</u>
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	31,179,298
Profit for the period	-	-	-	1,714,267	-	-	-	-	1,714,267	5,708	1,719,975
Other comprehensive income for the period	-	-	-	-	15,825	36,393	-	52,218	52,218	-	52,218
Total comprehensive income for the period	-	-	-	1,714,267	15,825	36,393	-	52,218	1,766,485	5,708	1,772,193
Dividend paid (Note 25)	-	-	-	(1,069,950)	-	-	-	-	(1,069,950)	-	(1,069,950)
Balance as at 30 June 2018	<u>15,285,000</u>	<u>5,816,938</u>	<u>1,077,490</u>	<u>9,592,798</u>	<u>(26,538)</u>	<u>51,181</u>	<u>(32,149)</u>	<u>(7,506)</u>	<u>31,764,720</u>	<u>116,821</u>	<u>31,881,541</u>

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

(Unaudited but reviewed)

Bangkok Expressway and Metro Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the six-month period ended 30 June 2018

(Unit: Thousand Baht)

	Separate financial statements					
			Retained earnings		Other components of shareholders' equity	
	Issued and paid-up share capital	Premium on ordinary shares	Appropriated - statutory reserve	Unappropriated	Other comprehensive income Unrealised gain (loss) from cash flow hedges	Total shareholders' equity
Balance as at 1 January 2017	15,285,000	5,816,938	928,690	5,077,414	(14,887)	27,093,155
Profit for the period	-	-	-	1,441,657	-	1,441,657
Other comprehensive income for the period	-	-	-	-	(19,489)	(19,489)
Total comprehensive income for the period	-	-	-	1,441,657	(19,489)	1,422,168
Dividend paid (Note 25)	-	-	-	(917,100)	-	(917,100)
Balance as at 30 June 2017	15,285,000	5,816,938	928,690	5,601,971	(34,376)	27,598,223
Balance as at 1 January 2018	15,285,000	5,816,938	1,077,490	6,120,200	(42,363)	28,257,265
Profit for the period	-	-	-	1,695,263	-	1,695,263
Other comprehensive income for the period	-	-	-	-	15,825	15,825
Total comprehensive income for the period	-	-	-	1,695,263	15,825	1,711,088
Dividend paid (Note 25)	-	-	-	(1,069,950)	-	(1,069,950)
Balance as at 30 June 2018	15,285,000	5,816,938	1,077,490	6,745,513	(26,538)	28,898,403

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

(Unaudited but reviewed)

Bangkok Expressway and Metro Public Company Limited and its subsidiaries**Cash flow statement****For the six-month period ended 30 June 2018**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Cash flows from operating activities				
Profit before tax	2,112,087	1,763,515	2,049,328	1,739,219
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Amortisation and depreciation	1,791,318	1,764,010	1,487,497	1,481,229
Revenue recognition of unearned revenue from advertising management rights	-	-	(624)	(624)
Gains on sale of investments	(286,658)	(9,292)	(362,633)	(9,125)
Unrealised gain on change in value of investments	(4,548)	(17,453)	(4,543)	(17,448)
Loss (gain) on disposal/write off of equipment and intangible asset under concession agreement of the MRT Blue Line Project	(495)	5,608	(470)	5,846
Project remuneration expense	171,701	182,244	171,701	182,244
Compensation for site acquisition cost	222,223	245,669	222,223	245,669
Provision for long-term employee benefits	47,678	38,571	45,935	37,328
Share of profit from investments in associates	(205,863)	(165,783)	-	-
Unrealised loss (gain) on exchange rate	561	(230)	561	(230)
Interest income	(232,272)	(33,917)	(291,936)	(114,513)
Dividend income	-	-	(263,006)	(318,626)
Interest expenses	857,761	739,674	848,739	739,674
Profit from operating activities before changes in operating assets and liabilities	4,473,493	4,512,616	3,902,772	3,970,643
Operating assets (increase) decrease				
Trade and other receivables	10,456	206,738	26,154	222,729
Receivable under the concession agreement	824,841	-	824,841	-
Other current assets	54,779	41,935	57,367	38,150
Other non-current assets	(4,231)	13,027	(816)	15,576
Cash paid for project remuneration	(644,964)	(580,207)	(644,964)	(580,207)
Operating liabilities increase (decrease)				
Trade payables and other payables	273,440	480,868	257,991	482,308
Unearned fare box revenue	15,349	13,639	15,349	13,639
Deposits on stored value ticket	5,422	5,046	5,422	5,046
Other current liabilities	(28,813)	8,188	(33,877)	1,653
Other non-current liabilities	(954)	1,018	(376)	(628)
Cash paid for long-term employee benefits	(354)	-	(354)	-
Cash paid for compensation for site acquisition cost	(800,000)	(750,000)	(800,000)	(750,000)
Net cash flows from operating activities	4,178,464	3,952,868	3,609,509	3,418,909
Cash received from interest income	234,281	10,438	234,112	10,425
Cash paid for income tax	(148,063)	(125,160)	(107,258)	(104,662)
Net cash flows from operating activities	4,264,682	3,838,146	3,736,363	3,324,672

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

(Unaudited but reviewed)

Bangkok Expressway and Metro Public Company Limited and its subsidiaries**Cash flow statement (continued)****For the six-month period ended 30 June 2018**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Cash flows from investing activities				
Cash received from sales of current investments	6,225,000	11,428,522	5,467,500	10,706,622
Cash paid for purchase of current investments	(6,088,348)	(8,202,166)	(5,333,934)	(7,479,507)
Cash received from sales of investments in associates	103,590	-	103,590	-
Cash received from sales of other long-term investment	2,065,000	-	2,065,000	-
Cash received from sales of investment before amalgamation	-	300,000	-	300,000
Increase in other long-term investment	(107,436)	(270,580)	(107,436)	(270,580)
Cash received from long-term loans to related parties	-	-	705,923	327,153
Cash received from sales of equipment and intangible asset under concession agreement of the MRT Blue Line Project	1,828	3,083	1,723	2,845
Purchase of equipment	(7,009)	(36,896)	(5,142)	(35,721)
Advance payment for purchase of equipment	(1,242)	(1,124)	-	-
Cash received from interest income	3,982	12,450	208,892	159,905
Cash received from dividend income	263,006	318,626	263,006	318,626
Cash paid for the MRT Chalong Ratchadham Line	(142)	(65,000)	(142)	(65,000)
Cash paid for intangible asset under concession agreement of the MRT Blue Line Project	(4,886,080)	(4,021,092)	(4,879,763)	(4,006,655)
Cash paid for expressway construction	(172,402)	(94,950)	(172,402)	(94,950)
Interest expenses capitalised as cost of projects	(42,280)	-	(42,280)	-
Increase in intangible assets	(11,212)	(13,383)	(10,997)	(13,383)
Net cash flows used in investing activities	(2,653,745)	(642,510)	(1,736,462)	(150,645)
Cash flows from financing activities				
Cash received from short-term loans from financial institution	10,000,000	-	10,000,000	-
Repayment of short-term loans from financial institutions	(10,408,000)	(680,000)	(10,408,000)	(680,000)
Cash received from long-term loans from financial institutions	1,600,000	-	1,200,000	-
Repayment of long-term loans from financial institutions	(11,704,130)	(1,000,000)	(11,704,130)	(1,000,000)
Cash received from debentures	10,000,000	-	10,000,000	-
Cash paid for financial fees	(82,796)	-	(82,796)	-
Interest paid	(852,536)	(746,879)	(843,541)	(746,879)
Dividend paid	(1,069,950)	(917,100)	(1,069,950)	(917,100)
Net cash flows used in financing activities	(2,517,412)	(3,343,979)	(2,908,417)	(3,343,979)
Net decrease in cash and cash equivalents	(906,475)	(148,343)	(908,516)	(169,952)
Cash and cash equivalents at beginning of period	2,627,063	777,001	2,526,936	729,293
Cash and cash equivalents at end of period	1,720,588	628,658	1,618,420	559,341
	-	-	-	-
Supplemental cash flows information				
Non-cash items consist of:				
Increase in payable from expressway construction	25,009	-	25,009	-
Increase in accrued interest expenses capitalised as cost of projects	46,614	-	46,614	-

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

Bangkok Expressway and Metro Public Company Limited and its subsidiaries

Notes to consolidated interim financial statements

For the three-month and six-month periods ended 30 June 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 Sutthisarn Road, Ratchadaphisek 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 and six-month periods ended 30 June 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 30 June				
	Consolidated		Separate		
	financial statements		financial statements		Pricing policy
	2018	2017	2018	2017	
<u>Transactions with major shareholder</u>					
Interest income	-	4	-	4	At the fixed rate per annum
Cost of rail projects	2,926	3,710	2,926	3,710	Base on contracts
Cost of expressway construction	121	-	121	-	Base on contracts
Expressway and civil works maintenance expenses	103	87	103	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	-	-	77	81	Base on contracts
Interest income from long-term loans	-	-	28	40	Base on contracts
Project management income	-	-	37	36	Base on contract
<u>Transaction with associated companies</u>					
Dividend income	-	-	263	319	As declared
Sale of other long-term investment	2,065	-	2,065	-	Base on contract
<u>Transactions with related companies</u>					
Commercial development revenue	33	2	11	2	Base on contracts
Interest income from M&E Systems	110	-	110	-	FDR plus stipulated margin per annum
Cost of commercial development	4	-	-	-	Agreed between the parties
Remuneration from fare box (Inclusive of VAT)	82	76	82	76	Concession agreement
Remuneration from commercial development	3	2	3	2	Concession agreement
Property tax	1	1	1	1	At the rates charged by Bangkok Metropolitan Administration
Financial fee	10	5	10	5	Base on contracts
Interest expenses on long-term loans	47	83	47	83	At the fixed rate, MLR minus stipulated margins, 6M FDR plus stipulated margins, FDR plus stipulated margins and 6M THBFIX 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)

(Unit: Million Baht)

	For the six-month periods ended 30 June				
	Consolidated		Separate		
	financial statements		financial statements		Pricing policy
	2018	2017	2018	2017	
<u>Transactions with major shareholder</u>					
Interest income	-	10	-	10	At the fixed rate per annum
Cost of rail projects	4,348	3,973	4,348	3,973	Base on contracts
Cost of expressway construction	242	-	242	-	Base on contracts
Expressway and civil works maintenance expenses	200	174	200	174	Base on contracts
Office rental and service expenses	4	4	-	-	Base on contracts
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Commercial development revenue	-	-	159	154	Base on contracts
Interest income from long-term loans	-	-	60	81	Base on contracts
Project management income	-	-	75	72	Base on contract
<u>Transactions with associated companies</u>					
Dividend income	-	-	263	319	As declared
Sale of other long-term investment	2,065	-	2,065	-	Base on contract
<u>Transactions with related companies</u>					
Commercial development revenue	55	4	19	4	Base on contracts
Interest income from M&E Systems	222	-	222	-	FDR plus stipulated margin per annum
Cost of commercial development	7	-	-	-	Agreed between the parties
Remuneration from fare box (Inclusive of VAT)	167	194	167	194	Concession agreement
Remuneration from commercial development	5	19	5	19	Concession agreement
Property tax	2	2	2	2	At the rates charged by Bangkok Metropolitan Administration
Financial fee	51	11	50	10	Base on contracts
Interest expenses on long-term loans	161	165	161	165	At the fixed rate, MLR minus stipulated margins, 6M FDR plus stipulated margins, FDR plus stipulated margins and 6M THBFIX 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 30 June 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		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2018	2017	2018	2017
		(Audited)		(Audited)
<u>Trade and other receivables (Note 6)</u>				
<u>Trade receivables</u>				
Bangkok Metro Networks Limited	-	-	46,009	77,820
Mass Rapid Transit Authority of Thailand	328,693	326,236	328,693	326,236
Plan B Media Public Company Limited ⁽¹⁾	15,160	-	-	-
Total	343,853	326,236	374,702	404,056
<u>Other receivables</u>				
Northern Bangkok Expressway Company Limited	-	-	13,375	12,840
CH. Karnchang Public Company Limited	20	-	20	-
Total	20	-	13,395	12,840
<u>Prepaid expenses</u>				
Krungthai Bank Public Company Limited	36,684	6,467	35,629	4,162
Bangkok Bank Public Company Limited	23,506	-	23,506	-
Total	60,190	6,467	59,135	4,162
<u>Advance payment under service contract</u>				
CH. Karnchang Public Company Limited	3,439	24,969	3,439	24,969
<u>Long-term loans to and interest receivable from related parties</u>				
Northern Bangkok Expressway Company Limited	-	-	3,981,496	4,823,496
Bangkok Metro Networks Limited	-	-	154,000	163,000
Total	-	-	4,135,496	4,986,496
Less: current portion	-	-	(18,000)	(18,000)
Long-term loans to and interest receivable from related parties, net of current portion	-	-	4,117,496	4,968,496
<u>Receivable under the concession agreement (Note 7)</u>				
Mass Rapid Transit Authority of Thailand	13,334,940	14,159,781	13,334,940	14,159,781
<u>Prepaid project remuneration</u>				
Mass Rapid Transit Authority of Thailand	2,960,737	2,487,433	2,960,737	2,487,433

⁽¹⁾ This Company is a related company since 9 February 2018.

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2018	31 December 2017 (Audited)	30 June 2018	31 December 2017 (Audited)
<u>Trade and other payables (Note 18)</u>				
CH. Karnchang Public Company Limited	1,320,325	1,291,085	1,320,231	1,291,075
Mass Rapid Transit Authority of Thailand	114,040	111,928	114,040	111,928
Krungthai Bank Public Company Limited	605	1,545	605	1,476
Plan B Media Public Company Limited ⁽¹⁾	2,862	-	-	-
Others	1,714	3,094	807	1,254
Total	1,439,546	1,407,652	1,435,683	1,405,733
<u>Unearned revenue</u>				
Plan B Media Public Company Limited ⁽¹⁾	1,750	-	1,750	-
<u>Retention guarantees</u>				
CH. Karnchang Public Company Limited	13,345	4,153	12,066	2,874
<u>Unearned revenue from advertising management rights (Note 22)</u>				
Bangkok Metro Networks Limited	-	-	13,738	14,362

⁽¹⁾ This Company is a related company since 9 February 2018.

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)

	1 January 2018	Increase	Decrease	30 June 2018
		during the period	during the period	
Northern Bangkok Expressway Company Limited				
Long-term loan	3,992,709	-	(696,923)	3,295,786
Interest receivable	830,787	57,070	(202,147)	685,710
Total	4,823,496	57,070	(899,070)	3,981,496
Bangkok Metro Networks Limited				
Long-term loan	163,000	-	(9,000)	154,000
Interest receivable	-	2,763	(2,763)	-
Total	163,000	2,763	(11,763)	154,000
Grand total	4,986,496	59,833	(910,833)	4,135,496

(Unaudited but reviewed)

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)

Long-term loans	Consolidated and Separate financial statements			
	1 January 2018	Increase during the period	Decrease during the period	30 June 2018
Krungthai Bank Public Company Limited	9,394,584	400,000	(4,522,969)	5,271,615
Bangkok Bank Public Company Limited	4,221,631	400,000	(4,221,631)	400,000
Total	13,616,215	800,000	(8,744,600)	5,671,615

Directors and management benefits

During the three-month and six-month periods ended 30 June 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 30 June			
	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Short-term employee benefits	45,937	41,205	38,651	37,049
Post-employment benefits	2,881	1,050	2,617	878
Total	48,818	42,255	41,268	37,927

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Short-term employee benefits	83,516	81,903	72,887	72,395
Post-employment benefits	5,597	2,070	5,074	1,756
Total	89,113	83,973	77,961	74,151

4. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
		(Audited)		(Audited)
Cash	32,504	31,734	30,619	29,954
Bank deposits	1,688,084	2,595,329	1,587,801	2,496,982
Total	1,720,588	2,627,063	1,618,420	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 30 June 2018, the balance of the pledged bank account amounted to Baht 1,020 (31 December 2017: Baht 1,018).

5. Current investments

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2018	2017	2018	2017
		(Audited)		(Audited)
Investments in trading securities				
Unit trusts	1,171,000	895,985	1,162,397	884,415
Add: Unrealised gain on changes in value of investments	47,710	43,472	47,707	43,468
Unit trusts - Fair value	1,218,710	939,457	1,210,104	927,883
Investments in held-to-maturity debt security				
Bills of exchange	100,069	510,000	100,069	510,000
Total current investments	1,318,779	1,449,457	1,310,173	1,437,883

6. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 June	31 December	30 June	31 December
	2018	2017	2018	2017
		(Audited)		(Audited)
<u>Trade receivables</u>				
Trade receivables				
- Related parties (Note 3)	343,853	326,236	374,702	404,056
- Unrelated parties	72,101	101,923	-	-
Less: Allowance for doubtful debts	(5,182)	(5,182)	-	-
Total trade receivables - net	410,772	422,977	374,702	404,056
<u>Other receivables</u>				
Other receivables				
- Related parties (Note 3)	20	-	13,395	12,840
- Unrelated parties	4,410	1,585	4,138	1,544
Advances	-	1,177	-	30
Accrued income	628	547	628	547
Total other receivables	5,058	3,309	18,161	14,961
Total trade and other receivables - net	415,830	426,286	392,863	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 30 June 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	(824,841)
Net book value as at 30 June 2018	13,334,940
Current	1,649,683
Non-current	11,685,257
Total receivable under the concession agreement	13,334,940

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 Note 19 to the interim financial statement.

Interest income for M&E Systems for the three-month and six-month periods ended 30 June 2018 amounted to Baht 110 million and Baht 222 million, respectively (2017: Nil).

8. Investments in subsidiaries

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

	(Unit: Million Baht)							
Company's name	Registered capital		Paid-up capital		Proportion of investment		Cost	
	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December
	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		Carrying amounts based					
					Cost		on equity method		Fair values	
			30 June	31 December	30 June	31 December	30 June	31 December	30 June	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	3,065	3,121	5,360 ⁽¹⁾	5,777 ⁽¹⁾
TTW Public Company Limited	Production and sales of treated water	Thailand	19.29	19.45	6,919	6,976	6,385	6,471	9,006	9,701
Total					10,132	10,199	9,450	9,592	14,366	15,478

(Unit: Million Baht)

Separate financial statements										
Company's name	Nature of business	Incorporated country	Shareholding percentage		Cost		Fair values		Dividend received during the six-month periods ended 30 June	
			30 June	31 December	30 June	31 December	30 June	31 December		
			2018	2017	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	5,360 ⁽¹⁾	5,777 ⁽¹⁾	32	86
TTW Public Company Limited	Production and sales of treated water	Thailand	19.29	19.45	4,242	4,277	9,006	9,701	231	233
					7,455	7,500	14,366	15,478	263	319

⁽¹⁾ Excluding the fair value of warrants amounting to Baht 127 million (31 December 2017: Baht 189 million).

CK Power Public Company Limited

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 financial statements (Separate financial statements: Baht 9 million). As a result, its interest in the equity of CK Power Public Company Limited decreased from 19.40 percent to 19.34 percent.

TTW Public Company Limited

In February 2018, 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 (Separate financial statements: Baht 50 million). As a result, its interest in the equity of TTW Public Company Limited decreased from 19.45 percent to 19.29 percent.

(Unaudited but reviewed)

10. Other long-term investment

(Unit: Million Baht)

Company's name	Nature of business	Country of incorporation	Consolidated and Separate financial statements							
			Registered capital		Paid-up capital		Proportion of investment		Cost	
			30 June 2018	31 December 2017	30 June 2018	31 December 2017	30 June 2018	31 December 2017	30 June 2018	31 December 2017
							(Percent)	(Percent)		(Audited)
Xayaburi Power Company Limited	Generating and sale of electricity	The Lao People's Democratic republic	26,861	26,861	23,847	22,065	-	7.50	-	1,655
Total									-	1,655

During December 2017 to April 2018, Xayaburi Power Company Limited called up additional parts of the unpaid portion of its shares, totaling Baht 107 million, and the Company made payment for the shares in the current period.

Subsequently in June 2018, the Company sold all investment in Xayaburi Power Company Limited to CK Power Public Company Limited for a total of Baht 2,065 million, and recorded gains on sale of this investment of Baht 244 million in profit or loss in the consolidated financial statements (Separate financial statements: 303 million)

11. Building and equipment

A reconciliation of the net book value of the building and equipment during the six-month period ended 30 June 2018 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2018	361,168	315,813
Acquisitions during the period - at cost	7,009	5,142
Disposals during the period - net book value at disposal date	(1,253)	(1,253)
Depreciation for the period	(29,553)	(22,909)
Net book value as at 30 June 2018	337,371	296,793

12. Rights to operate expressway sectors

A reconciliation of the net book value of the rights to operate completed expressway sectors during the six-month period ended 30 June 2018 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2018	38,448,874	32,244,581
Increase during the period - at cost	197,411	197,411
Amortisation for the period	(1,648,367)	(1,370,370)
Net book value as at 30 June 2018	<u>36,997,918</u>	<u>31,071,622</u>

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 six-month period ended 30 June 2018 is summarised below.

	(Unit: Thousand Baht)
	Consolidated and Separate financial statements
Net book value as at 1 January 2018	719,073
Amortisation for the period	(154,478)
Net book value as at 30 June 2018	<u>564,595</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 six-month period ended 30 June 2018 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2018	25,954,096	25,608,389
Increase during the period - at cost	4,890,819	4,884,502
Interest cost	88,894	88,894
Disposals during the period - net book value at disposal date	(80)	-
Amortisation for the period	(90,962)	(72,788)
Net book value as at 30 June 2018	<u>30,842,767</u>	<u>30,508,997</u>

(Unaudited but reviewed)

During the six-month period ended 30 June 2018, 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 2.87 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 six-month period ended 30 June 2018 is summarised below.

	(Unit: Thousand Baht)
	Consolidated and Separate financial statements
Net book value as at 1 January 2018	666,743
Acquisitions during the period - at cost	142
Amortisation for the period	(13,025)
Net book value as at 30 June 2018	<u>653,860</u>

16. Other intangible assets

A reconciliation of the net book value of other intangible assets for the six-month period ended 30 June 2018 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2018	75,258	70,297
Acquisitions during the period - at cost	11,212	10,997
Amortisation for the period	(9,411)	(8,405)
Net book value as at 30 June 2018	<u>77,059</u>	<u>72,889</u>

17. Short-term loans from financial institutions

(Unit: Thousand Baht)

		Consolidated and Separate financial statements	
Interest rate		30 June 2018	31 December 2017
(Percent per annum)			(Audited)
Promissory Notes	At the fixed rate	3,224,000	3,632,000
Less: Deferred financial fees		(2,111)	(2,815)
Total		3,221,889	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.

As described in Note 20 to the interim financial statements, the Company used the funds of Baht 10,000 million generated by the issue of debenture No. 1/2018 to redeem the promissory note in April 2018.

18. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2018	2017	2018	2017
		(Audited)		(Audited)
Trade payables - related parties (Note 3)	1,316,180	1,334,514	1,313,224	1,334,366
Trade payables - unrelated parties	433,487	341,818	397,456	305,781
Accrued interests - related parties (Note 3)	143	2,416	143	2,416
Accrued interests - unrelated parties	188,485	134,374	188,327	134,242
Accrued expenses - related parties (Note 3)	123,223	70,722	122,316	68,951
Accrued expenses - unrelated parties	380,624	209,745	348,600	189,377
Other payables	16,362	14,296	2,042	1,830
Total trade and other payables	2,458,504	2,107,885	2,372,108	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	
		30 June 2018	31 December 2017	30 June 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	5,000,000	6,000,000	5,000,000	6,000,000
4. Tranche A (Fully drew down)	13,557	12,405,901	13,173,277	12,405,901	13,173,277
5. Tranche B (Fully drew down)	62	56,659	60,163	56,659	60,163
6. Long-term loan (Available credit facilities to be drawn down: Baht 12,800 million)	14,000	1,200,000	-	1,200,000	-
7. Long-term loan (Available credit facilities to be drawn down: Baht 4,180 million)	5,700	900,000	500,000	-	-
Total	51,319	19,562,560	29,666,690	18,662,560	29,166,690
Less: Current portion of long-term loans		(3,291,760)	(3,808,760)	(3,291,760)	(3,808,760)
Less: Deferred financial fees		(82,033)	(56,818)	(82,033)	(56,818)
Long-term loans - net of current portion		16,188,767	25,801,112	15,288,767	25,301,112

Movements in the long-term loans for the six-month period ended 30 June 2018 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2018	29,666,690	29,166,690
Add: Drawdown during the period	1,600,000	1,200,000
Less: Repayment during the period	(11,704,130)	(11,704,130)
Balance as at 30 June 2018	19,562,560	18,662,560

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 has already released 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 Phase 1 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 110 million and Baht 222 million on such loans for the three-month and six-month periods ended 30 June 2018, respectively (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.

(Unaudited but reviewed)

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	30 June 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
No. 1/2018	5 April 2018	3 - 7	2.05 - 3.01	10,000,000	-
Total				38,200,000	28,200,000
Less: Current portion of debenture				(5,000,000)	-
Less: Deferred debenture issuing cost				(34,410)	(29,377)
Debentures - net of current portion				33,165,590	28,170,623

Movements in the debentures account for the six-month period ended 30 June 2018 is summarised below.

(Unit: Thousand Baht)	
Consolidated and Separate	
financial statements	
Balance as at 1 January 2018	28,200,000
Add: Issuance of debentures during the period	10,000,000
Balance as at 30 June 2018	38,200,000

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.

(Unaudited but reviewed)

21. Provision for compensation for site acquisition cost

Movement in provision for compensation for site acquisition cost account for the six-month period ended 30 June 2018 is summarised below.

	(Unit: Thousand Baht) Consolidated and Separate financial statements
Balance as at 1 January 2018	3,011,402
Payment during the period	(800,000)
Interest cost	67,745
Balance as at 30 June 2018	2,279,147
Less: Current portion	(1,608,000)
Provision for compensation for site acquisition cost - net of current portion	671,147

22. Unearned revenue from advertising management rights

Movement in unearned revenue from advertising management rights account for the six-month period ended 30 June 2018 in the separate financial statement is summarised below.

	(Unit: Thousand Baht)
Balance as at 1 January 2018	14,362
Less: Recognise to revenue during the period	(624)
Balance as at 30 June 2018	13,738
Less: Current portion	(1,248)
Unearned revenue from advertising management rights - net of current portion	12,490

23. Provision for long-term employee benefits

Movements in provision for long-term employee benefits account for the six-month period ended 30 June 2018 are summarised below.

	(Unit: Thousand Baht) Consolidated financial statements	Separate financial statements
Balance as at 1 January 2018	483,787	467,539
Increase during the period	49,352	47,608
Benefits paid during the period	(354)	(354)
Balance as at 30 June 2018	532,785	514,793

24. Revenue from commercial development business

Revenue from commercial development business derived from sources of income in the separate financial statements for the three-month period ended 30 June 2018, consisting of revenue on expressway system amounting to Baht 10 million and revenue on rail system amounting to Baht 85 million (2017: Baht 13 million and Baht 87 million, respectively) and the six-month period ended 30 June 2018, consisting of revenue on expressway system amounting to Baht 21 million and revenue on rail system amounting to Baht 172 million (2017: Baht 25 million and Baht 167 million, respectively).

25. Dividend

Dividend declared for the six-month periods ended 30 June 2018 and 2017 in the consolidated and separate financial statements consisted of the following:

Dividend	Approved by	Total dividend (Million Baht)	Dividend per share (Baht)	Paid on
Dividend for the second half of the year 2017	Annual General Meeting of the shareholders on 20 April 2018	<u>1,070</u>	<u>0.07</u>	14 May 2018
Dividend for the second half of the year 2016	Annual General Meeting of the shareholders on 11 April 2017	<u>917</u>	<u>0.06</u>	4 May 2017

26. Income taxes

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

Income tax expenses for the three-month and six-month periods ended 30 June 2018 and 2017 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 June			
	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current income tax:				
Interim corporate income tax charge	126,588	105,622	106,848	86,075
Adjustment in respect of income tax of previous year	364	19,050	268	19,104
Deferred tax:				
Relating to origination and reversal of temporary differences	<u>102,404</u>	<u>34,689</u>	<u>104,036</u>	<u>36,629</u>
Tax expenses reported in the income statement	<u>229,356</u>	<u>159,361</u>	<u>211,152</u>	<u>141,808</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current income tax:				
Interim corporate income tax charge	179,326	122,774	138,917	86,075
Adjustment in respect of income tax of previous year	364	19,050	268	19,104
Deferred tax:				
Relating to origination and reversal of				
temporary differences	212,422	189,746	214,880	192,383
Tax expenses reported in the income statement	<u>392,112</u>	<u>331,570</u>	<u>354,065</u>	<u>297,562</u>

The amounts of income tax relating to each component of other comprehensive income for the three-month and six-month periods ended 30 June 2018 and 2017 are as follows:

	(Unit: Thousand Baht)			
	Consolidated and Separate financial statements			
	For the three-month		For the six-month	
	periods ended 30 June		periods ended 30 June	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Deferred tax related to				
- Unrealised gain or loss from cash flow hedges	5,879	(2,134)	3,956	(4,872)
Total	<u>5,879</u>	<u>(2,134)</u>	<u>3,956</u>	<u>(4,872)</u>

27. Earnings per share

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

(Unaudited but reviewed)

28. Segment information

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

Revenue and profit information segments of the Company and its subsidiaries for the three-month and six-month periods ended 30 June 2018 and 2017 are as follows:

(Unit: Million Baht)

	For the three-month periods ended 30 June													
	Expressway business segment ¹⁾		Rail business segment ²⁾		Commercial development business segment ³⁾		Other segments ⁴⁾		Total Segment		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	2,477	2,435	1,162	1,103	160	167	-	-	3,799	3,705	-	-	3,799	3,705
Inter-segment revenues	-	-	-	-	77	80	37	36	114	116	(114)	(116)	-	-
Total revenues	<u>2,477</u>	<u>2,435</u>	<u>1,162</u>	<u>1,103</u>	<u>237</u>	<u>247</u>	<u>37</u>	<u>36</u>	<u>3,913</u>	<u>3,821</u>	<u>(114)</u>	<u>(116)</u>	<u>3,799</u>	<u>3,705</u>
Segment profit	1,119	1,070	252	240	107	116	-	-	1,478	1,426	-	-	1,478	1,426
Unallocated income and expenses:														
Interest income													113	17
Gain from sale of investments													245	7
Other income													5	5
Share of profit from investments in associates													110	94
Selling expenses													(25)	(18)
Administrative expenses													(287)	(264)
Finance cost													(430)	(380)
Income tax expense													(229)	(159)
Non-controlling interests of the subsidiaries													(2)	(5)
Profit for the period													978	723

(Unaudited but reviewed)

(Unit: Million Baht)

For the six-month periods ended 30 June

	Expressway business segment ¹⁾		Rail business segment ²⁾		Commercial development business segment ³⁾		Other segments ⁴⁾		Total Segment		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	5,015	4,889	2,344	2,230	326	318	-	-	7,685	7,437	-	-	7,685	7,437
Inter-segment revenues	-	-	-	-	159	153	75	72	234	225	(234)	(225)	-	-
Total revenues	<u>5,015</u>	<u>4,889</u>	<u>2,344</u>	<u>2,230</u>	<u>485</u>	<u>471</u>	<u>75</u>	<u>72</u>	<u>7,919</u>	<u>7,662</u>	<u>(234)</u>	<u>(225)</u>	<u>7,685</u>	<u>7,437</u>
Segment profit	2,256	2,226	525	400	220	202	-	-	3,001	2,828	-	-	3,001	2,828
Unallocated income and expenses:														
Interest income													232	35
Gain from sale of investments													287	9
Other income													18	24
Share of profit from investments in associates													206	166
Selling expenses													(51)	(36)
Administrative expenses													(557)	(503)
Finance cost													(1,024)	(759)
Income tax expense													(392)	(332)
Non-controlling interests of the subsidiaries													(6)	(7)
Profit for the period													<u>1,714</u>	<u>1,425</u>

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 inside and outside underground train stations and on expressway.

⁴⁾ Other segments are segments where the Company is employed to operate Bang Pa-In - Pak Kret expressway project of the subsidiary.

29 Commitments and contingent liabilities

29.1 Capital commitments

The Company and its subsidiaries have capital commitments as follows:

	30 June 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 5 million	Baht 19 million
c) Supply, installation and testing of the M&E Systems of the MRT Blue Line Project	Baht 9,258 million	Baht 12,827 million
d) Additional for design and construction of the Si Rat - Outer Ring Road Expressway Project	Baht 64 million	Baht 217 million
e) Improvement of computerised maintenance management system	Baht 42 million	Baht 75 million
f) Other capital commitments	Baht 30 million	Baht 3 million

29.2 Long-term service commitments

The Company and its subsidiaries have commitments in respect of the Procurement of M&E equipment contract, and the Maintenance of M&E equipment and trackwork and infrastructure and civil works contracts of the 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									
	30 June 2018					31 December 2017				
						(Audited)				
	<u>Baht</u>	<u>USD</u>	<u>EUR</u>	<u>SGD</u>	<u>YEN</u>	<u>Baht</u>	<u>EUR</u>	<u>SGD</u>	<u>YEN</u>	
Payable:										
In up to 1 year	971	-	3	1	379	994	2	1	379	
In over 1 year and up to 5 years	4,842	1	19	5	1,518	4,711	12	5	1,518	
In over 5 years	4,813	3	25	4	1,170	5,419	12	5	1,360	

29.3 Commitments under various service agreements

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

	(Unit: Million Baht)	
	30 June 2018	31 December 2017
		(Audited)
Payable:		
In up to 1 year	280	360
In over 1 year and up to 5 years	187	55

29.4 Operating lease commitments

The Company and its subsidiaries had entered into several lease agreements in respect of the lease of office building space, equipment and motor vehicles. The terms of the agreements are generally between 2 and 5 years.

Future minimum lease payments required under these operating lease agreements were as follows:

	(Unit: Million Baht)	
	30 June 2018	31 December 2017
		(Audited)
Payable:		
In up to 1 year	18	19
In over 1 year and up to 5 years	17	21

29.5 Guarantees

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

	(Unit: Million Baht)	
	30 June 2018	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	14	15

29.6 Other commitments

	(Unit: Million Baht)	
	30 June 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	-	359
b) Commitment in respect of Expressway inspection, replacement and improvement agreements (paid within one year)	3	18

30. The disputes with Expressway Authority of Thailand (“EXAT”)

The Company and the subsidiary had a total of 11 disputes with EXAT, which were referred to the Arbitral Tribunal in accordance with the dispute settlement procedures under the Agreements and in the Administrative Court. The essence of each dispute was as follows:

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

30.1.1 Priority Component Opening Date under the Second Stage Expressway Agreement

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, which the Arbitral Tribunal, on 15 December 2008, 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 refused to comply with the arbitral award and submitted a petition to the Central Administrative Court requesting the Court to revoke the arbitral award. Whereas the Company submitted a petition requesting a judgment from the Central Administrative Court to enforce compliance with the arbitral award and calculate the interest 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 then 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.

30.1.2 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, which the Arbitral Tribunal, on 27 November 2008, rendered its arbitral award on the dispute requiring EXAT to compensate for the deficient revenue with interest as required by the subsidiary.

EXAT refused to comply with such arbitral award and submitted a petition to the Central Administrative Court requesting the Court to revoke the arbitral award. Whereas, 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 subsequently adjudged to dismiss EXAT's petition requesting the Court to revoke the arbitral award and 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 Administration Court schedule the date to deliver the verdict.

30.1.3 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), which the Arbitral Tribunal, on 20 December 2013, 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.

EXAT refused to comply with such arbitral award and submitted a petition to the Central Administrative Court requesting the Court to revoke the arbitral award. Whereas, 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 the Central Administrative Court's consideration.

30.1.4 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, which the Arbitral Tribunal, on 12 February 2016, 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 refused to comply with such arbitral award and 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.

30.1.5 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, the dispute is pending the Arbitral Tribunal to render the judgment.

30.1.6 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.

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

30.1.7 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.

30.1.8 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.

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

30.2.1 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.

EXAT submitted a petition for revocation of the arbitral award to the Central Administrative Court. The Central Administrative Court subsequently issued the judgment, on 30 August 2017, 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.

30.2.2 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 construct the Udon Ratthaya Expressway, Phase 2, in accordance with 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 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, as mentioned on item 30.1.2 and 30.1.8 of the interim financial statements. 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.

30.2.3 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.

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

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

31. Fair value hierarchy

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

Fair value hierarchy

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

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

(Unaudited but reviewed)

As of 30 June 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 statements				
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Current investments				
Unit trusts	-	1,218,710	-	1,218,710
Financial liabilities measured at fair value				
Derivative				
Interest rate swap agreement	-	33,173	-	33,173

(Unit: Thousand Baht)				
Separate financial statements				
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Current investments				
Unit trusts	-	1,210,104	-	1,210,104
Financial liabilities measured at fair value				
Derivative				
Interest rate swap agreement	-	33,173	-	33,173

Valuation techniques and inputs to Level 2 valuations

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

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

32. Events after the reporting period

On 20 June 2018, a meeting of the Board of Directors passed a resolution to approve the sale of investment in 111.2 million ordinary shares of CK Power Public Company Limited (“CKP”) to an unrelated company for a total of Baht 437 million. As a result, its interest in the equity of CKP decreased from 19.34 percent to 17.83 percent. In addition, a meeting of the Board of Directors passed a resolution to approve the transfer of investment in CKP from investment in associated company to investment in available-for-sale securities, which was consistent with the approval of the change in the purpose of investing in CKP shares from holding for long-term investment in order to receive returns in the form of interest and dividends to holding to convert to cash when the business opportunity and timing are appropriate.

Subsequently, in July 2018, the Company sold and received cash for those shares. As a result, the Company reclassified the investment from investment in associated company to investment in available-for-sale securities, which is consistent with its interest in that company’s equity and the purpose of the investment. The Company will record the accounting transactions related to the sale and reclassification of this investment in the third quarter of this year.

33. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company’s authorised directors on 9 August 2018.