

Bangkok Expressway and Metro Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2022

Independent Auditor's Report

To the Shareholders of Bangkok Expressway and Metro Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Bangkok Expressway and Metro Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2022, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Bangkok Expressway and Metro Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bangkok Expressway and Metro Public Company Limited and its subsidiaries and of Bangkok Expressway and Metro Public Company Limited as at 31 December 2022, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

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

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

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

Recognition of toll revenue, toll revenue sharing and fare box revenue

The Group recognises toll revenue, toll revenue sharing and fare box revenue in accordance with the accounting policy disclosed in Note 4.1 to the consolidated financial statements. The revenue accounts are the most significant amounts in the statement of income. In addition, the Group's service income is derived from numerous transactions and varies in terms of the toll and fare box rates. I have therefore paid attention to the audit of the measurement of the related transactions recorded by the Group.

I have examined the revenue recognition of the Group by assessing and testing the internal controls relevant to the revenue cycle of the Group, including the related information technology systems, by making inquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls. In addition, I have examined the measurement and completeness of the revenue information that the Group used for accounting purposes by performing live audit testing and traffic volume observation. On a sampling basis, I examined documents supporting actual revenue transactions occurring during the year. I also performed analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

Recognition of capital expenditures

During the year ended 31 December 2022, the Group had capital expenditures amounting to Baht 1,218 million that were recorded as “Rights to operate expressway sectors and Intangible assets under concession agreement of the MRT Blue Line Project”, as disclosed in Notes 15 and 16 to the consolidated financial statements. I considered the recognition of capital expenditures as assets to be a significant transaction. In addition, management needed to exercise substantial judgment in determining whether the costs were direct costs and could be recognised as costs of acquiring intangible assets if they met the conditions stipulated under financial reporting standards.

I assessed the Group's recognition of capital expenditures during the year by inquiring with management to gain an understanding of the basis applied and judgement exercised by management in capitalising expenses as assets and the disclosures in the notes to the financial statements. I reviewed the minutes of meetings, contracts and documents related to the capital expenditures. I also selected and checked representative samples of supporting documents for expenses recognised as assets during the year to determine whether the recognition met the criteria under financial reporting standards and reviewed the disclosures in the notes to the financial statements.

Intangible assets under concession agreement of the MRT Blue Line Project

As at 31 December 2022, the Group has intangible assets under concession agreement of the MRT Blue Line Project amounting to Baht 45,246 million in the consolidated financial statements, or equal to 39.64 percent of total assets. The Company commenced operation of the Through Operation systems of the MRT Blue Line Project on 30 March 2020 and it has been affected by the Coronavirus disease 2019 pandemic, which has affected commuter numbers on the metro system and significantly impacted the project's revenue. The assessment of impairment of intangible assets under the concession agreement of the MRT Blue Line Project requires the management to exercise a high degree of judgement in forecasting operating results, estimating the cash inflows that are expected to be generated in the future, and setting an appropriate discount rate and other assumptions.

I assessed the impairment assessment performed by management on intangible assets under the concession agreement of the MRT Blue Line Project by gaining an understanding of and evaluating the financial model selected by the management and evaluating the key assumptions applied by the management in preparing plans and projecting the cashflows to be generated from those assets in the future by gaining an understanding of the process through which the figures

were derived, comparing the assumptions with external and internal sources of information, and reviewing the cashflow projections in comparison with the actual operating results. I also evaluated the discount rate applied by analysing the weighted average cost of capital and other information and reperforming the calculation of expected future cashflows under the financial model. In addition, I considered the sensitivity of the cashflow projections to key assumptions, especially the discount rate.

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

I am responsible for the audit resulting in this independent auditor's report.

Sirirat Srirachoenusup
Certified Public Accountant (Thailand) No. 5419

EY Office Limited
Bangkok: 22 February 2023

Bangkok Expressway and Metro Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2022

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
Assets					
Current assets					
Cash and cash equivalents	7	1,787,836,238	1,131,367,911	1,410,945,524	595,974,028
Bank deposit for unearned fare box revenue	8	229,984,555	225,201,031	229,984,555	225,201,031
Trade and other receivables	9	647,992,309	473,252,353	800,027,621	474,835,489
Current portion of receivable under the concession agreement	10	1,649,683,274	1,649,683,274	1,649,683,274	1,649,683,274
Current tax assets		144,533,107	120,971,846	142,532,837	115,868,135
Other current financial assets	11	946,995,194	765,670,719	946,995,194	765,670,719
Other current assets					
Prepaid expenses		93,333,670	92,564,380	90,311,982	88,690,123
Advance payment for service contracts		-	44,566,316	-	41,991,312
Spare parts		59,199,669	26,633,266	59,199,669	26,633,266
Others		6,002,968	10,729,409	3,757,694	5,135,588
Total current assets		5,565,560,984	4,540,640,505	5,333,438,350	3,989,682,965
Non-current assets					
Receivable under the concession agreement, net of current portion	10	4,261,681,792	5,911,365,066	4,261,681,792	5,911,365,066
Long term-loan to related party	6	-	-	300,000,000	-
Other non-current financial assets	11	13,418,815,206	15,909,924,565	13,418,815,206	15,909,924,565
Investments in subsidiaries	12	-	-	767,729,867	767,729,867
Investment properties	13	120,357,493	120,357,493	120,357,493	120,357,493
Building and equipment	14	337,931,815	383,984,663	324,762,189	360,192,223
Right-of-use assets	23	171,595,613	139,696,152	78,166,681	51,763,824
Rights to operate expressway sectors	15	31,860,051,536	31,920,531,506	27,123,127,708	27,241,674,791
Intangible asset under concession agreement of the MRT Blue Line Project	16	45,245,877,915	45,368,623,475	44,989,376,430	45,095,803,584
Project cost of the MRT Chalong Ratchadham Line	17	656,677,998	676,752,990	656,677,998	676,752,990
Prepaid project remuneration	6	12,400,550,604	9,775,518,134	12,400,550,604	9,775,518,134
Other intangible assets	18	33,948,492	48,351,411	33,431,861	45,676,244
Deferred tax assets	32	19,994,793	16,310,587	-	-
Other non-current assets		35,143,010	276,442,889	15,192,677	263,911,925
Total non-current assets		108,562,626,267	110,547,858,931	104,489,870,506	106,220,670,706
Total assets		114,128,187,251	115,088,499,436	109,823,308,856	110,210,353,671

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

Bangkok Expressway and Metro Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2022

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2022	2021	2022	2021
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institution		-	2,000,000,000	-	2,000,000,000
Trade and other payables	19	1,762,804,876	1,492,413,420	1,703,436,123	1,422,538,023
Current portion of long-term loans from financial institutions	20	4,173,244,069	3,544,204,069	3,461,764,069	2,861,764,069
Current portion of lease liabilities	23	67,763,943	44,749,169	44,010,119	25,374,022
Current portion of debentures	21	5,500,000,000	3,000,000,000	5,500,000,000	3,000,000,000
Unearned fare box revenue	8	243,947,482	221,885,631	243,947,482	221,885,631
Deposits on stored value ticket		93,486,147	86,567,897	93,486,147	86,567,897
Income tax payable		11,603,425	27,693,411	-	-
Other current financial liabilities		105,052,472	102,555,542	101,692,473	95,813,158
Other current liabilities					
Value added tax payable		54,922,110	52,830,593	50,879,372	36,124,502
Withholding tax deducted at source payable		58,948,436	39,536,369	54,979,700	37,340,349
Others		19,956,115	33,041,963	19,773,525	32,193,082
Total current liabilities		12,091,729,075	10,645,478,064	11,273,969,010	9,819,600,733
Non-current liabilities					
Long-term loans from financial institutions, net of current portion	20	24,709,713,605	25,609,412,070	23,072,321,974	23,275,884,296
Lease liabilities, net of current portion	23	103,375,827	92,659,628	35,034,289	25,628,758
Debentures, net of current portion	21	36,058,427,918	37,057,371,553	36,058,427,918	37,057,371,553
Derivative financial liabilities		895,469	95,880,794	895,469	95,880,794
Unearned revenue from advertising management rights	22	-	-	6,871,964	8,120,323
Provision for long-term employee benefits	24	838,048,488	770,896,288	806,946,344	744,829,551
Deferred tax liabilities	32	3,051,921,707	3,108,954,593	3,051,921,707	3,108,954,593
Other non-current liabilities		10,512,349	9,014,047	7,272,200	6,348,700
Total non-current liabilities		64,772,895,363	66,744,188,973	63,039,691,865	64,323,018,568
Total liabilities		76,864,624,438	77,389,667,037	74,313,660,875	74,142,619,301

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

Bangkok Expressway and Metro Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2022

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2022	2021	2022	2021
Shareholders' equity					
Share capital					
Registered					
15,285,000,000 ordinary shares of Baht 1 each		15,285,000,000	15,285,000,000	15,285,000,000	15,285,000,000
Issued and fully paid-up					
15,285,000,000 ordinary shares of Baht 1 each		15,285,000,000	15,285,000,000	15,285,000,000	15,285,000,000
Premium on ordinary shares		5,816,938,084	5,816,938,084	5,816,938,084	5,816,938,084
Capital deficit from change in shareholding in subsidiaries		(346,046,294)	(346,046,294)	-	-
Retained earnings					
Appropriated - statutory reserve	25	1,528,500,000	1,502,600,000	1,528,500,000	1,502,600,000
Unappropriated		16,451,236,957	15,193,997,725	8,246,983,467	7,030,014,932
Other components of shareholders' equity		(1,473,687,797)	244,792,547	4,632,226,430	6,433,181,354
Equity attributable to shareholders of the Company		37,261,940,950	37,697,282,062	35,509,647,981	36,067,734,370
Non-controlling interests of the subsidiaries		1,621,863	1,550,337	-	-
Total shareholders' equity		37,263,562,813	37,698,832,399	35,509,647,981	36,067,734,370
Total liabilities and shareholders' equity		114,128,187,251	115,088,499,436	109,823,308,856	110,210,353,671

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

Directors

Bangkok Expressway and Metro Public Company Limited and its subsidiaries
Income statement
For the year ended 31 December 2022

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2022	2021	2022	2021
Revenues					
Revenue from expressway business		8,191,799,140	6,450,160,064	7,008,021,427	5,490,299,714
Revenue from rail business		4,916,979,561	3,454,408,377	4,916,979,561	3,454,408,377
Revenue from commercial development business	27	920,660,523	822,153,949	811,397,020	745,500,142
Other income					
Interest income		187,223,397	227,222,451	185,487,663	225,696,287
Dividend income	6	551,535,569	492,182,682	551,535,569	492,182,682
Project management and maintenance incomes	6	-	-	772,709,325	228,000,000
Others		33,275,793	35,461,769	26,695,071	22,713,778
Total revenues		14,801,473,983	11,481,589,292	14,272,825,636	10,658,800,980
Expenses					
Cost of expressway business		1,893,315,303	1,498,829,128	1,603,119,588	1,310,602,267
Cost of rail business		4,877,034,831	4,335,390,944	4,877,034,831	4,335,390,944
Cost of commercial development business		275,713,008	223,855,683	364,532,355	332,797,919
Amortisation on rights to operate completed expressway sectors	15	933,228,251	686,150,894	703,338,200	504,626,835
Amortisation on intangible asset under concession agreement of the MRT Blue Line Project	16	467,772,833	245,443,987	419,933,226	197,331,449
Selling expenses		126,823,156	91,863,188	63,206,281	37,074,946
Administrative expenses		1,032,991,990	1,068,048,787	1,285,119,860	993,062,770
Total expenses		9,606,879,372	8,149,582,611	9,316,284,341	7,710,887,130
Operating profit		5,194,594,611	3,332,006,681	4,956,541,295	2,947,913,850
Finance cost	30	(2,360,679,969)	(2,187,044,061)	(2,276,594,977)	(2,101,847,890)
Profit before income tax expenses		2,833,914,642	1,144,962,620	2,679,946,318	846,065,960
Income tax expenses	32	(397,658,573)	(133,911,711)	(366,507,052)	(74,203,093)
Profit for the year		2,436,256,069	1,011,050,909	2,313,439,266	771,862,867
Profit attributable to:					
Equity holders of the Company		2,436,184,543	1,010,097,493	2,313,439,266	771,862,867
Non-controlling interests of the subsidiaries		71,526	953,416		
		<u>2,436,256,069</u>	<u>1,011,050,909</u>		
Basic earnings per share					
Profit attributable to equity holders of the Company	33	0.16	0.07	0.15	0.05

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

Bangkok Expressway and Metro Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2022

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2022	2021	2022	2021
Profit for the year		<u>2,436,256,069</u>	<u>1,011,050,909</u>	<u>2,313,439,266</u>	<u>771,862,867</u>
Other comprehensive income					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Gain from cash flow hedges, net of income tax		<u>170,438,852</u>	<u>71,932,808</u>	<u>170,438,852</u>	<u>71,932,808</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods, net of income tax		<u>170,438,852</u>	<u>71,932,808</u>	<u>170,438,852</u>	<u>71,932,808</u>
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Gain (loss) on investments in equity designated at fair value through other comprehensive income, net of income tax		<u>(1,819,164,507)</u>	<u>55,349,674</u>	<u>(1,819,164,507)</u>	<u>55,349,674</u>
Actuarial gain, net of income tax	24	<u>-</u>	<u>178,424,063</u>	<u>-</u>	<u>173,600,711</u>
Other comprehensive income not to be reclassified to profit or loss in subsequent periods, net of income tax		<u>(1,819,164,507)</u>	<u>233,773,737</u>	<u>(1,819,164,507)</u>	<u>228,950,385</u>
Other comprehensive income for the year		<u>(1,648,725,655)</u>	<u>305,706,545</u>	<u>(1,648,725,655)</u>	<u>300,883,193</u>
Total comprehensive income for the year		<u>787,530,414</u>	<u>1,316,757,454</u>	<u>664,713,611</u>	<u>1,072,746,060</u>
Total comprehensive income attributable to:					
Equity holders of the Company		<u>787,458,888</u>	<u>1,315,788,120</u>	<u>664,713,611</u>	<u>1,072,746,060</u>
Non-controlling interests of the subsidiaries		<u>71,526</u>	<u>969,334</u>		
		<u>787,530,414</u>	<u>1,316,757,454</u>		

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

Bangkok Expressway and Metro Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2022

(Unit: Baht)

	Consolidated financial statements										
	Equity attributable to the shareholders of the Company										
						Other components of shareholders' equity					
			Capital deficit	Retained earnings		Other comprehensive income		Total other	Total equity	Equity attributable	
	Issued and	Premium on	from change in	Appropriated -		Cash flow	Fair value	components of	attributable to	to non-controlling	Total
	share capital	ordinary shares	in subsidiaries	statutory reserve	Unappropriated	hedge reserve	reserve	shareholders' equity	of the Company	the subsidiaries	shareholders' equity
Balance as at 1 January 2021	15,285,000,000	5,816,938,084	(264,641,165)	1,464,000,000	15,572,592,087	(148,637,443)	266,147,508	117,510,065	37,991,399,071	42,325,561	38,033,724,632
Profit for the year	-	-	-	-	1,010,097,493	-	-	-	1,010,097,493	953,416	1,011,050,909
Other comprehensive income for the year	-	-	-	-	178,408,145	71,932,808	55,349,674	127,282,482	305,690,627	15,918	305,706,545
Total comprehensive income for the year	-	-	-	-	1,188,505,638	71,932,808	55,349,674	127,282,482	1,315,788,120	969,334	1,316,757,454
Investment in subsidiary (Note 12)	-	-	(81,405,129)	-	-	-	-	-	(81,405,129)	(41,744,558)	(123,149,687)
Transferred to statutory reserve (Note 25)	-	-	-	38,600,000	(38,600,000)	-	-	-	-	-	-
Dividend paid (Note 34)	-	-	-	-	(1,528,500,000)	-	-	-	(1,528,500,000)	-	(1,528,500,000)
Balance as at 31 December 2021	15,285,000,000	5,816,938,084	(346,046,294)	1,502,600,000	15,193,997,725	(76,704,635)	321,497,182	244,792,547	37,697,282,062	1,550,337	37,698,832,399
											-
Balance as at 1 January 2022	15,285,000,000	5,816,938,084	(346,046,294)	1,502,600,000	15,193,997,725	(76,704,635)	321,497,182	244,792,547	37,697,282,062	1,550,337	37,698,832,399
Profit for the year	-	-	-	-	2,436,184,543	-	-	-	2,436,184,543	71,526	2,436,256,069
Other comprehensive income for the year	-	-	-	-	-	170,438,852	(1,819,164,507)	(1,648,725,655)	(1,648,725,655)	-	(1,648,725,655)
Total comprehensive income for the year	-	-	-	-	2,436,184,543	170,438,852	(1,819,164,507)	(1,648,725,655)	787,458,888	71,526	787,530,414
Transferred to retained earnings (Note 11)	-	-	-	-	69,754,689	-	(69,754,689)	(69,754,689)	-	-	-
Transferred to statutory reserve (Note 25)	-	-	-	25,900,000	(25,900,000)	-	-	-	-	-	-
Dividend paid (Note 34)	-	-	-	-	(1,222,800,000)	-	-	-	(1,222,800,000)	-	(1,222,800,000)
Balance as at 31 December 2022	15,285,000,000	5,816,938,084	(346,046,294)	1,528,500,000	16,451,236,957	93,734,217	(1,567,422,014)	(1,473,687,797)	37,261,940,950	1,621,863	37,263,562,813

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

Bangkok Expressway and Metro Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2022

(Unit: Baht)

	Separate financial statements							
					Other components of shareholders' equity			
			Retained earnings		Other comprehensive income		Total other	
	Issued and paid-up	Premium on	Appropriated -		Cash flow	Fair value	components of	Total
	share capital	ordinary shares	statutory reserve	Unappropriated	hedge reserve	reserve	shareholders' equity	shareholders' equity
Balance as at 1 January 2021	15,285,000,000	5,816,938,084	1,464,000,000	7,651,651,354	(148,637,443)	6,454,536,315	6,305,898,872	36,523,488,310
Profit for the year	-	-	-	771,862,867	-	-	-	771,862,867
Other comprehensive income for the year	-	-	-	173,600,711	71,932,808	55,349,674	127,282,482	300,883,193
Total comprehensive income for the year	-	-	-	945,463,578	71,932,808	55,349,674	127,282,482	1,072,746,060
Transferred to statutory reserve (Note 25)	-	-	38,600,000	(38,600,000)	-	-	-	-
Dividend paid (Note 34)	-	-	-	(1,528,500,000)	-	-	-	(1,528,500,000)
Balance as at 31 December 2021	15,285,000,000	5,816,938,084	1,502,600,000	7,030,014,932	(76,704,635)	6,509,885,989	6,433,181,354	36,067,734,370
								-
Balance as at 1 January 2022	15,285,000,000	5,816,938,084	1,502,600,000	7,030,014,932	(76,704,635)	6,509,885,989	6,433,181,354	36,067,734,370
Profit for the year	-	-	-	2,313,439,266	-	-	-	2,313,439,266
Other comprehensive income for the year	-	-	-	-	170,438,852	(1,819,164,507)	(1,648,725,655)	(1,648,725,655)
Total comprehensive income for the year	-	-	-	2,313,439,266	170,438,852	(1,819,164,507)	(1,648,725,655)	664,713,611
Transferred to retained earnings (Note 11)	-	-	-	152,229,269	-	(152,229,269)	(152,229,269)	-
Transferred to statutory reserve (Note 25)	-	-	25,900,000	(25,900,000)	-	-	-	-
Dividend paid (Note 34)	-	-	-	(1,222,800,000)	-	-	-	(1,222,800,000)
Balance as at 31 December 2022	15,285,000,000	5,816,938,084	1,528,500,000	8,246,983,467	93,734,217	4,538,492,213	4,632,226,430	35,509,647,981

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

Bangkok Expressway and Metro Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2022

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Cash flows from operating activities				
Profit before tax	2,833,914,642	1,144,962,620	2,679,946,318	846,065,960
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation on building and equipment	76,065,745	77,203,850	71,496,009	65,541,064
Amortisation on right-of-use assets	68,496,825	65,702,216	43,182,793	44,640,953
Amortisation on intangible asset under concession agreements	1,430,296,365	959,333,945	1,152,566,707	729,697,348
Amortisation on other intangible assets	14,402,919	26,366,367	12,244,384	24,121,546
Bad debt expenses	369,373	-	96,981	-
Allowance for expected credit losses (reversal)	(1,292,240)	2,809,203	(945,225)	2,305,818
Revenue recognition of unearned revenue from advertising management rights	-	-	(1,248,360)	(1,248,360)
Withholding tax deducted at source written off	-	1,060,664	-	-
Loss on sale of investments in financial assets	44,760	-	44,760	-
Gain on fair value adjustments of financial assets	(1,369,235)	(4,395,586)	(1,369,235)	(4,395,586)
Gain on disposal/write-off of equipment and intangible assets under concession agreement of the MRT Blue Line Project	(3,045,993)	(6,071,738)	(3,740,530)	(6,100,477)
Project remuneration expense	421,101,751	220,635,284	421,101,751	220,635,284
Provision for long-term employee benefits	95,848,906	93,139,079	90,813,499	88,678,311
Unrealised loss (gain) on exchange rate	179,699	(283,854)	179,699	(283,854)
Effect of reduction in rental expenses	-	(3,381,343)	-	(65,488)
Interest income	(187,223,397)	(227,222,451)	(185,472,961)	(225,696,287)
Dividend income	(551,535,569)	(492,182,682)	(551,535,569)	(492,182,682)
Interest expenses	<u>2,327,131,223</u>	<u>2,163,893,619</u>	<u>2,243,252,859</u>	<u>2,079,408,674</u>
Profit from operating activities before changes in operating assets and liabilities	6,523,385,774	4,021,569,193	5,970,613,880	3,371,122,224
Operating assets (increase) decrease				
Bank deposit for unearned fare box revenue	(4,783,524)	(714,335)	(4,783,524)	(714,335)
Trade and other receivables	(172,798,401)	106,486,620	(323,280,922)	69,254,207
Receivable under the concession agreement	1,649,683,274	1,649,683,274	1,649,683,274	1,649,683,274
Other current assets	27,632,706	(44,981,746)	20,856,598	(40,886,213)
Other non-current assets	(7,145,686)	(2,232,967)	(4,940,429)	(1,390,114)
Cash paid for project remuneration	(2,998,854,922)	(2,679,657,407)	(2,998,854,922)	(2,679,657,407)
Operating liabilities increase (decrease)				
Trade and other payables	253,415,423	(186,562,594)	400,072,303	(254,182,507)
Unearned fare box revenue	22,061,851	(6,404,631)	22,061,851	(6,404,631)
Deposits on stored value ticket	6,918,250	(1,159,600)	6,918,250	(1,159,600)
Other current liabilities	10,914,667	14,230,241	25,853,980	12,227,398
Other non-current liabilities	1,498,300	(4,768,722)	923,500	(4,617,708)
Cash paid for long-term employee benefits	<u>(28,696,707)</u>	<u>(31,543,409)</u>	<u>(28,696,707)</u>	<u>(31,543,409)</u>
Net cash flows from operating activities	5,283,231,005	2,833,943,917	4,736,427,132	2,081,731,179
Cash received from interest income	186,204,886	227,222,838	184,410,161	225,696,626
Cash received from withholding tax deducted at source	358,669,287	2,931,708	358,669,287	-
Cash paid for income tax	<u>(195,569,220)</u>	<u>(194,699,585)</u>	<u>(142,532,837)</u>	<u>(115,868,135)</u>
Net cash flows from operating activities	<u>5,632,535,958</u>	<u>2,869,398,878</u>	<u>5,136,973,743</u>	<u>2,191,559,670</u>

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

Bangkok Expressway and Metro Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2022

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Cash flows from investing activities				
Cash received from sales of financial assets designated at FVTPL	870,000,000	-	870,000,000	-
Cash paid for purchase of financial assets designated at FVTPL	(1,050,000,000)	-	(1,050,000,000)	-
Cash received from sale of financial assets designated at FVOCI	334,321,496	-	334,321,496	-
Cash paid for purchase of investments in subsidiary	-	(123,149,687)	-	(123,149,687)
Cash paid for long-term loan to related party	-	-	(300,000,000)	-
Cash received from sales of equipment	4,373,953	7,848,476	4,114,514	7,848,476
Purchase of equipment	(31,104,242)	(87,435,912)	(36,534,733)	(80,109,505)
Cash received from dividend income	551,535,569	492,182,682	551,535,569	492,182,682
Cash paid for the improvement of expressway	(796,809,743)	(845,461,302)	(645,308,363)	(733,058,659)
Cash paid for intangible asset under concession agreement of the MRT Blue Line Project	(447,753,901)	(1,102,154,189)	(415,607,952)	(1,088,137,240)
Cash paid for project cost of the MRT Chalong Ratchadham Line	(31,829,054)	(61,270,758)	(31,829,054)	(61,270,758)
Increase in other intangible assets	(37,916)	(11,515,081)	(37,916)	(11,494,081)
Net cash flows used in investing activities	(597,303,838)	(1,730,955,771)	(719,346,439)	(1,597,188,772)
Cash flows from financing activities				
Cash received from short-term loan from financial institution	8,100,000,000	5,200,000,000	8,100,000,000	5,200,000,000
Repayment of short-term loans from financial institution	(10,100,000,000)	(6,200,000,000)	(10,100,000,000)	(6,200,000,000)
Cash received from long-term loans from financial institutions	3,000,000,000	5,000,000,000	3,000,000,000	5,000,000,000
Repayment of long-term loans from financial institutions	(3,544,204,069)	(3,403,941,069)	(2,861,764,069)	(3,091,761,069)
Cash payment for lease liabilities	(70,714,108)	(67,283,541)	(44,345,722)	(47,488,832)
Cash received from debentures	4,500,000,000	6,000,000,000	4,500,000,000	6,000,000,000
Cash paid for redemption of debentures	(3,000,000,000)	(4,615,000,000)	(3,000,000,000)	(4,615,000,000)
Cash paid for financial fees	(16,007,795)	(25,042,356)	(16,007,795)	(25,042,356)
Interest paid	(2,025,037,821)	(1,980,892,338)	(1,957,738,222)	(1,904,696,102)
Dividend paid	(1,222,800,000)	(1,528,500,000)	(1,222,800,000)	(1,528,500,000)
Net cash flows used in financing activities	(4,378,763,793)	(1,620,659,304)	(3,602,655,808)	(1,212,488,359)
Net increase (decrease) in cash and cash equivalents	656,468,327	(482,216,197)	814,971,496	(618,117,461)
Cash and cash equivalents at beginning of year	1,131,367,911	1,613,584,108	595,974,028	1,214,091,489
Cash and cash equivalents at end of year	1,787,836,238	1,131,367,911	1,410,945,524	595,974,028

Supplemental cash flows information

Non-cash items consist of:

Increase in other payable from acquisition of equipment	-	966,134	-	672,774
Increase in payable from cost of expressway improvement	75,940,257	55,179,489	-	47,976,289
Increase in payable from the MRT Chalong Ratchadham Line	-	16,430,973	-	16,430,973
Increase in right-of-use assets from lease liabilities	100,974,285	119,270,679	70,163,649	38,357,588

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

Bangkok Expressway and Metro Public Company Limited and its subsidiaries
Notes to consolidated financial statements
For the year ended 31 December 2022

1. General information

Bangkok Expressway and Metro Public Company Limited (“the Company”) is a public company incorporated from an amalgamation on 30 December 2015 and domiciled in Thailand. The Company’s major shareholder is the CH. Karnchang Public Company Limited, which is a public company incorporated in Thailand. The registered office of the Company is at 587 Sutthisarn Road, Ratchacaphisek Subdistrict, Dindaeng District, Bangkok. The Company has four branches.

The Company is principally engaged in the construction and management of expressways, the operation of metro services and commercial development. Details are as follows:

A. Construction and management of expressways

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

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

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

On 20 February 2020, the Company and EXAT signed the Second Stage Expressway Agreement (Amendment). The Company was granted extensions to 31 October 2035 of the terms of the existing agreements for both the Second Stage Expressway agreement (Sector A, Sector B and Sector C), which was to end on 29 February 2020, and the Extension of the Second Stage Expressway agreement (Sector D), which was to end on 21 April 2027. In addition, the Company retains all rights to extend the concessions specified in the existing agreements. The remaining periods of the existing agreements are 4 years and 4 months for the Second Stage Expressway agreement and 11 years and 6 months for the Extension of the Second Stage Expressway agreement (Sector D), commencing from the end of the amended agreements. The toll rates are to be increased every 10 years by fixed amounts specified in the agreements, commencing from 1 September 2018.

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

The Company, as concessionaire, invested in the design, construction, management, operation and maintenance of the Prachin Ratthaya Expressway, and is also responsible for expressway operation expenses throughout the concession period, which is for 30 years commencing on 15 December 2012. The Company has the rights to collect all toll revenue and all other related income, and the Company agreed in the concession agreement to share toll revenues received to the EXAT, throughout the concession period.

The Prachin Ratthaya Expressway started operation on 22 August 2016.

- A.3 The Udon Ratthaya Expressway Project under the Bang Pa-In - Pak Kret Expressway Agreement in respect of the construction and management of the expressway project of a subsidiary.

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

On 20 February 2020, the subsidiary and EXAT signed the Bang Pa-In - Pak Kret Expressway Project Agreement (Amendment). The subsidiary received an extension of the term of the existing agreement, which was to end on 26 September 2026, to 31 October 2035. The subsidiary retains all rights to extend the concession specified in the existing agreement, of which the remaining period is 10 years and 11 months commencing from the end of the amended agreements. The toll rates are to be increased every 10 years by fixed amounts specified in the agreements, commencing from 1 November 2018.

B. Operation of metro services

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

B.1 The MRT Chaloem Ratchamongkhon Line Project (the “MRT Blue Line Project”)

The Company, as concessionaire of the MRTA Initial System Project - Chaloem Ratchamongkhon Line (The MRT Blue Line: Hua Lamphong Station - Bang Sue Station) under the MRTA Initial System Project - Chaloem Ratchamongkhon Line, invested in M&E Equipment and is to operate and maintain the MRTA Initial System for a concession period of 25 years, commencing on 2 July 2004.

On 31 March 2017, the Company signed the MRT Blue Line Concession Agreement for a concession period of approximately 33 years under the Build, Transfer and Operate basis, with the MRTA. The MRT Blue Line Project consists of the MRTA Initial System Project - Chaloem Ratchamongkhon Line: Hua Lamphong Station-Bang Sue Station and the MRT Blue Line Extension: Hua Lamphong Station-Lak Song Station and Bang Sue Station-Tha Phra Station.

Under the MRT Blue Line Concession Agreement, a concession agreement with the MRTA for the MRTA Initial System Project - Chaloem Ratchamongkhon Line is deemed to be part of the MRT Blue Line Concession Agreement, and only the clauses relating the rights, duties and provisions with respect to fares, fare rates and payment of remuneration to the MRTA will remain in effect until the end of the concession agreement with the MRTA for the MRTA Initial System Project - Chaloem Ratchamongkhon Line.

The Company, as concessionaire of the MRT Blue Line Concession Agreement is responsible for the supply, installation and testing of the M&E Systems of the MRT Blue Line Extension Project (Phase 1 of the concession, which has a terms of 36 months) and operation of the Through Operation systems of the MRT Blue Line Project (Phase 2 of the concession, which has a term of 30 years from the commencement date of the revenue-generating service on all sectors). The Company has rights, duties and obligations to claim, collect, and retain all fares, and to generate revenue from commercial development, and is responsible for all investment, payment of operating costs, and payment of remuneration to the MRTA in accordance with the Concession.

The Company is required to gradually commence operation of the MRT Blue Line Extension Project in 3 sectors.

Sector 1: Bang Sue Station-Tao Poon Station within 15 August 2017.

Sector 2: Hua Lamphong Station-Lak Song Station within 30 months.

Sector 3: Tao Poon Station-Tha Phra Station within 36 months.

On 30 March 2020, the Company officially commenced commercial operation of the MRT Blue Line Project: Tao Poon Station-Tha Phra Station. As a result, the Company commenced operation and revenue-generating service of the Through Operation systems of the MRT Blue Line Project in accordance with the MRT Blue Line Concession Agreement. The MRT Blue Line Concession Agreement has a term of 30 years from the commencement date of the revenue-generating service on all sectors (30 March 2020).

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

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

Phase I: Design and Build

The Company is to design, supply, install and test the M&E Systems. In return the Company is to receive remuneration and interest totaling Baht 20,011 million from the MRTA in the form of monthly payments over a period of 10 years, beginning from the date of the Commissioning Certificate.

On 6 August 2016, the Company delivered the M&E Systems and Rolling Stocks under Phase 1 of the concession agreement to the MRTA and recorded amounts receivable from the MRTA under the account of receivable under the concession agreement, as described in Note 10 to the consolidated financial statements.

Phase II: O&M services

The Company is responsible for the operation of metro services, including repair, maintenance and improvement of all equipment and materials related to the civil infrastructure works and M&E Systems from the date specified in the Commissioning Certificate until the end of the concession period. In addition, the Company shall transfer rights of civil infrastructure and M&E Systems to the MRTA when the concession agreement ends. The compensation for Phase II under the agreement, amounting to approximately Baht 57,208 million (excluding escalations for inflation and adjustments to reflect electricity prices), will be paid to the Company on a monthly basis until the expiration of the concession agreement (3 September 2043).

On 6 August 2016, the Company is delivered the operating civil infrastructure and M&E Systems equipment of the MRT Chalong Ratchadham Line from the MRTA.

On that day, the operation of the MRT Chalong Ratchadham Line Project officially started.

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

On 1 October 2018, the Company and Bangkok Metro Network Limited (a subsidiary company) agreed to terminate and replace the amendment to the commercial development rights agreement dated 11 March 2015, and terminate the contract granting commercial development rights to manage advertising services through the Passenger Information Display System (PIDs) dated 1 January 2010. Under the agreements, the Company transferred the commercial development rights to provide services relating to the MRTA Initial System Project - Chaloem Ratchamongkhon Line and to manage advertising services through PIDs in the MRTA Initial System Project - Chaloem Ratchamongkhon Line to the subsidiary. It also had the rights to receive commercial development revenue and share the revenue with the Company at the rates specified in the agreement. On the same day, the Company and the subsidiary entered into a management agreement for commercial development of the MRT Blue Line Project (the MRTA Initial System Project - Chaloem Ratchamongkhon Line and the MRT Blue Line Extension Project). Under this agreement, the Company authorised the subsidiary to act on its behalf in managing commercial development and advertising services through the Passenger Information Display System (PIDs) for the MRT Blue Line Project. The contract will expire in July 2029, and the Company is to pay a management fee to the subsidiary based on the specified rate.

2. Basis of preparation

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

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

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

2.2 Basis of consolidation

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

Company's name	Nature of business	Country of incorporation	Proportion of Shareholding	
			<u>2022</u> (Percent)	<u>2021</u> (Percent)
Northern Bangkok Expressway Company Limited	Operation and management of Bang Pa-In - Pak Kret Expressway project	Thailand	99.99	99.99
Bangkok Metro Networks Limited	Management on commercial development of the MRT projects and Expressways	Thailand	99.67	99.67

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.

f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

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

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

However, the Group has adopted the temporary reliefs in accordance with TFRS 9 Financial Instruments, TFRS 7 Disclosure of Financial Instruments, TFRS 4 Insurance Contracts and TFRS 16 Leases, which apply to transactions directly affected by interest rate benchmark reform, including changes to contractual cash flows or hedging relationships arising from the replacement of the referenced interest rate benchmark with an alternative benchmark rate.

The adoption of these temporary reliefs does not have any significant impact on the Group's financial statements.

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2023

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

4. Significant accounting policies

4.1 Revenue and expense recognition

a) Toll revenue recognition

Toll revenue represent the invoiced value, excluding value added tax, at a point in time upon completion of the service.

b) Toll revenue sharing recognition

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

c) Fare box revenue recognition

Smart card and smart token sales are recognised as revenue at a point in time upon completion of the service. Prepaid value in stored value smart cards is recorded as unearned fare box revenue in current liabilities in the statement of financial position.

d) Revenue recognition from provision of operating services

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

e) Revenue recognition from commercial development revenue

Commercial development revenue is recognised over time when services have been rendered.

f) Other revenues and expenses recognition

Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

Interest income from receivable under the concession agreement is realised over the installment period using the effective interest rate method. Interest income is recognised when installments come due, regardless of whether collection is made, and is presented under interest income in profit and loss.

Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

Dividends

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

Other expenses

Expenses are recognised on accrual basis.

4.2 Cash and cash equivalents

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

4.3 Investments in subsidiaries

Investments in subsidiaries are accounted for in the separate financial statements using the cost method.

4.4 Investment properties

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

No depreciation has been provided for land awaiting sales.

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

4.5 Building and equipment and depreciation

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

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

Building and construction improvement	5 years, 20 years
Furniture, fixture and equipment	3 - 5 years
Vehicles	5 - 15, 30 years

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

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

4.6 Amortisation of rights to operate expressway sectors and amortisation

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

The rights to operate completed expressway sectors are amortised as expenses in income statements with the unit of throughput method over the concession period as follows:

Amortisation for the year = Net rights to operate expressway sectors x Percentage of the number of vehicle volume for the year

Percentage of the number of vehicles volume for the year =
$$\frac{\text{Current year's number of actual vehicle volume}}{(\text{Current year's number of actual vehicle volume} + \text{Projected vehicle volume for the remaining years of the agreement})}$$

Equipment to operate expressway sectors purchased during the concession period and having a limited useful life is depreciated on a straight-line basis over the estimated useful life or residual life of the concession period, whichever is less, as follows:

Toll collection system equipment and traffic management system equipment	7 years and concession period
Other equipments	5 - 15 years and concession period

Amortisation of the expressway sectors is included in profit or loss. No amortisation is provided on project costs under construction.

4.7 Intangible assets under concession agreement of the MRT Blue Line Project and amortisation

Intangible assets under concession agreement of the MRT Blue Line Project are stated at cost less accumulated amortisation and allowance for loss on impairment (if any).

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

Equipment - Metro system

The Company has been adopting the unit of throughput method to amortise such intangible assets, which related to equipment of metro system, over concession period of the MRT Blue Line Project and based on the following methodology:

$$\text{Amortisation for the year} = \text{Net intangible assets under concession agreement of the MRT Blue Line Project} \times \text{Percentage of passengers for the year}$$

$$\text{Percentage of Passengers for the year} = \frac{\text{Current year's actual passengers}}{(\text{Actual passengers for the current year} + \text{Projected passengers through the remaining concession year})}$$

Equipment - Other system

Amortisation of intangible assets under the concession agreement of the MRT Blue Line Project related to other system such as station's equipment rental area improvement, telecommunication equipment at station, advertising equipment etc. is calculated by reference to its cost on the straight-line basis over the following estimated useful lives:

Electrical equipment and station's rental area improvement	5 - 15 years and concession period
Telecommunication equipment	5 years and concession period
Advertising equipment	5 - 7 years

Amortisation of intangible assets under concession agreement of the MRT Blue Line Project is included in profit or loss. No amortisation is provided on assets under installations.

4.8 Project cost of the MRT Chalong Ratchadham Line and amortisation

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

The amortisation is included in profit or loss. No amortisation is provided on project cost under installations.

4.9 Prepaid project remuneration

The Company records remuneration expense of the MRT Blue Line Project in profit or loss for each year based on the proportion of projected remuneration to projected revenue under the concession agreement over the concession period. Differences between the remuneration that the Company pays to the MRTA and the recognised remuneration expenses are recorded under "prepaid project remuneration" in the statement of financial position.

The proportion of projected remuneration to projected revenue under the concession agreement of the MRT Blue Line Project is reviewed at least once a year.

4.10 Other intangible assets and amortisation

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

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

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

4.11 Leases

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessee

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease, and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Building and construction improvement	3 - 6 years
Vehicles	1 - 7 years

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

4.12 Related party transactions

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

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

4.13 Foreign currencies

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

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

Gains and losses on exchange are included in determining income.

4.14 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the building and equipment, right-of-use assets, investment properties and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Group also carries out annual impairment reviews in respect of goodwill. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

4.15 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

The Group has obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Group treats these severance payment obligations as a defined benefit plan.

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

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

4.16 Provisions

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

4.17 Income tax

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

Current tax

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

Deferred tax

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

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

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

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.18 Financial instruments

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (“EIR”) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets designated at FVOCI (equity instruments)

Upon initial recognition, the Group can elect to irrevocably classify its equity investments which are not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses recognised in other comprehensive income on these financial assets are never recycled to profit or loss.

Dividends are recognised as other income in profit or loss, except when the dividends clearly represent a recovery of part of the cost of the financial asset, in which case, the gains are recognised in other comprehensive income.

Equity instruments designated at FVOCI are not subject to impairment assessment.

Financial assets designated at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Group’s financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any discounts or premiums on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset as credit impaired or default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4.19 Derivatives and hedge accounting

The Company uses derivatives, which are the interest rate swaps and cross currency and interest rate swaps, to hedge its interest rate risks and foreign currency and interest rate risks, respectively.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes including interest income are recognised in profit or loss unless the derivative is designated and effective as a hedging instrument under cash flow hedge. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivatives are presented as non-current assets or non-current liabilities if the remaining maturity of the instrument is more than 12-months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Hedge accounting

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to a variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction

At the inception of a hedging relationship, the Company formally designates and documents the hedging relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation, at the inception of the hedge and on an ongoing basis, includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Company will assess whether the hedging relationship meets the hedge effectiveness requirements, including analysis of the sources of hedge ineffectiveness and how the hedge ratio is determined.

A hedging relationship qualifies for hedge accounting if it meets all of the following hedge effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk is not the dominant factor in the value changes that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all of the qualifying criteria for hedge accounting are accounted for, as described below:

Fair value hedges

The change in the fair value of a hedging instrument is recognised in profit or loss. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in profit or loss.

Any adjustment to the carrying value of fair value hedges relating to items carried at amortised cost, is amortised through profit or loss over the remaining term of the hedge using the effective interest method. The amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged. If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in profit or loss. The cash flow hedge reserve is adjusted to the lower (in absolute amounts) of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The way cash flow hedge reserve accumulated in other comprehensive income are subsequently accounted for, depends on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the reserve accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and is not recognised in other comprehensive income for the period. For any other cash flow hedges, the reserve accumulated in other comprehensive income is subsequently reclassified to profit or loss as a reclassification adjustment in the same period which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the cash flow hedge reserve accumulated in other comprehensive income must remain in equity if the hedged future cash flows are still expected to occur. Otherwise, the reserve will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, the way the reserve remaining in equity is accounted for depends on the nature of the underlying transaction as described above.

4.20 Fair value measurement

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

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

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

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

5. Significant accounting judgements and estimates

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

Leases

Determining the lease term with extension and termination options - The Group as a lessee

In determining the lease term, the management is required to exercise judgement in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Group to exercise either the extension or termination option.

Estimating the incremental borrowing rate - The Group as a lessee

The Group cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Fair value of financial instruments

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

Impairment of investment in subsidiaries

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

Building improvement and equipment/Depreciation

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

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

Amortisation of rights to operate completed expressway sectors

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

Amortisation of intangible asset under concession agreement of the MRT Blue Line Project

In determining amortisation of intangible assets under the concession agreement of the MRT Blue Line Project, the management has to project the number of passengers for the remaining years of the agreement. Various assumptions needed for the projection by an accredited independent valuer include traffic model, network rail, average cost of fuel, and fare structure.

In addition, the intangibles assets under concession agreement of the MRT Blue Line Project are subject to impairment if there is an indication that they may be impaired, and impairment losses are to be recorded if it is expected that the recoverable amount will lower than the carrying amount of the underlying assets.

The impairment analysis of intangibles assets under concession agreement of the MRT Blue Line Project requires the management to exercise judgments concerning estimates of cash flows to be generated by the assets or the cash generating units and to choose a suitable discount rate in order to determine the present value of those cash flows. The cash flow estimates are based on currently available information about the operations and the management is required to exercise judgments regarding the number of passengers throughout the period of the concession agreement, future revenues and expenses relevant to the assets or the cash generating units. Events and factors that may significantly affect

the estimates include, among others, behavioral trends of riders who use the transportation system, competitive landscape, changes in revenue fare box rates, cost structures, changes in discount rates and relevant industry or market sector conditions

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefits under defined benefit plans

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

6. Related party transactions

During the year, the Group 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 Group and those related parties.

The relationship between the Company and the related parties which have transactions with during the year 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	Related company through common directors of the Company
CK Power Public Company Limited	Related company through common directors of the Company
Bangpa-in Land Development Company Limited	Related company through common directors of the Company

Such significant transactions for the years ended 31 December 2022 and 2021 are summarised below.

(Unit: Million Baht)

	Consolidated		Separate		Pricing policy
	financial statements		financial statements		
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	
<u>Transactions with major shareholder</u>					
Cost of rail projects	76	137	76	137	Based on contracts
Cost of expressway improvement	845	827	828	758	Based on contracts
Expressway and civil works maintenance expenses	710	338	710	338	Based on contracts
Office rental and service expenses	9	9	-	-	Based on contracts
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Commercial development revenue	-	-	4	3	Based on contracts
Project management and maintenance incomes	-	-	773	228	Based on contract
Commercial development management fee	-	-	240	240	Based on contract
Purchase of vehicles	-	-	7	-	Agreed between the parties
<u>Transactions with related companies</u>					
Interest income from M&E Systems	176	218	176	218	FDR plus stipulated margin per annum
Dividend income	552	492	552	492	As declared
Cost of commercial development	18	10	-	-	Agreed between the parties
Remuneration from fare box (Inclusive of VAT)	394	203	394	203	Concession agreement
Remuneration from commercial development	27	18	27	18	Concession agreement
Property tax	17	3	17	3	At the rates charged by Bangkok Metropolitan Administration
Utility expenses	2	2	2	2	Based on contract

As at 31 December 2022 and 2021, the balances of the accounts between the Group and related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<u>Trade and other receivables (Note 9)</u>				
<u>Trade receivables</u>				
Subsidiary	-	-	311	148
Related company	220,806	183,672	220,806	183,672
Total	220,806	183,672	221,117	183,820
<u>Other receivables</u>				
Subsidiary	-	-	51,870	20,330
<u>Accrued income</u>				
Subsidiary	-	-	144,140	72
Related company	207,605	172,386	207,605	172,386
Total	207,605	172,386	351,745	172,458
<u>Guarantee paid for area</u>				
Major shareholder	1,914	1,914	-	-
<u>Advance payment under service contract</u>				
Major shareholder	-	37,611	-	35,036
<u>Receivable under the concession agreement (Note 10)</u>				
Related company	5,911,365	7,561,049	5,911,365	7,561,049
<u>Prepaid project remuneration</u>				
Related company	12,400,551	9,775,518	12,400,551	9,775,518
<u>Trade and other payables (Note 19)</u>				
Subsidiary	-	-	23,779	21,443
Major shareholder	384,664	85,757	384,563	79,667
Related companies	281,515	234,429	281,511	234,425
Total	666,179	320,186	689,853	335,535
<u>Retention guarantees</u>				
Major shareholder	87,354	87,990	87,354	84,862
<u>Guarantees obtained for area</u>				
Subsidiary	-	-	723	723
<u>Unearned revenue from advertising management rights (Note 22)</u>				
Subsidiary	-	-	8,119	9,369

Long-term loan to related party

As at 31 December 2022 and 2021, the balances of long-term loan between the Company and related company and the movement in loan, which is presented in the separate financial statements are as follows:

(Unit: Thousand Baht)				
Loan to related party	Related by	Balance as at 31 December 2021	Increase during the year	Balance as at 31 December 2022
Northern Bangkok Expressway Company Limited	Subsidiary	-	300,000	300,000

The long-term loan to related party has a credit facility of Baht 2,000 million, carrying a floating interest of FDR plus a stipulated margin per annum. The loan is repayable within 30 December 2030.

Directors and management's remuneration

During the years ended 31 December 2022 and 2021, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Short-term employee benefits	87,306	106,457	72,460	90,435
Post-employment benefits	4,038	7,300	3,147	6,448
Total	91,344	113,757	75,607	96,883

7. Cash and cash equivalents

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Cash	41,219	39,732	38,070	36,435
Bank deposits	1,746,617	1,091,636	1,372,876	559,539
Total	1,787,836	1,131,368	1,410,946	595,974

The Company has pledged the bank accounts used to deposit moneys received for work on the MRT Chalong Ratchadham Line Project (Note 10), as well as for receiving fare and commercial development revenue related to the MRT Blue 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 described in Note 20 to the consolidated financial statements.

As at 31 December 2022, the balance of the pledged bank accounts amounted to Baht 1.46 million (2021: Baht 1.27 million).

8. Bank deposit for unearned fare box revenue

Bank deposit for unearned fare box revenue is a reserve bank account set aside in compliance with the Notification of the Bank of Thailand applicable to electronic card businesses. These funds cannot be used for any purpose other than making payment for fare box revenue.

9. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<u>Trade receivables</u>				
Trade receivables				
- Related parties (Note 6)	220,806	183,672	221,117	183,820
- Unrelated parties	166,759	112,043	130,763	93,550
Less: Allowance for expected credit losses	(1,907)	(3,199)	(1,751)	(2,696)
Total trade receivables - net	<u>385,658</u>	<u>292,516</u>	<u>350,129</u>	<u>274,674</u>
<u>Other receivables</u>				
Other receivables				
- Related parties (Note 6)	-	-	51,870	20,330
- Unrelated parties	2,761	2,263	2,157	1,934
Accrued income				
- Related parties (Note 6)	207,605	172,386	351,745	172,458
- Unrelated parties	51,968	6,087	44,127	5,439
Total other receivables	<u>262,334</u>	<u>180,736</u>	<u>449,899</u>	<u>200,161</u>
Total trade and other receivables - net	<u>647,992</u>	<u>473,252</u>	<u>800,028</u>	<u>474,835</u>

Most of the trade receivables of the Group was within their credit terms or past due up to 3 months. As at 31 December 2022, the outstanding balances of trade receivables in the consolidated and separate financial statements that are one year past due amounted to approximately Baht 0.6 million (2021: consolidated financial statement: Baht 1.1 million, Separate financial statements Baht 0.8 million).

Set out below is the movement in the allowance for expected credit losses of trade receivables.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Beginning balance	3,199	390	2,696	390
Provision for expected credit losses	-	2,809	-	2,306
Reversal of provision for expected credit losses	(1,020)	-	(945)	-
Amount written off	(272)	-	-	-
Ending balance	<u>1,907</u>	<u>3,199</u>	<u>1,751</u>	<u>2,696</u>

10. Receivable under the concession agreement

	(Unit: Thousand Baht)	
	Consolidated and	
	Separate financial statements	
	<u>2022</u>	<u>2021</u>
Net book value at the beginning of the year	7,561,049	9,210,732
Collection	(1,649,684)	(1,649,683)
Net book value at the end of the year	<u>5,911,365</u>	<u>7,561,049</u>
Current	1,649,683	1,649,683
Non-current	4,261,682	5,911,366
Total receivable under the concession agreement	<u>5,911,365</u>	<u>7,561,049</u>

Receivable under the concession agreement is a receivable for M&E Systems (Inclusive of VAT) of Phase 1 of the MRT Chalong Ratchadham Line Project as described in Note 1 B.2 to the consolidated financial statements. The 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 20 to the consolidated financial statements under the details of loans No. 20.1 and 20.2.

Interest income for M&E Systems for the year ended 31 December 2022 amounted to Baht 176 million (2021: Baht 218 million).

11. Other financial assets

	(Unit: Thousand Baht)	
	Consolidated and Separate financial statements	
	<u>2022</u>	<u>2021</u>
<u>Financial assets at amortised cost</u>		
- Certificates of deposit	350,000	-
Total	350,000	-
<u>Financial assets at FVTPL</u>		
- Unit trusts	596,995	765,671
Total	596,995	765,671
<u>Equity instruments designated at FVOCI</u>		
Equity instruments of listed companies		
- CK Power Public Company Limited	6,235,547	7,148,954
- TTW Public Company Limited	6,632,100	8,326,970
Equity instruments of non-listed company		
- Asia Era One Company Limited	434,000	434,000
Total	13,301,647	15,909,924
<u>Derivative designated as hedging instruments</u>		
- Interest rate swap contracts	117,168	-
Total	117,168	-
Total other financial assets - net	14,365,810	16,675,595
Current	946,995	765,671
Non-current	13,418,815	15,909,924
Total other financial assets	14,365,810	16,675,595

Equity instruments designated at FVOCI include listed and non-listed equity investments which the Group considers these investments to be strategic in nature.

CK Power Public Company Limited

During the year 2022, the Company sold 62 million ordinary shares of CK Power Public Company Limited amounting to Baht 334 million, and recorded gains on sale of investment net of income tax of Baht 70 million in the consolidated statement of comprehensive income (Separate financial statement: Baht 152 million). As a result of this transaction, its equity interest in this company decreased from 17.59 percent to 16.82 percent.

12. Investments in subsidiaries

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

(Unit: Million Baht)								
Company's name	Registered capital		Paid-up capital		Proportion of investment		Cost	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
					(percent)			
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	99.67	99.67	630	630
Total cost							3,234	3,234
Allowance for impairment							(2,466)	(2,466)
Net book value							768	768

In May 2021, the Company purchased 2.3 million ordinary shares of Bangkok Metro Networks Limited ("BMN") (equal to 9.15 percent of its issued and paid-up share capital) from its existing shareholders, for a total of Baht 123 million. As a result of this transaction, its shareholding changed from 90.52 percent to 99.67 percent.

The purchase transaction of investment in the subsidiary for the year ended 31 December 2021 which was presented in the consolidated financial statements, was described in detail below.

(Unit: Thousand Baht)	
Purchase price of investment in subsidiary	123,150
Less: Non-controlling interests of subsidiary adjusted	(41,745)
Capital deficit from change in shareholding interest in subsidiary	81,405

13. Investment properties

As at 31 December 2022, the Company has investment properties, consisting of land, which is presented in the consolidated and separate financial statements at its fair value of Baht 346 million (2021: Baht 321 million).

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

14. Building and equipment

(Unit: Thousand Baht)

	Consolidated financial statements				
	Building and construction improvement	Furniture, fixture and office equipment	Vehicles	Asset under installation	Total
Cost:					
1 January 2021	92,998	258,636	467,504	68,464	887,602
Additions	17,621	6,476	41,431	22,875	88,403
Disposals/Write off	-	(978)	(41,796)	-	(42,774)
Reclassification/ Transfer in (out)	6,616	2,037	7,553	(20,981)	(4,775)
31 December 2021	117,235	266,171	474,692	70,358	928,456
Additions	752	8,173	18,663	2,552	30,140
Disposals/Write off	-	(8,954)	(21,129)	-	(30,083)
Reclassification/ Transfer in (out)	65,305	-	4,579	(66,997)	2,887
31 December 2022	183,292	265,390	476,805	5,913	931,400
Accumulated depreciation:					
1 January 2021	65,764	194,887	247,673	-	508,324
Depreciation for the year	10,720	24,747	41,737	-	77,204
Accumulated depreciation on					
disposals/write off	-	(940)	(40,057)	-	(40,997)
Reclassification	-	(60)	-	-	(60)
31 December 2021	76,484	218,634	249,353	-	544,471
Depreciation for the year	24,502	16,848	34,716	-	76,066
Accumulated depreciation on					
disposals/write off	-	(8,929)	(20,450)	-	(29,379)
Reclassification	-	-	2,310	-	2,310
31 December 2022	100,986	226,553	265,929	-	593,468
Net book value:					
31 December 2021	40,751	47,537	225,339	70,358	383,985
31 December 2022	82,306	38,837	210,876	5,913	337,932
Depreciation for the year					
2021 (Baht 45 million included in cost of services and the remaining balance in selling and administrative expense)					77,204
2022 (Baht 39 million included in cost of services and the remaining balance in selling and administrative expense)					76,066

(Unit: Thousand Baht)

	Separate financial statements				
	Building and construction improvement	Furniture, fixture and office equipment	Vehicles	Asset under installation	Total
Cost:					
1 January 2021	62,436	199,164	457,689	63,749	783,038
Additions	17,396	3,283	38,920	21,183	80,782
Disposals/Write off	-	(945)	(41,796)	-	(42,741)
Reclassification/ Transfer in (out)	6,616	2,037	7,553	(16,266)	(60)
31 December 2021	86,448	203,539	462,366	68,666	821,019
Additions	582	7,507	25,328	2,446	35,863
Disposals/Write off	-	(8,839)	(18,257)	-	(27,096)
Reclassification/ Transfer in (out)	65,305	-	2,887	(65,305)	2,887
31 December 2022	152,335	202,207	472,324	5,807	832,673
Accumulated depreciation:					
1 January 2021	50,905	143,635	241,799	-	436,339
Depreciation for the year	6,746	18,049	40,746	-	65,541
Accumulated depreciation on					
disposals/write off	-	(936)	(40,057)	-	(40,993)
Reclassification	-	(60)	-	-	(60)
31 December 2021	57,651	160,688	242,488	-	460,827
Depreciation for the year	21,908	15,055	34,533	-	71,496
Accumulated depreciation on					
disposals/write off	-	(8,839)	(17,883)	-	(26,722)
Reclassification	-	-	2,310	-	2,310
31 December 2022	79,559	166,904	261,448	-	507,911
Net book value:					
31 December 2021	28,797	42,851	219,878	68,666	360,192
31 December 2022	72,776	35,303	210,876	5,807	324,762
Depreciation for the year					
2021 (Baht 37 million included in cost of services and the remaining balance in selling and administrative expense)					65,541
2022 (Baht 35 million included in cost of services and the remaining balance in selling and administrative expense)					71,496

As at 31 December 2022, the Group have certain items of building improvement and equipment which were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 386 million (2021: Baht 364 million) (The Company only: Baht 315 million, 2021: Baht 284 million).

15. Rights to operate expressway sectors

(Unit: Thousand Baht)

	Consolidated financial statements		
	Rights to operate completed expressway sector	Project costs under construction	Total
Cost:			
1 January 2021	86,969,996	691,283	87,661,279
Additions	118,124	782,517	900,641
Reclassification/ Transfer in (out)	191,300	(186,780)	4,520
31 December 2021	87,279,420	1,287,020	88,566,440
Additions	324,404	548,345	872,749
Transfer in (out)	1,287,020	(1,287,020)	-
31 December 2022	88,890,844	548,345	89,439,189
Accumulated amortisation:			
1 January 2021	55,959,758	-	55,959,758
Amortisation for the year	686,151	-	686,151
31 December 2021	56,645,909	-	56,645,909
Amortisation for the year	933,228	-	933,228
31 December 2022	57,579,137	-	57,579,137
Net book value:			
31 December 2021	30,633,511	1,287,020	31,920,531
31 December 2022	31,311,707	548,345	31,860,052
Amortisation for the year			
2021			686,151
2022			933,228

(Unit: Thousand Baht)

	Separate financial statements		
	Rights to operate completed expressway sector	Project costs under construction	Total
Cost:			
1 January 2021	74,120,276	690,903	74,811,179
Additions	92,741	688,294	781,035
Transfer in (out)	190,920	(190,920)	-
31 December 2021	74,403,937	1,188,277	75,592,214
Additions	211,590	373,202	584,792
Transfer in (out)	1,188,277	(1,188,277)	-
31 December 2022	75,803,804	373,202	76,177,006
Accumulated amortisation:			
1 January 2021	47,845,912	-	47,845,912
Amortisation for the year	504,627	-	504,627
31 December 2021	48,350,539	-	48,350,539
Amortisation for the year	703,339	-	703,339
31 December 2022	49,053,878	-	49,053,878
Net book value:			
31 December 2021	26,053,398	1,188,277	27,241,675
31 December 2022	26,749,926	373,202	27,123,128
Amortisation for the year			
2021			504,627
2022			703,339

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

(Unit: Thousand Baht)

	Consolidated financial statements		
	Intangible asset under concession agreement of the MRT Blue Line Project	Project costs under installation	Total
Cost:			
1 January 2021	47,960,660	1,512,545	49,473,205
Additions	160,306	770,489	930,795
Write off	-	(642)	(642)
Reclassification/ Transfer in (out)	1,747	(1,552)	195
31 December 2021	48,122,713	2,280,840	50,403,553
Additions	322,428	23,224	345,652
Write off	(7,781)	-	(7,781)
Transfer in (out)	2,273,850	(2,273,850)	-
31 December 2022	50,711,210	30,214	50,741,424
Accumulated amortisation:			
1 January 2021	4,789,486	-	4,789,486
Amortisation for the year	245,444	-	245,444
31 December 2021	5,034,930	-	5,034,930
Amortisation for the year	467,773	-	467,773
Write off	(7,157)	-	(7,157)
31 December 2022	5,495,546	-	5,495,546
Net book value:			
31 December 2021	43,087,783	2,280,840	45,368,623
31 December 2022	45,215,664	30,214	45,245,878
Amortisation for the year			
2021			245,444
2022			467,773

(Unit: Thousand Baht)

Separate financial statements

	Intangible asset under concession agreement of the MRT Blue Line Project	Project costs under installation	Total
Cost:			
1 January 2021	47,288,819	1,511,461	48,800,280
Additions	146,607	769,529	916,136
Transfer in (out)	1,487	(1,487)	-
31 December 2021	47,436,913	2,279,503	49,716,416
Additions	306,386	7,119	313,505
Transfer in (out)	2,272,890	(2,272,890)	-
31 December 2022	50,016,189	13,732	50,029,921
Accumulated amortisation:			
1 January 2021	4,423,281	-	4,423,281
Amortisation for the year	197,331	-	197,331
31 December 2021	4,620,612	-	4,620,612
Amortisation for the year	419,933	-	419,933
31 December 2022	5,040,545	-	5,040,545
Net book value:			
31 December 2021	42,816,301	2,279,503	45,095,804
31 December 2022	44,975,644	13,732	44,989,376
Amortisation for the year			
2021			197,331
2022			419,933

17. Project cost of the MRT Chalong Ratchadham Line

(Unit: Thousand Baht)

	Consolidated and Separate financial statements		
	Project Cost of the MRT Chalong Ratchadham Line	Project costs under installation	Total
Cost:			
1 January 2021	703,300	70,060	773,360
Additions	-	77,701	77,701
Decrease	(1)	(33,644)	(33,645)
Transfer in (out)	36,416	(36,416)	-
31 December 2021	739,715	77,701	817,416
Additions	7,898	1,322	9,220
Transfer in (out)	77,701	(77,701)	-
31 December 2022	825,314	1,322	826,636
Accumulated amortisation:			
1 January 2021	112,924	-	112,924
Amortisation for the year	27,739	-	27,739
31 December 2021	140,663	-	140,663
Amortisation for the year	29,295	-	29,295
31 December 2022	169,958	-	169,958
Net book value:			
31 December 2021	599,052	77,701	676,753
31 December 2022	655,356	1,322	656,678
Amortisation for the year			
2021			27,739
2022			29,295

18. Other intangible assets

The net book value of other intangible assets which are computer software as at 31 December 2022 and 2021 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Cost	223,484	223,484	209,262	209,262
Less: Accumulated amortisation	(189,536)	(175,133)	(175,830)	(163,586)
Net book value	<u>33,948</u>	<u>48,351</u>	<u>33,432</u>	<u>45,676</u>

A reconciliation of the net book value of other intangible assets for the years 2022 and 2021 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Net book value at beginning of year	48,351	63,165	45,676	58,266
Acquisition	-	11,553	-	11,532
Amortisation for the year	(14,403)	(26,367)	(12,244)	(24,122)
Net book value at end of year	<u>33,948</u>	<u>48,351</u>	<u>33,432</u>	<u>45,676</u>

19. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Trade payables - related parties (Note 6)	586,698	305,189	608,899	320,538
Trade payables - unrelated parties	293,037	370,747	279,201	354,761
Accrued expenses - related parties (Note 6)	79,481	14,997	80,954	14,997
Accrued expenses - unrelated parties	535,585	549,428	468,153	482,024
Accrued interest	251,392	227,327	251,049	226,928
Other payables	16,612	24,725	15,180	23,290
Total trade and other payables	<u>1,762,805</u>	<u>1,492,413</u>	<u>1,703,436</u>	<u>1,422,538</u>

20. Long-term loans from financial institutions

					(Unit: Thousand Baht)			
Loans	Credit facility	Objective	Interest rate	Period of repayment	Consolidated financial statements		Separate financial statements	
					2022	2021	2022	2021
	(Million Baht)		(percent)					
20.1 Tranche A (Fully drew down)	13,557	To invest in the MRT Chalong Ratchadham Line Project	Interest rate of FDR plus stipulated margins	Repayment in monthly installments commencing October 2017 to July 2026	1,541,760	7,034,274	1,541,760	7,034,274
20.2 Tranche B (Fully drew down)	62	To invest in the MRT Chalong Ratchadham Line Project	Interest rate of FDR plus stipulated margins	Repayment in monthly installments commencing October 2017 to July 2026	3,982,880	32,126	3,982,880	32,126
20.3 Long-term loan (Fully drew down)	14,000	To invest in the MRT Blue Line Extension Project	Interest rate of 6M THBFIX plus stipulated margins	Repayment in quarterly installments commencing December 2021 to December 2035	13,749,993	13,949,997	13,749,993	13,949,997
20.4 Long-term loan (Fully drew down)	5,000	To refinance existing debt and working capital	Interest rate of 6M THBFIX plus stipulated margins	Repayment installments in every six month commencing April 2022 to April 2026	3,880,000	5,000,000	3,880,000	5,000,000
20.5 Sustainability loan (Fully drew down)	3,000	To refinance existing debt or debentures and to invest in eligible green and social projects	A fixed interest rate	Repayment in annually installments commencing February 2023 to February 2027	3,000,000	-	3,000,000	-
20.6 Long-term loan (Fully drew down)	3,630	Repayment for loan obtained from the Company	Interest rate of 6M FDR plus stipulated margins	Repayment in quarterly installments within December 2025	2,323,200	3,005,640	-	-
Total	39,249							
Less: Gain from cross currency and interest rate swap contracts					(1,052)	-	(1,052)	-
Total					28,476,781	29,022,037	26,153,581	26,016,397
Less: Current portion of long-term loans					(4,173,244)	(3,544,204)	(3,461,764)	(2,861,764)
Less: Deferred financial fees					(59,196)	(65,534)	(59,196)	(65,534)
Add: Deferred interest expense					465,373	197,113	439,701	186,785
Long-term loans - net of current portion					24,709,714	25,609,412	23,072,322	23,275,884

Movements in the long-term loans account for the years ended 31 December 2022 and 2021 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Beginning balance	29,022,037	27,425,978	26,016,397	24,108,158
Add: Additional borrowings	3,000,000	5,000,000	3,000,000	5,000,000
Less: Repayments	(3,544,204)	(3,403,941)	(2,861,764)	(3,091,761)
Less: Gain from cross currency and interest rate swap contracts	(1,052)	-	(1,052)	-
Ending balance	<u>28,476,781</u>	<u>29,022,037</u>	<u>26,153,581</u>	<u>26,016,397</u>

For the long-term loans number 20.1 and 20.2

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 10) and transferred rights to receive payments for such work to the group of lenders as collateral to secure these loans. The Company had interest expenses amounting to Baht 176 million on such loans for the year ended 31 December 2022 (2021: Baht 218 million).

Under the Credit Facility Agreements, 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.

For Long-term loan number 20.3

The Company entered into interest rate swap agreements for parts of these loans to change the interest rate from a floating rate of 6M THBFIX plus a stipulated margins to a fixed rate. The Company applied hedge accounting on this transaction.

The Company pledged the bank accounts used for receiving fare and commercial development revenue related to the MRT Blue Line Project (Note 7) and the transferred the rights to receive for such revenue to the lender as collateral to secure this loan.

Under the Credit Facility Agreements, 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.

For Long-term loan number 20.4

The Company signed a long-term loan agreement with a financial institution and also entered into an interest rate swap contract to change the interest rate from a floating rate of 6M THBFIX plus stipulated margin to a fixed rate. The Company applied hedge accounting on this transaction.

Under the loan agreement, 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, dividend payment and mandatory prepayment conditions.

For Long-term loan number 20.5

The Company entered into the Sustainability loan agreement with a local financial institution. The loan, to be provided in Thai Baht or foreign currency, The credit facility is the Thai Baht equivalent of no more than Baht 3,000 million, that carries interest at a fixed interest rate.

During the year, the Company drew down USD 91 million, equivalent to Baht 3,000 million. On the draw down date, the Company entered into the cross currency and interest rate swap contracts with the financial institution to swap the long-term loan in USD carrying interest at a fixed rate to a long-term loan in Thai Baht carrying interest at a floating rate of THOR plus a stipulated margin. To mitigate the risk of loan and interest, the Company applied hedge accounting on these transactions.

Under the loan agreements, the Company must comply with normal financial covenants relating to various matters, such as maintenance of debt service coverage and debt to equity ratios, dividend payment, mandatory prepayment conditions and other conditions as specified in the agreements.

For Long-term loan number 20.6

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 maintenance of debt service coverage ratio and debt to equity ratio, dividend payment and conditions for mandatory prepayment.

21. Debentures

Debentures as at 31 December 2022 and 2021 have the following details:

					(Unit: Thousand Baht)	
					Consolidated and Separate	
					financial statements	
Type of debenture	Term	Issuance date	Maturity date	Interest rate	2022	2021
					(% per annum)	
1. No. 1/2016						
- Tranche 3	7 years	24 June 2016	24 June 2023	3.00	2,000,000	2,000,000
- Tranche 4	10 years	24 June 2016	24 June 2026	3.30	3,335,000	3,335,000
- Tranche 5	12 years	24 June 2016	24 June 2028	3.61	2,750,000	2,750,000
2. No. 2/2016	12 years	11 August 2016	24 June 2028	3.61	500,000	500,000
3. No. 3/2016						
- Tranche 2	9 years	21 October 2016	21 October 2025	3.78	2,500,000	2,500,000
- Tranche 3	11 years	21 October 2016	21 October 2027	3.95	3,000,000	3,000,000
4. No. 1/2017						
- Tranche 1	5 years	7 September 2017	7 September 2022	2.65	-	2,000,000
- Tranche 2	7 years	7 September 2017	7 September 2024	3.10	3,000,000	3,000,000
5. No. 1/2018						
- Tranche 2	5 years	5 April 2018	5 April 2023	2.46	3,500,000	3,500,000
- Tranche 3	7 years	5 April 2018	5 April 2025	3.01	3,500,000	3,500,000
6. No. 1/2019						
- Tranche 1	3 years	9 May 2019	9 May 2022	2.65	-	1,000,000
- Tranche 2	5 years	9 May 2019	9 May 2024	3.18	2,000,000	2,000,000
- Tranche 3	7 years	9 May 2019	9 May 2026	3.59	1,000,000	1,000,000
- Tranche 4	10 years	9 May 2019	9 May 2029	3.84	1,000,000	1,000,000
7. No. 1/2020						
- Tranche 1	4 years	10 June 2020	10 June 2024	2.88	1,000,000	1,000,000
- Tranche 2	10 years	10 June 2020	10 June 2030	3.50	1,300,000	1,300,000
- Tranche 3	12 years	10 June 2020	10 June 2032	3.78	700,000	700,000
8. No. 1/2021						
- Tranche 1	3 years	28 April 2021	28 April 2024	1.56	2,000,000	2,000,000
- Tranche 2	5 years	28 April 2021	28 April 2026	2.24	2,000,000	2,000,000
- Tranche 3	7 years	28 April 2021	28 April 2028	2.91	1,000,000	1,000,000
- Tranche 4	10 years	28 April 2021	28 April 2031	3.33	1,000,000	1,000,000
9. No. 1/2022						
- Tranche 1	3 years	5 September 2022	5 September 2025	2.76	1,000,000	-
- Tranche 2	5 years	5 September 2022	5 September 2027	3.33	1,500,000	-
- Tranche 3	10 years	5 September 2022	5 September 2032	4.01	1,000,000	-
- Tranche 4	12 years	5 September 2022	5 September 2034	4.15	1,000,000	-
Total					41,585,000	40,085,000
Less: Current portion of debentures					(5,500,000)	(3,000,000)
Less: Deferred debentures issuing cost					(25,242)	(26,288)
Less: Deferred interest expense					(1,330)	(1,340)
Debentures - net of current portion					36,058,428	37,057,372

Movements in the debentures account for the years ended 31 December 2022 and 2021 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated and Separate financial statements	
	<u>2022</u>	<u>2021</u>
Beginning balance	40,085,000	38,700,000
Issuance	4,500,000	6,000,000
Redemption	(3,000,000)	(4,615,000)
Ending balance	<u>41,585,000</u>	<u>40,085,000</u>

On 5 September 2022, the Company issued four tranches of Sustainability Bond No.1/2022, totaling Baht 4,500 million to fund the refinancing of existing debt and/or invest in the MRT Blue Line Project.

All of the Company's debentures are registered debentures, unsubordinated, and unsecured, without a debenture holders' representative, except for the debenture number 6 to number 9 which have a debenture holders' representative, that pay interest semi-annually. The debentures contain covenants relating to maintenance of interest bearing debt to equity ratio.

22. Unearned revenue from advertising management rights

The Company received remuneration of Baht 35 million from the subsidiary for granting the rights to manage advertising services through the Passenger Information Display System (PIDs), as described in Note 1 C. to the consolidated financial statements, on the execution date of the agreement (1 January 2010) and this rights will expire in July 2029. The amount is presented under the caption of "Unearned revenue from advertising management rights" and is being amortised to revenue throughout the contract period.

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

	(Unit: Thousand Baht)	
	Separate financial statements	
	<u>2022</u>	<u>2021</u>
Beginning balance	9,369	10,618
Recognise to revenue during the year	(1,248)	(1,249)
Ending balance	8,121	9,369
Less: Current portion	(1,249)	(1,249)
Unearned revenue from advertising management rights - net of current portion	<u>6,872</u>	<u>8,120</u>

23. Leases

The Group, as a lessee, has lease contracts for various items of equipment used in its operations. Leases generally have lease terms between 1 - 7 years.

a) Right-of-use assets

Movements of right-of-use assets for the years ended 31 December 2022 and 2021 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements		
	Buildings and construction improvement	Vehicles	Total
1 January 2021	32,810	53,704	86,514
Additions	116,838	2,433	119,271
Depreciation for the year	(46,909)	(19,180)	(66,089)
31 December 2021	102,739	36,957	139,696
Additions	92,392	8,582	100,974
Reclassification	-	(577)	(577)
Depreciation for the year	(51,161)	(17,336)	(68,497)
31 December 2022	143,970	27,626	171,596

(Unit: Thousand Baht)

	Separate financial statements		
	Buildings and construction improvement	Vehicles	Total
1 January 2021	8,295	50,139	58,434
Additions	35,925	2,433	38,358
Depreciation for the year	(26,956)	(18,072)	(45,028)
31 December 2021	17,264	34,500	51,764
Additions	61,581	8,582	70,163
Reclassification	-	(577)	(577)
Depreciation for the year	(26,955)	(16,228)	(43,183)
31 December 2022	51,890	26,277	78,167

b) Lease liabilities

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Lease payments	177,487	142,299	81,557	53,064
Less: Deferred interest expenses	(6,347)	(4,890)	(2,513)	(2,061)
Total	171,140	137,409	79,044	51,003
Less: Portion due within one year	(67,764)	(44,749)	(44,010)	(25,374)
Lease liabilities - net of current portion	103,376	92,660	35,034	25,629

Movements of the lease liability account during the years ended 31 December 2022 and 2021 are summarised below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Balance at beginning of year	137,409	86,425	51,003	58,512
Additions	100,974	119,266	70,163	38,352
Accretion of interest	3,471	2,764	2,224	2,074
Repayments	(70,714)	(67,284)	(44,346)	(47,489)
Effect of reduction in rental expenses	-	(3,762)	-	(446)
Balance at end of year	171,140	137,409	79,044	51,003

A maturity analysis of lease payments is disclosed in Note 40 to the consolidated financial statements under the liquidity risk.

c) Expenses relating to leases that are recognised in profit or loss

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Depreciation expense of right-of-use assets	68,497	66,089	43,183	45,028
Interest expense on lease liabilities	3,471	2,764	2,224	2,074
Expense relating to short-term leases and leases of low-value assets	17,375	20,369	16,295	19,333

d) Others

The Group had total cash outflows for leases for the year ended 31 December 2022 of Baht 88 million (2021: Baht 88 million) (the Company only: Baht 61 million, 2021: Baht 67 million), including the cash outflow related to short-term lease and leases of low-value assets.

24. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, are as follows:

	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Provision for long-term employee benefits				
at beginning of the year	770,896	932,331	744,830	904,696
Included in profit or loss:				
Current service cost	80,321	78,889	75,812	75,075
Interest cost	15,528	14,250	15,001	13,603
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
- Demographic assumptions changes	-	(26,526)	-	(26,167)
- Financial assumptions changes	-	(144,168)	-	(145,518)
- Experience adjustments	-	(52,337)	-	(45,316)
Benefits paid during the year	(28,697)	(31,543)	(28,697)	(31,543)
Provision for long-term employee benefits				
at end of the year	<u>838,048</u>	<u>770,896</u>	<u>806,946</u>	<u>744,830</u>

The Group expects to pay Baht 12 million of long-term employee benefits during the next year (Separate financial statements: Baht 11 million) (2021: Baht 18 million, Separate financial statements: Baht 18 million).

As at 31 December 2022 and 2021, the weighted average duration of the liabilities for long-term employee benefit is 10.91 - 16.42 years (Separate financial statements: 10.91 - 16.42 years).

Significant actuarial assumptions are summarised below.

	(Unit: Percent per annum)			
	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Discount rate	1.7 - 2.2	1.7 - 2.2	1.7, 2.2	1.7, 2.2
Future salary increase rate	1.0 - 5.0	1.0 - 5.0	1.0, 1.5, 4.0	1.0, 1.5, 4.0
Staff turnover rate (depending on age)	2.0 - 14.0	2.0 - 14.0	2.0 - 6.0	2.0 - 6.0

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2022 and 2021 are summarised below.

	(Unit: Million Baht)			
	2022			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(72)	85	(69)	81
Future salary increase rate	92	(80)	88	(76)
Staff turnover rate	(76)	54	(72)	53

	(Unit: Million Baht)			
	2021			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(68)	80	(65)	76
Future salary increase rate	77	(67)	74	(64)
Staff turnover rate	(71)	50	(68)	49

25. Statutory reserve

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

26. Toll revenues

26.1 Under the Construction and Management Contract of the Si Rat Expressway Project (the Second Stage Expressway System) and the Bang Pa-In - Pak Kret Expressway Project and the Concession agreements (Amendment) that granted concession extensions, as described in Note 1 A. to the consolidated financial statements. The Group and the EXAT agreed to share toll revenues receive as follows:

	The Group	The EXAT
	(Percent)	(Percent)
Urban Network (FES and SES Sector A and Sector B)	40	60
Suburban Network (SES Sector C)	100	Nil
Suburban Network (SES Sector D)	100	Nil
Bang Pa-In - Pak Kret Expressway	100	Nil

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

	The Company	The EXAT
	(Percent)	(Percent)
<u>The Prachin Ratthaya Expressway Project</u>		
From the construction completion date of relevant Sections		
until end of contract period (14 December 2042)	100	Nil

27. Revenue from commercial development business

Revenue from commercial development business in the separate financial statements for the year ended 31 December 2022 amounted to Baht 811 million (2021: Baht 745 million). This included revenue from commercial development under the MRT Blue Line Concession Agreement amounting to Baht 769 million (2021: Baht 693 million).

28. Revenue from telecommunications network services and income from provision of space and facilities for the installation of telecommunications equipment

The Company's revenue from telecommunications network services and income from provision of space and facilities for the installation of telecommunications equipment for the years ended 31 December 2022 and 2021 was as follows:

	(Unit: Thousand Baht)	
	<u>2022</u>	<u>2021</u>
Telecommunications Business License Type 2		
with its own telecommunication network	271,854	243,768
Income from provision of space and facilities for the		
installation of telecommunications equipment	12,840	14,100
	<u>284,694</u>	<u>257,868</u>

29. Remuneration from fare box revenue and commercial development revenue

29.1 The Concession agreement of the MRTA Initial System Project - Chaloem Ratchamongkhon Line

The Company agrees to apportion revenues derived under the MRTA Initial System Project - Chaloem Ratchamongkhon Line concession agreement to the MRTA. These consist of remuneration from fares, remuneration from commercial development, apportionment of profit in excess of stipulated Return on Equity (ROE) and any benefit derived from the interest rate on a loan being lower the rate specified in the Concession Agreement.

As described in Note 1 B.1 to the consolidated financial statements, the Company signed the MRT Blue Line Project Concession Agreement on 31 March 2017. Under the MRT Blue Line Concession Agreement, the MRTA Initial System Project - Chaloem Ratchamongkhon Line concession agreement is deemed to be part of the MRT Blue Line Concession Agreement, and only the clauses relating the rights, duties and provisions with respect to fares, fare rates and payment of remuneration to the MRTA will remain in effect until the end of the concession agreement with the MRTA for the MRTA Initial System Project - Chaloem Ratchamongkhon Line.

Remuneration paid to the MRTA under the MRTA Initial System Project - Chaloem Ratchamongkhon Line concession agreement is summarised in Part I of Note 29.2 to the consolidated financial statements.

29.2 The MRT Blue Line Concession agreement

Under the MRT Blue Line Project concession agreement dated 31 March 2017, the Company agrees to apportion revenue under the concession agreement to the MRTA, which can be divided into two parts, as follows:

Part I: Remuneration from fares and commercial development revenues of the MRTA Initial System Project - Chaloem Ratchamongkhon Line earned under the related concession agreement until 1 July 2029, with detail as follow:

a) Remuneration from fare revenue

Annual remuneration

The Company has agreed to apportion fare revenue to the MRTA on an annual basis for the period from 2 July 2014 to 1 July 2029. The total amount payable is Baht 43,567 million (inclusive of VAT) divided into annual payments in amounts stipulated in the MRTA Initial System Project - Chaloem Ratchamongkhon Line concession agreement.

As at 31 December 2022, the Company paid accumulated annual remuneration totaling Baht 14,424 million (2021: Baht 11,704 million).

Percentage remuneration

The Company has agreed to apportion to the MRTA 1 percent to 15 percent of the fare revenue of the MRTA Initial System Project - Chaloem Ratchamongkhon Line (inclusive of VAT) from 2 July 2004 to 1 July 2029, in the form of monthly payments.

For the year ended 31 December 2022, the Company paid the percentage remuneration from fare revenue totaling Baht 236 million (2021: Baht 58 million).

b) Remuneration from commercial development revenues

Annual remuneration

The Company has agreed to apportion commercial development revenues to the MRTA on an annual basis for the period from 2 July 2004 to 1 July 2029. The total amount payable is Baht 930 million (inclusive of VAT) divided into annual payments in amounts stipulated in the MRTA Initial System Project - Chaloem Ratchamongkhon Line concession agreement.

As at 31 December 2022, the Company paid accumulated annual remuneration totaling Baht 605 million (2021: Baht 555 million).

Percentage remuneration

The Company has agreed to apportion to the MRTA 7 percent of commercial development revenues of the MRTA Initial System Project - Chaloem Ratchamongkhon Line (inclusive of VAT) from 2 July 2004 to 1 July 2029, in the form of monthly payments.

For the year ended 31 December 2022, the Company paid the percentage remuneration from commercial development revenues totaling Baht 46 million (2021: Baht 40 million).

Part II: Remuneration from fares and commercial development revenues of the MRT Blue Line Extension Project from 31 March 2017 until end of the MRT Blue Line concession period and remuneration from fares and commercial development revenues of the MRTA Initial System Project - Chaloem Ratchamongkhon Line from 2 July 2029 until end of the MRT Blue Line concession period.

The Company is to pay remuneration to MRTA when the Company earns a return on investment over the rate stipulated in the concession agreement, from its operation of the MRT Blue Line Extension Project, as from 31 March 2017, and from its operation of the MRTA Initial System Project - Chaloem Ratchamongkhon Line, as from 2 July 2029, until the end of the MRT Blue Line concession period. The compensation rates are as stipulated in the MRT Blue Line concession agreement.

30. Finance cost

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Interest expense on loans and debentures	2,173,180	1,938,158	2,090,549	1,854,363
Interest expense on lease liabilities	3,471	2,764	2,224	2,074
Interest paid from interest rate swaps	150,480	222,972	150,480	222,972
Others financial cost	33,549	23,150	33,342	22,439
Total	<u>2,360,680</u>	<u>2,187,044</u>	<u>2,276,595</u>	<u>2,101,848</u>

31. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Amortisation and depreciation	1,589,262	1,128,606	1,279,490	864,001
Salaries, wages and other benefits for the Group's employees	2,380,027	2,291,569	2,253,683	2,176,786
Salaries, wages and other benefits for the EXAT's employees	1,026,358	723,744	832,102	590,348
Repair and maintenance expenses	2,535,739	2,017,741	2,512,965	1,978,223
Utilities expenses	898,022	765,942	877,313	745,985
Project remuneration under the concession expenses	421,102	220,635	421,102	220,635
Expenses with respect to facilitation and safety on expressway and stations	537,263	582,538	514,028	547,048
Insurance expenses	154,692	146,504	147,615	139,508

32. Income tax

Income tax expenses for the years ended 31 December 2022 and 2021 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Current income tax:				
Current income tax for the year	34,946	63,607	-	-
Adjustment in respect of current income tax of previous year	11,249	(33)	11,359	-
Deferred tax:				
Relating to origination and reversal of temporary differences	351,464	70,338	355,148	74,203
Income tax expenses reported in the income statement	<u>397,659</u>	<u>133,912</u>	<u>366,507</u>	<u>74,203</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2022 and 2021 are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Deferred tax related to				
- Unrealised gain from cash flow hedges	42,610	17,983	42,610	17,983
- Gain (loss) from the change in value of financial assets measured at FVOCI	(491,234)	13,837	(491,234)	13,837
- Actuarial gain	-	44,606	-	43,400
Total	<u>(448,624)</u>	<u>76,426</u>	<u>(448,624)</u>	<u>75,220</u>

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Accounting profit before tax	<u>2,833,915</u>	<u>1,144,963</u>	<u>2,679,946</u>	<u>846,066</u>
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by				
applicable tax rate	566,783	228,993	535,989	169,213
Adjustment in respect of income tax				
of previous year	11,249	(33)	11,359	-
Effects of elimination entry on the consolidated				
financial statements	-	(377)	-	-
Adjustment in respect of deferred tax liabilities	(11,137)	-	(11,137)	-
Previously unrecognised deductible temporary				
differences that is used to reduce deferred				
tax expense	(57,357)	-	(57,357)	-
Effects of:				
Tax-exempt revenues	(110,307)	(98,437)	(110,307)	(98,437)
Non-deductible expenses	1,506	3,442	1,139	3,442
Additional expense deductions allowed	(3,367)	(1,947)	(2,920)	(1,071)
Others	289	2,271	(259)	1,056
Total	<u>(111,879)</u>	<u>(94,671)</u>	<u>(112,347)</u>	<u>(95,010)</u>
Income tax expenses reported in				
the income statement	<u>397,659</u>	<u>133,912</u>	<u>366,507</u>	<u>74,203</u>

The components of deferred tax assets and deferred tax liabilities as at 31 December 2022 and 2021 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Deferred tax assets				
Provision for bonus	40,887	43,616	32,760	35,132
Provision for others accrued expenses	2,603	3,195	2,176	2,780
Allowance for expected credit losses	381	640	350	539
Provision for long-term employee benefits	167,610	154,179	161,389	148,966
Leases	399	265	345	233
Deferred interest expenses	92,809	39,155	87,674	37,089
Unused tax loss	278,854	666,171	278,854	666,171
Derivative financial liabilities	179	19,176	179	19,176
Amortisation on the project cost of the MRT				
Chalong Ratchadham Line	57,357	-	57,357	-
Total	641,079	926,397	621,084	910,086
Deferred tax liabilities				
Accumulated amortisation - Rights to operate				
expressway sectors	745,041	642,408	745,041	642,408
Prepaid project remuneration	1,789,649	1,766,752	1,789,649	1,766,752
Financial derivative assets	23,433	-	23,433	-
Gain from financial assets designated to FVTPL	14,002	17,766	14,002	17,766
Gain from financial assets designated to FVOCI	1,100,881	1,592,115	1,100,881	1,592,115
Total	3,673,006	4,019,041	3,673,006	4,019,041
Presentation in the financial statements				
Deferred tax assets	19,995	16,311	-	-
Deferred tax liabilities	(3,051,922)	(3,108,955)	(3,051,922)	(3,108,955)
	<u>(3,031,927)</u>	<u>(3,092,644)</u>	<u>(3,051,922)</u>	<u>(3,108,955)</u>

33. Earnings per share

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

34. Dividends

Dividends declared for the years ended 31 December 2022 and 2021 in the consolidated and separate financial statements consisted of the following:

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)	Paid on
<u>For the year ended 31 December 2022</u>				
Dividend for the year 2021	Annual General Meeting of the shareholders on 4 April 2022	<u>1,223</u>	<u>0.08</u>	27 April 2022
<u>For the year ended 31 December 2021</u>				
Dividend for the year 2020	Annual General Meeting of the shareholders on 28 April 2021	<u>1,529</u>	<u>0.10</u>	25 May 2021

35. Promotional privileges

The Company has received promotional privileges from the Board of Investment for the investment of the MRT Blue Line Project, pursuant to the investment promotion certificate No. 60-1074-1-00-1-0 issued on 27 July 2017. Subject to certain imposed conditions, the privileges include an exemption from corporate income tax for a period of 8 years from the date the promoted operations begin generating revenues (11 August 2017).

The Company's operating revenues for the years ended 31 December 2022 and 2021, divided between promoted and non-promoted operations, are summarised below.

	(Unit: Thousand Baht)					
	Promoted operations		Non-promoted operations		Total	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenue from expressway business	-	-	7,008,021	5,490,300	7,008,021	5,490,300
Revenue from rail business	2,704,260	1,491,633	2,212,720	1,962,775	4,916,980	3,454,408
Revenue from commercial development business	-	-	811,397	745,500	811,397	745,500
Other income	-	744	1,536,428	967,849	1,536,428	968,593
Total revenues	<u>2,704,260</u>	<u>1,492,377</u>	<u>11,568,566</u>	<u>9,166,424</u>	<u>14,272,826</u>	<u>10,658,801</u>

36. Segment information

Operating segment information is reported in a manner consistent with the internal 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 assess its performance.

For management purposes, the Group is organised into business units based on its products and services and have four reportable segments as follows:

- 1) The expressway business segment related to the construction and operation of the expressway.
- 2) The rail business segment related to the operation of the rapid transit system.
- 3) The commercial development business segment related to 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.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following table presents revenue and profit or loss and total assets information regarding the Group's operating segments for the years ended 31 December 2022 and 2021.

(Unit: Million Baht)

	Expressway business segment		Rail business segment		Commercial development business segment		Other segments		Total segments		Elimination of inter-segment revenues		Consolidation	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenue from external customers	8,192	6,450	4,917	3,454	921	822	-	-	14,030	10,726	-	-	14,030	10,726
Inter-segment revenues	-	-	-	-	246	243	773	228	1,019	471	(1,019)	(471)	-	-
Total revenues	8,192	6,450	4,917	3,454	1,167	1,065	773	228	15,049	11,197	(1,019)	(471)	14,030	10,726
Segment profit (loss)	5,365	4,265	(361)	(1,066)	578	538	-	-	5,582	3,737	-	-	5,582	3,737
Unallocated income and expenses:														
Interest income													187	227
Other income													585	528
Selling expenses													(127)	(92)
Administrative expenses													(1,033)	(1,068)
Finance cost													(2,360)	(2,187)
Income tax expenses													(398)	(134)
Non-controlling interests of the subsidiaries													-	(1)
Profit for the year to equity holders of the Company													<u>2,436</u>	<u>1,010</u>
Rights to operate expressway sectors	31,860	31,921	-	-	-	-	-	-	31,860	31,921	-	-	31,860	31,921
Asset the under the concession agreement														
- The MRT Blue Line Project	-	-	43,620	43,984	1,626	1,385	-	-	45,246	45,369	-	-	45,246	45,369
- The MRT Chalong Ratchadham Line	-	-	657	677	-	-	-	-	657	677	-	-	657	677
Receivable under the concession agreement	-	-	5,911	7,561	-	-	-	-	5,911	7,561	-	-	5,911	7,561
Prepaid project remuneration	-	-	12,023	9,460	378	316	-	-	12,401	9,776	-	-	12,401	9,776
Unallocated assets	-	-	-	-	-	-	19,344	20,599	19,344	20,599	(1,291)	(815)	18,053	19,784
Total assets													<u>114,128</u>	<u>115,088</u>

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

Geographic information

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

Major customers

For the years 2022 and 2021, the Group has no major customer with revenue of 10 percent or more of an entity's revenues.

37. Provident fund

The Group and its employees have participated in TISCO Ruamtun 2 Registered Provident Fund as approved by Ministry of Finance in accordance with the Provident Fund Act B.E. 2530. Employees, the Group contributed to the fund monthly at the rates of 3 to 10 percent of basic salary. The fund, which is managed by TISCO Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year 2022, the Group recognised the contribution of Baht 108 million in the consolidated financial statements (2021: Baht 113 million) as expenses and recognised the contribution of Baht 105 million in the separate financial statements (2021: Baht 110 million).

38. Commitments and contingent liabilities

38.1 Capital commitments

The Group has capital commitments as follows:

	As at 31 December	
	2022	2021
a) Performance improvement for farebox collection systems	Baht 51 million and USD 4 million	Baht 66 million and USD 6 million
b) Acquisition of equipment	Baht 120 million	Baht 16 million
c) Installation of the M&E Systems of the MRT Project	Baht 116 million	Baht 242 million
d) Improvement for civil infrastructure of expressway	Baht 305 million	Baht 172 million
e) Telecommunication equipment system	-	Baht 120 million
f) Other capital commitments	Baht 9 million	Baht 10 million

38.2 Long-term service commitments

The Group has 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. These contracts will expire between 2023 and 2029.

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

(Unit: Million)

	As at 31 December									
	2022					2021				
	<u>Baht</u>	<u>USD</u>	<u>EUR</u>	<u>SGD</u>	<u>YEN</u>	<u>Baht</u>	<u>USD</u>	<u>EUR</u>	<u>SGD</u>	<u>YEN</u>
Payable:										
In up to 1 year	1,709	-	4	-	379	1,600	-	4	-	379
In over 1 year and up to 5 years	4,328	2	15	1	980	5,059	2	17	1	1,360
In over 5 years	1,284	1	7	-	-	2,061	2	11	-	-

38.3 Commitments under various service agreements

The Group has commitments under various service agreements as follows:

(Unit: Million Baht)

	As at 31 December	
	2022	2021
Payable:		
In up 1 year	486	381
In over 1 year and up to 5 years	338	244

38.4 Operating lease commitments

The Group entered into several lease agreements in respect of the lease of office building space and equipment that are short-term leases and leases of low-value assets. The terms of these agreements are between 2 and 4 years.

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

(Unit: Million Baht)

	As at 31 December	
	2022	2021
Payable:		
In up 1 year	12	8
In over 1 year and up to 4 years	14	3

38.5 Guarantees

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

	(Unit: Million Baht)	
	As at 31 December	
	2022	2021
a) Issued to the MRTA as guarantee for a bid for the operation of the MRT Orange Line Project - Bang Khun Non - Min Buri (Suwinthawong)	2,000	-
b) Issued to the MRTA in accordance with the operation of		
- The MRT Blue Line Concession agreement	210	210
- The MRT Chalong Ratchadham Project agreement	200	200
c) Issued to the Metropolitan Electricity Authority to guarantee electricity under rail projects	118	118
d) Other guarantees	3	3

38.6 Other commitments

As at 31 December 2022 and 2021, the Company has the commitment in respect of the uncalled portion of investment in Northern Bangkok Expressway Company Limited of Baht 750 million.

39. Fair value hierarchy

As at 31 December 2022 and 2021, the Group had the assets and liabilities that were measured or disclosed at fair value using different levels of inputs as follows:

	(Unit: Million Baht)			
	As at 31 December 2022			
	Consolidated and Separate financial statements			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVTPL				
- Unit trusts	-	597	-	597
Financial assets measured at FVOCI				
- Listed equity	12,868	-	-	12,868
- Non-listed equity	-	-	434	434
Derivatives				
- Interest rate swap contracts	-	117	-	117

(Unit: Million Baht)

As at 31 December 2022

Consolidated and Separate financial statements				
	Level 1	Level 2	Level 3	Total
Liabilities measured at fair value				
Financial liabilities measured at FVTPL				
Derivative				
- Cross currency and Interest rate swap contracts	-	1	-	1
Assets for which fair value are disclosed				
Investment properties	-	-	346	346
Liabilities for which fair value are disclosed				
Loans	-	-	4,021	4,021
Debentures	-	41,802	-	41,802

(Unit: Million Baht)

As at 31 December 2021

Consolidated and Separate financial statements				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVTPL				
- Unit trusts	-	766	-	766
Financial assets measured at FVOCI				
- Listed equity	15,476	-	-	15,476
- Non-listed equity	-	-	434	434
Liabilities measured at fair value				
Derivative				
- Interest rate swap contracts	-	96	-	96
Assets for which fair value are disclosed				
Investment properties	-	-	321	321
Liabilities for which fair value are disclosed				
Loans	-	-	5,208	5,208
Debentures	-	41,092	-	41,092

40. Financial instruments

40.1 Derivatives and hedge accounting

Derivatives designated as hedging instruments

Cash flow hedges

The Company designated interest rate swap contracts as a hedging instrument used to hedge cash flows on a variable rate loan. This risk hedging is defined as an interest hedge.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the interest rate swap match the terms of the variable rate loan (i.e., notional amount, maturity, payment and reset dates). The Company has established a hedge ratio of 1:1 as the underlying risk of the interest rate swap is identical to the hedged risk component. To test the hedge effectiveness, the Company uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

Fair value hedge

The Company designated a cross currency and interest rate swap contract as a hedging instrument in fair value hedges of a fixed-interest rate long-term loan denominated in USD whereby the Company exchanges the USD 91 million long-term loan into a Baht 3,000 million long-term loan and receives a fixed rate of interest of 2.875 and 3.346 percent per annum and pays interest at a variable rate equal to THOR plus stipulated margins percent per annum on the notional amount.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the cross currency and interest rate swap contracts match the terms of the fixed rate loan (i.e., notional amount, and the maturity, payment and reset dates). The company has established a hedge ratio of 1.1 as the underlying risk of the cross currency and interest rate swap contract is identical to the hedged risk component.

Hedge ineffectiveness can arise from:

- Differences in the interest rate curves applied to discount the hedged item and hedging instrument
- Differences in how the counterparties's credit risk impacts the fair value movements of the hedging instrument and hedged item

The ineffectiveness recognised in profit or loss was immaterial.

40.2 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, bank deposit for unearned fare box revenue, trade and other receivables, receivable under the concession agreement, short-term loans from financial institution, trade and other payables, lease liabilities, long-term loans from financial institution and debentures. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risk primarily with respect to trade and other receivables, receivable under the concession agreement, deposits with banks and financial institutions and other financial instruments. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position. The Group's maximum exposure relating to derivatives is noted in the liquidity risk topic.

Trade receivables and receivable under the concession agreement

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables and receivable under the concession agreement are regularly monitored.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The Group classifies customer segments by customer type. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Financial instruments and cash deposits

The Group manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The credit risk on debt instruments and derivatives is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Market risk

There are two types of market risk comprising foreign currency risk and interest rate risk.

Foreign currency risk

The Company has a significant foreign currency risk in respect of construction payable and loan. As at 31 December 2022, the Company has outstanding financial liabilities denominated in foreign currency amounting to JPY 107 million, USD 0.1 million and SGD 0.1 million (2021: JPY 99 million, USD 0.1 million and SGD 0.1 million) which have not yet been hedged against foreign exchange risk (the majority of these liabilities are repayable within 1 year). For the loan denominated in foreign currency, the Company seeks to mitigate this risk by entering into foreign exchange rate contracts to convert a long-term loan in denominated USD to a long-term loan denominated in Thai Baht (Note 20).

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its short-term loans, long-term loans and debentures. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

The Group manages its interest rate risk by entering to interest rate swaps for some of long-term loans, in which it agrees to exchange, at specified intervals, between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount as described in Note 20 to the consolidated financial statements.

As at 31 December 2022 and 2021, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

	Consolidated financial statements						
	2022						
	Fixed interest rates			Floating	Non-interest	Total	Effective
	Within 1 year	1 - 5 years	Over 5 years	interest rate	bearing		interest rate
							(% p.a.)
Financial assets							
Cash and cash equivalents	-	-	-	1,725	63	1,788	0.05 - 1.00
Bank deposit for unearned fare box revenue	-	-	-	230	-	230	0.05 - 2.00
Trade and other receivables	-	-	-	-	648	648	-
Receivable under the concession agreement	-	-	-	5,911	-	5,911	Note 10
Other financial assets	-	-	-	-	14,366	14,366	-
	-	-	-	7,866	15,077	22,943	

(Unit: Million Baht)

Consolidated financial statements

	2022					
	Fixed interest rates			Floating	Non-interest	Effective
	Within 1 year	1 - 5 years	Over 5 years	interest rate	bearing	Total
						interest rate (% p.a.)
Financial liabilities						
Trade and other payables	-	-	-	-	1,763	1,763
Long-term loans from financial institutions	1,008	2,479	-	25,396	-	28,883
Lease liabilities	68	103	-	-	-	171
Debentures	5,493	25,815	10,250	-	-	41,558
Derivative financial liabilities	-	-	-	-	1	1
Other financial liabilities	-	-	-	-	105	105
	<u>6,569</u>	<u>28,397</u>	<u>10,250</u>	<u>25,396</u>	<u>1,869</u>	<u>72,481</u>

(Unit: Million Baht)

Consolidated financial statements

	2021					
	Fixed interest rates			Floating	Non-interest	Effective
	Within 1 year	1 - 5 years	Over 5 years	interest rate	bearing	Total
						interest rate (% p.a.)
Financial assets						
Cash and cash equivalents	-	-	-	1,056	75	1,131
Bank deposit for unearned fare box revenue	-	-	-	225	-	225
Trade and other receivables	-	-	-	-	473	473
Receivable under the concession agreement	-	-	-	7,561	-	7,561
Other financial assets	-	-	-	-	16,676	16,676
	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,842</u>	<u>17,224</u>	<u>26,066</u>
Financial liabilities						
Short-term loans from financial institutions	2,000	-	-	-	-	2,000
Trade and other payables	-	-	-	-	1,492	1,492
Long-term loans from financial institutions	1,120	3,871	-	24,163	-	29,154
Lease liabilities	44	80	13	-	-	137
Debentures	3,000	25,835	11,222	-	-	40,057
Derivative financial liabilities	-	-	-	-	96	96
Other financial liabilities	-	-	-	-	103	103
	<u>6,164</u>	<u>29,786</u>	<u>11,235</u>	<u>24,163</u>	<u>1,691</u>	<u>73,039</u>

(Unit: Million Baht)

Separate financial statements							
2022							
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
	Within 1 year	1 - 5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	-	-	-	1,351	60	1,411	0.05 - 1.00
Bank deposit for unearned fare box revenue	-	-	-	230	-	230	0.05 - 2.00
Trade and other receivables	-	-	-	-	800	800	-
Long term-loan to related party	-	-	-	300	-	300	2.30
Receivable under the concession agreement	-	-	-	5,911	-	5,911	Note 10
Other financial assets	-	-	-	-	14,366	14,366	-
	-	-	-	7,792	15,226	23,018	
Financial liabilities							
Trade and other payables	-	-	-	-	1,703	1,703	-
Long-term loans from financial institutions	1,008	2,479	-	23,047	-	26,534	Note 20
Lease liabilities	44	35	-	-	-	79	Note 23
Debentures	5,493	25,815	10,250	-	-	41,558	Note 21
Derivative financial liabilities	-	-	-	-	1	1	-
Other financial liabilities	-	-	-	-	102	102	-
	6,545	28,329	10,250	23,047	1,806	69,977	

(Unit: Million Baht)

Separate financial statements							
2021							
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
	Within 1 year	1 - 5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	-	-	-	528	68	596	0.10 - 0.50
Bank deposit for unearned fare box revenue	-	-	-	225	-	225	0.05 - 1.45
Trade and other receivables	-	-	-	-	475	475	-
Receivable under the concession agreement	-	-	-	7,561	-	7,561	Note 10
Other financial assets	-	-	-	-	16,676	16,676	-
	-	-	-	8,314	17,219	25,533	
Financial liabilities							
Short-term loans from financial institutions	2,000	-	-	-	-	2,000	0.01
Trade and other payables	-	-	-	-	1,423	1,423	-
Long-term loans from financial institutions	1,120	3,871	-	21,147	-	26,138	Note 20
Lease liabilities	25	26	-	-	-	51	Note 23
Debentures	3,000	25,835	11,222	-	-	40,057	Note 21
Derivative financial liabilities	-	-	-	-	96	96	-
Other financial liabilities	-	-	-	-	96	96	-
	6,145	29,732	11,222	21,147	1,615	69,861	

Interest rate sensitivity

The following table demonstrates the sensitivity of the Group's profit before tax and equity to a reasonably possible change in interest rates on that portion of the floating rate loans affected as at 31 December 2022 and 2021 as follows:

Currency	2022			2021		
	Effect on			Effect on		
	Other			Other		
	Increase/ decrease	profit before tax	components of shareholder's equity	Increase/ decrease	profit before tax	components of shareholder's equity
	(%)	(Thousand Baht)			(Thousand Baht)	
Baht	+0.25	(47,239)	(28,083)	+ 0.25	(39,045)	(47,279)
	- 0.25	47,273	28,083	- 0.25	39,141	47,560

The above analysis has been prepared assuming that the amounts of the floating rate loans and all other variables remain constant over one year. Moreover, the floating legs of these loans are assumed to not yet have set interest rates. As a result, a change in interest rates affects interest payable for the full 12-month period of the sensitivity calculation.

Liquidity risk

As at 31 December 2022, approximately 16.0 percent of the Group's debt will mature in less than one year (2021: 13.9 percent) (the Company only: 15.4 percent, 2021: 13.4 percent) based on the carrying value of borrowings reflected in the financial statements. The Group has assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities and derivative financial instruments as at 31 December 2022 and 2021 based on contractual undiscounted cash flows:

(Unit: Million Baht)

Consolidated financial statements

As at 31 December 2022

	On demand	Less than 1 year	1 to 5 years	Over 5 years	Total
Non-derivatives					
Trade and other payables	-	1,763	-	-	1,763
Lease liabilities	-	71	106	-	177
Long-term loans from financial institutions	-	4,173	11,554	12,750	28,477
Debentures	-	5,500	25,835	10,250	41,585
Total non-derivatives	-	11,507	37,495	23,000	72,002
Derivatives					
Derivative liabilities: net settled	-	-	1	-	1
Total	-	-	1	-	1

(Unit: Million Baht)

Separate financial statements

As at 31 December 2022

	On demand	Less than 1 year	1 to 5 years	Over 5 years	Total
Non-derivatives					
Trade and other payables	-	1,703	-	-	1,703
Lease liabilities	-	46	36	-	82
Long-term loans from financial institutions	-	3,462	9,942	12,750	26,154
Debentures	-	5,500	25,835	10,250	41,585
Total non-derivatives	-	10,711	35,813	23,000	69,524
Derivatives					
Derivative liabilities: net settled	-	-	1	-	1
Total	-	-	1	-	1

(Unit: Million Baht)

	Consolidated financial statements				
	As at 31 December 2021				
	On demand	Less than 1 year	1 to 5 years	Over 5 years	Total
Non-derivatives					
Short-term loans from financial institutions	-	2,000	-	-	2,000
Trade and other payables	-	1,492	-	-	1,492
Lease liabilities	-	47	82	13	142
Long-term loans from financial institutions	-	3,544	12,529	12,949	29,022
Debentures	-	3,000	25,835	11,250	40,085
Total non-derivatives	-	10,083	38,446	24,212	72,741
Derivatives					
Derivative liabilities: net settled	-	-	96	-	96
Total	-	-	96	-	96

(Unit: Million Baht)

	Separate financial statements				
	As at 31 December 2021				
	On demand	Less than 1 year	1 to 5 years	Over 5 years	Total
Non-derivatives					
Short-term loans from financial institutions	-	2,000	-	-	2,000
Trade and other payables	-	1,423	-	-	1,423
Lease liabilities	-	27	26	-	53
Long-term loans from financial institutions	-	2,862	10,205	12,949	26,016
Debentures	-	3,000	25,835	11,250	40,085
Total non-derivatives	-	9,312	36,066	24,199	69,577
Derivatives					
Derivative liabilities: net settled	-	-	96	-	96
Total	-	-	96	-	96

40.3 Fair values of financial instruments

Since the majority of the Group's financial instruments of the Group are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statements of financial position. However, as at 31 December 2022, the Company has financial liabilities with carrying value that differs from the fair value comprising the debentures with a book value of Baht 41,585 million and a fair value of Baht 41,802 million (2021: book value of Baht 40,085 million and fair value of Baht 41,092 million) and the fixed-rate long-term loan with a book value of Baht 4,051 million and a fair value of Baht 4,021 million (2021: book value of Baht 5,214 million and fair value of Baht 5,208 million).

The methods and assumptions used by the Group estimating the fair value of financial instruments are as follows:

- a) For financial assets and liabilities which have short-term maturities, including cash and cash equivalents, bank deposit for unearned fare box revenue, trade and other receivables, receivable under the concession agreement, short-term loans from financial institutions and trade and other payables the carrying amounts in the statement of financial position approximate their fair value.
- b) The fair value of debt securities is generally derived from quoted market prices or by using the yield curve announced by the Thai Bond Market Association. The fair value of unit trusts is determined from their net asset value.
- c) The fair value of equity securities is generally derived from quoted market prices, or based on generally accepted pricing models when no market price is available.
- d) The fair value of fixed rate debentures and long-term loans is estimated by discounting expected future cash flow by the current market interest rate of loans with similar terms and conditions.
- e) The carrying amounts of long-term loans carrying interest at rates approximating the market rate, in the statement of financial position approximates their fair value.
- f) The fair value of derivatives has been determined 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. The Group considers counterparty credit risk when determining the fair value of derivatives.

During the current year, there were no transfers within the fair value hierarchy.

40.4 Reconciliation of recurring fair value measurements of assets, categorised within Level 3 of the fair value hierarchy

There are no movements in the financial assets categorised within Level 3 of the fair value hierarchy during the year ended 31 December 2022.

41. Capital management

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value and it meets financial covenants attached to the loan agreements. The Group has complied with these covenants throughout the reporting periods.

As at 31 December 2022, the Group's debt-to-equity ratio was 1.91:1 (2021: 1.87:1) and the Company's was 1.94:1 (2021: 1.86:1).

42. Events after the reporting period

On 22 February 2023, a meeting of the Board of Directors passed a resolution to the Annual General Meeting of the shareholders for approval to propose a dividend payment for the year 2022 to the Company's shareholders at a rate of Baht 0.12 per share or a total of Baht 1,834 million. This dividend payment is subject to the approval of the Annual General Meeting of the shareholders.

43. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 22 February 2023.