
Part 3 : Financial Position and Operational Results**13. Financial Highlights****Summary of the Report of the Auditor**

EY Office Limited, as the auditor for the Company and its subsidiaries, has audited the consolidated statement of financial position of Bangkok Expressway and Metro Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2017, and the related consolidated statement of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statement of Bangkok Expressway and Metro Public Company Limited as at 31 December 2017. The auditor is of the opinion that 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 2017, their operational results and cash flow for the year then ended in accordance with Thai Financial Reporting Standards.

(Unit : Baht)

Statement of financial position	2017		2016		2015	
	Amount	Percent	Amount	Percent	Amount	Percent
Assets						
Current assets						
Cash and cash equivalents	2,627,062,725	2.66	777,001,145	0.94	4,483,374,825	5.74
Current investments	1,449,457,222	1.47	5,941,349,949	7.18	497,356,702	0.64
Trade and other receivables	426,286,028	0.43	1,614,563,463	1.95	84,628,359	0.11
Receivable from sales of investment	-	-	756,834,379	0.91	564,014,862	0.72
Current portion of receivable under the concession agreement	1,649,683,274	1.67	-	-	-	-
Other current assets	127,581,197	0.12	129,541,368	0.16	239,884,440	0.31
Total current assets	6,280,070,446	6.35	9,219,290,304	11.14	5,869,259,188	7.52
Non-current assets						
Receivable from sales of investment, net of current portion	-	-	-	-	756,834,379	0.97
Receivable under the concession agreement, net of current portion	12,510,098,163	12.65	-	-	-	-
Investments in associates	9,592,230,802	9.70	9,667,680,300	11.68	9,836,588,559	12.60
Other long-term investments	1,654,862,090	1.67	1,237,849,790	1.50	913,087,490	1.17
Investment properties	120,357,493	0.12	120,357,493	0.15	120,357,493	0.15
Building and equipment	361,168,428	0.37	340,732,838	0.41	154,365,572	0.20
Rights to operate expressway sectors	38,448,873,562	38.87	41,551,825,215	50.19	39,927,864,221	51.13
Rights to use sites for expressway construction	719,073,059	0.73	1,020,623,701	1.23	1,320,193,685	1.69
Intangible asset under concession agreement of the MRT Blue Line Project	25,954,096,373	26.24	17,048,090,154	20.59	17,016,713,315	21.79
Advance payment under expressway construction contract	-	-	-	-	398,250,000	0.51
Project cost of the MRT Chalong Ratchadham Line	666,742,626	0.67	627,255,954	0.76	271,396,970	0.35
Prepaid project remuneration	2,487,433,243	2.51	1,614,607,949	1.95	942,249,276	1.21
Other intangible assets	75,257,871	0.08	68,228,569	0.08	36,236,800	0.05
Deferred tax assets	4,997,667	0.01	201,887,940	0.24	474,860,502	0.61
Other non-current assets	44,103,679	0.03	67,132,878	0.08	56,345,685	0.05
Total non-current assets	92,639,295,056	93.65	73,566,272,781	88.86	72,225,343,947	92.48
Total assets	98,919,365,502	100.00	82,785,563,085	100.00	78,094,603,135	100.00

(Unit : Baht)

Statement of financial position (continued)	2017		2016		2015	
	Amount	Percent	Amount	Percent	Amount	Percent
Liabilities and shareholders' equity						
Current liabilities						
Short-term loans from financial institutions	3,629,184,736	3.67	4,715,775,247	5.70	22,410,000,000	28.70
Trade and other payables	2,107,884,865	2.13	898,075,149	1.08	2,627,335,133	3.36
Current portion of long-term loans from financial institutions	3,808,760,069	3.85	2,066,750,000	2.50	118,500,000	0.15
Unearned fare box revenue	138,261,714	0.14	111,971,378	0.14	89,973,896	0.12
Deposits on stored value ticket	54,367,547	0.05	43,313,997	0.05	34,738,933	0.04
Income tax payable	62,132,371	0.06	31,444,025	0.04	306,735,926	0.39
Current portion of provision for compensation for site acquisition cost	1,600,000,000	1.62	1,500,000,000	1.81	1,500,000,000	1.92
Other current liabilities						
Retention guarantees	19,917,415	0.02	70,983,137	0.09	161,068,581	0.21
Others	162,315,927	0.17	119,444,343	0.14	66,366,706	0.09
Total current liabilities	11,582,824,644	11.71	9,557,757,276	11.55	27,314,719,175	34.98
Non-current liabilities						
Long-term loans from financial institutions, net of current portion	25,801,112,363	26.08	16,952,402,523	20.48	17,329,066,575	22.19
Debentures	28,170,623,095	28.48	23,167,912,861	27.99	-	-
Derivative financial liabilities	52,954,374	0.05	18,608,408	0.02	-	-
Provision for compensation for site acquisition cost, net of current portion	1,411,401,698	1.43	2,817,151,698	3.40	4,066,671,698	5.21
Provision for long-term employee benefits	483,787,045	0.49	471,043,876	0.57	237,842,102	0.30
Deferred tax liabilities	217,152,225	0.22	-	-	-	-
Other non-current liabilities	20,211,885	0.02	17,982,160	0.02	16,269,432	0.02
Total non-current liabilities	56,157,242,685	56.77	43,445,101,526	52.48	21,649,849,807	27.72
Total liabilities	67,740,067,329	68.48	53,002,858,802	64.03	48,964,568,982	62.70

(Unit : Baht)

Statement of financial position (continued)	2017		2016		2015	
	Percent	Amount	Percent	Percent	Amount	Percent
Shareholders' equity						
Share capital						
Registered						
15,285,000,000 ordinary shares of Baht 1 each	15,285,000,000	15.45	15,285,000,000	18.46	15,285,000,000	19.57
Issued and paid-up						
15,285,000,000 ordinary shares of Baht 1 each	15,285,000,000	15.45	15,285,000,000	18.46	15,285,000,000	19.57
Premium on ordinary shares	5,816,938,084	5.88	5,816,938,084	7.03	5,816,938,084	7.45
Retained earnings						
Appropriated - statutory reserve	1,077,490,000	1.09	928,690,000	1.12	800,490,000	1.03
Unappropriated	8,948,481,343	9.05	7,763,596,451	9.38	7,254,261,049	9.29
Other components of shareholders' equity	(59,724,462)	-0.06	(104,972,966)	-0.13	(113,097,160)	-0.14
Equity attributable to shareholders of the Company	31,068,184,965	31.41	29,689,251,569	35.86	29,043,591,973	37.20
Non-controlling interests of the subsidiaries	111,113,208	0.11	93,452,714	0.11	86,442,180	0.10
Total shareholders' equity	31,179,298,173	31.52	29,782,704,283	35.97	29,130,034,153	37.30
Total liabilities and shareholders' equity	98,919,365,502	100.00	82,785,563,085	100.00	78,094,603,135	100.00

(Unit : Baht)

Income statement	2017		2016		2015	
	Percent	Amount	Percent	Percent	Amount	Percent
Revenues						
Revenue from expressway business	9,956,687,741	64.68	9,300,724,132	70.28	8,814,588,007	67.26
Revenue from rail business	4,520,903,061	29.37	3,230,064,080	24.41	2,373,562,621	18.11
Revenue from commercial development business	675,836,158	4.39	573,349,010	4.33	549,431,372	4.19
Other income						
Interest income	175,173,105	1.14	68,199,690	0.52	57,843,948	0.44
Gain from sales of investment before amalgamation	-	-	-	-	1,235,526,377	9.43
Others	64,631,074	0.42	61,057,711	0.46	73,859,102	0.57
Total revenues	15,393,231,139	100.00	13,233,394,623	100.00	13,104,811,427	100.00
Expenses						
Cost of expressway business	1,735,419,841	11.27	1,511,964,604	11.43	1,383,129,584	10.55
Cost of rail business	3,352,428,083	21.78	2,371,420,998	17.92	1,444,542,770	11.02
Cost of commercial development business	177,151,157	1.15	199,943,914	1.51	210,151,434	1.60
Amortisation of rights to operate expressway sectors and compensation for site acquisition cost	3,694,893,202	24.00	3,470,883,807	26.23	3,422,566,022	26.12
Amortisation on intangible asset under concession agreement of the MRT Blue Line Project	246,289,965	1.60	440,076,422	3.33	777,584,371	5.93
Selling expenses	95,250,353	0.62	92,540,321	0.70	79,252,582	0.60
Administrative expenses	1,048,996,443	6.82	892,093,625	6.73	893,992,437	6.84
Total expenses	10,350,429,044	67.24	8,978,923,691	67.85	8,211,219,200	62.66
Profit before share of profit from investments in associates, finance cost and income tax expenses	5,042,802,095	32.76	4,254,470,932	32.15	4,893,592,227	37.34
Share of profit from investments in associates	405,916,311	2.64	347,349,465	2.62	461,212,789	3.52
Profit before finance cost and income tax expenses	5,448,718,406	35.40	4,601,820,397	34.77	5,354,805,016	40.86
Finance cost	(1,610,765,279)	-10.47	(1,426,027,697)	-10.77	(1,932,552,456)	-14.75
Profit before income tax expenses	3,837,953,127	24.93	3,175,792,700	24.00	3,422,252,560	26.11
Income tax expenses	(695,602,106)	-4.52	(562,927,698)	-4.26	(721,234,596)	-5.50
Profit for the year	3,142,351,021	20.41	2,612,865,002	19.74	2,701,017,964	20.61

(Unit : Baht)

Income statement (continued)	2017		2016		2015	
	Amount	Percent	Amount	Percent	Amount	Percent
Profit attributable to:						
Equity holders of the Company	3,123,129,324	20.29	2,605,854,468	19.69	2,649,736,343	20.22
Non-controlling interests of the subsidiaries	19,221,697	0.12	7,010,534	0.05	51,281,621	0.39
	3,142,351,021	20.41	2,612,865,002	19.74	2,701,017,964	20.61
Basic earnings per share						
Profit attributable to equity holders of the Company	0.20		0.17		0.17	

(Unit : Baht)

Statement of comprehensive income	2017		2016		2015	
	Amount	Percent	Amount	Percent	Amount	Percent
Profit for the year	3,142,351,021	20.41	2,612,865,002	19.74	2,701,017,964	20.61
Profit for the year						
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>						
Unrealised loss from cash flow hedges of the Company, net of income tax	(27,476,773)	-0.18	(14,886,726)	-0.11	-	-
Share of other comprehensive income from associates, net of income tax	72,725,277	0.47	23,010,920	0.17	(46,505,941)	-0.35
Other comprehensive income to be reclassified to profit or loss in subsequent periods, net of income tax	45,248,504	0.29	8,124,194	0.06	(46,505,941)	-0.35
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>						
Actuarial gain (loss) of the Company, net of income tax	45,830,261	0.30	(134,132,646)	-1.01	5,606,050	0.04
Actuarial gain (loss) of associates, net of income tax	(2,635,896)	-0.01	13,580	0.00	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods, net of income tax	43,194,365	0.29	(134,119,066)	-1.01	5,606,050	0.04
Other comprehensive income for the year	88,442,869	0.58	(125,994,872)	-0.95	(40,899,891)	-0.31
Total comprehensive income for the year	3,230,793,890	20.99	2,486,870,130	18.79	2,660,118,073	20.30
Total comprehensive income attributable to:						
Equity holders of the Company	3,213,133,396	20.87	2,479,859,596	18.74	2,608,836,452	19.91
Non-controlling interests of the subsidiaries	17,660,494	0.12	7,010,534	0.05	51,281,621	0.39
	3,230,793,890	20.99	2,486,870,130	18.79	2,660,118,073	20.30

(Unit : Baht)

Cash flow statement	2017	2016	2015
Cash flows from operating activities			
Profit before tax	3,837,953,127	3,175,792,700	3,422,252,560
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:			
Amortisation and depreciation	3,544,655,128	3,422,513,416	3,270,656,984
Allowance for doubtful debt	272,590	471,546	-
Gain from sales of investment before amalgamation	-	-	(1,235,526,377)
Gain on investments	(41,608,290)	(31,090,443)	(62,222,728)
Loss on disposals/write-off of equipment, intangible asset under concession agreement of the MRT Blue Line Project and other intangible assets	6,028,232	1,197,724	(3,481,422)
Project remuneration expense	384,806,190	503,539,074	371,749,656
Compensation for site acquisition cost	495,800,643	550,049,984	595,973,617
Provision for long-term employee benefits	76,747,586	63,285,807	36,803,472
Share of profit from investments in associates	(405,916,311)	(347,349,465)	(461,212,789)
Unrealised loss (gain) on exchange rate	(105,460)	509,200	552,419
Interest income	(175,173,105)	(67,646,250)	(57,085,937)
Interest expenses	1,572,881,432	1,173,937,460	1,330,203,885
Profit from operating activities before changes in operating assets and liabilities	9,296,341,762	8,445,210,753	7,208,663,340
Operating assets (increase) decrease			
Trade and other receivables	155,095,799	(1,530,393,882)	21,466,299
Receivable under the concession agreement	412,420,819	-	-
Other current assets	101,986,629	118,245,333	(2,326,064)
Other non-current assets	13,393,495	(59,034,205)	(27,667,427)
Cash paid for project remuneration	(1,252,089,706)	(1,167,855,334)	(1,005,166,667)
Operating liabilities increase (decrease)			
Trade payables and other payables	8,049,920	27,111,561	133,650,482
Unearned fare box revenue	26,290,336	21,997,482	3,038,660
Deposits on stored value ticket	11,053,550	8,575,064	(735,750)
Other current liabilities	(8,194,092)	(14,279,907)	(75,632,327)
Other non-current liabilities	2,229,724	1,002,021	(12,808,430)
Cash paid for long-term employee benefits	(7,740,208)	(3,733,720)	-
Cash paid for compensation for site acquisition cost	(1,500,000,000)	(1,500,000,000)	(1,500,000,000)
Net cash flows from operating activities	7,258,838,028	4,346,845,166	4,742,482,116
Cash received from interest income	139,602,025	14,076,604	4,537,910
Cash paid for income tax	(248,930,830)	(515,595,620)	(585,484,131)
Net cash flows from operating activities	7,149,509,223	3,845,326,150	4,161,535,895

(Unit : Baht)

Cash flow statement (continued)	2017	2016	2015
Cash flows from investing activities			
Decrease (increase) in current investments	4,533,501,017	(5,419,545,593)	1,901,788,886
Increase of investments in subsidiary	-	-	(154,000,000)
Cash paid for purchases of investments in associates	-	-	(1,402,165,044)
Cash received from sales of investments in associate	-	46,971,310	42,514,120
Cash received from sales of investment before amalgamation	769,741,462	600,000,000	2,300,000,000
Increase in other long-term investments	(417,012,300)	(324,762,300)	(213,750,000)
Cash received from sales of equipment and intangible asset under concession agreement of the MRT Blue Line Project	7,706,184	8,074,075	3,514,566
Purchase of equipment	(89,131,306)	(233,477,194)	(39,352,287)
Advance payment for purchase of equipment	(77,040)	(83,400)	-
Cash received from interest income	21,484,010	12,907,263	9,339,041
Cash received from dividend income	551,455,191	498,953,704	528,855,465
Cash paid for project cost of the MRT Chalong Ratchadham Line	(65,000,000)	(362,076,317)	(134,104,815)
Cash paid for intangible asset under concession agreement of the MRT Blue Line Project	(7,906,570,615)	(412,493,534)	(141,867,979)
Cash paid for expressway construction	(130,085,647)	(5,732,648,468)	(7,064,315,341)
Interest expenses capitalised as cost of projects	(48,805,714)	(301,989,908)	(385,316,949)
Increase in intangible assets	(25,644,761)	(43,075,180)	(8,680,720)
Net cash flows used in investing activities	(2,798,439,519)	(11,663,245,542)	(4,732,111,683)
Cash flows from financing activities			
Cash received for in short-term loans from financial institutions	-	10,400,000,000	20,410,000,000
Cash paid for short-term loans from financial institutions	(1,088,000,000)	(28,090,000,000)	-
Cash received from long-term loans from financial institutions	500,000,000	12,344,000,000	5,356,000,000
Repayment of long-term loans from financial institutions	(3,536,448,559)	(10,759,185,781)	(40,500,000)
Cash received from debentures	5,000,000,000	23,500,000,000	-
Cash paid for redemption of debentures	-	(300,000,000)	(19,400,000,000)
Cash paid for financial fees	(8,219,329)	(67,423,644)	(21,495,301)
Interest paid	(1,534,140,236)	(1,081,644,863)	(1,702,101,798)
Dividend paid	(1,834,200,000)	(1,834,200,000)	(1,925,000,000)
Net cash flows from (used in) financing activities	(2,501,008,124)	4,111,545,712	2,676,902,901
Net increase (decrease) in cash and cash equivalents	1,850,061,580	(3,706,373,680)	2,106,327,113
Cash and cash equivalents at beginning of year	777,001,145	4,483,374,825	2,377,047,712
Cash and cash equivalents at end of year	2,627,062,725	777,001,145	4,483,374,825

13.2 Financial Ratios of Financial Statements

	Unit	2017	2016	2015
LIQUIDITY RATIO				
1. Liquidity Ratio	Time	0.46	0.96	0.21
2. Quick Ratio	Time	0.45	0.87	0.19
3. Cash Flow Ratio	Time	0.72	0.21	0.23
PROFITABILITY RATIO				
4. Gross Profit Margin	%	39.25	38.99	38.34
5. Cash to Profitability Ratio	%	72.55	43.61	48.28
6. Net Profit Margin	%	20.45	19.69	20.22
7. Return on Equity	%	10.31	8.87	9.76
EFFICIENCY RATIO				
8. Return on Total Assets	%	3.75	3.25	3.65
9. Return on Fixed Assets	%	10.81	10.40	11.02
10. Assets Turnover	Time	0.18	0.16	0.18
FINANCIAL POLICY RATIO				
11. Interest Bearing Debt to Equity Ratio	Time	1.38	1.31	1.20
12. Interest Coverage Ratio	Time	6.66	7.51	6.48
13. Net Debt to EBITDA	Time	5.20	5.25	5.10
Per Share DATA				
14. Book Value per Share	Baht	2.03	1.94	1.90
15. Net Earnings per Share	Baht	0.20	0.17	0.17
16. Dividend per Share	Baht	0.13	0.11	0.11

Note The Company has not presented Accounts Receivable Turnover, Average Collection Period, Accounts Payable Turnover, Average Debt Servicing Period and Cash Cycle because these ratios are not appropriated for consideration of the Company's operation according to the amount of accounts receivable and accounts payable which are not significant for the Company's nature of operation.

The above financial ratios are not included transaction related to the novation of the M&E systems under the concession agreement of the MRT Chalong Ratchadham Line Project which the MRTA is fully responsible for both loan repayment and interest expense in accordance to the concession agreement.

Report on Responsibilities of the Board of Directors towards the Financial Report

The Company's Board of Directors realizes the significance of its duties and responsibilities in supervising the Company's business to ensure good management in accordance with laws, detailed objectives and the Company's Articles of Association, as well as resolutions of the shareholders' meetings with integrity and prudence. The Board of Directors protects the benefits of the Company, shareholders and general investors by ensuring that the Company's financial report contains accurate and full accounting records that reflect the Company's actual financial status and operational results.

The Company's Board of Directors establishes the Audit Committee comprising independent directors fully qualified in accordance with the requirements of the Stock Exchange of Thailand to review and ensure accuracy and sufficiency of the financial report, including accurate and complete disclosure of connected transactions or transactions with possible conflict of interest, in compliance with the requirements of the Stock Exchange of Thailand and relevant rules and regulations. In this regard, the Audit Committee has already reported its performance to the Company's Board of Directors.

The Company's Board of Directors is of the opinion that the financial statements for 2017 of the Company and the Subsidiaries, which have been reviewed by the Audit Committee in conjunction with the management, and audited by the Company's auditor, reflect accurate financial status and operational results as appropriate in material aspects in accordance with generally accepted accounting principles.

(Dr. Virabongsa Ramangkura)
Chairman of the Board of Directors
27 February 2018

(Mrs. Payao Marittanaporn)
Managing Director
27 February 2018

14. Management Discussion and Analysis

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 Chaloe M Ratchamongkhon Project (Hua Lamphong Station - Bang Sue Station), currently operated and the MRT Blue Line Extension Project (Hua Lamphong Station - Lak Song Station and Bang Sue Station - Tha Phra Station) which will be connected and operated as a Through Operation.

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

Section 1 Bang Sue Station - Tao Poon Station: within August 15, 2017. With a total distance of 1 kilometer, the Company has operated this section since August 11, 2017, that makes passengers the convenience of travelling between the MRT Purple Line Project and the MRT Blue Line Extension Project.

Section 2 Hua Lamphong Station - Lak Song Station: within 30 months or within September 2019. With a total distance of 14 kilometers, the route starts from Hua Lamphong Station with the underground distance of 5 kilometers including 4 stations along Rama IV Road to Charoen Krung Road, passes Wat Mangkon Kamalawat and Wang Burapa. The route then enters to Sanam Chai Road, crosses under the Chao Phraya River at Pak Khlong Talat, and runs along Issarapab Road. Then, the line elevates, heads to Tha Phra intersection that has a joint station with the MRT Blue Line Extension Project Bang Sue Station - Tha Phra Station Section, runs along Phetkasem Road, passes Bang Pai, Bang Wa, Phasi Charoen, and Bang Kae, and ends at Kanchanapisek Road, totaling 9 kilometers of elevated structure with 7 stations.

Section 3 Tao Poon Station - Tha Pra Station: within 36 months or within March 2020. With a total distance of 12 kilometers, the elevated structure has 8 stations, starts from Tao Poon intersection, that has an interchange station with the MRT Purple Line Project. The route then enters into Pracharat Sai 2 Road, passes Bang Pho intersection, crosses the Chao Phraya River, runs along Charansanitwong Road, passes Bang Phlat intersection, Borommaratchonnani intersection, Fai Chai intersection, and ends at Tha Phra intersection, that has a joint station with the MRT Blue Line Extension Project Hua Lamphong Station - Lak Song Station Section.

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 the Si Rat-Outer Ring Road Expressway and the Northbound Si Rat Expressway (heading to Chaeng Watthana) for the period of approximately 18 months.
3. Bangkok Expressway and Metro Public Company Limited issued 5-year and 7-year debentures totaling amount to Baht 5,000 Million on September 7, 2017 which is reserved for investment and working capital.
4. Bangkok Expressway and Metro Public Company Limited entered into the Novation and Debt Repayment Agreement for the MRT Purple Line Project on September 29, 2017 by novating M&E accounts payable to long term loan from financial institutions totaling of Baht 13,619 Million which is the same amount that the Company has the obligation. This novation has no effect to the required Debt to Equity ratio due to the MRTA is fully responsible for the loan repayment according to the concession agreement.

Overview Operational Results

In the year 2017, the Company had the net profit attributable to equity holders of the Company in the amount of Baht 3,123 Million representing an increase from the previous year by Baht 517 Million or 19.8 percent. The Company had total revenue of Baht 15,393 Million, representing an increase from the previous year by Baht 2,160 Million or 16.3 percent. The revenue increased from all 3 businesses but mainly from the Si Rat-Outer Ring Road Expressway (SOE) and the O&M service of the MRT Purple Line, both operated in August 2016 which the Company realized those revenues only for 5 months, while fully realized in the year 2017. In addition, interest income amounted to Baht 118 Million was received from the MRTA under the concession agreement of the MRT Chalong Ratchadham Line Project where the income is equal to the interest expense from the long term loan for investing in the MRT Chalong Ratchadham Line Project which the MRTA is fully responsible for both loan repayment and interest expense in accordance to the concession agreement.

Cost of service amounted to Baht 9,206 Million representing an increase from the previous year by Baht 1,212 Million or 15.2 percent according to the opening of the projects.

Financial cost amounted to Baht 1,611 Million representing an increase from the previous year by Baht 185 Million or 13 percent. The main increase in finance cost amounted to Baht 118 Million was from interest expense from long term loan for investing in the MRT Chalong Ratchadham Line Project which the MRTA is fully responsible according to the concession agreement (same amount of interest income as described above). The other increase in finance cost amounted to Baht 67 Million was from the increase in interest cost from SOE construction loans, which were all recorded as interest expenses in the income statement once operated but were partially recorded as cost of construction in the year 2016 according to accounting standard. Also, in the year 2016 the Company had the prepayment fee from re-financing which recognized as a one-off expense of Baht 212 Million but there was no such transaction in this year.

Segmental performance

1. Expressway business

The Company had revenue from Expressway business of Baht 9,957 Million, representing an increase from the previous year by Baht 656 Million or 7.1 percent. The increase in toll revenue amounted to Baht 612 Million was from SOE operated in August 2016 which the Company has the right to receive toll revenue. SOE average traffic volume in the year 2017 was at 50,000 trips/day representing an increase by 62.6 percent when compared to the first month of its operation. For the First Stage Expressway (FES) and the Second Stage Expressway (SES), toll revenue was similar to the previous year. For the Bang Pa-in - Pak Kret Expressway, toll revenue increased from the previous year by Baht 60 Million or 4.5 percent due to the expansion of suburban area resulting to the traffic volume increased.

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 year 2017, the cost was at Baht 5,430 Million, representing an increase from the previous year by Baht 447 Million or 9 percent. This was mainly from the operation of the SOE.

2. Rail business

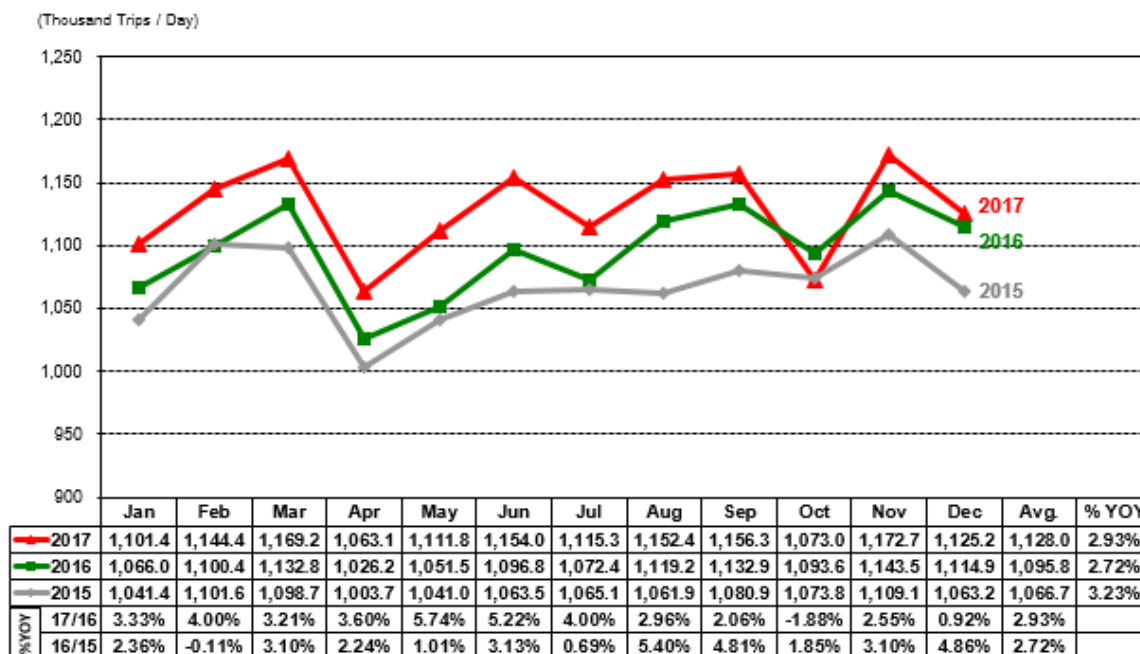
The Company had revenue from Rail business of Baht 4,521 Million, representing an increase from the previous year by Baht 1,291 Million or 40 percent. The increase in revenue amounted to Baht 1,095 Million was from the service revenue of the MRT Purple Line (O&M contract) which operated in August 2016. Farebox revenue of the MRT Blue Line increased from the previous year by Baht 196 Million or 7.9 percent from the connection between the MRT Purple Line Project and the MRT Blue Line Project in August 2017 which makes convenience and time saving for passengers resulting to the increase in ridership of both projects. The average ridership of the MRT Blue Line Project in September 2017 (1 month after the connection) was at 319,800 trips/day representing an increase by 13.4 percent when compared to the average ridership in July 2017 (1 month before the connection).

Cost of Rail business consisted of costs of farebox, O&M cost and amortization of intangible asset under the MRT Blue Line Project. For the year 2017, the cost was at Baht 3,560 Million, representing an increase from the previous year by Baht 792 Million or 28.6 percent due to the O&M cost of the MRT Purple Line and the cost of farebox related to the riderships which is in line with revenue growth.

3. Commercial Development Business

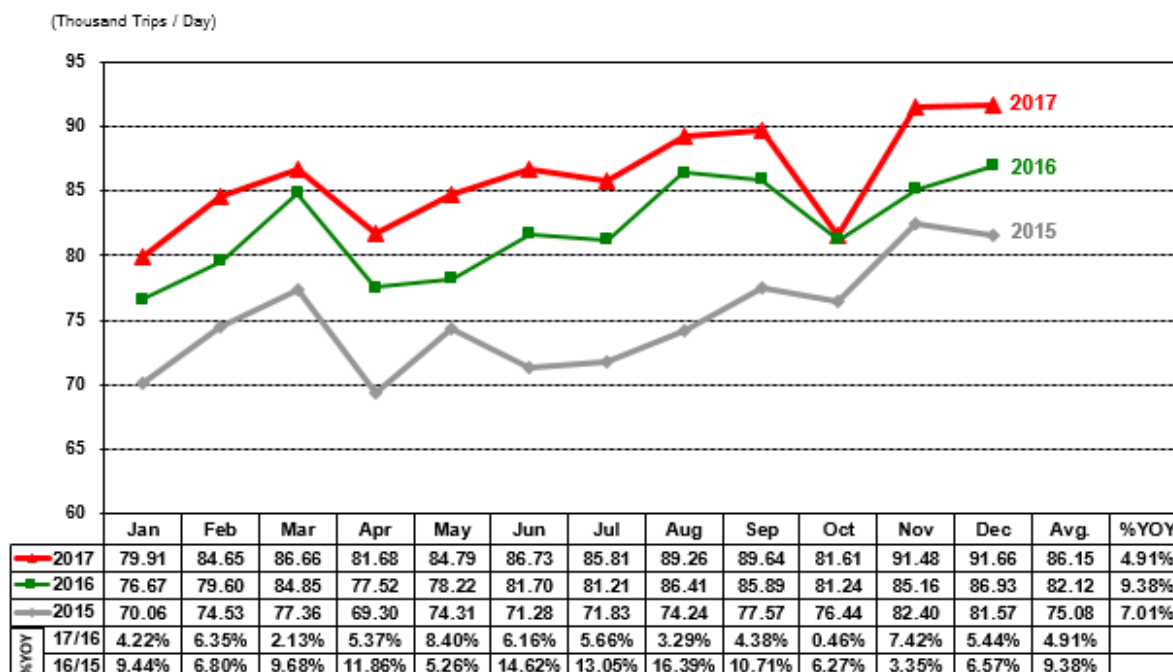
In the year 2017, total commercial development revenue was Baht 675 Million, representing an increase from the previous year by Baht 102 Million or 17.8 percent, mainly from the commercial development revenue related to rail business especially from the advertising and retail shops which the subsidiary has improved the advertising media and retail shops in order to meet with the new customer target and lifestyle of the new generation.

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

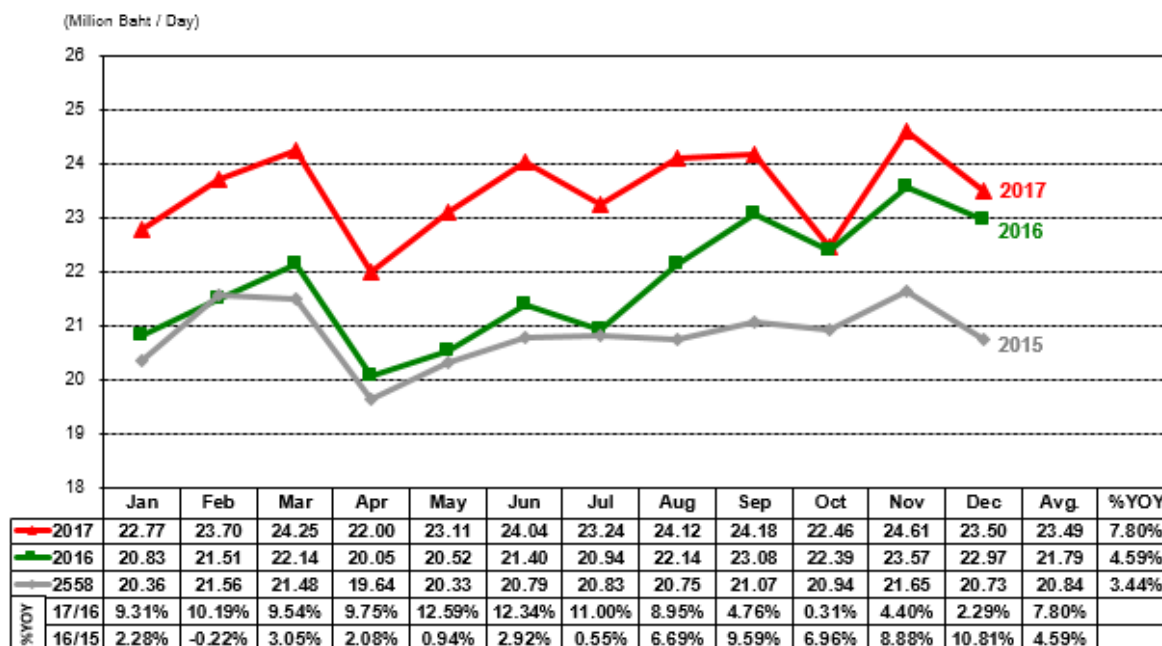


Note : The Si Rat-Outer Ring Road Expressway was opened on August 22, 2016

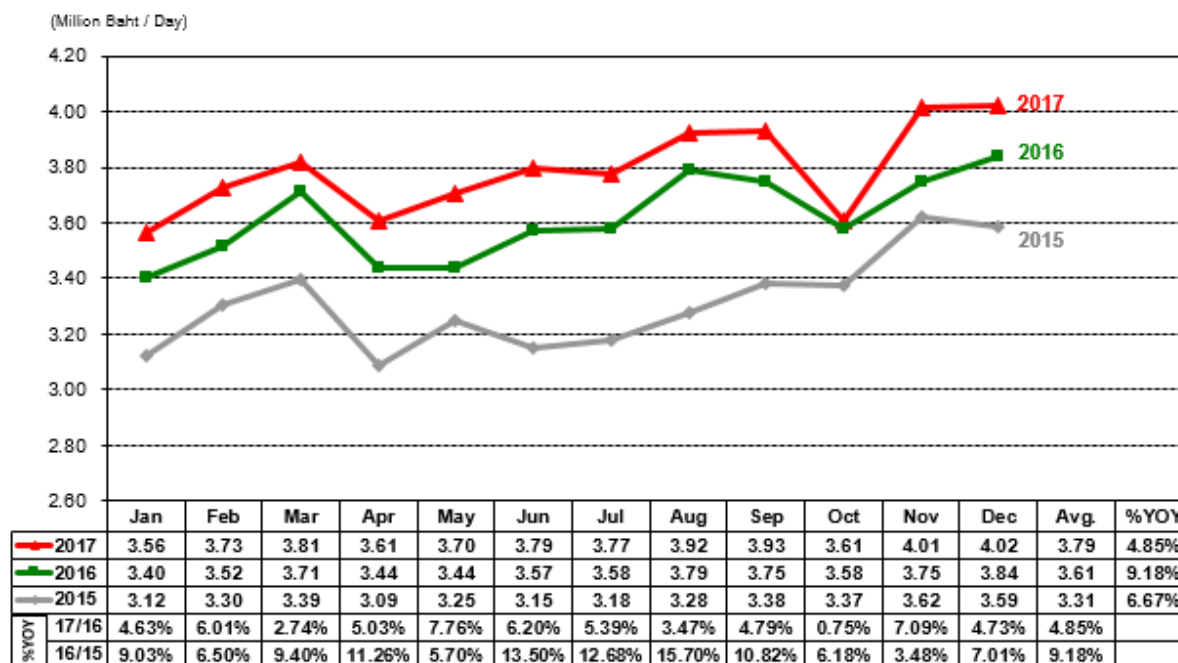
Average Daily Traffic Volume for the Bang Pa-in - Pak Kret Expressway



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

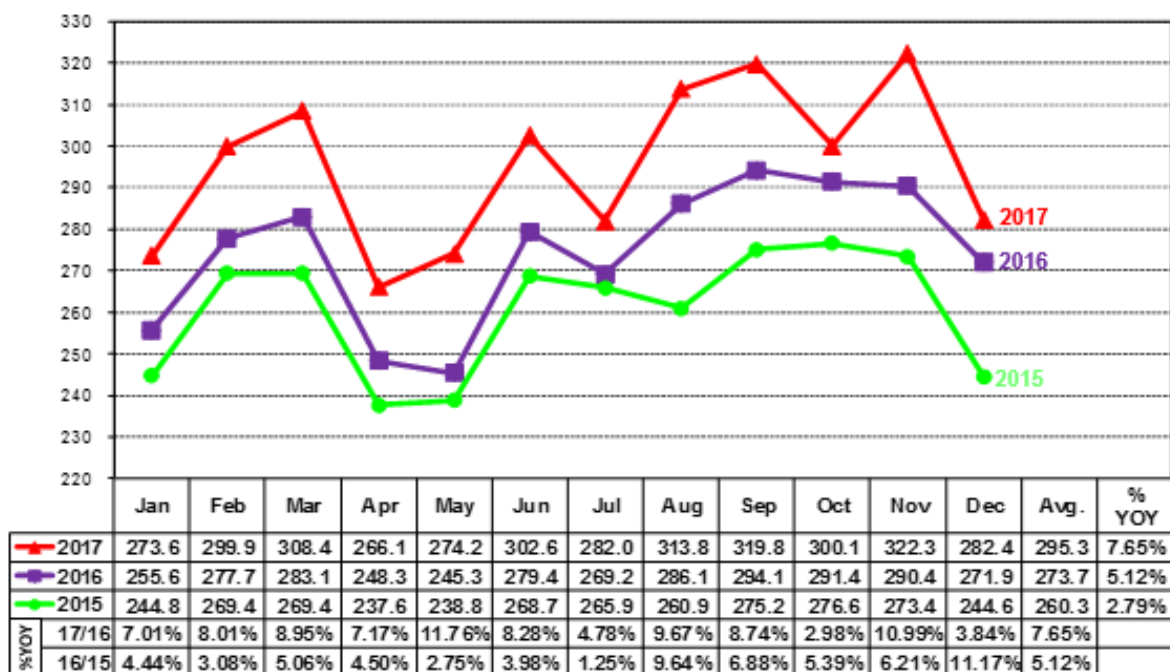


Average Daily Toll Revenue for the Bang Pa-in - Pak Kret Expressway



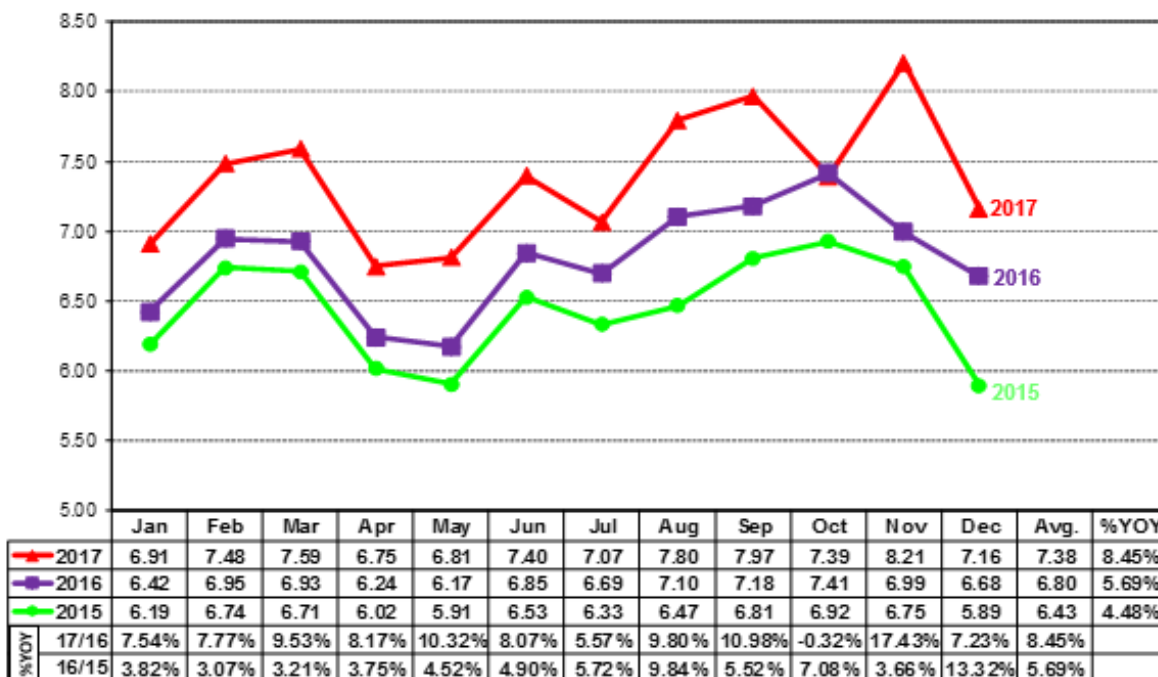
Average Daily Ridership for Blue Line

(Thousand Trips / Day)



Average Daily Farebox Revenue for Blue Line

(Million Baht / Day)



Financial Position

As at December 31, 2017, the Company and its subsidiaries had total assets amounted to Baht 98,919 Million, representing an increase by Baht 16,133 Million or 19.5 percent when compared with total assets as at December 31, 2016. Total liabilities amounted to Baht 67,740 Million, representing an increase by Baht 14,737 Million or 27.8 percent. Total shareholders' equity amounted to Baht 31,179 Million, representing an increase by Baht 1,396 Million or 4.7 percent when compared to the end of the year 2016.

Cash Flows

For the year 2017, the Company and its subsidiaries generated cash flows from operating activities amounting to Baht 7,150 Million. Cash used in investing activities amounting to Baht 2,799 Million detailed as follow; (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 8,020 Million, (2) investment in other investment in the amount of Baht 417 Million, (3) investment in the Si Rat-Outer Ring Road Expressway Project in the amount of Baht 130 Million, (4) acquisition of fixed assets and other assets in the net amount of Baht 108 Million, (5) cash receipt from sales of current investments and interest income in the amount of Baht 5,325 Million and (6) dividend receipt in the amount of Baht 551 Million. The Company and its subsidiaries utilized cash of Baht 2,501 Million from financing activities due to (1) repayment of short term and long term loans in the amount of Baht 4,624 Million, (2) payment of interest and finance cost in the amount of Baht 1,543 Million, (3) dividend payment in the amount of Baht 1,834 Million, (4) receipt from issuance of debentures in the amount of Baht 5,000 Million and (5) draw down of long term loans in the amount of Baht 500 Million.

As at December 31, 2017, the Company and its subsidiaries had cash and cash equivalents amounting to Baht 2,627 Million, representing an increase from the end of the previous year by Baht 1,850 Million.

Significant Financial Ratios*

For the year 2017, the Company had Net Profit Margin ratio at 20.45 percent, Return on Equity ratio at 10.31 percent, Return on Total Assets ratio at 3.75 percent, Debt to Equity ratio at 1.75 times and Interest Bearing Debt to Equity ratio at 1.38 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.

Not include transaction related to the novation of the M&E systems under the concession agreement of the MRT Chalong Ratchadham Line Project which the MRTA is fully responsible for both loan repayment and interest expense in accordance to the concession agreement.