

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

Emphasis of matter

I draw attention to Note 30.1.11 to the interim financial statements regarding the dispute over a competing road with Udon Ratthaya Expressway, which involves several disagreements between the Government and the Company and a subsidiary. The dispute, which was ruled on by the Supreme Administrative Court, is only one of a number of all disputes under the Expressway Concession Agreements of the Company and a subsidiary. These disputes were referred to the Arbitral Tribunal in accordance with the dispute settlement procedures under the agreements and to the Administrative Court. The Company and the subsidiary expect to negotiate these disputes with the Government agency together, in order to progress to a comprehensive resolution of all disputes. As there is still uncertainty about the form of compensation to be received by the subsidiary, the subsidiary therefore did not record compensation of Baht 1,790 million in accordance with the ruling of the Supreme Administrative Court, regarding the dispute over a competing road with Udon Ratthaya Expressway, together with interest income and related contingent expenses, in the interim statement of financial position as at 30 September 2018 and in profit or loss for the three-month and nine-month periods ended 30 September 2018.

My conclusion is not modified in respect of this matter.

Isaraporn Wisutthiyan

Certified Public Accountant (Thailand) No. 7480

EY Office Limited

Bangkok: 9 November 2018

Bangkok Expressway and Metro Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2018

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	30 September 2018	31 December 2017	30 September 2018	31 December 2017
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents	4	836,794	2,627,063	750,415	2,526,936
Current investments	5	1,363,039	1,449,457	1,350,924	1,437,883
Trade and other receivables	6	424,615	426,286	385,863	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		143,476	127,581	125,847	118,434
Total current assets		4,417,607	6,280,070	4,280,732	6,169,953
Non-current assets					
Long-term loans to and interest receivable					
from related parties, net of current portion	3	-	-	3,610,496	4,968,496
Receivable under the concession agreement, net of current portion	7	11,272,836	12,510,098	11,272,836	12,510,098
Investments in subsidiaries	8	-	-	303,586	303,586
Investments in associates	9	6,276,413	9,592,231	4,242,262	7,499,815
Other long-term investment	10	7,247,877	1,654,862	7,247,877	1,654,862
Investment properties		120,357	120,357	120,357	120,357
Building and equipment	11	332,239	361,168	290,443	315,813
Rights to operate expressway sectors	12	36,192,463	38,448,874	30,410,509	32,244,581
Rights to use sites for expressway construction	13	485,958	719,073	485,958	719,073
Intangible asset under concession agreement of					
the MRT Blue Line Project	14	33,476,292	25,954,096	33,141,285	25,608,389
Project cost of the MRT Chalong Ratchadham Line	15	647,596	666,743	647,596	666,743
Prepaid project remuneration	3	3,225,970	2,487,433	3,225,970	2,487,433
Other intangible assets	16	88,853	75,258	85,207	70,297
Deferred tax assets		9,974	4,998	-	-
Other non-current assets		48,980	44,105	18,022	17,154
Total non-current assets		99,425,808	92,639,296	95,102,404	89,186,697
Total assets		103,843,415	98,919,366	99,383,136	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 September 2018

(Unit: Thousand Baht)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>30 September 2018</u>	<u>31 December 2017</u>	<u>30 September 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	3,222,242	3,629,185	3,222,242	3,629,185
Trade and other payables	18	2,512,545	2,107,885	2,424,603	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		159,763	138,262	159,763	138,262
Deposits on stored value ticket		62,647	54,368	62,647	54,368
Income tax payable		85,481	62,132	68,259	36,455
Current portion of provision for compensation for site acquisition cost	21	1,513,019	1,600,000	1,513,019	1,600,000
Other current liabilities					
Retention guarantees		32,295	19,917	25,151	12,233
Value added tax payable		63,785	56,979	55,146	48,315
Withholding tax deducted at source payable		72,482	94,181	69,971	90,214
Others		34,365	11,156	27,512	8,982
Total current liabilities		16,050,384	11,582,825	15,920,073	11,463,737
Non-current liabilities					
Long-term loans from financial institutions, net of current portion	19	17,006,273	25,801,112	15,806,273	25,301,112
Debentures, net of current portion	20	33,167,614	28,170,623	33,167,614	28,170,623
Derivative financial liabilities		30,835	52,954	30,835	52,954
Provision for compensation for site acquisition cost, net of current portion	21	-	1,411,402	-	1,411,402
Unearned revenue from advertising management rights	22	-	-	12,178	13,114
Provision for long-term employee benefits	23	557,461	483,787	538,598	467,539
Deferred tax liabilities		1,399,367	217,152	1,399,367	217,152
Other non-current liabilities		21,215	20,213	1,187	1,752
Total non-current liabilities		52,182,765	56,157,243	50,956,052	55,635,648
Total liabilities		68,233,149	67,740,068	66,876,125	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 September 2018

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>30 September 2018</u>	<u>31 December 2017</u>	<u>30 September 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	<u>15,285,000</u>	<u>15,285,000</u>	<u>15,285,000</u>	<u>15,285,000</u>
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	11,795,176	8,948,481	6,923,479	6,120,200
Other components of shareholders' equity	<u>1,515,817</u>	<u>(59,724)</u>	<u>3,404,104</u>	<u>(42,363)</u>
Equity attributable to shareholders of the Company	35,490,421	31,068,185	32,507,011	28,257,265
Non-controlling interests of the subsidiaries	<u>119,845</u>	<u>111,113</u>	<u>-</u>	<u>-</u>
Total shareholders' equity	<u>35,610,266</u>	<u>31,179,298</u>	<u>32,507,011</u>	<u>28,257,265</u>
Total liabilities and shareholders' equity	<u>103,843,415</u>	<u>98,919,366</u>	<u>99,383,136</u>	<u>95,356,650</u>

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 September 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		2,561,453	2,550,348	2,194,046	2,193,824
Revenue from rail business		1,217,928	1,170,138	1,217,928	1,170,138
Revenue from commercial development business	24	167,132	179,231	98,904	105,372
Other income					
Gains on sale of investments	5, 9, 10	211,414	708	197,667	643
Gain on reclassification of investment	9.1	2,496,266	-	-	-
Interest income		111,909	10,449	136,819	48,776
Dividend income	3, 9	-	-	230,933	232,829
Others		11,282	15,059	42,297	49,943
Total revenues		6,777,384	3,925,933	4,118,594	3,801,525
Expenses					
Cost of expressway business		461,477	432,292	403,617	379,880
Cost of rail business		880,914	840,300	880,914	840,301
Cost of commercial development business		44,952	43,568	17,534	20,912
Amortisation on rights to operate completed expressway sectors and compensation for site acquisition cost	12, 13, 21	957,827	944,851	813,485	805,889
Amortisation on intangible asset under concession agreement of the MRT Blue Line Project	14	48,362	43,994	38,895	35,911
Selling expenses		23,515	24,907	11,792	15,043
Administrative expenses		251,889	225,781	233,406	212,129
Total expenses		2,668,936	2,555,693	2,399,643	2,310,065
Profit before share of profit from investments in associates, finance cost and income tax expenses		4,108,448	1,370,240	1,718,951	1,491,460
Share of profit from investments in associates		132,730	138,506	-	-
Profit before finance cost and income tax expenses		4,241,178	1,508,746	1,718,951	1,491,460
Finance cost		(419,847)	(364,356)	(411,254)	(362,370)
Profit before income tax expenses		3,821,331	1,144,390	1,307,697	1,129,090
Income tax expenses	26	(698,829)	(198,401)	(212,631)	(177,225)
Profit for the period		3,122,502	945,989	1,095,066	951,865
Profit attributable to:					
Equity holders of the Company		3,119,478	939,959	1,095,066	951,865
Non-controlling interests of the subsidiaries		3,024	6,030		
		<u>3,122,502</u>	<u>945,989</u>		
Basic earnings per share (Baht)					
Profit attributable to equity holders of the Company	27	0.20	0.06	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 September 2018

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Profit for the period	3,122,502	945,989	1,095,066	951,865
Other comprehensive income				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>				
Unrealised gain (loss) from cash flow hedges, net of income tax	1,870	(24,789)	1,870	(24,789)
Unrealised gain on valuation of available-for-sale securities, net of income tax	1,559,810	-	3,428,771	-
Share of other comprehensive income of associate recognised due to reclassification of investment	(37,095)	-	-	-
Share of other comprehensive income from associates	(1,263)	16,027	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods, net of income tax	1,523,322	(8,762)	3,430,641	(24,789)
Other comprehensive income for the period	1,523,322	(8,762)	3,430,641	(24,789)
Total comprehensive income for the period	4,645,824	937,227	4,525,707	927,076
Total comprehensive income attributable to:				
Equity holders of the Company	4,642,800	931,197	4,525,707	927,076
Non-controlling interests of the subsidiaries	3,024	6,030		
	4,645,824	937,227		

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 nine-month period ended 30 September 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		7,576,151	7,439,134	6,498,951	6,412,658
Revenue from rail business		3,562,416	3,400,256	3,562,416	3,400,256
Revenue from commercial development business	24	493,020	497,001	292,311	297,491
Other income					
Gains on sale of investments	5, 9, 10	498,072	10,000	560,300	9,768
Gain on reclassification of investment	9.1	2,496,266	-	-	-
Interest income		344,180	44,955	428,755	163,783
Dividend income	3, 9	-	-	493,939	551,455
Others		29,005	39,343	127,356	136,985
Total revenues		14,999,110	11,430,689	11,964,028	10,972,396
Expenses					
Cost of expressway business		1,349,711	1,289,946	1,186,097	1,135,496
Cost of rail business		2,630,239	2,533,383	2,630,239	2,533,384
Cost of commercial development business		129,466	139,654	53,944	68,071
Amortisation on rights to operate completed expressway sectors and compensation for site acquisition cost	12, 13, 21	2,828,417	2,749,677	2,406,078	2,350,178
Amortisation on intangible asset under concession agreement of the MRT Blue Line Project	14	139,324	200,814	111,683	177,992
Selling expenses		74,782	61,186	40,252	34,214
Administrative expenses		808,656	728,643	755,392	683,303
Total expenses		7,960,595	7,703,303	7,183,685	6,982,638
Profit before share of profit from investments in associates, finance cost and income tax expenses		7,038,515	3,727,386	4,780,343	3,989,758
Share of profit from investments in associates		338,593	304,289	-	-
Profit before finance cost and income tax expenses		7,377,108	4,031,675	4,780,343	3,989,758
Finance cost		(1,443,690)	(1,123,770)	(1,423,318)	(1,121,449)
Profit before income tax expenses		5,933,418	2,907,905	3,357,025	2,868,309
Income tax expenses	26	(1,090,941)	(529,971)	(566,696)	(474,787)
Profit for the period		4,842,477	2,377,934	2,790,329	2,393,522
Profit attributable to:					
Equity holders of the Company		4,833,745	2,364,875	2,790,329	2,393,522
Non-controlling interests of the subsidiaries		8,732	13,059	-	-
		<u>4,842,477</u>	<u>2,377,934</u>		
Basic earnings per share (Baht)					
Profit attributable to equity holders of the Company	27	0.32	0.15	0.18	0.16

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 nine-month period ended 30 September 2018

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Profit for the period	4,842,477	2,377,934	2,790,329	2,393,522
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, net of income tax	17,696	(44,278)	17,696	(44,278)
Unrealised gain on valuation of available-for-sale securities, net of income tax	1,559,810	-	3,428,771	-
Share of other comprehensive income of associate recognised due to reclassification of investment	(37,095)	-	-	-
Share of other comprehensive income from associates	35,130	47,539	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods, net of income tax	1,575,541	3,261	3,446,467	(44,278)
Other comprehensive income for the period	1,575,541	3,261	3,446,467	(44,278)
Total comprehensive income for the period	6,418,018	2,381,195	6,236,796	2,349,244
Total comprehensive income attributable to:				
Equity holders of the Company	6,409,286	2,368,136	6,236,796	2,349,244
Non-controlling interests of the subsidiaries	8,732	13,059	-	-
	6,418,018	2,381,195		

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 nine-month period ended 30 September 2018

(Unit: Thousand Baht)

Consolidated financial statements												
Equity attributable to the shareholders of the Company												
	Other components of shareholders' equity											
	Other comprehensive income								Total other components of shareholders' equity	Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Unrealised gain (loss) from cash flow hedges	Unrealised valuation of available-for-sale securities	Share of other comprehensive income from associates					
			Appropriated - statutory reserve	Unappropriated								
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	-	-	-	2,364,875	-	-	-	-	-	2,364,875	13,059	2,377,934
Other comprehensive income for the period	-	-	-	-	(44,278)	-	47,539	-	3,261	3,261	-	3,261
Total comprehensive income for the period	-	-	-	2,364,875	(44,278)	-	47,539	-	3,261	2,368,136	13,059	2,381,195
Dividend paid (Note 25)	-	-	-	(1,834,200)	-	-	-	-	-	(1,834,200)	-	(1,834,200)
Balance as at 30 September 2017	15,285,000	5,816,938	928,690	8,294,271	(59,165)	-	(10,398)	(32,149)	(101,712)	30,223,187	106,512	30,329,699
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	-	-	-	4,833,745	-	-	-	-	-	4,833,745	8,732	4,842,477
Other comprehensive income for the period	-	-	-	-	17,696	1,559,810	(1,965)	-	1,575,541	1,575,541	-	1,575,541
Total comprehensive income for the period	-	-	-	4,833,745	17,696	1,559,810	(1,965)	-	1,575,541	6,409,286	8,732	6,418,018
Dividend paid (Note 25)	-	-	-	(1,987,050)	-	-	-	-	-	(1,987,050)	-	(1,987,050)
Balance as at 30 September 2018	15,285,000	5,816,938	1,077,490	11,795,176	(24,667)	1,559,810	12,823	(32,149)	1,515,817	35,490,421	119,845	35,610,266

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 nine-month period ended 30 September 2018

(Unit: Thousand Baht)

	Separate financial statements							
					Other components of shareholders' equity			
					Other comprehensive income			
	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings Appropriated - statutory reserve	Unappropriated	Unrealised gain (loss) from cash flow hedges	Unrealised gain on valuation of available-for-sale securities	Total other components of shareholders' equity	Total shareholders' equity
Balance as at 1 January 2017	15,285,000	5,816,938	928,690	5,077,414	(14,887)	-	(14,887)	27,093,155
Profit for the period	-	-	-	2,393,522	-	-	-	2,393,522
Other comprehensive income for the period	-	-	-	-	(44,278)	-	(44,278)	(44,278)
Total comprehensive income for the period	-	-	-	2,393,522	(44,278)	-	(44,278)	2,349,244
Dividend paid (Note 25)	-	-	-	(1,834,200)	-	-	-	(1,834,200)
Balance as at 30 September 2017	<u>15,285,000</u>	<u>5,816,938</u>	<u>928,690</u>	<u>5,636,736</u>	<u>(59,165)</u>	<u>-</u>	<u>(59,165)</u>	<u>27,608,199</u>
Balance as at 1 January 2018	15,285,000	5,816,938	1,077,490	6,120,200	(42,363)	-	(42,363)	28,257,265
Profit for the period	-	-	-	2,790,329	-	-	-	2,790,329
Other comprehensive income for the period	-	-	-	-	17,696	3,428,771	3,446,467	3,446,467
Total comprehensive income for the period	-	-	-	2,790,329	17,696	3,428,771	3,446,467	6,236,796
Dividend paid (Note 25)	-	-	-	(1,987,050)	-	-	-	(1,987,050)
Balance as at 30 September 2018	<u>15,285,000</u>	<u>5,816,938</u>	<u>1,077,490</u>	<u>6,923,479</u>	<u>(24,667)</u>	<u>3,428,771</u>	<u>3,404,104</u>	<u>32,507,011</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**Cash flow statement****For the nine-month period ended 30 September 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	5,933,418	2,907,905	3,357,025	2,868,309
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Amortisation and depreciation	2,711,025	2,652,629	2,249,472	2,218,999
Reversal of allowance for doubtful debt	(142)	-	-	-
Revenue recognition of unearned revenue from advertising management rights	-	-	(936)	(936)
Gains on sale of investments	(498,072)	(10,000)	(560,300)	(9,768)
Unrealised gain on change in value of investments	(6,342)	(25,887)	(6,333)	(25,879)
Gain on reclassification of investment	(2,496,266)	-	-	-
Loss (gain) on disposal/write off of equipment, intangible asset under concession agreement of the MRT Blue Line Project and other intangible assets	(1,353)	5,248	(339)	5,487
Project remuneration expense	262,813	262,558	262,813	262,558
Compensation for site acquisition cost	334,732	371,065	334,732	371,065
Provision for long-term employee benefits	71,517	57,136	68,902	55,272
Share of profit from investments in associates	(338,593)	(304,289)	-	-
Unrealised gain on exchange	(582)	(268)	(582)	(268)
Interest income	(344,180)	(44,367)	(428,755)	(163,287)
Dividend income	-	-	(493,939)	(551,455)
Interest expenses	1,262,457	1,094,544	1,246,098	1,094,000
Profit from operating activities before changes in operating assets and liabilities	6,890,432	6,966,274	6,027,858	6,124,097
Operating assets (increase) decrease				
Trade and other receivables	(6,899)	174,498	33,154	162,359
Receivable under the concession agreement	1,237,262	-	1,237,262	-
Other current assets	38,800	101,000	41,356	96,007
Other non-current assets	(4,331)	12,911	(868)	15,572
Cash paid for project remuneration	(990,058)	(897,514)	(990,058)	(897,514)
Operating liabilities increase (decrease)				
Trade and other payables	544,356	378,031	518,806	369,293
Unearned farebox revenue	21,501	20,975	21,501	20,975
Deposits on stored value ticket	8,279	8,765	8,279	8,765
Other current liabilities	19,306	367,423	18,036	365,763
Other non-current liabilities	1,002	1,630	(565)	(816)
Cash paid for long-term employee benefits	(354)	-	(354)	-
Cash paid for compensation for site acquisition cost	(1,600,000)	(1,500,000)	(1,600,000)	(1,500,000)
Net Cash flows from operating activities	6,159,296	5,633,993	5,314,407	4,764,501
Cash received from interest income	344,809	10,440	344,525	10,427
Cash paid for income tax	(290,577)	(205,633)	(214,294)	(154,411)
Net cash flows from operating activities	<u>6,213,528</u>	<u>5,438,800</u>	<u>5,444,638</u>	<u>4,620,517</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**Cash flow statement (continued)****For the nine-month period ended 30 September 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	10,009,500	2,824,005	8,871,000	2,826,927
Cash paid for purchase of current investments	(9,914,117)	-	(8,775,264)	-
Cash received from sales of investment in associate	540,352	-	540,352	-
Cash received from sales of other long-term investment	2,075,443	-	2,075,443	-
Cash received from sales of investment before amalgamation	-	769,741	-	769,741
Increase in other long-term investment	(107,436)	(343,000)	(107,436)	(343,000)
Cash received from long-term loans to related parties	-	-	1,126,343	662,888
Cash paid for long-term loans to related party	-	-	-	(10,000)
Cash received from sales of equipment and intangible asset under concession agreement of the MRT Blue Line Project	2,817	6,081	1,723	5,842
Purchase of equipment	(16,650)	(68,489)	(10,166)	(67,152)
Advance payment for purchase of equipment	(618)	(4,776)	-	-
Cash received from interest income	3,982	21,484	320,505	276,536
Cash received from dividend income	493,939	551,455	493,939	551,455
Cash paid for the project cost of the MRT Chalong Ratchadham Line	(391)	(65,000)	(391)	(65,000)
Cash paid for intangible asset under concession agreement of the MRT Blue Line Project	(7,931,538)	(6,299,119)	(7,914,518)	(6,272,179)
Cash paid for expressway construction	(249,132)	(102,047)	(249,132)	(102,047)
Interest expenses capitalised as cost of projects	(142,326)	(18,906)	(142,326)	(18,906)
Increase in other intangible assets	(27,878)	(21,582)	(27,663)	(21,582)
Net cash flows used in investing activities	<u>(5,264,053)</u>	<u>(2,750,153)</u>	<u>(3,797,591)</u>	<u>(1,806,477)</u>
Cash flows from financing activities				
Cash received from short-term loan 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	2,800,000	200,000	2,100,000	-
Repayment of long-term loans from financial institutions	(12,089,570)	(1,000,000)	(12,089,570)	(1,000,000)
Cash received from issuance of debentures	10,000,000	5,000,000	10,000,000	5,000,000
Cash paid for redemption of debentures	-	-	-	-
Cash paid for financial fee	(82,889)	(8,130)	(82,889)	(8,130)
Interest paid	(972,235)	(853,875)	(956,059)	(853,366)
Dividend paid	(1,987,050)	(1,834,200)	(1,987,050)	(1,834,200)
Net cash flows from (used in) financing activities	<u>(2,739,744)</u>	<u>823,795</u>	<u>(3,423,568)</u>	<u>624,304</u>
Net increase (decrease) in cash and cash equivalents	<u>(1,790,269)</u>	<u>3,512,442</u>	<u>(1,776,521)</u>	<u>3,438,344</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>
Cash and cash equivalents at end of period	<u>836,794</u>	<u>4,289,443</u>	<u>750,415</u>	<u>4,167,637</u>

Supplemental cash flows information

Non-cash items consist of:

Increase (decrease) in payable from purchase of intangible asset under concession agreement of the MRT Blue Line Project and cost of expressway construction

Increase in accrued interest expenses capitalised as cost of projects

(442,081)	233,662	(442,081)	233,662
10,167	-	10,167	-

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

Bangkok Expressway and Metro Public Company Limited and its subsidiaries

Notes to consolidated interim financial statements

For the three-month and nine-month periods ended 30 September 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 Revision of toll rates

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

The Second Stage Expressway System agreement and the Extension of Second Stage Expressway System (Sector D) agreement stipulate that The Expressway Authority of Thailand (“EXAT”) and the Company, as counterparties, have common obligations to consider a revision of the toll rates of the First and Second Stage Expressway Systems and the Second State Expressway System (Sector D) every five years. For the year 2018, the date set to consider the revision of the toll rates is on 1 March 2018 which such rates shall be effective from 1 September 2018 onwards. Nevertheless, EXAT did not proceed with the adjustment of such toll rates. The Company is currently proceeding with its right opposition and seeking for compensation based on the agreements.

- b) The Udon Ratthaya Expressway Project (Bang Pa-In - Pak kret Expressway) under a concession agreement in respect of the construction and management of the expressway project of a subsidiary.

The Bang Pa-In - Pak kret Expressway System agreement stipulates that EXAT and Northern Bangkok Expressway Company Limited (“the subsidiary”), as counterparties, have common obligations to consider a revision of the toll rates of the Bang Pa-In - Pak kret Expressway System every five years. For the year 2018, the date set to consider the revision of the toll rates is on 1 May 2018 which such rates shall be effective from 1 November 2018 onwards. Nevertheless, EXAT did not proceed with the adjustment of such toll rates. The subsidiary is currently proceeding with its right opposition and seeking for compensation based on the agreement.

1.3 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.

1.4 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.

1.5 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 standards 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 and a set of 5 standards related to financial instruments, which are effective for fiscal years beginning on or after 1 January 2020. Key principles of these standards 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.

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

Thai Financial Reporting Standards related to financial instruments

The set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 9	Financial Instruments
TFRS 7	Financial Instruments: Disclosures

Accounting standard:

TAS 32	Financial Instruments: Presentation
--------	-------------------------------------

Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company and its subsidiaries is currently evaluating the impact of these standards to the financial statements in the year when they are 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 nine-month periods ended 30 September 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
TTW Public Company Limited	Associated company
CK Power Public Company Limited	Related company through common directors of the 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 September				
	Consolidated		Separate		
	financial statements		financial statements		Pricing policy
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	
<u>Transactions with major shareholder</u>					
Interest income	-	3	-	3	At the fixed rate per annum
Cost of rail projects	2,203	2,425	2,203	2,425	Based on contracts
Cost of expressway construction	30	-	30	-	Based on contracts
Expressway and civil works maintenance expenses	97	83	97	83	Based on contracts
Office rental and service expenses	2	2	-	-	Based on contracts
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Commercial development revenue	-	-	81	89	Based on contracts
Interest income from long-term loans	-	-	25	38	Based on contracts
Project management income	-	-	38	36	Based on contract
<u>Transaction with associated companies</u>					
Dividend income	-	-	231	233	As declared
<u>Transactions with related companies</u>					
Commercial development revenue	31	2	11	2	Based on contracts
Interest income from M&E Systems	108	-	108	-	FDR plus stipulated margin per annum
Cost of commercial development	3	-	-	-	Agreed between the parties
Remuneration from fare box (Inclusive of VAT)	89	84	89	84	Concession agreement
Remuneration from commercial development	2	3	2	3	Concession agreement
Property tax	1	1	1	1	At the rates charged by Bangkok Metropolitan Administration
Utility expenses	1	-	1	-	Based on contract
Financial fee	11	6	10	5	Based on contracts
Interest expenses on long-term loans	49	81	49	81	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 nine-month periods ended 30 September				
	Consolidated		Separate		
	financial statements		financial statements		Pricing policy
	2018	2017	2018	2017	
<u>Transactions with major shareholder</u>					
Interest income	-	13	-	13	At the fixed rate per annum
Cost of rail projects	6,551	6,398	6,551	6,398	Based on contracts
Cost of expressway construction	217	-	217	-	Based on contracts
Expressway and civil works maintenance expenses	297	257	297	257	Based on contracts
Office rental and service expenses	6	6	-	-	Based on contracts
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Commercial development revenue	-	-	240	242	Based on contracts
Interest income from long-term loans	-	-	85	119	Based on contracts
Project management income	-	-	113	108	Based on contract
<u>Transactions with associated companies</u>					
Dividend income	-	-	494	551	As declared
Sale of other long-term investment	2,065	-	2,065	-	Base on contract
<u>Transactions with related companies</u>					
Commercial development revenue	86	6	30	6	Based on contracts
Interest income from M&E Systems	330	-	330	-	FDR plus stipulated margin per annum
Cost of commercial development	10	-	-	-	Agreed between the parties
Remuneration from fare box (Inclusive of VAT)	256	278	256	278	Concession agreement
Remuneration from commercial development	7	22	7	22	Concession agreement
Property tax	3	3	3	3	At the rates charged by Bangkok Metropolitan Administration
Utility expenses	1	-	1	-	Based on contract
Financial fee	62	17	60	15	Based on contracts
Interest expenses on long-term loans	210	246	210	246	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 September 2018 and 31 December 2017, the balances of the accounts between the Company and its subsidiaries and related parties are as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	30 September	31 December	30 September	31 December
	2018	2017	2018	2017
		(Audited)		(Audited)
<u>Trade and other receivables (Note 6)</u>				
<u>Trade receivables</u>				
Bangkok Metro Networks Limited	-	-	41,202	77,820
Mass Rapid Transit Authority of Thailand	328,930	326,236	328,930	326,236
Plan B Media Public Company Limited ⁽¹⁾	12,440	-	-	-
Total	<u>341,370</u>	<u>326,236</u>	<u>370,132</u>	<u>404,056</u>
<u>Other receivables</u>				
Northern Bangkok Expressway Company Limited	-	-	13,375	12,840
CH. Karnchang Public Company Limited	99	-	99	-
Total	<u>99</u>	<u>-</u>	<u>13,474</u>	<u>12,840</u>
<u>Prepaid expenses</u>				
Krungthai Bank Public Company Limited	33,588	6,467	33,158	4,162
Bangkok Bank Public Company Limited	22,857	-	22,857	-
Total	<u>56,445</u>	<u>6,467</u>	<u>56,015</u>	<u>4,162</u>
<u>Advance payment under service contract</u>				
CH. Karnchang Public Company Limited	<u>5,499</u>	<u>24,969</u>	<u>5,499</u>	<u>24,969</u>
<u>Long-term loans to and interest receivable from related parties</u>				
Northern Bangkok Expressway Company Limited	-	-	3,478,996	4,823,496
Bangkok Metro Networks Limited	-	-	149,500	163,000
Total	-	-	3,628,496	4,986,496
Less: current portion	-	-	(18,000)	(18,000)
Long-term loans to and interest receivable from related parties, net of current portion	<u>-</u>	<u>-</u>	<u>3,610,496</u>	<u>4,968,496</u>
<u>Receivable under the concession agreement (Note 7)</u>				
Mass Rapid Transit Authority of Thailand	<u>12,922,519</u>	<u>14,159,781</u>	<u>12,922,519</u>	<u>14,159,781</u>
<u>Prepaid project remuneration</u>				
Mass Rapid Transit Authority of Thailand	<u>3,225,970</u>	<u>2,487,433</u>	<u>3,225,970</u>	<u>2,487,433</u>

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

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2018	31 December 2017 (Audited)	30 September 2018	31 December 2017 (Audited)
<u>Trade and other payables (Note 18)</u>				
CH. Karnchang Public Company Limited	763,139	1,291,085	763,046	1,291,075
Mass Rapid Transit Authority of Thailand	123,748	111,928	123,748	111,928
Krungthai Bank Public Company Limited	3,238	1,545	3,175	1,476
Plan B Media Public Company Limited ⁽¹⁾	2,895	-	-	-
Others	2,880	3,094	946	1,254
Total	895,900	1,407,652	890,915	1,405,733
<u>Unearned revenue</u>				
Plan B Media Public Company Limited ⁽¹⁾	1,752	-	1,752	-
<u>Retention guarantees</u>				
CH. Karnchang Public Company Limited	17,158	4,153	15,879	2,874
<u>Unearned revenue from advertising management rights (Note 22)</u>				
Bangkok Metro Networks Limited	-	-	13,426	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 during the period	Decrease during the period	30 September 2018
Northern Bangkok Expressway Company Limited				
Long-term loan	3,992,709	-	(1,112,843)	2,879,866
Interest receivable	830,787	80,759	(312,416)	599,130
Total	4,823,496	80,759	(1,425,259)	3,478,996
Bangkok Metro Networks Limited				
Long-term loan	163,000	-	(13,500)	149,500
Interest receivable	-	4,107	(4,107)	-
Total	163,000	4,107	(17,607)	149,500
Grand total	4,986,496	84,866	(1,442,866)	3,628,496

(Unaudited but reviewed)

The assets of Northern Bangkok Expressway Company Limited such as deposits at banks, current investments, rights in the Bang Pa-In - Pak kret 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 September 2018
Krungthai Bank Public Company Limited	9,394,584	700,000	(4,673,637)	5,420,947
Bangkok Bank Public Company Limited	4,221,631	700,000	(4,221,631)	700,000
Total	13,616,215	1,400,000	(8,895,268)	6,120,947

Directors and management benefits

During the three-month and nine-month periods ended 30 September 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 September			
	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Short-term employee benefits	23,308	21,331	19,211	18,171
Post-employment benefits	2,719	1,051	2,458	878
Total	26,027	22,382	21,669	19,049

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Short-term employee benefits	107,994	103,234	92,098	90,566
Post-employment benefits	8,157	3,121	7,373	2,634
Total	116,151	106,355	99,471	93,200

4. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
		(Audited)		(Audited)
Cash	35,415	31,734	32,860	29,954
Bank deposits	801,379	2,595,329	717,555	2,496,982
Total	836,794	2,627,063	750,415	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 September 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 September	31 December	30 September	31 December
	2018	2017	2018	2017
		(Audited)		(Audited)
Investments in trading securities				
Unit trusts	1,213,706	895,985	1,201,596	884,415
Add: Unrealised gain on changes in value of investments	49,264	43,472	49,259	43,468
Unit trusts - Fair value	1,262,970	939,457	1,250,855	927,883
Investments in held-to-maturity debt security				
Bills of exchange	100,069	510,000	100,069	510,000
Total current investments	1,363,039	1,449,457	1,350,924	1,437,883

6. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September	31 December	30 September	31 December
	2018	2017	2018	2017
		(Audited)		(Audited)
<u>Trade receivables</u>				
Trade receivables				
- Related parties (Note 3)	341,370	326,236	370,132	404,056
- Unrelated parties	84,969	101,923	-	-
Less: Allowance for doubtful debts	(5,040)	(5,182)	-	-
Total trade receivables - net	421,299	422,977	370,132	404,056
<u>Other receivables</u>				
Other receivables				
- Related parties (Note 3)	99	-	13,474	12,840
- Unrelated parties	2,578	1,585	1,618	1,544
Advances	-	1,177	-	30
Accrued income	639	547	639	547
Total other receivables	3,316	3,309	15,731	14,961
Total trade and other receivables - net	424,615	426,286	385,863	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 September 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	(1,237,262)
Net book value as at 30 September 2018	12,922,519
Current	1,649,683
Non-current	11,272,836
Total receivable under the concession agreement	12,922,519

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 nine-month periods ended 30 September 2018 amounted to Baht 108 million and Baht 330 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 September	31 December	30 September	31 December	30 September	31 December	30 September	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	Shareholding percentage		Cost		Carrying amounts based on equity method		Fair values	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017	30 September 2018	31 December 2017	30 September 2018	31 December 2017
	(Percent)	(Percent)		(Audited)		(Audited)		(Audited)
CK Power Public Company Limited ⁽¹⁾	-	19.40	-	3,223	-	3,121	-	5,777 ⁽²⁾
TTW Public Company Limited	19.29	19.45	6,919	6,976	6,276	6,471	9,391	9,701
Total			6,919	10,199	6,276	9,592	9,391	15,478

(Unit: Million Baht)

Separate financial statements								
Company's name	Shareholding percentage		Cost		Fair values		Dividend received during the nine-month periods ended 30 September	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017	30 September 2018	31 December 2017	2018	2017
	(Percent)	(Percent)		(Audited)		(Audited)		
CK Power Public Company Limited ⁽¹⁾	-	19.40	-	3,223	-	5,777 ⁽²⁾	32	85
TTW Public Company Limited	19.29	19.45	4,242	4,277	9,391	9,701	462	466
Total			4,242	7,500	9,391	15,478	494	551

⁽¹⁾ Effective on 16 July 2018, the Company reclassified the investment from investment in associated company to investment in available-for-sale securities.

⁽²⁾ Excluding the fair value of warrants as at 31 December 2017 amounting to Baht 189 million.

9.1 CK Power Public Company Limited

In February 2018, the Company sold 4.5 million ordinary shares of CK Power Public Company Limited ("CKP") 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.

On 20 June 2018, a meeting of the Company's Board of Directors passed a resolution to approve the sale of investment in 111.2 million ordinary shares of 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 reclassification 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 111.2 million ordinary shares of CKP and recorded a gain on the sale of this investment of Baht 212 million in profit or loss in the consolidated financial statements (Separate financial statements: Baht 199 million). Following this sale, the Company reclassified its remaining investment in CKP from investment in associated company to investment in available-for-sale securities in line with the resolution passed by the meeting of the Board of Directors, which is consistent with the reduction in its interest in that in company's equity and the purpose of holding the investment. The Company recorded a gain of Baht 2,496 million as a result of the reclassification of the investment in profit or loss in the consolidated financial statements in the current period.

9.2 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 equity interest 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)

	Consolidated financial statements		Separate financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
		(Audited)		(Audited)
<u>Investment in available-for-sale securities</u>				
CK Power Public Company Limited				
- Ordinary shares ⁽¹⁾	5,178,082	-	2,813,840	-
- Warrants ⁽¹⁾	120,032	-	148,073	-
Add: Unrealised gain on changes in value of investments	1,949,763	-	4,285,964	-
	<u>7,247,877</u>	<u>-</u>	<u>7,247,877</u>	<u>-</u>
<u>Other investment</u>				
Xayaburi Power Company Limited	-	1,654,862	-	1,654,862
Other long-term investment - net	<u>7,247,877</u>	<u>1,654,862</u>	<u>7,247,877</u>	<u>1,654,862</u>

⁽¹⁾ Effective on 16 July 2018, the Company reclassified the investment from investment in associated company to investment in available-for-sale securities.

Xayaburi Power Company Limited

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 nine-month period ended 30 September 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	16,650	10,166
Disposals during the period - net book value at disposal date	(1,384)	(1,384)
Depreciation for the period	(44,195)	(34,152)
Net book value as at 30 September 2018	<u>332,239</u>	<u>290,443</u>

12. Rights to operate expressway sectors

A reconciliation of the net book value of the rights to operate completed expressway sectors during the nine-month period ended 30 September 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	237,274	237,274
Amortisation for the period	(2,493,685)	(2,071,346)
Net book value as at 30 September 2018	<u>36,192,463</u>	<u>30,410,509</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 nine-month period ended 30 September 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	(233,115)
Net book value as at 30 September 2018	<u>485,958</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 nine-month period ended 30 September 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	7,509,107	7,492,086
Interest cost	152,493	152,493
Disposals during the period - net book value at disposal date	(80)	-
Amortisation for the period	(139,324)	(111,683)
Net book value as at 30 September 2018	<u>33,476,292</u>	<u>33,141,285</u>

(Unaudited but reviewed)

During the nine-month period ended 30 September 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 2.86 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 nine-month period ended 30 September 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	391
Amortisation for the period	(19,538)
Net book value as at 30 September 2018	647,596

16. Other intangible assets

A reconciliation of the net book value of other intangible assets for the nine-month period ended 30 September 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	27,878	27,663
Amortisation for the period	(14,283)	(12,753)
Net book value as at 30 September 2018	88,853	85,207

17. Short-term loans from financial institutions

(Unit: Thousand Baht)

		Consolidated and Separate financial statements	
		30 September 2018	31 December 2017
Interest rate			
(Percent per annum)			(Audited)
Promissory Notes	At the fixed rate	3,224,000	3,632,000
Less: Deferred financial fees		(1,758)	(2,815)
Total		3,222,242	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 September	31 December	30 September	31 December
	2018	2017	2018	2017
		(Audited)		(Audited)
Trade payables - related parties (Note 3)	817,145	1,334,514	814,158	1,334,366
Trade payables - unrelated parties	575,478	341,818	531,531	305,781
Accrued interests - related parties (Note 3)	378	2,416	378	2,416
Accrued interests - unrelated parties	436,801	134,374	436,485	134,242
Accrued expenses - related parties (Note 3)	78,377	70,722	76,379	68,951
Accrued expenses - unrelated parties	597,445	209,745	563,832	189,377
Other payables	6,921	14,296	1,840	1,830
Total trade and other payables	2,512,545	2,107,885	2,424,603	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 September 2018	31 December 2017	30 September 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	12,022,214	13,173,277	12,022,214	13,173,277
5. Tranche B (Fully drew down)	62	54,906	60,163	54,906	60,163
6. Long-term loan (Available credit facilities to be drawn down: Baht 11,900 million)	14,000	2,100,000	-	2,100,000	-
7. Long-term loan (Available credit facilities to be drawn down: Baht 3,720 million)	5,700	1,200,000	500,000	-	-
Total	51,319	20,377,120	29,666,690	19,177,120	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		(79,087)	(56,818)	(79,087)	(56,818)
Long-term loans - net of current portion		17,006,273	25,801,112	15,806,273	25,301,112

Movements in the long-term loans for the nine-month period ended 30 September 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	2,800,000	2,100,000
Less: Repayment during the period	(12,089,570)	(12,089,570)
Balance as at 30 September 2018	20,377,120	19,177,120

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 99 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 system 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) as collateral to secure these loans. The Company had interest expenses amounting to Baht 108 million and Baht 330 million on such loans for the three-month and nine-month periods ended 30 September 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 system of the MRT Blue Line Extension Project. The credit facility carries interest at a rate of 6M THBFIX plus stipulated margin, and are repayable on 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 September 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				(32,386)	(29,377)
Debentures - net of current portion				33,167,614	28,170,623

Movements in the debentures account for the nine-month period ended 30 September 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 September 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 nine-month period ended 30 September 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	(1,600,000)
Interest cost	101,617
Balance as at 30 September 2018	1,513,019
Less: Current portion	(1,513,019)
Provision for compensation for site acquisition cost - net of current portion	-

22. Unearned revenue from advertising management rights

Movement in unearned revenue from advertising management rights account for the nine-month period ended 30 September 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	(936)
Balance as at 30 September 2018	13,426
Less: Current portion	(1,248)
Unearned revenue from advertising management rights - net of current portion	12,178

23. Provision for long-term employee benefits

Movements in provision for long-term employee benefits account for the nine-month period ended 30 September 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	74,028	71,413
Benefits paid during the period	(354)	(354)
Balance as at 30 September 2018	557,461	538,598

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 September 2018, consisting of revenue on expressway system amounting to Baht 11 million and revenue on rail system amounting to Baht 88 million (2017: Baht 13 million and Baht 92 million, respectively) and for the nine-month period ended 30 September 2018, consisting of revenue on expressway system amounting to Baht 32 million and revenue on rail system amounting to Baht 260 million (2017: Baht 38 million and Baht 259 million, respectively).

25. Dividend

Dividend declared for the nine-month periods ended 30 September 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	1,070	0.07	14 May 2018
Dividend for the first half of the year 2018	Meeting of the Board of Directors on 22 August 2018	917	0.06	19 September 2018
Total dividend for the nine-month period 30 September 2018		<u>1,987</u>	<u>0.13</u>	
Dividend for the second half of the year 2016	Annual General Meeting of the shareholders on 11 April 2017	917	0.06	4 May 2017
Dividend for the first half of the year 2017	Meeting of the Board of Directors on 23 August 2017	917	0.06	20 September 2017
Total dividend for the nine-month period 30 September 2017		<u>1,834</u>	<u>0.12</u>	

26. Income taxes

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

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

(Unit: Thousand Baht)				
For the three-month periods ended 30 September				
	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	128,389	97,404	106,913	74,448
Deferred tax:				
Relating to origination and reversal of temporary differences	570,440	100,997	105,718	102,777
Tax expenses reported in the income statement	<u>698,829</u>	<u>198,401</u>	<u>212,631</u>	<u>177,225</u>

(Unit: Thousand Baht)				
For the nine-month periods ended 30 September				
	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	307,715	220,178	245,830	160,523
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	782,862	290,743	320,598	295,160
Tax expenses reported in the income statement	<u>1,090,941</u>	<u>529,971</u>	<u>566,696</u>	<u>474,787</u>

(Unaudited but reviewed)

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

(Unit: Thousand Baht)				
For the three-month periods ended 30 September				
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Deferred tax related to				
- Unrealised gain on valuation of available-for-sale securities	389,954	-	857,194	-
- Unrealised gain or loss from cash flow hedges	466	(6,197)	466	(6,197)
Total	<u>390,420</u>	<u>(6,197)</u>	<u>857,660</u>	<u>(6,197)</u>

(Unit: Thousand Baht)				
For the nine-month periods ended 30 September				
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Deferred tax related to				
- Unrealised gain on valuation of available-for-sale securities	389,954	-	857,194	-
- Unrealised gain or loss from cash flow hedges	4,423	(11,070)	4,423	(11,070)
Total	<u>394,377</u>	<u>(11,070)</u>	<u>861,617</u>	<u>(11,070)</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 nine-month periods ended 30 September 2018 and 2017 are as follows:

(Unit: Million Baht)

	For the three-month periods ended 30 September													
	Expressway business segment ¹⁾		Rail business segment ²⁾		Commercial development business segment ³⁾		Other segments ⁴⁾		Total Segment		Elimination of inter-segment revenues		Consolidated	
	<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	2,561	2,550	1,218	1,170	167	179	-	-	3,946	3,899	-	-	3,946	3,899
Inter-segment revenues	-	-	-	-	81	86	38	36	119	122	(119)	(122)	-	-
Total revenues	<u>2,561</u>	<u>2,550</u>	<u>1,218</u>	<u>1,170</u>	<u>248</u>	<u>265</u>	<u>38</u>	<u>36</u>	<u>4,065</u>	<u>4,021</u>	<u>(119)</u>	<u>(122)</u>	<u>3,946</u>	<u>3,899</u>
Segment profit	1,142	1,173	299	295	112	127	-	-	1,553	1,595	-	-	1,553	1,595
Unallocated income and expenses:														
Interest income													112	10
Gain on sale of investments													211	1
Gain on reclassification of investment													2,496	-
Other income													11	15
Share of profit from investments in associates													133	139
Selling expenses													(24)	(25)
Administrative expenses													(251)	(227)
Finance cost													(420)	(364)
Income tax expenses													(699)	(198)
Non-controlling interests of the subsidiaries													(3)	(6)
Profit for the period													3,119	940

(Unaudited but reviewed)

(Unit: Million Baht)

For the nine-month periods ended 30 September

	Expressway business segment ¹⁾		Rail business segment ²⁾		Commercial development business segment ³⁾		Other segments ⁴⁾		Total Segment		Elimination of inter-segment revenues		Consolidated	
	<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	7,576	7,439	3,562	3,400	493	497	-	-	11,631	11,336	-	-	11,631	11,336
Inter-segment revenues	-	-	-	-	240	239	113	108	353	347	(353)	(347)	-	-
Total revenues	<u>7,576</u>	<u>7,439</u>	<u>3,562</u>	<u>3,400</u>	<u>733</u>	<u>736</u>	<u>113</u>	<u>108</u>	<u>11,984</u>	<u>11,683</u>	<u>(353)</u>	<u>(347)</u>	<u>11,631</u>	<u>11,336</u>
Segment profit	3,398	3,400	824	695	332	328	-	-	4,554	4,423	-	-	4,554	4,423
Unallocated income and expenses:														
Interest income													344	45
Gain on sale of investments													498	10
Gain on reclassification of investment													2,496	-
Other income													30	40
Share of profit from investments in associates													339	304
Selling expenses													(75)	(61)
Administrative expenses													(808)	(729)
Finance cost													(1,444)	(1,124)
Income tax expenses													(1,091)	(530)
Non-controlling interests of the subsidiaries													(9)	(13)
Profit for the period													<u>4,834</u>	<u>2,365</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 September 2018	31 December 2017
		(Audited)
a) Performance improvement for farebox collection systems	Baht 28 million and USD 3 million	Baht 29 million and USD 3 million
b) Acquisition of equipment	-	Baht 19 million
c) Supply, installation and testing of the M&E system of the MRT Blue Line Project	Baht 9,068 million and EUR 5 million	Baht 12,827 million
d) Additional for design and construction of the Si Rat - Outer Ring Road Expressway Project	Baht 35 million	Baht 217 million
e) Improvement of computerised maintenance management system	Baht 40 million	Baht 75 million
f) Other capital commitments	Baht 22 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 September 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	973	-	3	1	379	994	2	1	379	
In over 1 year and up to 5 years	4,959	1	19	5	1,518	4,711	12	5	1,518	
In over 5 years	4,526	3	25	4	1,075	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)	
	<u>30 September 2018</u>	<u>31 December 2017</u>
		(Audited)
Payable:		
In up to 1 year	311	360
In over 1 year and up to 5 years	257	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)	
	<u>30 September 2018</u>	<u>31 December 2017</u>
		(Audited)
Payable:		
In up to 1 year	18	19
In over 1 year and up to 5 years	19	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)	
	<u>30 September 2018</u>	<u>31 December 2017</u>
		(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

29.6 Other commitments

	(Unit: Million Baht)	
	30 September 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)	26	18

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

The Company and the subsidiary had a total of 14 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 11 disputes, with the total amount until the date of submission of the disputes of approximately Baht 54,503.7 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's consideration.

30.1.2 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.

30.1.3 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.

30.1.4 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.

On 24 October 2018, the Arbitral Tribunal rendered the unanimously judgment awarded 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 together with interest, in the total amount of Baht 9,091.8 million, and interest under the Agreement shall be calculated on the principle of the damages, in the amount of Baht 7,909.6 million from 1 June 2013 until EXAT will make such payment in full and compensation for damages from the difference of toll revenue sharing based on the toll rates under the Ministry of Transport's Announcement dated 15 August 2008 and the toll rates which the Company entitled to receive under the Agreement, by calculating based on the actual number of vehicles in each category using the expressways on a daily basis from 1 June 2013 onwards, including default interest under the Agreement from 1 June 2013 onwards until the EXAT will be paid such damage together interest in full to the Company.

30.1.5 Revision of toll rates of the Chalerm Mahanakorn Expressway and the Si Rat Expressway for the year 2013

On 16 August 2018, 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 2013, which was not in accordance with the Agreement, in the total amount of Baht 14,662.7 million, together with interest under the Agreement.

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

30.1.6 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's consideration.

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, in the total amount of Baht 4,062.8 million, including interest under the Agreement.

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

30.1.8 Revision of toll rates of Sector D of the Si Rat Expressway for the year 2013

On 21 August 2018, 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 2013, which was not in accordance with the Agreement, in the total amount of Baht 6,936.4 million, including interest under the Agreement.

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

30.1.9 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 proceedings of the Thai Arbitration Institute.

30.1.10 Revision of toll rates of Udon Ratthaya Expressway for the year 2008 and 2013

On 21 August 2018, 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 2008 and 2013, which was not in accordance with the Agreement, in the amount of Baht 4,724.8 million, together with interest under the Agreement.

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

30.1.11 Competing road with the Udon Ratthaya 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 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. On 21 September 2018, the Supreme Administrative Court ruled to affirm the Judgement of the Administrative Court to enforce the arbitral award of the arbitral tribunal to compensate for the deficient revenue from the projection to the subsidiary under the Bang Pa-In - Pak kret Expressway Agreement in total of Baht 1,790 million which composed of the compensation for the year 1999 in the total of Baht 730.8 million with interest from 14 June 2000 until the payment is paid in full and the compensation for the year 2000 in the total of 1,059.2 million with interest from 22 March 2001 until the payment is paid in full. EXAT shall be required to fully comply with the Judgement within 90 days from the date the Supreme Administrative Court has ruled the Judgement, which will be due on 20 December 2018.

On 2 October 2018, the Council of Ministers' Meeting resolved that in order to alleviate the loss and damage which would occur to the Government and to protect the utmost benefits of the Government sector in the case that the Government agency has the dispute under the Court of Arbitration or is filed a lawsuit with the Administrative Court as one or several cases in the same issue or as connected thereto, for instance, the case under the responsibility of the Ministry of Transport

(Expressway Authority of Thailand), on which the Arbitral Tribunal rendered its arbitral award, thereby giving rise to the case proceedings in the Supreme Administrative Court, in which case, the Arbitral Tribunal rendered its arbitral award requiring the Government agency to compensate for the damages or others; as a result, the resolution has been passed to require that such Government agency may conduct a negotiation with its disputing party to alleviate the damage of the Government and to ensure the justice to the people, provided that such negotiation shall be conducted transparently and legitimately by mainly taking into account the benefits of the nation.

Subsequently, EXAT issued a letter dated 31 October 2018 to the subsidiary, informing that the Board of EXAT has appointed a subcommittee to consider determining the guidelines for compliance with the judgment of the Supreme Administrative Court of the dispute in the case of the competing road between EXAT and the subsidiary, so as to consider determining the guidelines for compliance with such judgment of the Supreme Administrative Court, as well as conducting a negotiation with the subsidiary and inviting the subsidiary to attend the negotiation meeting to reach an agreement for such matter.

This case is related to the conflict between the Government with the Company and the subsidiary in many cases. For the case on which the Supreme Administrative Court has already rendered the judgment, it is a part of all disputes of the Expressway Agreements of the Company and the subsidiary. There remain disputes which are pending the consideration of the Arbitral Tribunal and the Administrative Court. The Company and the subsidiary expect to enter into negotiation with the Government agency to reach a comprehensive future settlement of these matters as a whole. Since there remains uncertainty as to the form of compensation to be derived by the subsidiary from EXAT, the subsidiary has not yet recorded revenue from compensation under the judgment of the Supreme Administrative Court in relation to the dispute regarding the competing road with the Udon Ratthaya Expressway in the total amount of Baht 1,790 million, together with interest and related expenses to be incurred, in the interim statements of financial position as at 30 September 2018 and in profit or loss for the three-month period and the nine-month period ended 30 September 2018.

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 Notes 30.1.9, 30.1.10 and 30.1.11 to 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 proceedings of the Thai Arbitration Institute.

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

On 27 February 2009, EXAT submitted a statement of claim to the Thai Arbitration Institute requiring the subsidiary to be responsible for the cost of utilization of the Control Center Building (Bang Phun) in the amount of Baht 1.1 million, which the subsidiary was of the view that such cost claimed by EXAT was not within its scope of responsibility under the Agreement.

At present, it is pending the 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 September 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	-	1,262,970	-	1,262,970
Investment in available-for-sale securities	7,247,877	-	-	7,247,877
Financial liabilities measured at fair value				
Derivative				
Interest rate swap agreement	-	30,835	-	30,835

(Unit: Thousand Baht)

	Separate financial statements			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Current investments				
Unit trusts	-	1,250,855	-	1,250,855
Investment in available-for-sale securities	7,247,877	-	-	7,247,877
Financial liabilities measured at fair value				
Derivative				
Interest rate swap agreement	-	30,835	-	30,835

Valuation techniques and inputs to Level 2 valuations

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

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

32. Approval of interim financial statements

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