

Significant events

1. Bangkok Expressway and Metro Public Company Limited entered into the MRT Blue Line Concession Agreement with the Mass Rapid Transit Authority of Thailand (the “MRTA”) on March 31, 2017 for the concession period of 33 years.

The MRT Blue Line Project consisted of the Project - Chaloe M Ratchamongkhon (Hua Lamphong Station - Bang Sue Station) which currently operated and the MRT Blue Line Extension Project (Hua Lamphong Station - Lak Song Station and Bang Sue Station - Tha Phra Station) which will operate as Through Operation system of the whole MRT Blue Line Project.

The MRT Blue Line Extension Project, which has a total distance of 27 kilometers and 20 stations, connects with the MRT Chaloe M Ratchamongkhon at Bang Sue Station and Hua Lamphong Station. The completed and operated date is within 36 months from the date the MRTA gives the Company written Notice to Proceed as follows:

Section 1 Hua Lamphong Station - Lak Song Station: within 30 months or within September 2019. With total distance of 14 kilometers, the underground route starts from Hua Lamphong Station with the distance of 5 kilometers including 4 stations along Rama IV Road to Charoen Krung Road, passing Wat Mangkon Kamalawat and Wang Burapa. The route then enters Sanam Chai Road, crosses under the Chao Phraya River at Pak Khlong Talat, and runs along Issarapab Road. Then, the line changes to elevated structure and head to Tha Phra intersection, which intersects with the MRT Blue Line Extension Project Bang Sue Station - Tha Phra Station Section, runs along Phetkasem Road, passing Bang Pai, Bang Wa, Phasi Charoen, and Bang Kae, and ends at Kanchanapisek Road, totaling 9 kilometers of elevated structure with 7 stations.

Section 2 Bang Sue Station - Tha Pra Station: within 36 months or within March 2020. With total distance of 13 kilometers, the elevated structure line has 9 stations, starts from Bang Sue Station, enters Tao Poon intersection, which intersects with the MRT Purple Line Project. The route then enters into Pracharat Sai 2 Road, passing Bang Pho intersection, crosses the Chao Phraya River, runs along Charansanitwong Road, passing Bang Phlat intersection, Borommaratchonnani intersection, and Fai Chai intersection, and ends at Tha Phra intersection, which intersects with the MRT Blue Line Extension Project Hua Lamphong Station - Lak Song Station Section.

For the convenience of the passengers’ transition between the MRT Purple Line Project and the MRT Blue Line Extension Project, the Company will operate Bang Sue Station - Tao Poon Station Section on August 11, 2017.

2. Bangkok Expressway and Metro Public Company Limited entered into an extension of the concession agreement with the Expressway Authority of Thailand (EXAT) on July 19, 2017 for the construction of the Connection between Si Rat-Outer Ring Road Expressway and Si Rat Expressway (heading to Chaeng Watthana) for the period of approximately 18 months.

Overview Operational Results

In the second quarter of the year 2017, the Company had the net profit attributable to equity holders of the Company in the amount of Baht 723 Million representing an increase from the same quarter of the previous year by Baht 218 Million or 43.2 percent. The Company had total revenue of Baht 3,735 Million, representing an increase from the same quarter of the previous year by Baht 791 Million or 26.9 percent. The revenue has increased from all 3 businesses mainly from the Si Rat-Outer Ring Road Expressway (SOE) and the O&M service of the MRT Purple Line which operated in August 2016. In addition, cost of service also increased in relevant to the opening of the projects.

Moreover, financial cost decreased due to the prepayment fee from re-financing which recognized as expense total Baht 212 Million in the second quarter of the year 2016 but there was no such transaction in this year. However, in the second quarter of the year 2017, the Company had the interest cost from SOE construction loans, which were recorded as interest expenses in the income statement after the opening but were recorded as cost of construction in the second quarter of the previous year according to accounting standard.

For the six-month period, the Company had the net profit attributable to equity holders of the Company in the amount of Baht 1,425 Million representing an increase from the same period of the previous year by Baht 218 Million or 18.1 percent. The Company had total revenue of Baht 7,505 Million, representing an increase by Baht 1,502 Million or 25 percent. Cost of service increased in relevant to the opening of the project, whereas financial cost was nearly similar to the previous year.

Segmental performance

1. Expressway business

The Company had revenue from Expressway business of Baht 2,435 Million, representing an increase from the same quarter of the previous year by Baht 238 Million or 10.8 percent. The increase in toll revenue amounted to Baht 203 Million was from the SOE which operated in August 2016 which had average traffic volume in the second quarter of the year 2017 at 47,600 trips/day. For the First Stage Expressway (FES) and the Second Stage Expressway (SES), toll revenue increased from the previous year by Baht 15 Million or 0.8 percent mainly from the suburban expressway Sector D due to the increase in traffic volume, resulted from the development of the Eastern area. Furthermore, although number of tourist has increased, the traffic volume of the urban expressway slightly increased because the expressway users used the alternative routes due to the impact of the incompleting other projects' construction. For the Bang Pa-in - Pak Kret Expressway, toll revenue increased from the same quarter of the previous year by Baht 20 Million or 6.3 percent due to the expansion of suburban area which lead to the gradually increased traffic volume into the system.

Cost of service for operation of Expressway business consisted of costs of toll, amortization of rights to operate completed expressway sectors and compensation for site acquisition cost, for the second quarter of the year 2017, amounted to Baht 1,363 Million, representing an increase from the same quarter of the previous year by Baht 179 Million or 15.1 percent. This was mainly from the operation of the SOE.

2. Rail business

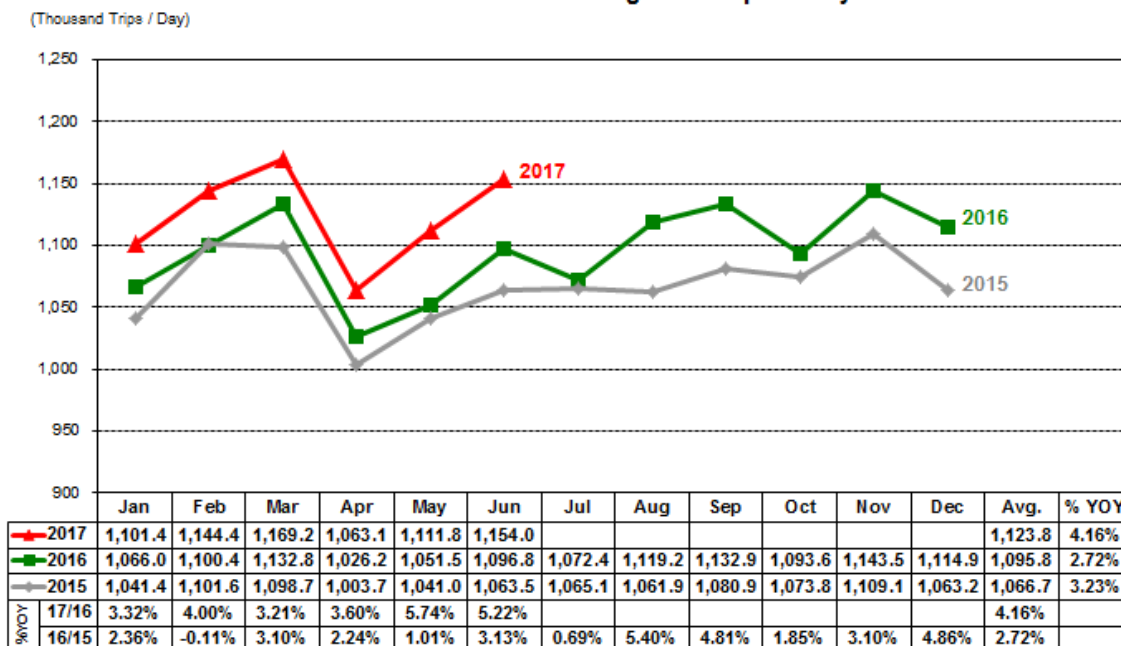
The Company had revenue from Rail business of Baht 1,103 Million, representing an increase from the same quarter of the previous year by Baht 519 Million or 88.9 percent. The increase in revenue amounted to Baht 468 Million was from the service revenue from the MRT Purple Line (O&M contract) which operated in August 2016. Fare box revenue of the MRT Blue Line increased from the same quarter of the previous year by Baht 51 Million or 8.7 percent which aligned with the rising of the average ridership at 23,300 trips/day.

Cost of Rail business consisted of costs of fare box, cost for supplying O&M services, amortization of intangible asset under the MRT Blue Line Project which for the second quarter of the year 2017, amounted to Baht 863 Million, representing an increase from the same quarter of the previous year by Baht 368 Million or 74.3 percent. Cost of Rail business increased mainly from the increase in ridership and the initial cost of O&M services by the MRT Purple Line which is in line with revenue growth.

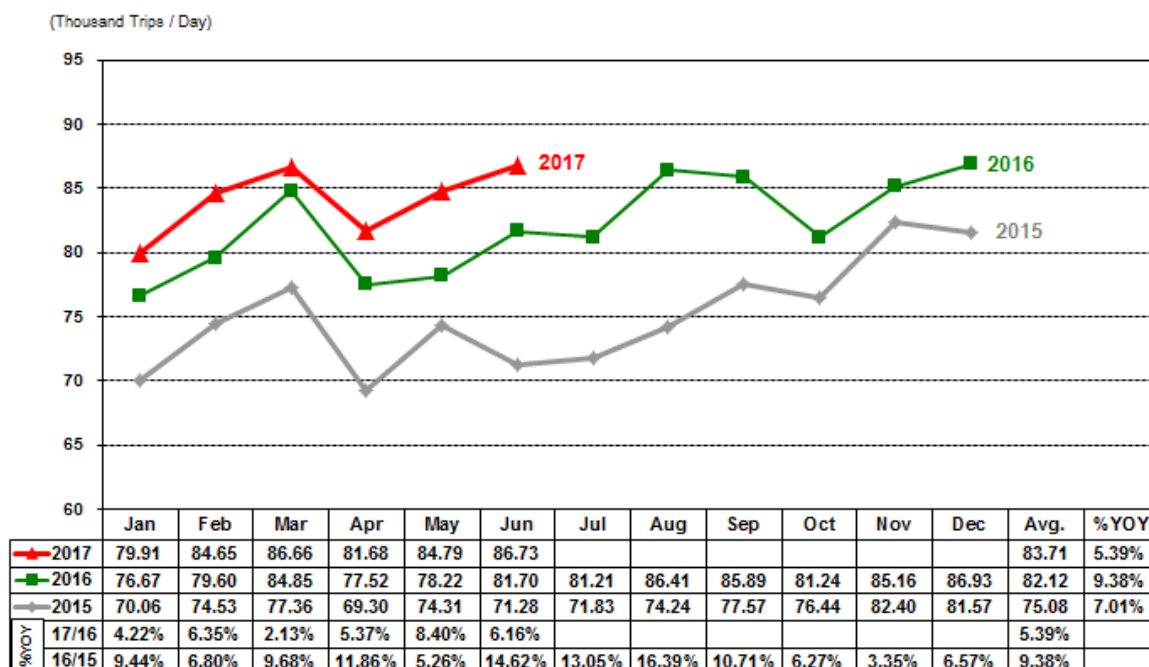
Under the MRT Blue Line Concession Agreement stated that a concession agreement with the MRTA for the MRTA Initial System Project - Chaloen Ratchamongkhon Line is part of the MRT Blue Line Concession Agreement which extended in the concession period of the MRTA Initial System Project - Chaloen Ratchamongkhon Line from the year 2029 to end with the MRT Blue Line Extension Project in the year 2050. Therefore, the Company calculated and recorded the payment of remuneration to the MRTA and the amortization of intangible asset under concession agreement of the MRT Blue Line Project in aligned with the concession period of the MRT Blue Line Concession Agreement starting from the second quarter of the year 2017.

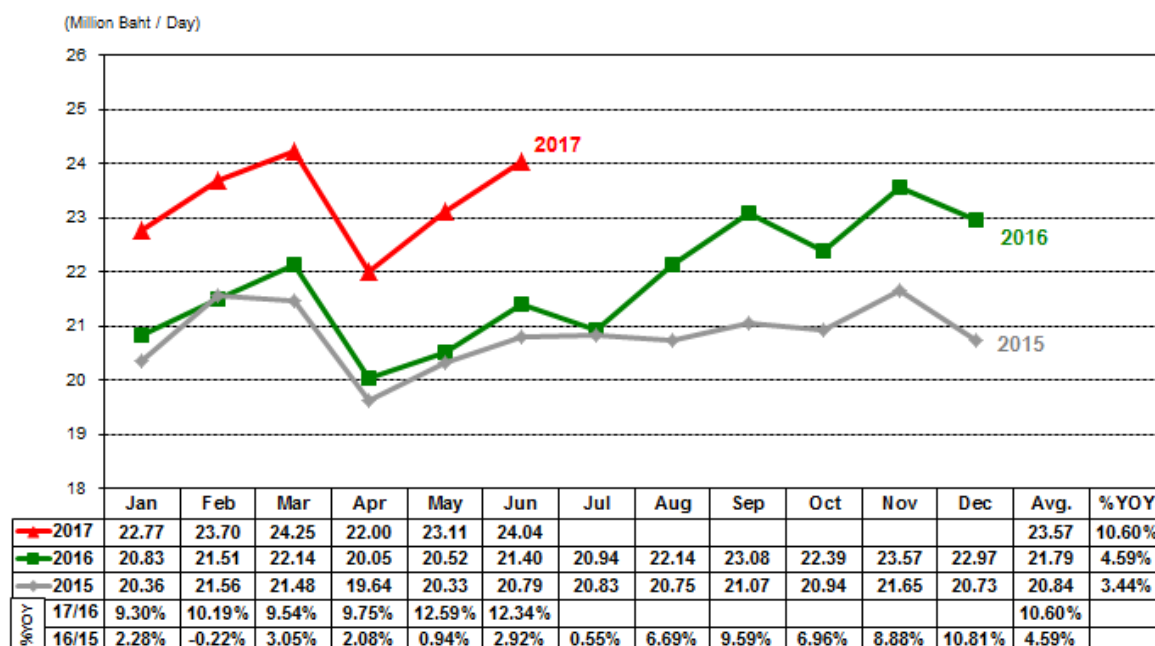
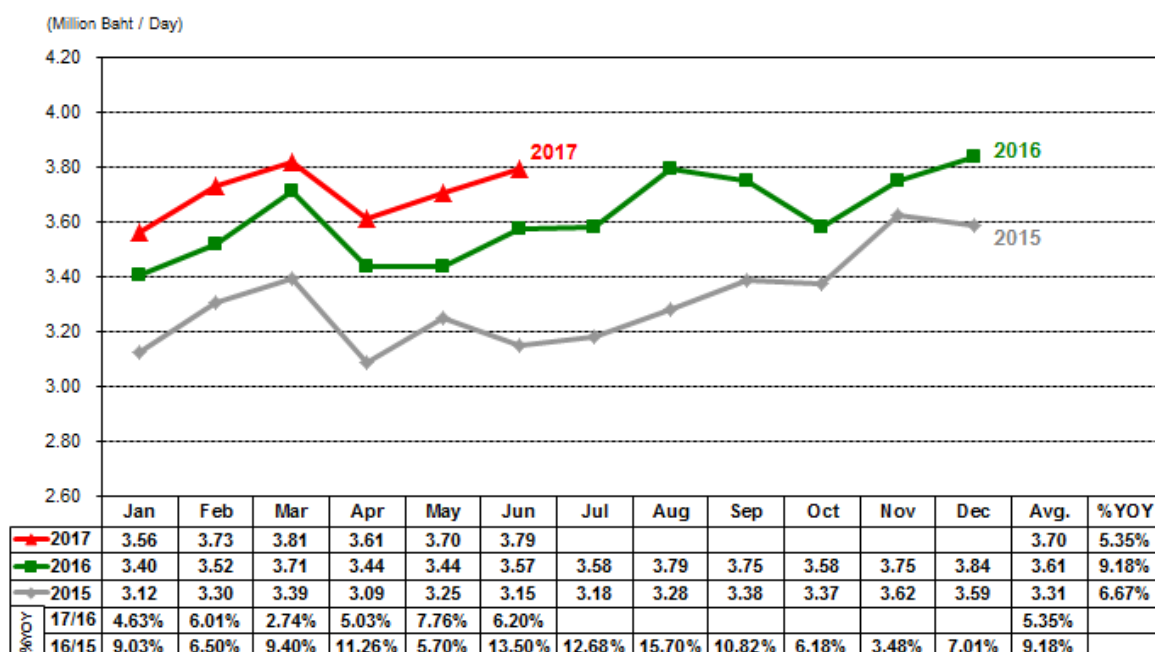
3. Commercial Development Business

In the second quarter of the year 2017, total commercial development revenue was Baht 167 Million, representing an increase from the same quarter of the previous year by Baht 29 Million or 21 percent, which was mainly from the commercial development revenue related to rail business especially from the advertising and telecommunication.

**Average Daily Traffic Volume for the First Stage Expressway, the Second Stage Expressway
and the Si Rat-Outer Ring Road Expressway**


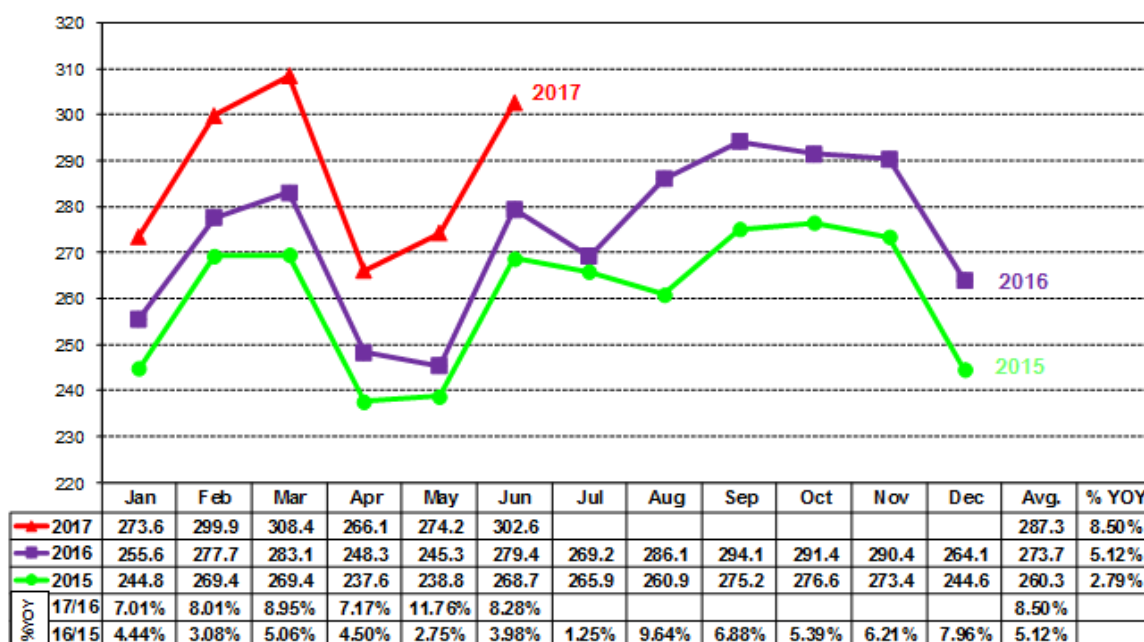
Note : The Si Rat-Outer Ring Road Expressway was opened on August 22, 2016

Average Daily Traffic Volume for the Bang Pa-in - Pak Kret Expressway


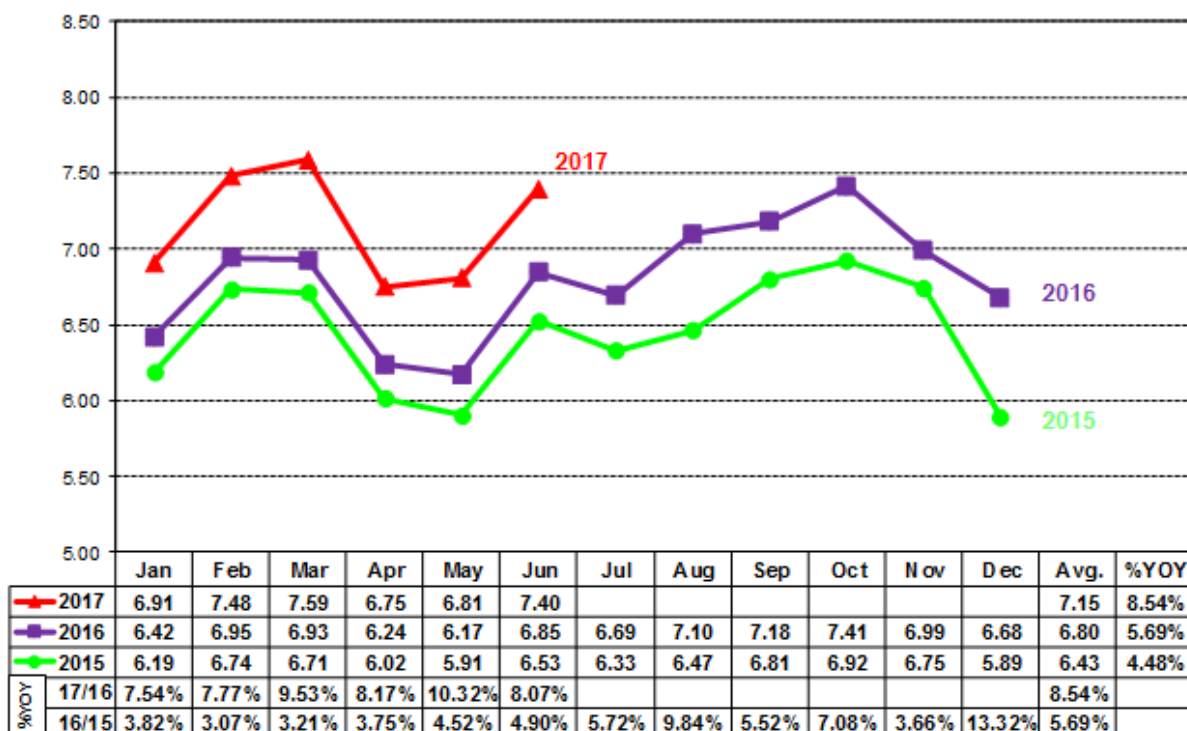
**Average Daily Toll Revenue for the First Stage Expressway, the Second Stage Expressway
and the Si Rat-Outer Ring Road Expressway**

Average Daily Toll Revenue for the Bang Pa-in - Pak Kret Expressway


Average Daily Ridership for Chaloem Ratchamongkhon Line

(Thousand Trips / Day)


Average Daily Farebox Revenue for Chaloem Ratchamongkhon Line

(Million Baht / Day)



Financial Position

As at June 30, 2017, the Company and its subsidiaries had total assets amounted to Baht 81,493 Million, representing a decrease by Baht 1,293 million or 1.6 percent when compared with total assets as at December 31, 2016. Total liabilities amounted to Baht 51,183 Million, representing a decrease by Baht 1,820 Million or 3.4 percent. Total shareholders' equity amounted to Baht 30,310 Million, representing an increase by Baht 527 Million or 1.8 percent when compared to the end of the year 2016.

Cash Flows

For the six months of the year 2017, the Company and its subsidiaries generated cash flows from operating activities amounting to Baht 3,838 Million. Cash utilized of Baht 642 Million from investing activities as follows (1) paid for the M&E equipment of the MRT Blue Line Project and invested in the MRT Purple Line Project in the net amount of Baht 4,086 Million, (2) investment in other investment in the amount of Baht 271 Million (3) investment in the Si Rat-Outer Ring Road Expressway Project in the amount of Baht 95 Million, (4) acquisition of fixed assets and other assets in the net amount of Baht 48 Million, (5) cash receipt from sales of current investments and interest income in the amount of Baht 3,539 Million, and (6) dividend receipt in the amount of Baht 319 Million. The Company and its subsidiaries utilized cash of Baht 3,344 Million from financing activities due to (1) repayment of short-term and long-term loans in the amount of Baht 1,680 Million, (2) interest payment in the amount of Baht 747 Million and (3) dividend payment in the amount of Baht 917 Million.

As at June 30 2017, the Company and its subsidiaries had cash and cash equivalents amounting to Baht 629 Million, representing a decrease from the end of the previous year by Baht 148 Million.

Significant Financial Ratios*

For the second quarter of the year 2017, the Company had Net Profit Margin ratio at 19.35 percent, Return on Equity ratio at 9.44 percent, Return on Total Assets ratio at 3.45 percent, Debt to Equity ratio at 1.69 times and Interest Bearing Debt to Equity ratio at 1.37 times.

* The operational results were calculated based on the consolidated financial statements which consist of the Expressway Business, Rail Business, Commercial Development Business, the manufacture and distribution of treated water business and electricity production business. Therefore, there was no similar type of business in the industry that can be used as a benchmark for comparison.