

## Attachment 12

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Information Memorandum on Execution of Connected Transaction  
regarding Engagement of CH. Karnchang Public Company Limited as the Contractor  
for Maintenance Services on Civil Infrastructure and E&M Systems for the MRT  
Purple Line Project and the MRT Blue Line Project

Document for the 2023 Annual Ordinary General Meeting of Shareholders  
on April 18, 2023

## **Part 1**

### **Information Memorandum on Execution of Connected Transaction regarding Engagement of CH. Karnchang Public Company Limited as the Contractor for Maintenance Services on Civil Infrastructure and E&M Systems for the MRT Purple Line Project and the MRT Blue Line Project**

The Board of Directors' Meeting No. 1/2023 of Bangkok Expressway and Metro Public Company Limited (the "Company"), held on February 22, 2023 has resolved to propose that the 2023 Annual Ordinary General Meeting of Shareholders to be held on April 18, 2023 consider granting approval for the Company to execute a connected transaction regarding engagement of CH. Karnchang Public Company Limited ("CH. Karnchang") as the contractor for maintenance services on Civil Infrastructure and E&M Systems for the MRT Purple Line Project and the MRT Blue Line Project, with the total consideration of Baht 1,630 Million (excluding VAT).

Execution of the transaction with CH. Karnchang, in its capacity as the Company's major shareholder, is considered execution of a transaction with a connected person pursuant to the Notification of the Capital Market Supervisory Board No. ThorChor. 21/2551 Re: Rules on Connected Transactions, dated August 31, 2008 (and its amendments), and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions B.E. 2546 (2003), dated November 19, 2003 (and its amendments) ("Notifications on Connected Transactions"), with the transaction value of Baht 1,630 Million (excluding VAT), representing 4.38 percent of the Company's Net Tangible Assets value (NTA) under the consolidated financial statements as at December 31, 2022.

This is because the total transaction size of such connected transaction exceeds three percent of the Company's net tangible assets, the Company is required to disclose the information memorandum on execution of such connected transaction to the Stock Exchange of Thailand ("Stock Exchange") and seek approval from the Shareholders' Meeting with the favorable votes of not less than three-fourths of all votes of the shareholders attending the Meeting and having the voting rights, excluding the votes of the interested shareholders. Furthermore, the Company is required to deliver the Notice of the Meeting together with opinions of the independent financial advisor to the shareholders at least 14 days in advance prior to the Shareholders' Meeting date.

In this regard, to ensure that arrangements for such connected transaction is made in accordance with the Connected Transaction Notifications, the Company hereby notifies the information memorandum on the connected transaction regarding Engagement of CH. Karnchang Public Company Limited as the Contractor for Maintenance Services on Civil Infrastructure and E&M Systems for the MRT Purple Line Project and the MRT Blue Line Project, as per the following details:

#### **1. Transaction Date**

The Board of Directors' Meeting No. 1/2023, held on February 22, 2023, has resolved to propose that the Shareholders' Meeting consider granting approval for the Company to engage CH. Karnchang Public Company Limited as the Contractor for maintenance services on Civil Infrastructure and E&M Systems for the MRT Purple Line Project and

the MRT Blue Line Project. In this regard, the 2023 Annual Ordinary General Meeting of Shareholders has been scheduled to be held on April 18, 2023 to seek approval of execution of such connected transaction; and should the Shareholders' Meeting resolve to grant approval for the Company to do so, the Company has expected to execute such connected transaction by May 1, 2023.

## 2. Related Parties

<b>Employer</b>	:	Bangkok Expressway and Metro Public Company Limited (the "Company")
<b>Contractor</b>	:	CH. Karnchang Public Company Limited ("CH. Karnchang")
<b>Relationship</b>	:	CH. Karnchang is the Company's major shareholder, and as at the most recent closing date of the share register on March 9, 2023, CH. Karnchang held 5,260,056,884 shares in the Company, representing 34.413 percent of the Company's paid-up capital.

## 3. Nature of the Connected Transaction

Given that the Company is the MRT concessionaire which has been awarded by Mass Rapid Transit Authority of Thailand for two projects, namely the M.R.T. Chaloom Ratchamongkhon Line Project (MRT Blue Line) and the M.R.T. Chalong Ratchadham Line Project (the MRT Purple Line), the Company shall have the duty to conduct train operation and maintenance of the Civil Infrastructure and E&M Systems ("CEM"). To that end, the Company has engaged CH. Karnchang Public Company Limited ("CH. Karnchang") to manage the CEM work for such MRT projects. In addition, the period of the Project Management Agreement regarding the MRT Purple Line maintenance will expire in October 2023.

Therefore, the Company intends to extend the period of the engagement of the CEM Manager for the MRT Purple Line Project for a period 10 years on a lump sum basis, including the replacement of equipment in some systems, starting from November 1, 2023 to October 31, 2033. Moreover, the Company needs to engage the Contractor to replace the Grout Plug and rubber waterstops of the MRT Blue Line Project tunnel, Bang Sue Station - Hua Lamphong Station Section, due to the outdated tunnel construction technology, as well as the deterioration of the rubber waterstops that has been installed from the service opening, giving rise to the leakage of water and sand water into the tunnel. As a result, to enhance the efficiency in the prevention of the leakage of water and sand into the MRT Blue Line tunnel, Bang Sue Station - Hua Lamphong Station Section; the Company needs to replace the rubber waterstops and re-inject the PU Foam in the spots where were previously replaced during the service opening, and in the spots where further leaks were discovered, totaling 48,000 spots. To this aim, the Company requests to extend the period of the CEM work for the MRT Purple Line Project with CH. Karnchang for a period of 10 years, and proposes engaging CH. Karnchang to replace the Grout Plug and rubber waterstops on the tunnel wall, Bang Sue Station - Hua Lamphong Station Section, in the form of additional work order. The CEM work for the MRT Purple Line Project has a total value of Baht 1,150 Million (excluding VAT), and the replacement work for the Grout Plug and rubber waterstops on the tunnel wall, Bang Sue Station - Hua Lamphong Station Section, has a total value of Baht 480 Million (excluding VAT), totaling Baht 1,630 Million (excluding VAT)

(Translation)

The Company intends to engage CH. Karnchang as the contractor for maintenance services on Civil Infrastructure and E&M Systems for the MRT Purple Line Project and the MRT Blue Line Project, with the total consideration of Baht 1,630 Million (excluding VAT), with its size equalling 4.38 percent of the Company's Net Tangible Assets value (NTA) under the consolidated financial statements as at December 31, 2022, such transaction is thus considered the transaction with its size of more than three percent of the Company's net tangible asset value, the Company is therefore required to disclose the information memorandum on execution of the connected transaction to the Stock Exchange of Thailand, and also seek approval from the Shareholders' Meeting with the favorable votes of not less than three-fourths of all votes of the shareholders attending the Meeting and having the voting rights, excluding the votes of interested shareholders.

The Company's engagement of CH. Karnchang, as the Company's major shareholder, to carry out the foregoing work then constitutes a connected transaction in the ordinary course of business of the Company without any general trading conditions in accordance with the Connected Transaction Notifications.

The material terms of the employment contract between the Company and CK can be summarized as follows:

### **3.1 Scope of Work**

#### **(1) Engagement of the CEM Manager for the MRT Purple Line Project**

The engagement of the CEM Manager for the MRT Purple Line Project has a period of 10 years on a lump sum basis, including the replacement of equipment in some systems, starting from November 1, 2023 to October 31, 2033. The scope of the CEM work is as follows:

- Fire Detection and Alarm System
- Fire Protection Gas System
- Lift and Escalator System
- Environment Control System
- Low Voltage System
- Lighting and Receptacle System
- Civil and Architecture System
- Walk-Through Metal Detector

However, in order to ensure compliance with the Company's policy of initiating maintenance on our own, there has been a change in engagement practices, whereby the Company will send personnel to handle less complex maintenance tasks (for instance, cleaning, inspection, replacement of consumables and preventive maintenance, and so forth), including the supply of spare parts, consumables and equipment needed for basic maintenance work, provided that the CEM Contractor shall be responsible for managing and transferring knowledge to the personnel designated by the Company to jointly engage in such tasks.

(2) Replacement of the Grout Plug and Rubber Waterstops of the MRT Blue Line Project tunnel wall, Bang Sue Station - Hua Lamphong Station

As a result of the former tunnel construction technology, grout holes had to be drilled between the inner and outer walls of the tunnel (Grout Hole) in order to lift the tunnel wall and install it at the designated location; and once the wall had been lifted and installed, rubber waterstops and Grout Plug were then installed to cover the holes.

In this regard, after using the tunnel structure for a certain period of time, the installed rubber waterstops would deteriorate, resulting in the seepage of water and sand into the tunnel. In the past, a substantial amount of water and sand leakage was discovered, thereby impeding the service provision. To resolve such problem, the Company already replaced the Grout Plug and rubber waterstops, as well as injecting the PU Foam to strengthen the waterproof capability, covering 24,000 spots out of the approximate 194,000 spots.

The rubber waterstops and PU Foam have a service life of 10 years, therefore, to increase the efficiency of preventing water and sand leakage inside the MRT tunnel, the Company needs to replace the Grout Plug and rubber waterstops, and re-inject the PU Foam in the spots where had been previously replaced during the service opening, and in the spots where further leaks were discovered, totaling 48,000 spots. As a result, the Company needs to engage the Contractor to carry out the replacement of the Grout Plug and rubber waterstops, as well as the injection of PU Form.

### **3.2 Contract Term**

CH. Karnchang shall maintenance the CEM work for the MRT Projects within the terms specified in the concession agreement; the contract period is divided into 2 contracts as follows:

1. The Maintenance Services on Civil Infrastructure and E&M Systems for the MRT Purple Line Contract has a period of 10 years, starting from November 1, 2023 to October 31, 2033.
2. The Maintenance Services on Civil Infrastructure and E&M Systems for the Blue Line Contract has a period of 2 years, starting from May 1, 2023 to April 30, 2025.

### **3.3 Performance Guarantees**

CH. Karnchang shall provide a performance security (Performance Bond) with a value of 3 percent of the contract value. Such security's term shall remain until CH. Karnchang can be released from the obligation under this contract.

#### **4. Total Value of Consideration and Payment Method**

4.1 Total value of consideration : Baht 1,630 Million (excluding VAT)

4.2 Payment method

- The scope of work per clause 3.1 (1) in a total amount of Baht 1,150 Million (excluding VAT)

The Company agrees to pay monthly consideration to CH. Karnchang within 30 days from the date of the Company's receipt of the invoice from CH. Karnchang.

- The scope of work per clause 3.1 (2) in a total amount of Baht 480 Million (excluding VAT)

The Company agrees to pay monthly consideration to CH. Karnchang (based on completion of work) within 30 days from the date of the Company's receipt of the invoice from CH. Karnchang.

#### **5. Basis for Determination of Total Value of Consideration**

In the consideration and comparison of the Contractor's fee, the Company has engaged InfraAsia Limited ("InfraAsia"), an independent engineer with experience and expertise in estimating the maintenance costs of the M&E Systems, to serve as an independent consulting engineer to evaluate the appropriate work value. In this regard, after reviewing and evaluating the costs, InfraAsia is of the opinion that the following rates are justifiable to the CEM work:

- (1) The extension of the Project Management Agreement regarding the CEM work for the MRT Purple Line Project for a period 10 years according to the scope of work defined by the Company has a value of approximately Baht 1,208.9 Million (excluding VAT);
- (2) The replacement of the Grout Plug and rubber waterstops of the MRT Blue Line Project tunnel wall, Bang Sue Station - Hua Lamphong Station Section, has a value of approximately Baht 492.8 Million (excluding VAT).

CH. Karnchang has been considered by the Company based on the fact that the Company has engaged CH. Karnchang as the CEM Manager for the MRT Purple Line Project from the project's commencement of the service opening; and CH. Karnchang has delivered remarkable performance and completed works above and beyond the requirements of the Key Performance Index (KPI). Then, in order to maintain continuity in the supervision and management of the CEM work for the MRT Purple Line Project, the Company deems it appropriate to propose an extension of the period of the CEM work for the MRT Purple Line Project with CH. Karnchang for a period of 10 years.

Furthermore, CH. Karnchang is a large construction company and has the availability of knowledgeable and skilled personnel, as well as completing the construction of the Civil Infrastructure of the original MRT Blue Line Project, Hua Lamphong Station - Bang Sue Station Section. Therefore, in order to integrate with the CEM work for the MRT Blue Line Project for which CH. Karnchang is currently responsible, the Company deems it appropriate to propose engaging CH. Karnchang to replace the Grout Plug and rubber waterstops on the tunnel wall, Bang Sue Station - Hua Lamphong Station Section, in the form of additional work order.



In this regard, CH. Karnchang has given the price quotes for the CEM work for the MRT Purple Line Project amounting to Baht 1,150 Million (excluding VAT), and the replacement of the Grout Plug and rubber waterstops of the tunnel wall, Bang Sue Station - Hua Lamphong Station Section, amounting to Baht 480 Million (excluding VAT). Having considered the same, the Company is of the opinion that the prices of the work quoted by CH. Karnchang are lower than the prices that the independent appraiser has rechecked and appraised under the same scope of work. In light of the foregoing, the engagement of CH. Karnchang to be responsible for such work is thus suitable.

## **6. Calculation of Size of the Connected Transaction**

Execution of this transaction constitutes a connected transaction in the ordinary course of business without any general trading conditions, with the transaction value of Baht 1,630 Million, representing 4.38 percent as compared to the NTA under the consolidated financial statements as at December 31, 2022. Pursuant to the regulations of the Stock Exchange of Thailand, the transaction value which is higher than three percent (Baht 37,208 Million x 3%= Baht 1,116.24 Million) is subject to approval of the Company's Shareholder's Meeting, namely, with the favorable votes of not less than three-fourths of all votes of the shareholders attending the Meeting and having the voting rights, excluding the votes of the interested shareholders. Thus, the Company has the following duties:

1. Prepare a report and disclose information memorandum regarding execution of the Company's transaction to the Stock Exchange of Thailand ("SET") immediately, which shall contain at least information under the Notifications on Connected Transactions.
2. Convene the Company's Shareholders' Meeting to approve execution of the transaction, by sending a notice to shareholders at least 14 days in advance of the meeting date, and the transaction must be approved by the Shareholders' Meeting with favorable votes of not less than three-fourths of all votes of the shareholders attending the Meeting and having the voting rights, excluding the votes of the interested shareholders.
3. Appoint an independent financial advisor to provide opinions on the transaction, and deliver a report on the independent financial advisor's opinion, together with the notice, to shareholders. In this connection, the Company has appointed Capital Advantage Co., Ltd., one of the financial advisors, which has been approved by the Office of the Securities and Exchange Commission ("the SEC Office"), to serve as the Company's independent financial advisor.

## **7. Nature and Scope of Interests of Connected Persons**

CH. Karnchang is the major shareholder of the Company. As at the latest book closing date of the Company on March 9, 2023, CH. Karnchang held 5,260,056,884 shares in the Company, representing 34.413 percent of the Company's paid-up capital. Therefore, CH. Karnchang is considered a connected person of the Company and the entering into contract to engage CH. Karnchang for maintenance services on Civil Infrastructure and E&M Systems for the MRT Purple Line Project and the MRT Blue Line Project is considered the Connected Transactions according to the Notifications on Connected Transactions.

## 8. Details of Connected Persons

The Company's connected persons and/or interested shareholders, based on the Company's list of shareholders and the list of directors and management as at the latest book closing date of the Company on 9 March 2023, are as follows:

No.	Connected Persons and/or Shareholders who Have Conflict of Interest	Relationship/Interest	No. of Shares Held in the Company
1	CH. Karnchang Public Company Limited ("CK")	<ul style="list-style-type: none"> <li>Major Shareholder of the Company</li> </ul>	5,260,056,884
2	CH. Karnchang Tokyu Construction Co., Ltd. ("CKT")	<ul style="list-style-type: none"> <li>CK is the major shareholder of CKT holding 1,099,999 shares or 55.00% of paid-up capital of CKT</li> </ul>	119,659,952
3	CH. Karnchang Holding Co., Ltd. ("CKH")	<ul style="list-style-type: none"> <li>The major shareholder of CK holding 189,396,530 shares or 11.1811% of paid-up capital of CK. Whereas, CKH is held by MS and Trivisvavet group</li> </ul>	14,069,091
4	Mahasiri Siam Company Limited ("MS")	<ul style="list-style-type: none"> <li>The major shareholder of CK holding 241,512,365 shares or 14.2578% of paid-up capital of CK. Whereas, MS is held by Trivisvavet group</li> </ul>	4,327,689
5	Mr. Plew Trivisvavet	<ul style="list-style-type: none"> <li>Chairman of the Board of Directors and Chairman of the Executive Board of the company</li> <li>Director and Chairman of the Executive Board of CK, which is the major shareholder of the Company</li> <li>Shareholder of CK holding 11,231,497 shares or 0.6631% of the paid-up capital of CK</li> </ul>	20,094,945
	Mrs. Saikasem Trivisvavet	<ul style="list-style-type: none"> <li>Spouse of Mr. Plew Trivisvavet</li> <li>Ms. Supamas Trivisvavet's mother</li> </ul>	2,402,527
	Ms. Supamas Trivisvavet	<ul style="list-style-type: none"> <li>Director and Executive Director of the Company</li> <li>Director and Vice Chairman of the Executive Board of CK, which is the major shareholder of the Company</li> <li>Shareholder of CK holding 2,700,000 shares or 0.1594% of the paid-up capital of CK</li> </ul>	-None-
	Mr. Nattavut Trivisvavet	<ul style="list-style-type: none"> <li>Mr. Plew Trivisvavet's offspring</li> <li>Director, Executive Director and President of CK, which is the major shareholder of the Company</li> <li>Ms. Supamas Trivisvavet's close relative</li> <li>Shareholder of CK holding 3,465,785 shares or 0.2046% of the paid-up capital of CK</li> </ul>	274,391



(Translation)

No.	Connected Persons and/or Shareholders who Have Conflict of Interest	Relationship/Interest	No. of Shares Held in the Company
	Mr. Thanawat Trivisvavet	<ul style="list-style-type: none"> <li>Mr. Plew Trivisvavet's offspring</li> <li>Ms. Supamas Trivisvavet's close relative</li> <li>Shareholder of CK holding 1,000,000 shares or 0.0590% of the paid-up capital of CK</li> </ul>	84,101
6	Mr. Phongsarit Tantisuvanitchkul	<ul style="list-style-type: none"> <li>Director and Executive Director of the Company</li> <li>Director, Vice Chairman of the Executive Board and Senior Executive Vice President of CK which is the major shareholder of the Company</li> <li>Shareholder of CK holding 153,750 shares or 0.0091% of the paid-up capital of CK</li> </ul>	3,500,000
	Mr. Somsak Tantisuvanitchkul	<ul style="list-style-type: none"> <li>Mr. Phongsarit Tantisuvanitchkul's father</li> <li>Shareholder of CK holding 2,000 shares or 0.0001% of the paid-up capital of CK</li> </ul>	10,000
	Mr. Peerapun Tantisuvanitchkul	<ul style="list-style-type: none"> <li>Mr. Phongsarit Tantisuvanitchkul's close relative</li> <li>Shareholder of CK holding 834,475 shares or 0.0493% of the paid-up capital of CK</li> </ul>	12,753,005
7	Mr. Supong Chayutsahakij	<ul style="list-style-type: none"> <li>Director and Executive Director of the Company</li> <li>Shareholder of CK holding 270,000 shares or 0.0159% of the paid-up capital of CK</li> </ul>	-None-
	Mr. Sutthisak Chayutsahakij	<ul style="list-style-type: none"> <li>Mr. Supong Chayutsahakij's close relative</li> <li>Shareholder of CK holding 10,000 shares or 0.0006% of the paid-up capital of CK</li> </ul>	50,000
8	Mr. Sombat Kitjalaksana	<ul style="list-style-type: none"> <li>Director, Executive Director and Managing Director of the Company</li> <li>Shareholder of CK holding 300,000 shares or 0.0177% of the paid-up capital of CK</li> </ul>	2,999,141
9	Mr. Vitoon Tejatussanasoontorn	<ul style="list-style-type: none"> <li>Chairman Of The Audit Committee and Independent Director of the Company and CK</li> </ul>	-None-
	Mr. Chatree Tejatussanasoontorn	<ul style="list-style-type: none"> <li>Mr. Vitoon Tejatussanasoontorn's offspring</li> </ul>	533,110
	Ms. Worarak Tejatussanasoontorn	<ul style="list-style-type: none"> <li>Mr. Vitoon Tejatussanasoontorn's offspring</li> <li>Shareholder of CK holding 2,000 shares or 0.0001% of the paid-up capital of CK</li> </ul>	150,000
	Mr. Chaiyut Tejatussanasoontorn	<ul style="list-style-type: none"> <li>Mr. Vitoon Tejatussanasoontorn's offspring</li> <li>Shareholder of CK holding 300,000 shares or 0.0177% of the paid-up capital of CK</li> </ul>	589,800

(Translation)

No.	Connected Persons and/or Shareholders who Have Conflict of Interest	Relationship/Interest	No. of Shares Held in the Company
10	Mr. Aswin Kongsiri	• Chairman and Independent Director of CK	3,230,000
	M.R. Achariya Kongsiri	• Spouse of Mr. Aswin Kongsiri	139,152
11	Mr. Sittidej Trivisvavet	• Management of CK • Shareholder of CK holding 2,000,000 shares or 0.1181% of the paid-up capital of CK	500,000
	Mrs. Pranee Tongkittikul	• Mr. Sittidej Trivisvavet's close relative	1,187,778
	Mr. Puwanet Trivisvavet	• Mr. Sittidej Trivisvavet's close relative • Shareholder of CK holding 1,129,855 shares or 0.0667% of the paid-up capital of CK	577,024
	Ms. Sawanya Trivisvavet	• Mr. Sittidej Trivisvavet's offspring • Shareholder of CK holding 600,025 shares or 0.0354% of the paid-up capital of CK	605,046
12	Mr. Narong Sangsuriya	• Director, Executive Director and Senior Executive of CK • Shareholder of CK holding 512,500 shares or 0.0303% of the paid-up capital of CK	-None-
	Ms. Vasana Sangsuriya	• Mr. Narong Sangsuriya's close relative • Shareholder of CK holding 1,050 shares or 0.0001% of the paid-up capital of CK	7,000
13	Dr. Anukool Tuntimas	• Director, Executive Director and Management of CK	86,554
14	Mr. Pairat Prom-In	• Management of CK	-None-
	Mrs. Daranee Prom-In	• Spouse of Mr. Pairat Prom-In	21,025
15	Mr. Phichai Choeibamrung	• Management of CK • Shareholder of CK holding 150,000 shares or 0.0089% of the paid-up capital of CK	145,500
16	Mr. Pornnarong Siriyothin	• Management of CK	1,198
17	Mr. Prapon Chanpradubfa	• Management of CK	10,000
18	Mr. Thammanoon Surarat	• Management of CK	100,000
19	Mr. Keerati Luanghookiat	• Management of CK	293
<b>Total number of shares</b>			<b>5,448,165,206</b>

The aforementioned connected persons and persons who have conflict of interest are ineligible to vote on the agenda in relation to the connected transaction concerning for the engagement of CH. Karnchang for the Maintenance Services on Civil Infrastructure and E&M Systems for the MRT Purple Line Project and the MRT Blue Line Project.

- 9. Source of Fund:** Cash flows from the Company's operating activities.
- 10. Participation in the Meeting and Voting by Directors who are interested parties and/or who are connected persons**

At the Board of Directors' Meeting No. 1/2023 held on February 22, 2023, the directors who were interested parties and/or who were connected persons were (1) Mr. Plew Trivisvavet, (2) Mr. Phongsarit Tantisuvanitchkul, and (3) Miss Supamas Trivisvavet, who neither attended nor had the right to vote on this agenda item.

- 11. Opinions of the Board of Directors on Agreement for Execution of the Connected Transaction**

The Board of Directors is of the opinion that the Company's execution of the connected transaction on engagement of CH. Karnchang as the contractor for maintenance services on Civil Infrastructure and E&M Systems for the MRT Purple Line Project and the MRT Blue Line Project, with the total value of Baht 1,630 Million (excluding VAT), is justifiable and is of benefit to the Company, on the following grounds:

- (1) Execution of the transaction with CH. Karnchang Public Company Limited for maintenance services on Civil Infrastructure and E&M Systems for the MRT Purple Line Project and the MRT Blue Line Project for carrying out the CEM work for the MRT Purple Line Project, as well as the replacement of the Grout Plug on the tunnel wall, Bang Sue Station - Hua Lamphong Station Section, is appropriate in a number of ways, namely:
  - CH. Karnchang, who is currently the CEM Manager for the MRT Purple Line Project, has the potential to perform work well, has its skilled engineers who are familiar with this type of equipment, ensures rapid completion of work, has remarkable performance, completed works above and beyond the requirements of the Key Performance Index (KPI); and in accordance with the criteria specified in the concession agreement with the MRTA.
  - CH. Karnchang is a large construction company and has the availability of knowledgeable and skilled personnel, as well as completing the construction of the Civil Infrastructure of the original MRT Blue Line Project, Hua Lamphong Station - Bang Sue Station Section;
  - Engagement of CH. Karnchang will achieve an operational integration with the CEM work for the MRT Blue Line Project for which CH. Karnchang is currently responsible.
- (2) The work prices are reasonable based on analysis and comparison, with the results indicating that they are lower than the prices that the independent appraiser has appraised under the same scope of work. The independent appraiser is an independent engineer with experience and expertise in estimating the maintenance costs of the M&E Systems (InfraAsia Limited ("InfraAsia")). That is, the total work price is lower than such appraised price by Baht 71.7 Million, representing 4.21 percent. In addition, the Company has appointed Capital Advantage Co., Ltd. ("CapAd") as the Company's independent financial advisor to provide opinions to the shareholders regarding the reasonableness and benefits to the Company, price fairness and conditions of the connected transaction.

(Translation)

- (3) The Company has duly and completely complied with the rules and regulations in the case of execution of the connected transaction under the applicable laws and requirements.

**12. Opinion of the Audit Committee and/or of Directors of the Company which is different from the Opinions of the Board of Directors in Clause 11.**

- None –

**13. Qualifications of Independent Financial Advisor who Provides Opinions on Execution of the Transaction**

Capital Advantage Co., Ltd. is the independent financial advisor to provide opinions on engagement of CH. Karnchang as the Contractor for maintenance services on Civil Infrastructure and E&M Systems for the MRT Purple Line Project and the MRT Blue Line Project, which is deemed to be a connected transaction. The independent financial advisor neither holds any share in the Company nor has any relationship with the Company.

In this regard, the independent financial advisor has given consent to disclosure of the independent financial advisor's report dated March 16, 2023, Please refer to such independent financial advisor's report is as in the Attachment 13.

**14. Proxy Form with at Least One Name of a Member of the Audit Committee Being Nominated as Shareholder's Proxy**

As in the Attachment 14.

## **Part 2 Company's Information**

### **1. Summary of the Company's Information and Business Operations**

Bangkok Expressway and Metro Public Company Limited (the “Company”) is primarily engaged in the concession businesses for management and provision of the expressway and metro services, including commercial development relating to the expressway and metro systems, which are cornerstones for business expansion through future extension of the routes and the service network, both in the expressway and metro systems, thereby enabling the Company to be a leading mass rapid transit and transportation service operator in Thailand and in the region. Moreover, the Company may extend its businesses to other fast-growing businesses with good returns, such as other infrastructure projects, commercial development or real estate development, both at home and abroad. As of December 31, 2022, the Company's registered and paid-up capital amounted to Baht 15,285 million, divided into 15,285 million ordinary shares, at the par value of Baht one per share.

#### **1.1 Business Overview of the Company**

The Company is committed to being a leading, fully-integrated transportation service provider to improve the quality of life of people in society by elevating their journey to a higher level. The Company's businesses comprise the provision of the expressway and metro services, including commercial development directly related to the main businesses. The Company's business overview is as follows:

##### **1.1.1 Expressway Business**

The Company and its subsidiary, Northern Bangkok Expressway Co., Ltd (“NECL”), have obtained concessions from the Expressway Authority of Thailand (“EXAT”) for construction and operation of a total of three expressways, namely, the Si Rat Expressway, the Prachin Ratthaya Expressway (the Si Rat - Outer Ring Road Expressway), and the Udon Ratthaya Expressway, per the following details:

##### **The Si Rat Expressway**

The Si Rat Expressway (Second Stage Expressway) is the first large-scale construction project in Thailand on the basis of public private partnership. This project is implemented on a BTO (Build Transfer Operate) basis, namely, the Company invested in the design, construction and operation of the Si Rat Expressway. In this regard, the title to various permanent constructions pertaining to or use of the Si Rat Expressway shall be vested in EXAT. The Company has the right to receive toll revenues as specified in the Agreement including the Commercial Development right on the roadside areas of the Expressway structures. On February 20, 2020, the Second Stage Expressway Agreement (Amendment) was signed for an extension of the concession period until October 31, 2035. The Si Rat Expressway is comprised of three Sectors, covering a total distance of 38.5 kilometers, as follows:

- Sector AB starts from Ratchadapisek Road southward to Payathai Interchange eastward to Rama 9 Road and from Phayathai Interchange heading southward to Bangkhlo Interchange, connecting with the Chalem Mahanakorn Expressway (First Stage Expressway);
- Sector C starts from Ratchadapisek Road northward up to Chaeng Watthana Road, connecting with the Udon Ratthaya Expressway; and

- Sector D starts from Rama 9 Road eastward to end at Srinakharindra Road, connecting with the Motorway.

#### **The Prachin Ratthaya Expressway**

The Prachin Ratthaya Expressway (formerly Si Rat - Outer Ring Road Expressway) under the Concession Agreement for Investment, Design, Construction, Operation, Service, and Maintenance of the Si Rat - Outer Ring Road Expressway Project is implemented on a BTO basis. The Company is exclusively entitled to receive toll revenues throughout the concession period. The route starts from Kanjanapisek Road (Western Outer Ring Road adjacent to Mahasawat Water Treatment Plant) heading eastbound along the right of way of the existing Southern railway, crossing the Chao Phraya River around the Rama VII Bridge, ending around Bang Sue Grand Station (Chatuchak), connecting with the Si Rat Expressway around the Bus Terminal (Mo Chit 2), running down to at-grade level around Kamphaeng Phet 2 Road, and connecting northward heading to Chaeng Watthana, covering a total distance of 16.7 kilometers. The concession period is 30 years and ends on December 14, 2042.

#### **The Udon Ratthaya Expressway**

The Udon Ratthaya Expressway (Bang Pa-in - Pak Kret Expressway), operated by NECL under the Bang Pa-in - Pak Kret Expressway Agreement is implemented on a BTO basis. NECL is entitled to receive toll revenues as specified in the Agreement, including the right to conduct commercial development on the expressway structure area, with its Amendment being signed on February 20, 2020 for an extension of the concession period until October 31, 2035. The Udon Ratthaya Expressway connects to the Si Rat Expressway around Chaeng Watthana Road northward heading to Bang Pa-in around Kanjanapisek Road (Western Outer Ring Road), covering a total distance of 32 kilometers.

### **1.1.2 Rail Business**

The Company has obtained concessions for the operation of two mass rapid transit rail system projects from the Mass Rapid Transit Authority of Thailand (“MRTA”), namely:

#### **The M.R.T. Chalerm Ratchamongkhon Line Project (MRT Blue Line)**

The M.R.T. Chalerm Ratchamongkhon Line Project (MRT Blue Line) is investment on a PPP Net Cost basis, whereby MRTA invests in all civil works and the Company shall supply, install the M&E Equipment, and provide the operation and maintenance services. The Company is entitled to farebox revenue and undertaking activities and commercial development, including advertising, leasing space and telecommunications services in the metro stations and in the trains. The concession period of 30 years from the full service opening of the entire route, starting from March 30, 2020. The MRT Blue Line Project comprises :

- Hua Lamphong - Bang Sue Section, which is the first underground metro project of Thailand, covering a total distance of 20 kilometers, with 18 underground stations;
- Hua Lamphong - Bang Khae Section, which is the combined structure of underground and elevated route, covering a total distance of 16 kilometers, with 11 stations; and
- Bang Sue - Tha Phra Section, which is the entire elevated route, covering a total distance of 12 kilometers, with 9 stations.

The M.R.T. Chalerm Ratchamongkhon Line Project (MRT Blue Line) has connected to the M.R.T. Chalong Ratchadham Line Project (MRT Purple Line) at Tao Poon Station.



**The M.R.T. Chalong Ratchadham Line Project (the MRT Purple Line)**

The M.R.T. Chalong Ratchadham Line Project (MRT Purple Line), Bang Yai - Rat Burana, Bang Yai - Bang Sue Section (Khleng Bang Phai Station - Tao Poon Station), Contract 4: Concession for Supply of M&E Systems and O&M Services, on a PPP Gross Cost basis, whereby MRTA invests in all civil works and the Company invests in the M&E Systems and the rolling stocks, as well as provides the operation and maintenance services in accordance with the specified service standards. MRTA is entitled to all farebox revenue and commercial development revenue from the utilization of the civil infrastructure and the railway systems and MRTA shall make a gradual repayment of the M&E Equipment to the Company on a monthly basis for a period of 10 years, and shall engage the Company for the O&M Services throughout the concession period of 30 years from September 4, 2013.

The M.R.T. Chalong Ratchadham Line Project (MRT Purple Line) is an elevated metro project, for a distance of 23 kilometers, with 16 stations and connects to the M.R.T. Chaloem Ratchamongkhon Line Project (MRT Blue Line) at Tao Poon Station.

Moreover, the Cabinet resolved to approve the implementation of the MRT Orange Line Project, Bang Khun Non - Min Buri (Suwinthawong) Section on a PPP Net Cost basis, whereby the government shall invest in the land ownership of the MRT Orange Line Project (Western), Bang Khun Non - Thailand Cultural Centre Section, and the private sector shall invest in the civil works for the MRT Orange Line Project (Western) and the M&E Systems, the rolling stocks, as well as the operation and maintenance of the entire route from Bang Khun Non - Min Buri (Suwinthawong) Section, for the train operation period of 30 years, starting from the service opening of the MRT Orange Line Project (Eastern) onwards. The Company is the successful tenderer who obtains the highest total scores and is selected to operate the MRT Orange Line Project. In this regard, the Company will enter into the Public-Private Partnership Agreement for the MRT Orange Line Project with MRTA after the Cabinet's affirmative resolution allowing MRTA to enter into such Agreement.

The MRT Orange Line Project, Bang Khun Non - Min Buri (Suwinthawong) Section, has its route alignment connecting between the eastern Bangkok and the western Bangkok, covering a total distance of 35.9 kilometers, with 28 stations, divided into two sections, as follows:

1. The MRT Orange Line Project (Eastern)

It has a distance of 22.5 kilometers, with 17 stations, from Thailand Cultural Centre Station to Suwinthawong Station, 10 of which are underground and 7 of which are elevated.

2. The MRT Orange Line Project (Western)

It has a distance of 13.4 kilometers, with 11 stations, from Bang Khun Non Station to Thailand Cultural Centre Station, all of which are underground

**1.1.3 Commercial Development Business**

Given that the Company is exclusively to conduct commercial development as specified in the relevant Concession Agreement, the Company has appointed its subsidiary, Bangkok Metro Networks Limited ("BMN"), as a representative for commercial development in the Mass Rapid Transit Project and Expressway Projects, with its business operations being divided into three categories, namely :

1. Procurement and/or production of advertising media;
2. Lease of retail spaces; and
3. Provision of service and maintenance of telecommunications system equipment.

The commercial area development typically requires both self- operation and contracting outside resources.

## **1.2 Business Outlook**

### **1.2.1 Expressway Business**

The Company is a private expressway operator which operates the Si Rat Expressway, the Prachin Ratthaya Expressway, and the Udon Ratthaya Expressway, covering a total distance of 87.56 kilometers in Bangkok and its vicinity. In the meantime, there is another private sector company providing the same expressway service, with its total service distance of 28 kilometers. When compared to the Company, the other private company is one-third the size of the Company. The Company and the other private company's networks, on the other hand, have a connecting point above Makkasan on the Si Rat Expressway, allowing motorists of both networks to travel in a seamless, convenient, rapid and safe manner. In addition, both networks have their respective routes which connect to the north of Bangkok and run parallel to each other from the north of Bangkok into the center of Bangkok, giving the service users a travel mode choice. Physically, the Company's network is more connected to other expressways than that of the other private company, thereby allowing for comprehensive travel connections.

The COVID-19 outbreak continued to have an impact on all sectors of Thailand in 2022, particularly in the first half of the year, due to numerous measures, including the suspension of various activities and the stagnant increase in visitor numbers; as a result, there was constant impact on business across a variety of industries and the volume of traffic on the expressways; not to mention the escalating inflation resulting from the energy costs. However, the COVID-19 outbreak situation has subsided in the third quarter of 2022, and the government has relaxed several measures. One of these measures was making it convenient for visitors to enter the country by canceling the Thailand Pass registration for tourists, which has led to an increase in foreign tourists entering the country, causing the expansion of the tourism business, resulting in higher incomes of labor and business related to tourism (Thai economic forecast reports 2022 and 2023 by the Ministry of Finance), including different economic stimulus measures, continuous growth in exports, farm income insurance, along with the improved industrial confidence and consumer confidence indexes. These included the introduction of more new automobile models ([www.mreport.co.th](http://www.mreport.co.th)), resulting in an increase in 10-month auto sales (17% YoY), in line with the statistics of auto sales in the Motor Expo Exhibition which was annually held in December. In 2022, there was a 16% increase in auto sales from 2021 ([www.autodeft.com](http://www.autodeft.com)). As a result, the people were spending more on travel and leisure activities both in the public and private sectors, and more people were driving in spite of rising oil prices, it had a positive effect on the traffic volume on the expressways in that it increased as compared to 2021 when the severe COVID-19 outbreak took place. However, although the traffic volume on the expressways increased from the previous year, it was still lower than the traffic volume on the expressways prior to the COVID-19 outbreak in 2019, with an average annual traffic volume of 1.2 million trips per day. Even if the Company was in an unusual situation, it still remained committed to ongoing expressway maintenance for the safety and convenience of service users. This was because of the Company's control over a number of costs so that they matched the

economic environment while also being in line with the Company's revenues, which seemed still out of the ordinary. However, traffic volume on the expressway in 2023 would likely to increase in line with the improving economic.

The prime location and connections to major roads in the city allow the expressway network to respond to the transportation needs of motorists to reach their desired destinations. The Company has improved quality, maintained the expressways to assure their availability at all times for motorists' travelling safety, and enhanced the efficiency in the continuous service provision of the routes while also maintaining the good quality of the services. They have since been modified as a key strategy to improve the system's capacity to accommodate the inflows of traffic volume to ensure greater efficiency.

Nevertheless, in 2023 the Company continued to work on maintaining numerous safety issues, which was treated as the Company's top priority for the highest level of safety for motorists, whether it be enhancing the lighting on the expressways, improving the road surface, developing new traffic lines, and so forth, including the introduction of the toll collection system with VISA PAYWAVE and MASTER CARD PAY PASS credit and debit cards, allowing motorists to pay tolls at the cash counter using a credit or debit card from any bank in order to provide motorists' convenience and alternatives for toll payment. Additionally, the company is also studying on new routes in response to the urbanization in the future, particularly in Bangkok, as well as the study on traveling behavior of motorists, are conducted to prepare for the expansion of the scope of the expressway services, and serve well as additional channels of services in response to needs of the motorists in the future.

### **1.2.2 Rail Business**

Bangkok is a large capital city with a dense population, and is the economic center, giving rise to a rate of rapid growth and expansion. As a result, Bangkok today has been extremely facing traffic problems, which have accumulated over many years, along with an ongoing increase in population, number of cars, motorcycles and other vehicles in Bangkok every year, without any declining tendency, not to mention the demand for travel of the people which was rising, while the traffic areas and public transport systems could not adequately accommodate such rising demand, which was considered the main problem occurring in other densely populated capital cities worldwide. From such problems, the government has therefore implemented a policy to emphasize the development of various public transport networks to resolve the traffic problems in order to accommodate an increase in the population, including the economic growth of the country.

2022 marks the first year that Thailand's overall economy has clearly begun to recover, with a growth rate of approximately 2.6 percent, improving from 1.5% in 2021 mainly attributable to the people receiving adequate vaccinations, a decline in the severity of infections, resulting in a revival of the domestic economy, as well as welcoming the arrival of foreign tourists. *(Source: Office of the National Economics and Social Development Council)*

In terms of transportation system development, the Ministry of Transport has strived to develop the transportation systems of Thailand to serve as a mechanism to drive the country's economy to achieve balanced and stable growth. The infrastructure development for transportation would cover areas across the country, accommodate constant transportation and travelling which are connected together in a variety of modes, whether it be primary, secondary, and sub-tours, within the area, especially the mass transit system by electric train, one of the strategic plans for transportation development and as another important instrumental in driving the economy and reviving the country.

In this regard, the M.R.T. Chaloe M Ratchamongkhon Line (MRT Blue Line Extension), Hua Lamphong - Bang Khae Section (Lak Song Station), and Bang Sue - Tha Phra Section, one of the projects to which the government gives priority, was officially opened for the entire route on March 30, 2020; therefore, the MRT Blue Line Project is able to provide complete train service for the entire route as the single network (Through Operation). As such, traffic problems in Bangkok, which is the urban center of all activities, will be alleviated, and it will then become the network center for transportation and travel. In addition, the MRT Green Line Extension Project, Mo Chit - Saphan Mai - Khu Khot Section, was opened to the public for a fare-free trial on December 16, 2020.

Moreover, there are many major electric train projects which have been pushed forward, namely, the MRT Purple Line (South), Tao Poon - Rat Burana (Kanchanaphisek Outer Ring Road); the MRT Brown Line, Khae Rai - Lam Sali (Bueng Kum); the MRT Grey Line, Watcharaphon - Thong Lor Section; and the Bangna-Suvarnabhumi Line Project. Currently, they are in the process of proposing a budget and study of project details, including investment format, whereby all the projects have been accelerated by the government sector to ensure compliance with the strategic plans for infrastructure development for transportation of the country, in order to build an electric train network which covers more areas, and it serves as another option for traveling which can be scheduled, remains convenient, rapid and safe, as well as helping diminish environmental problems, improving the quality of life of the people in the pursuit of the country's continual development and sustainability.

#### **Progress of Development of the Mass Rapid Transit Systems under the Government Policy**

<b>Project</b>	<b>Current Status of Project</b>
<b>SRT Red Line</b>	<p><b>Bang Sue-Rang Sit, with 10 stations, for a distance of 26.30 km.</b></p> <ul style="list-style-type: none"><li>- It was opened to the public for a fare-free trial on August 8, 2021.</li><li>- It was officially opened for service on November 29, 2021.</li></ul> <p><b>Bang Sue-Taling Chan, with 3 stations, for a distance of 15 km.</b></p> <ul style="list-style-type: none"><li>- It was opened to the public for a fare-free trial on August 8, 2021.</li><li>- It was officially opened for service on November 29, 2021.</li></ul> <p><b>Taling Chan-Salaya, with 4 stations, for a distance of 14.8 km.</b></p> <ul style="list-style-type: none"><li>- The project was already approved on February 26, 2019.</li><li>- Currently, SRT is planning to open the project's construction work for bidding in 2023.</li></ul> <p><b>Taling Chan-Siriraj, with 3 stations, for a distance of 5.7 km.</b></p> <ul style="list-style-type: none"><li>- The project was already approved by the Council of Ministers on March 5, 2019.</li><li>- Currently, SRT is planning to open the project's construction work for bidding in 2023.</li></ul> <p><b>Rangsit-Thammasat University (Rangsit Campus), with 4 stations, for a distance of 8.84 km.</b></p> <ul style="list-style-type: none"><li>- The project was already approved on February 26, 2019.</li><li>- Currently, SRT is planning to open the project's construction work for bidding in 2023.</li></ul>

(Translation)

Project	Current Status of Project
	<p><b>Bang Sue-Phaya Thai-Makkasan-Hua Mak Section, and Bang Sue-Hua Lamphong Section</b></p> <ul style="list-style-type: none"> <li>- Currently, the construction design is being reviewed.</li> </ul>
<p><b>MRT Brown Line</b></p>	<p><b>Khae Rai - Lam Sali (Bueng Kum), with 20 stations, for a distance of 22.1 km.</b></p> <ul style="list-style-type: none"> <li>- January 3, 2019, the Commission for the Management of Land Traffic System Management Committee (CMLT) resolved to assign the OTP to incorporate the development plan for the MRT Brown Line Project, Khae Rai-Lam Sali (Bueng Kum) into the Mass Rapid Transit Master Plan in Bangkok Metropolitan and its vicinity, Phase 1.</li> <li>- Currently, the project is under consideration for the Environmental Impact Assessment Report (EIA).</li> <li>- It is expected that an open bid will start within 2024, and that the construction will start in 2025, and that it will open for service by 2028.</li> </ul>
<p><b>MRT Purple Line Extension</b></p>	<p><b>Tao Poon-Rat Burana (Kanchanaphisek Outer Ring Road), with 17 stations, for a distance of 23.6 km.</b></p> <ul style="list-style-type: none"> <li>- On July 25, 2017, the Council of Ministers passed a resolution granting approval for MRTA to carry out the construction of civil works for the MRT Purple Line Project, Tao Poon-Rat Burana Section (Kanchanaphisek Outer Ring Road).</li> <li>- SRT signed the Civil Work Contracts, Contracts Nos. 1-6 on March 11, 2022 as follows: <ul style="list-style-type: none"> <li>Contract 1: Design and Construction of Railway Tunnels and Underground Stations, Tao Poon - National Library Section, carried out by CKST-PL Joint Venture, comprising CH. Karnchang Public Company Limited and Sino-Thai Engineering &amp; Construction Public Company Limited, as the successful bidder;</li> <li>Contract 2: Design and Construction of Railway Tunnels and Underground Stations, National Library - Phan Fah Section, carried out by CKST-PL Joint Venture;</li> <li>Contract 3: Design and Construction of Railway Tunnels and Underground Stations, Phan Fah - Saphan Phut Section, carried out by ITD-NWR MRT Joint Venture;</li> <li>Contract 4: Design and Construction of Railway Tunnels and Underground Stations, Saphan Phut - Dao Kanong Section, carried out by Unique Engineering and Construction Public Company Limited;</li> <li>Contract 5: Construction of Elevated Railway Structures and Stations, Dao Khanong - Khru Nai Section, Stabling Yard and Park &amp; Ride, carried out by Italian-Thai Development Public Company Limited;</li> <li>Contract 6: Design and Construction of Railway System for the Entire Project Route, carried out by Italian-Thai Development Public Company Limited.</li> </ul> </li> <li>- It is expected to open for service by the end of 2027.</li> </ul>

(Translation)

Project	Current Status of Project
<b>MRT Grey Line</b>	<b>Watcharaphon - Thong Lor, with 39 stations, for a distance of 39.91 km.</b>  - Currently, BMA is in the process of meeting to consider concluding the project, with a tendency to transfer the project back to MRTA to implement in its place, due to Bangkok Governor Chadchart Sittipunt's policy aimed to address structural problems, particularly the transfer of unnecessary and redundant projects back to the government, as well as the solution to the debt issue concerning the BTS Skytrain project, to which BMA still owes.
<b>Bangna-Suvarnabhumi Line Project</b>	<b>Phase 1: Bang Na - Thana City Section, with 12 stations, for a distance of 14.6 km.</b>  <b>Phase 2: Thana City – Suvarnabhumi (South Terminal), with 2 stations, for a distance of 5.1 km.</b>  - Currently, the project is in the process of studying and preparing report on the Public-Private Partnerships (PPP).

From the better economic overview, it is expected that the number of passengers in 2023 will return to normal and would likely to higher than the number of passengers before the COVID-19 outbreak situation.

## 1.2.2 Commercial Development Business

### - Advertising Media

Even though in 2022, the COVID-19 outbreak situation would lessen; business operations would resume to normal; and the tourism industry would begin to recover, some businesses were still negatively impacted. The country's economy was still facing the problem of inflation due to the steadily rising energy price crisis, substantially attributable to the war crisis between Russia and Ukraine, as such, business costs, prices of goods and services were rising. Because of such predicament, the private sector and households must effectively manage their expenditure; the use of the public relations budget would be evaluated in terms of worthiness and maximum benefits.

The overall advertising industry during January to October 2022, which the media with a higher growth rate included cinema media, mobile media, in-store media, and out-of-home media; while the media with the declined growth rate were cable and newspapers media, had a growth rate of 10 percent (Source: Nielsen) as compared to that during the same period as the previous year. Yet, the competitive circumstances were extremely intense, as evidenced by the use of discounts of more than 50 percent or a variety of giveaways in order to retain the current clientele while also attracting new ones.

The advertising media industry in 2023 would likely continue to face the risk of global conflict about the "Russian-Ukrainian War", which has considerably escalated the energy prices globally, followed by raw materials prices, inflation, and interest rates, having an impact on the rate of economic growth both in Thailand and worldwide. As a result, it is expected that in 2023, the advertising media industry, which is likely to grow in a direction consistent with the pace of economic growth, would still face intense competition and continue to use a variety of promotions to maintain or increase



market share. Additionally, the provision of other services or joining forces with partners to undertake activities for promotion of customers' businesses will be another strategy that will be more heavily implemented the following year, so as to allow customers to see the value of the use of their budget and to build long-lasting healthy relationships with them.

- **Space for Lease and Services**

Rental and space service businesses in 2022, namely Enclosed Mall, Community Mall, Department Store, On-Site Retail, Super Store, have showed signs of slow improvement. After the COVID-19 outbreak situation has abated, people feel more comfortable living outside, more tourists are visiting, and the government has made investments in various forms of infrastructure, all of which have provided a kickstart for the country's economic recovery. As such, the demand for retail space increases accordingly, and it is expected to grow from the previous year by 2-3 percent (*Source: Krungsri Research Report, September 2022*).

The Metro Mall in the MRT stations is a distinctive location where services are provided to the primary target audience, namely MRT users, with it being directly affected by the severe COVID-19 outbreak in terms of both decreased passenger numbers and business closures as a result of government measures. In 2022, the number of passengers started to be on the rise, the businesses were able to resume providing the services as usual, and the space rental and service provision began to improve. Even though some entrepreneurs were still somewhat affected by a certain number of passengers who have not returned to pre-epidemic conditions or some of them departed the area, there were interested new entrepreneurs using the area, and the activity area started to become alive once more. In this regard, the Company continues to prioritize the development of Metro Mall area to meet the needs of service users and entrepreneurs in regard to the facilities area, safety measures, maintaining a good image and good relationships as a good business partner in the long run.

- **Provision of Service and Maintenance of Telecommunications Network**

The mobile phone service industry in the country will have public and private operators licensed by the Office of the NBTC, which will compete in providing services to the public in terms of quality and service rates under supervision of the Office of the NBTC.

Provision of service and maintenance of the Company's telecommunications network is to ensure the availability of an efficient and quality network which is accessible to those who have secured mobile phone business licenses. As a result, business competition in terms of service quality will be a factor driving the Company to maintain its telecommunication network in accordance with the standards as given commitment with the Office of the NBTC and its business partners.

### **1.3 Risk to Business Operations of the Company**

#### **1.3.1 Risk from Business Operations under Concession Agreements with Government Sector**

The Company has operated its businesses under the relevant Concession Agreements which are supervised by EXAT and MRTA; however, due to government policy, the Company may not be able to comply with the terms and conditions of the Concession Agreements, and as a result, the Company may have to change its operations or incur additional costs, which could impact the Company's performance.

The uncertainty of political stability and changes in government administration by political parties in charge of supervision has resulted in changes in related policies, laws, regulations. This may have an impact on the specified contractual terms that EXAT or MRTA may be unable to meet or has other intentions for the Company to take actions other than those stipulated in the contracts or agreements.

In this regard, the Company has created a joint operating system with the government agencies, both at the administrative and operating levels, by sharing sufficient information with each other to ensure good understanding towards each other, as well as regularly and closely monitoring the political situations and policy changes, and reasonably reviewing the strategic and operational plans to suit the situations and ensure the mutual interest in the long run.

#### **1.3.2 Risk Relating to Revenues less than Projections**

The Company provides both expressway and metro services, therefore, the Company's core revenues are tolls, fares and commercial development, all of which may be vulnerable to a number of external factors that are beyond the Company's control, such as, the expansions of electric train networks, the availability of a good constant transport system, the alternative fare rates of other transit systems which passengers can choose from, road traffic congestion, oil prices, expansion of real estate, condominiums and businesses surrounding the metro routes which enable people to reach their travel goals, or serious epidemics, etc., all of which affect the volume of the Company's service users. Moreover, the Company generates commercial development revenue, which may vary depending on the local and overseas economic conditions, competition in advertising media and retail space lease business, as well as the progress in opening of retail shops in the stations, several factors of which are beyond the Company's control. Therefore, should the Company's revenues differ from study results or projections, it may affect the liquidity and serviceability management with respect to the existing obligations owed to the lending financial institutions or creditors according to the mutually agreed schedule.

Currently, after the country's opening, various economic activities have started to recover, resulting in an increase in the volume of vehicles on expressways and the volume of metro passengers that has been steadily approaching before the COVID-19 outbreak. The disease's spread remains yet unknown, though, and such uncertainty could have an impact on the Company's revenue.

To minimize such risk, the Company has established a unit to closely monitor any impact which may affect various factors and formulated appropriate strategies. In addition, the Company can limit potential impacts from risk factors, such as oil prices, road traffic congestions, and alternative fare rates of other transit systems available for passengers, due to the Company's full services of expressways and metro, both of which are considered substitute products. With respect to the commercial development, the Company has developed new advertisement media to increase its commercial

development revenue. In addition, the Company has set aside cash bank deposits and has undrawn credit lines with many financial institutions; as a result, the Company has no liquidity problems, while also maintaining strict cost management and expenditure control.

### **1.3.3 Risk Relating to Interest Rate and Foreign Exchange Rate Fluctuations**

The Company is obliged to service interest-bearing liabilities to lenders and also has plans for future investment in many projects, which may require a large amount of long-term loans. Thus, the Company's interest expenses are considered its significant expenditures. Any significant fluctuation in the interest rate could have an impact on the Company's financial cost and operations. The Company has therefore implemented risk management by restructuring the loans so that the loans are divided into floating interest rate-bearing loan and fixed interest rate-bearing loan to suit economic conditions, as well as by issuing for sale sustainability debentures for the environmental conservation and social development projects, thereby resulting in a lower financial cost lower than the issuance for sale of general debentures.

Foreign-currency expenses that the Company has incurred include maintenance costs for the M&E systems, some insurance premiums. If the value of Baht currency depreciates, the Company's expenses will increase accordingly. Then, the Company has implemented risk management by reducing the percentage of foreign-currency expenses and foreign exchange future trading at a predetermined exchange rate in order to prevent the risk of fluctuating exchange rates (Forward).

### **1.3.4 Risk from Serious Epidemics**

The emergence of a serious epidemic is unpredictable, and when it strikes, it will have spread over a large area, thereby harming business operations and people's well-being, and it will take a long time to address, which requires cooperation from all parties involved, including the public, private, and people sectors. One example, among others, is the occurrence of the COVID-19 outbreak.

The Company has established procedures for monitoring any serious epidemic situations and has also formulated epidemic preventive measures, remedial measures, and communication measures accessible to those involved, including specifying details of epidemic prevention, epidemic control, and post-treatment monitoring of staff to confirm that they have epidemic sterility, all of which are incorporated in the work rules and regulations regarding prevention and containment of dangerous communicable diseases. The Company has also prepared a business continuity management plan and has defined the work rules regarding business continuity plan to accommodate any emergency in the case of occurrence of a serious disease outbreak in order to ensure that they are handled in conformity with the practices in the situation of the COVID-19.

### **1.3.5 Risk Relating to Fluctuation of Cost of Rail Business**

The cost of farebox is deemed the main expenditure in the Company's mass transit system project management business operation, consisting of repair and maintenance costs for the metro system and civil infrastructure, public utility cost, personnel cost, and payment of remuneration from fare revenue.

As for the maintenance costs under the M&E contract, the Company's contract is in foreign and Baht currencies, subject to adjustment based on the Consumer Price Index as specified in the contract. Given the long-term contract, the Company will be then exposed to risk due to changes in such indices.

The public utility cost mainly comprises the cost of electricity used at the metro stations and for train operations. The cost of electricity may be adjusted according to the electricity rates of the Metropolitan Electricity Authority, which may result in the Company's increased cost.

In the Concession Agreement for the MRT Blue Line Project, the service fees for the O&M Services payable by MRTA to the Company are calculated and based on the projections of operating expenses estimated by the Company, whereby such service fees may be adjusted only based on the actual inflation rate and electricity charge rate under the method specified in the Concession Agreement. Therefore, profits from the Operation Service will vary according to the Company's ability to manage the actual costs and expenses to mirror the specified projections. Should the actual costs and expenses be different from the projections, the Company's operational results may be affected since the Company is not able to request compensation or increase the service fees from MRTA.

However, with the expertise and experience in the management of the MRT Blue Line Project, the Company is confident in its ability to efficiently manage costs and expenses for operations to be close to the projections.

#### **1.3.6 Risk from Engagement of Outsourced Experts as Main Contractors for Supply and Maintenance of the M&E Equipment**

The Company has entered into the agreement for the procurement of the M&E Equipment and an agreement for maintenance of the M&E Equipment with outsourced contractors, namely, Siemens Limited, Thailand, and Japan Transportation Technology (Thailand). Thus, if such outsourced contractors are unable to provide services to the Company under their respective agreements or if there is any change in the maintenance agreement, the Company's business operation may be affected; and if the trains cannot be made operational, it may have an impact on the Company's fare box revenue, reputation, and image.

In this regard, the Company has managed the risk by studying information from the members of the international federations of public transport operators, such as UITP, APTA, NOVA Group of Metros, including the advice from Lloyd's Register Rail, the highly experienced consultant. The Company can then select and procure other manufacturers' M&E Equipment which is compatible with its existing system. To that end, the Company has also adopted a personnel development policy to ensure that its employees have the sufficient capabilities in collaborating with both local and overseas equipment manufacturers and contractors in the maintenance and repair of the M&E Equipment and the rail system in order to achieve efficiency without reliance on the sole existing manufacturer.

## 2. List of the Management and List of the First 10 Shareholders as at the Latest Closing Date of the Shareholders' Register

### 2.1 List of the Director and Management as at 9 March 2023

List of Directors	Position
1. Mr. Plew Trivisvavet	Chairman of the Board of Directors Chairman of the Executive Board Nomination and Remuneration Committee Member
2. Mr. Vitoon Tejatussanasoontorn	Chairman of the Audit Committee / Independent Director / Nomination and Remuneration Committee Member
3. Gen. Chetta Thanajaro	Chairman of the Nomination and Remuneration Committee / Independent Director / Audit Committee Member
4. Prof. (adjunct) Athapol Yaisawang	Chairman of the Corporate Governance, Risk Management and Sustainable Development Committee / Independent Director / Nomination and Remuneration Committee Member
5. Dr. Annop Tanlamai	Independent Director / Audit Committee Member
6. Mrs. Vallapa Assakul	Independent Director / Corporate Governance, Risk Management and Sustainable Development Committee Member
7. M.L. Prasobchai Kasemsant	Independent Director
8. Mr. Supong Chayutsahakij	Director / Executive Director
9. Mr. Phongsarit Tantisuvanitchkul	Executive Director Corporate Governance, Risk Management and Sustainable Development Committee Member
10. Mrs. Payao Marittanaporn	Director / Executive Director
11. Dr. Supamas Trivisvavet	Director / Executive Director
12. Miss Arisara Dharamadhaj	Director
13. Mr. Panit Dunnvatanachit	Director
14. Mr. Piyakorn Apibalsri	Director
15. Mrs. Tasanuch Thammachot	Director
16. Miss Jiranan Vorachak	Director
17. Dr. Sombat Kitjalaksana	Director / Executive Director / Corporate Governance, Risk Management and Sustainable Development Committee Member /

(Translation)

List of Management	Position
1. Dr. Sombat Kitjalaksana	Managing Director
2. Mr. Witoon Hatairatana	Deputy Managing Director Operations & Engineering (Rail)
3. Mr. Anawash Suwanarit	Deputy Managing Director Business Development & Expressway Operations
4. Mr. Alvin Gee	Deputy Managing Director Administration
5. Ms. Panan Tosuwanthaworn	Deputy Managing Director Accounting & Finance

## 2.2 List of the First 10 Shareholders as at March 9, 2023

The Company has registered and paid up capital equaling to Baht 15,285 million divided into 15,285 million ordinary shares with par value of Baht 1 per share. Pursuant to the list of shareholders of the Company as at March 9, 2023, the first 10 shareholders are listed as follow:

List of Shareholders	Number of Shares	%
1. CH. Karnchang Public Company Limited	5,260,056,884	34.413
2. Mass Rapid Transit Authority of Thailand	1,256,259,584	8.219
3. Thai NVDR Company Limited	1,053,248,729	6.891
4. Krung Thai Bank Public Company Limited	815,356,075	5.334
5. Social Security Office	499,714,000	3.269
6. South East Asia UK (Type C) Nominees Limited	368,237,421	2.409
7. Bangkok Bank Public Company Limited	303,448,709	1.985
8. Mr. Wichai Wachiraphong	295,980,057	1.936
9. State Street Europe Limited	220,218,067	1.441
10. Mr. Min Tieworn	160,000,000	1.047
Others	5,052,480,474	33.056
<b>Total</b>	<b>15,285,000,000</b>	<b>100.000</b>



### 3. Summary of the Company's Debt Burden

#### 3.1 The total amount of debt instruments that have been issued and not yet been issued in accordance with resolutions of the shareholders' meetings and the Board of Directors' delegated authority to consider issuing them as it deemed appropriate

No. / Tranche	Term	Issuance Date	Maturity Date	Interest Rate (% per annum)	Outstanding Balance under the Consolidated Financial Statements as at December 31, 2022 (Million Baht)
No. 1/2016					
- Tranche 3	7 years	24 June 2016	24 June 2023	3.00	2,000
- Tranche 4	10 years	24 June 2016	24 June 2026	3.30	3,335
- Tranche 5	12 years	24 June 2016	24 June 2028	3.61	2,750
No. 2/2016	12 years	11 August 2016	24 June 2028	3.61	500
No. 3/2016					
- Tranche 2	9 years	21 October 2016	October 21, 2025	3.78	2,500
- Tranche 3	11 years	21 October 2016	October 21, 2027	3.95	3,000
No. 1/2017					
- Tranche 2	7 years	7 September 2017	7 September 2024	3.10	3,000
No. 1/2018					
- Tranche 2	5 years	5 April 2018	5 April 2023	2.46	3,500
- Tranche 3	7 years	5 April 2018	5 April 2025	3.01	3,500
No. 1/2019					
- Tranche 2	5 years	9 May 2019	9 May 2024	3.18	2,000
- Tranche 3	7 years	9 May 2019	9 May 2026	3.59	1,000
- Tranche 4	10 years	9 May 2019	9 May 2029	3.84	1,000
No. 1/2020					
- Tranche 1	4 years	10 June 2020	10 June 2024	2.88	1,000
- Tranche 2	10 years	10 June 2020	10 June 2030	3.50	1,300
- Tranche 3	12 years	10 June 2020	10 June 2032	3.78	700
No. 1/2021					
- Tranche 1	3 years	28 April 2021	28 April 2024	1.56	2,000
- Tranche 2	5 years	28 April 2021	28 April 2026	2.24	2,000
- Tranche 3	7 years	28 April 2021	28 April 2028	2.91	1,000
- Tranche 4	10 years	28 April 2021	28 April 2031	3.33	1,000
No. 1/2022					
- Tranche 1	3 years	5 September 2022	5 September 2025	2.76	1,000
- Tranche 2	5 years	5 September 2022	5 September 2027	3.33	1,500
- Tranche 3	10 years	5 September 2022	5 September 2032	4.01	1,000
- Tranche 4	12 years	5 September 2022	5 September 2034	4.15	1,000
<b>Total</b>					<b>41,585</b>

(Translation)

No. / Tranche	Term	Issuance Date	Maturity Date	Interest Rate (% per annum)	Outstanding Balance under the Consolidated Financial Statements as at December 31, 2022 (Million Baht)
Less: Current portion of debentures					(5,500)
Less: Deferred debentures issuing cost					(26)
Less: Deferred interest expense					(1)
<b>Debentures - net of current portion</b>					<b>36,058</b>

In this regard, given that the 2016 Annual Ordinary General Meeting of Shareholders and the Extraordinary General Meeting of Shareholders No. 1/2017 resolved to approve the issuance and offering for sale of secured and/or unsecured debentures in the total amount and the outstanding value of the debenture principal not exceeding Baht 48,000 Million and Baht 16,000 Million, respectively, the Company still has the total amount of unissued debt instruments under the resolutions of the shareholders' meetings and the delegation of authority to the Board of Directors to consider issuing them as it deemed appropriate totaling Baht 22,415 Million.

### 3.2 The total amount of loans with specified term and the liability to place assets as collateral

Loan	Interest Rate (% per annum)	Repayment	Outstanding Balance under the Consolidated Financial Statements as at December 31, 2022 (Million Baht)
Long-term loan	Interest rate of 6M THBFIX plus stipulated margins	Repayment installments in every six months (Apr 2022 - Apr 2026)	3,880
Long-term loan	Interest rate of 6M FDR plus stipulated margins	Repayment in quarterly installments (Mar 2022 - Dec 2025)	2,323
Long-term loan for the MRT Blue Line Extension Project <sup>1</sup>	Interest rate of 6M THBFIX plus stipulated margins	Repayment in quarterly installments (Dec 2021 - Dec 2035)	13,750
Sustainability Loan Agreement	Fixed interest rate	Repayment in annually installments (Feb 2023 - Feb 2027)	3,000
<b>Outstanding balance as at December 31, 2022</b>			<b>22,953</b>

(Translation)

<b>Loan</b>	<b>Interest Rate (% per annum)</b>	<b>Repayment</b>	<b>Outstanding Balance under the Consolidated Financial Statements as at December 31, 2022 (Million Baht)</b>
Concession Agreement Liabilities	FDR plus stipulated margins	Repayment in monthly installments (Oct 2017 - Jul 2026)	5,525
Gain from cross currency and interest rate swap contracts			(1)
<b>Outstanding balance as at December 31, 2022</b>			<b>28,477</b>
Less: Current portion			(4,173)
Less: Deferred financial fees			(59)
Add: Deferred interest expense			465
<b>Long-term loans - net of current portion</b>			<b>24,710</b>

**Remark:** 1. The Company has placed its partial assets as collateral for such loan facilities.

### 3.3 Commitments and contingent liabilities

#### Capital commitments

As at December 31, 2022, the Company had the capital commitments as follows:

<b>Capital Commitments</b>	<b>Amount</b>
Performance improvement for fare collection systems	Baht 51 Million and USD 4 Million
Acquisition of equipment	Baht 120 Million
Installation of the M&E Systems of the MRT Project	Baht 116 Million
Improvement for civil infrastructure of expressway	Baht 305 Million
Other capital commitments	Baht 9 Million

#### Long-term service commitments

As at December 31, 2022, the Company had commitments under the M&E Equipment and Civil Infrastructure Maintenance Contract of the MRT Project, which will expire between 2023 and 2029. The Company's commitments to service fees payable under such contract, excluding escalation of the M&E Equipment procurement cost in accordance with the general consumer price index, were as follows:

<b>Payable:</b>	<b>Million</b>				
	<b>Baht</b>	<b>USD</b>	<b>EUR</b>	<b>SGD</b>	<b>YEN</b>
In up to 1 year	1,709	-	4	-	379
In over 1 year and up to 5 years	4,328	2	15	1	980
In over 5 years	1,284	1	7	-	-

(Translation)

### **Commitments under various service agreements**

As at December 31, 2022, the Company had commitments to paying service fees under various service agreements as follows:

<b>Payable</b>	<b>Million Baht</b>
In up to 1 year	486
In over 1 year and up to 5 years	338

### **Operating lease commitments**

As at December 31, 2022, the Company 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 such agreements are between 2 and 4 years. The Company's commitments to future minimum lease payments under such operating lease agreements were as follows:

<b>Payable:</b>	<b>Million Baht</b>
In up to 1 year	12
In over 1 year and up to 4 years	14

### **Guarantees**

As at December 31, 2022, the Company had the following outstanding performance bonds and bank guarantees issued by banks on behalf of the Company:

<b>Payable:</b>	<b>Million Baht</b>
Issued to the MRTA as guarantee for bidding for the operation of the MRT Orange Line Project - Bang Khun Non - Min Buri (Suwinthawong)	2,000
Issued to the MRTA as guarantee for compliance with	
- The MRT Blue Line Concession agreement	210
- The MRT Chalong Ratchadham Line Concession Agreement	200
Issued to the Metropolitan Electricity Authority as guarantee for MRT projects	118
Other guarantees	3

### **Other commitments**

As at December 31, 2022, the Company had other commitments as follows:

<b>Payable:</b>	<b>Million Baht</b>
Commitment in respect of the uncalled portion of investment in Northern Bangkok Expressway Company Limited	750

(Translation)

4. **Summary table of financial statements for the past 3 years and the current year until the most recent quarter, as well as management discussion and analysis of financial position and operating results**

**Statement of Financial Position**

Statement of Financial Position	As at					
	December 31, 2020		December 31, 2021		December 31, 2022	
	Million Baht	%	Million Baht	%	Million Baht	%
<b><u>Assets</u></b>						
<b><u>Current assets</u></b>						
Cash and cash equivalents	1,614	1.42	1,131	0.98	1,788	1.57
Bank deposit for unearned fare box revenue	224	0.20	225	0.20	230	0.20
Trade and other receivables	549	0.48	473	0.41	648	0.57
Current portion of receivable under the concession agreement	1,650	1.45	1,650	1.43	1,650	1.44
Current tax assets	125	0.11	121	0.11	145	0.13
Other current financial assets	761	0.67	766	0.67	947	0.83
Other current assets						
Prepaid expenses	91	0.08	92	0.09	93	0.08
Advance payment for service contracts	18	0.02	44	0.03	-	-
Spare parts	-	-	27	0.02	59	0.05
Others	12	0.01	11	0.01	5	0.01
<b>Total current assets</b>	<b>5,044</b>	<b>4.44</b>	<b>4,540</b>	<b>3.95</b>	<b>5,565</b>	<b>4.88</b>
<b><u>Non-current assets</u></b>						
Receivable under the concession agreement, net of current portion	7,561	6.65	5,911	5.14	4,262	3.73
Other non-current financial assets	15,841	13.94	15,910	13.82	13,419	11.76
Investment properties	120	0.11	120	0.10	120	0.10
Building and equipment	379	0.33	384	0.33	338	0.30
Right-of-use assets	87	0.08	140	0.12	172	0.15
Rights to operate expressway sectors	31,702	27.90	31,921	27.74	31,860	27.92
Intangible asset under concession agreement of the MRT Blue Line Project	44,684	39.33	45,369	39.42	45,246	39.64
Project cost of the MRT Chalong Ratchadham Line	660	0.58	677	0.59	657	0.58
Prepaid project remuneration	7,308	6.43	9,776	8.49	12,401	10.86
Other intangible assets	63	0.06	48	0.04	33	0.03
Deferred tax assets	14	0.01	16	0.01	20	0.02
Other non-current assets	153	0.14	276	0.25	35	0.03
<b>Total non-current assets</b>	<b>108,572</b>	<b>95.56</b>	<b>110,548</b>	<b>96.05</b>	<b>108,563</b>	<b>95.12</b>
<b>Total assets</b>	<b>113,616</b>	<b>100.00</b>	<b>115,088</b>	<b>100.00</b>	<b>114,128</b>	<b>100.00</b>

(Translation)

Statement of Financial Position	As at					
	December 31, 2020		December 31, 2021		December 31, 2022	
	Million Baht	%	Million Baht	%	Million Baht	%
<b><u>Liabilities and shareholders' equity</u></b>						
<b><u>Current liabilities</u></b>						
Short-term loans from financial institutions	3,000	2.64	2,000	1.74	-	-
Trade and other payables	1,745	1.53	1,492	1.30	1,763	1.55
Current portion of long-term loans from financial institutions	3,745	3.30	3,544	3.08	4,173	3.66
Current portion of lease liabilities	46	0.04	45	0.04	68	0.06
Current portion of debentures	4,615	4.06	3,000	2.61	5,500	4.82
Unearned fare box revenue	228	0.20	222	0.19	244	0.21
Deposits on stored value ticket	88	0.08	87	0.08	93	0.08
Income tax payable	42	0.04	28	0.02	12	0.01
Current portion of derivative financial liabilities	11	0.01	-	-	-	-
Other current financial liabilities	65	0.06	102	0.09	105	0.09
Other current liabilities						
Value added tax payable	65	0.06	53	0.05	55	0.05
Withholding tax deducted at source payable	59	0.05	39	0.03	59	0.05
Others	25	0.02	33	0.02	20	0.02
<b>Total current liabilities</b>	<b>13,734</b>	<b>12.09</b>	<b>10,645</b>	<b>9.25</b>	<b>12,092</b>	<b>10.60</b>
<b><u>Non-current liabilities</u></b>						
Long-term loans from financial institutions, net of current portion	23,670	20.83	25,609	22.25	24,710	21.65
Lease liabilities, net of current portion	41	0.03	93	0.08	103	0.09
Debentures, net of current portion	34,058	29.98	37,057	32.20	36,058	31.59
Derivative financial liabilities, net of current portion	174	0.15	96	0.08	1	0.01
Provision for long-term employee benefits	932	0.82	771	0.67	838	0.73
Deferred tax liabilities	2,960	2.60	3,109	2.70	3,052	2.67
Other non-current liabilities	13	0.02	9	0.01	11	0.01
<b>Total non-current liabilities</b>	<b>61,848</b>	<b>54.43</b>	<b>66,744</b>	<b>57.99</b>	<b>64,773</b>	<b>56.75</b>
<b>Total liabilities</b>	<b>75,582</b>	<b>66.52</b>	<b>77,389</b>	<b>67.24</b>	<b>76,865</b>	<b>67.35</b>



(Translation)

Statement of Financial Position	As at					
	December 31, 2020		December 31, 2021		December 31, 2022	
	Million Baht	%	Million Baht	%	Million Baht	%
<u>Shareholders' equity</u>						
Registered	15,285	13.45	15,285	13.28	15,285	13.39
Paid-up	15,285	13.45	15,285	13.28	15,285	13.39
Premium on ordinary shares	5,817	5.12	5,817	5.05	5,817	5.09
Capital deficit from change in shareholding in subsidiaries	(264)	(0.23)	(346)	(0.30)	(346)	(0.30)
Retained earnings						
Appropriated - statutory reserve	1,464	1.29	1,503	1.31	1,529	1.34
Unappropriated	15,572	13.71	15,194	13.20	16,451	14.41
Other components of shareholders' equity	118	0.10	245	0.21	(1,474)	(1.29)
Equity attributable to shareholders of the Company	37,992	33.44	37,698	32.75	37,262	32.64
Non-controlling interests of the subsidiaries	42	0.04	1	0.01	1	0.01
<b>Total shareholders' equity</b>	<b>38,034</b>	<b>33.48</b>	<b>37,699</b>	<b>32.76</b>	<b>37,263</b>	<b>32.65</b>
<b>Total liabilities and shareholders' equity</b>	<b>113,616</b>	<b>100.00</b>	<b>115,088</b>	<b>100.00</b>	<b>114,128</b>	<b>100.00</b>

**Statement of Comprehensive Income**

Statement of Comprehensive Income	2020		2021		2022	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Revenues</b>						
Revenue from expressway business	8,145	56.87	6,450	56.18	8,192	55.34
Revenue from rail business	4,520	31.56	3,454	30.09	4,917	33.22
Revenue from commercial development business	825	5.76	822	7.16	921	6.22
Other income						
Interest income	296	2.07	227	1.98	187	1.26
Dividend income	483	3.37	492	4.29	552	3.73
Others	54	0.37	36	0.30	33	0.23
<b>Total revenues</b>	<b>14,323</b>	<b>100.00</b>	<b>11,481</b>	<b>100.00</b>	<b>14,802</b>	<b>100.00</b>
<b>Expenses</b>						
Cost of expressway business	1,738	12.14	1,499	13.05	1,893	12.79
Cost of rail business	4,713	32.91	4,335	37.76	4,877	32.95
Cost of commercial development business	226	1.58	224	1.95	276	1.86
Amortisation on rights to operate completed expressway sectors and compensation for site acquisition cost	1,390	9.70	686	5.98	933	6.30
Amortisation on intangible asset under concession agreement of the MRT Blue Line Project	359	2.51	245	2.14	468	3.16
Selling expenses	170	1.19	92	0.80	127	0.86
Administrative expenses	1,177	8.21	1,068	9.30	1,033	6.98

(Translation)

Statement of Comprehensive Income	2020		2021		2022	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Total expenses</b>	<b>9,773</b>	<b>68.24</b>	<b>8,149</b>	<b>70.98</b>	<b>9,607</b>	<b>64.90</b>
<b>Operating profit</b>	4,550	31.76	3,332	29.02	5,195	35.10
Finance cost	(2,113)	(14.75)	(2,187)	(19.05)	(2,361)	(15.95)
<b>Profit before income tax expenses</b>	2,437	17.01	1,145	9.97	2,834	19.15
Income tax expenses	(382)	(2.66)	(134)	(1.16)	(398)	(2.69)
<b>Profit for the period</b>	<b>2,055</b>	<b>14.35</b>	<b>1,011</b>	<b>8.81</b>	<b>2,436</b>	<b>16.46</b>
<b>Profit attributable to:</b>						
Equity holders of the Company	2,051		1,010		2,436	
Non-controlling interests of the subsidiaries	4		1		-	
<b>Total</b>	<b>2,055</b>		<b>1,011</b>		<b>2,436</b>	

### **Cash Flow Statement**

Cash Flow Statement	2563	2564	2565
	Million Baht	Million Baht	Million Baht
Net cash flows from operating activities	5,351	2,870	5,632
Net cash flows used in investing activities	(3,724)	(1,731)	(579)
Net cash flows used in financing activities	(717)	(1,621)	(4,379)
Net increase (decrease) in cash and cash equivalents	910	(482)	656
Cash and cash equivalents at beginning of the period	704	1,614	1,131
Cash and cash equivalents at end of the period	1,614	1,131	1,788

(Translation)

**Financial Ratios**

Financial Ratios	2020	2021	2022
<b>LIQUIDITY RATIO</b>			
Liquidity Ratio (Times)	0.28	0.32	0.37
Quick Ratio (Times)	0.26	0.29	0.34
Cash Flow Ratio (Times)	0.31	0.09	0.39
<b>PROFITABILITY RATIO</b>			
Gross Profit Margin (%)	37.53	34.84	39.79
Operating Profit Margin (%)	45.21	39.33	46.86
Other Profit Margin (%)	5.93	6.70	5.28
Cash to Profitability Ratio (%)	56.16	23.74	57.91
Net Profit Margin (%)	14.60	8.97	16.66
Return on Equity (%)	5.35	2.67	6.50
<b>EFFICIENCY RATIO</b>			
Return on Total Assets (%)	2.00	0.95	2.26
Return on Fixed Assets (%)	5.16	2.77	5.18
Assets Turnover (Times)	0.14	0.11	0.14
<b>FINANCIAL POLICY RATIO</b>			
Debt to Equity Ratio (Times)	1.76	1.87	1.91
Net Interest Bearing Debt to Equity Ratio (Times)	1.52	1.65	1.66
Interest Coverage Ratio (Times)	3.38	2.17	3.06
Net Debt to EBITDA (Times)	10.56	16.16	10.40
Debt Service Coverage Ratio (Times)	1.98	1.15	1.89
Dividend Payout Ratio (%)	74.52	121.06	75.29

**Management Discussion and Analysis of the Statement of Financial Position and Operating Results**

**Significant Events**

In 2020, the Company, the subsidiary, and the Expressway Authority of Thailand (EXAT) signed the Second Stage Expressway Agreement (Amendment) and the Bang Pa-in - Pak Kret Expressway Agreement (Amendment) on February 20, 2020, which was an extension of the contract period to be due simultaneously in October 2035. In this regard, the Company and its subsidiary have the right to extend the contract periods to be completed as specified in the existing agreements, with a revision to their respective toll rates taking place every 10 years at the rates specified in the agreements. The Company and its subsidiary are still entitled to receive a profit of income in the existing proportion. According to the Notification of the Office of the Prime Minister, the Company and its subsidiary collaborated in waiving toll payments on yearly public holidays for all three routes, namely the First Stage Expressway, the Second Stage Expressway, and the Bang Pa-In - Pak Kret Expressway.

Moreover, on March 31, 2020, the Company opened commercial service of the MRT Blue Line Project for the entire route, covering a distance of 48 kilometers, with 38 stations, with its connected alignment featuring a Circle Line covering the central area of Bangkok, including a connection for travel between Bangkok and Thonburi sides, and also increased the number of trains in service from the initial 19 trains to 5 trains. In addition, the MRT Blue Line is connected to other electric train lines, namely MRT Green Line, MRT Purple Line, MRT Orange Line, SRT Red Line, and the Airport Rail Link, contributing to faster and more convenient travel for people.

In 2021, the COVID-19 outbreak situation that had started in 2020 turned violent again in 2021, negatively affecting travel activities. As a result, the number of vehicles using the expressways and electric train passengers decreased considerably. However, travel has recovered significantly after the relaxation of the government control measures. The recovery rate of the number of expressway users and electric train passengers at the end of 2021 compared to the lowest point of the year, in August 2021, was 77.6 percent and 226.4 percent, respectively.

The abated severity of the COVID-19 outbreak and the government's announcement that COVID-19 has been downgraded to a communicable disease under surveillance, including the country's opening, which increased the number of travelers, have resulted in a significant increase in the number of the expressway users and the metro passengers in 2022 as compared to the previous year, namely by 22.4 percent and 84.5 percent, respectively.

(Translation)

**Overview of Operational Results**

(Unit : Million Baht)

Description	2020	2021	Change in 2021 compared to the previous year		2022	Change in 2022 compared to the previous year	
			Amount	%		Amount	%
Revenue from expressway business	8,145	6,450	(1,695)	(20.81)	8,192	1,742	27.01
Revenue from rail business	4,520	3,454	(1,066)	(23.58)	4,917	1,463	42.36
Revenue from commercial development business	825	822	(3)	(0.36)	921	99	12.04
Total revenues from main business	13,490	10,726	(2,764)	(20.49)	14,030	3,304	30.80
Other income							
<i>Interest income from the MRT Purple Line Project</i>	277	218	(59)	(21.30)	176	(42)	(19.27)
Others	556	537	(19)	(3.42)	596	59	10.99
Total other income	833	755	(78)	(9.36)	772	17	2.25
<b>Total revenues</b>	<b>14,323</b>	<b>11,481</b>	<b>(2,842)</b>	<b>(19.84)</b>	<b>14,802</b>	<b>3,321</b>	<b>28.93</b>
Cost of service	8,426	6,989	(1,437)	(17.05)	8,447	1,458	20.86
Selling and administrative expenses	1,347	1,160	(187)	(13.88)	1,160	-	-
<b>Total expenses</b>	<b>9,773</b>	<b>8,149</b>	<b>(1,624)</b>	<b>(16.62)</b>	<b>9,607</b>	<b>1,458</b>	<b>17.89</b>
Operating profit	4,550	3,332	(1,218)	(26.77)	5,195	1,863	55.91
Finance cost	1,820	1,948	128	7.03	2,148	200	10.27
<i>Interest expense from the MRT Purple Line Project</i>	293	239	(54)	(18.43)	213	(26)	(10.88)
<b>Profit before income tax expenses</b>	<b>2,437</b>	<b>1,145</b>	<b>(1,292)</b>	<b>(53.02)</b>	<b>2,834</b>	<b>1,689</b>	<b>147.51</b>
Income tax expenses	382	134	(248)	(64.92)	398	264	197.01
<b>Profit before NCI</b>	<b>2,055</b>	<b>1,011</b>	<b>(1,044)</b>	<b>(50.80)</b>	<b>2,436</b>	<b>1,425</b>	<b>140.95</b>
NCI	(4)	(1)	3	75.00	-	1	100.00
<b>Profit attributable to equity holders of the Company</b>	<b>2,051</b>	<b>1,010</b>	<b>(1,041)</b>	<b>(50.76)</b>	<b>2,436</b>	<b>1,426</b>	<b>141.19</b>
Profit attributable to equity holders of the Company (Baht)	0.13	0.07			0.16		

**Operating Revenues from Main Businesses**

In 2020, the Company had the operating revenues from main businesses of Baht 13,490 Million, representing a decrease from the previous year by Baht 2,617 Million or 16.25 percent, due to the impact of the COVID-19 outbreak, namely the revenue from expressway business decreased by Baht 2,157 Million; the revenue from rail business decreased by Baht 502 Million, while the revenue from commercial development business increased by Baht 42 Million due to the opening of commercial service of the MRT Blue Line Extension Project.

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In 2021, the Company had the operating revenues from main businesses of Baht 10,726 Million, representing a decrease from the previous year by Baht 2,764 Million or 20.49 percent, due to the impact of the ongoing COVID-19 outbreak, namely the revenue from expressway business decreased by Baht 1,695 Million; the revenue from rail business decreased by Baht 1,066 Million and the revenue from commercial development business decreased by Baht Three Million.

In 2022, the Company had the operating revenues from main businesses of Baht 14,030 Million, representing an increase from the previous year by Baht 3,304 Million or 30.8 percent, namely toll revenue increased by Baht 1,742 Million; farebox revenue and revenue from the operation service increased by Baht 1,463 Million, and revenue from commercial development increased by Baht 99 Million due to the abated severity of the COVID-19 outbreak and the government's announcement that COVID-19 has been downgraded to a communicable disease under surveillance, including the country's opening, which increased the number of travelers, have resulted in a significant increase in the number of the expressway users and the metro passengers in 2022 as compared to the previous year, namely by 22.4 percent and 84.5 percent, respectively.

### Other Income

In 2020, the Company had other income of Baht 833 Million, representing a decrease from the previous year by Baht 3,464 Million or 80.61 percent, due to the previous year's gains on reclassification of investments in TTW, but there was no such transaction this year, and the record of dividend income from TTW as income instead of recording share of profit from investment.

In 2021, the Company had other income of Baht 755 Million, representing a decrease from the previous year by Baht 78 Million or 9.36 percent, as a result of a decrease in interest income from the loan repayment of MRTA receivable under the concession agreement.

In 2022, the Company had other income of Baht 772 Million, representing an increase from the previous year by Baht 17 Million or 2.25 percent, as a result of the dividends received by the Company from the companies invested in by the Company, namely TTW and CKP, more than the decreased interest income from the loan repayment of MRTA receivable under the concession agreement.

### Expenses

In 2022, the Company's cost of service amounted to Baht 8,426 Million, representing a decrease from the previous year by Baht 1,885 Million or 18.28 percent, mainly resulting from the decrease in amortization on rights to operate expressway sectors of the Si Rat Expressway, Sectors A, B, C, which were fully amortized in the first quarter of the year 2020 while there was an increase in expenses related to the operation of the MRT Blue Line which was operated in full commercial service on March 30, 2020. Although the implementation of various measures to prevent and control the COVID-19 outbreak increased costs, the Company, with good management, therefore had selling and administrative expenses of Baht 1,347 Million, representing a slight increase from the previous year by an increase of Baht 11 Million or 0.82 percent.

In 2022, the Company's cost of service amounted to Baht 6,989 Million, representing a decrease from the previous by Baht 1,437 Million or 17.05 percent, and the selling and administrative expenses amounted to Baht 1,160 Million, representing a decrease from the previous year by Baht 187 Million or 13.88 percent, resulting from the management of cost and expenses in line with the circumstances.

In 2022, the Company's cost of service amounted to Baht 8,447 Million, representing an increase from the previous year by Baht 1,458 Million or 20.9 percent, due to an increase in costs of expressway and metro maintenance as well as amortization based on the number of



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vehicles and passengers. Administrative expenses amounted to Baht 1,160 Million, which was close to that in the previous year.

Finance Cost

In 2020, the Company's finance cost amounted to Baht 1,820 Million, representing an increase from the previous year by Baht 477 Million or 35.52 percent, mainly due to the operation in full commercial service of the MRT Blue Line, which the Company's loan interest which was formerly recorded as cost of construction prior to the service opening, was recorded as interest expenses in the income statement in accordance to accounting standard, resulting in an increase of interest expense from the previous year.

In 2021, the Company's finance cost amounted to Baht 1,948 Million, representing an increase from the previous year by Baht 128 Million or 7.03 percent, due to the fact that at the beginning of 2020, some interest expenses were still recorded as the cost of the MRT Blue Line Project, along with the measurement of loans and debentures by the amortized cost method in accordance with the Thai Financial Reporting Standard (TFRS9), resulting in higher interest expenses in the income statement than the interest expenses actually paid.

In 2022, the Company's finance cost amounted to Baht 2,148 Million, representing an increase from the previous year by Baht 200 Million or 10.3 percent, mainly due to the measurement of loans and debentures in accordance with the Thai Financial Reporting Standard (TFRS 9), resulting in higher interest expenses in the income statement for the current period than the interest expenses actually paid, and partly resulting from an increase in interest on loans with floating-interest rates.

Profit Attributable to Equity Holders of the Company

In 2020, the Company had the net profit attributable to equity holders of the Company in the amount of Baht 2,051 Million, representing a decrease from the previous year by Baht 3,384 Million or 62.26 percent, mainly resulting from one time gain on reclassification of investment in TTW, net of tax in the amount of Baht 2,334 Million but there was no such transaction in this year. When compared with the profit of the previous year excluding the one time gain, profit attributable to equity holders of the Company decreased by Baht 1,050 Million or 33.85 percent, mainly resulting from the effect of the COVID-19 outbreak in 2020, resulting in a decrease in toll revenue and farebox revenue while there was an increase in expenses related to the operation of the MRT Blue Line which was operated in full commercial service on March 30, 2020.

In 2021, although the Company's income would be considerably affected by the COVID-19 outbreak, the Company, with cost management alongside good investments, and constant dividend income, still had a net profit attributable to equity holders of the Company of Baht 1,011 Million, representing a decrease by Baht 1,044 Million or 50.80 percent compared to the previous year.

In 2022, the Company had a net profit attributable to equity holders of the Company of Baht 2,436 Million, representing an increase from the previous year by Baht 1,425 Million or 140.90 percent, due to the abated severity of the COVID-19 outbreak and the economic recovery. As a result, there was a rising number of the expressway and metro users returning to use the services, resulting in an increase in revenue and net profit.

## Segmental Performance

### 1. Expressway Business

#### Revenue from Expressway Business

In 2020, the Company had revenue from expressway business of Baht 8,145 Million, representing a decrease from the previous year by Baht 2,157 Million or 20.94 percent, mainly resulting from three factors, namely 1) the Company's burden of value-added tax on tolls for motorists from March 1, 2020 onwards after the extension periods of concession agreements in the total amount of Baht 322 Million this year, 2) the Company's cooperation in waiving the toll fees on public holidays in the amount of Baht 305 Million this year, and 3) the effect of the COVID-19 outbreak in the amount of Baht 1,530 Million, due to people's limited travel and work from home starting from March 2020, with April 2020 being the most affected, due to the government's measures under the Emergency Decree on Public Administration in Emergency Situations B.E. 2548 (2005) to prevent and contain the spread of the COVID-19, such as closing the risk-prone areas, no activity in crowded places, and EXAT's limited service time for general vehicles on expressways from 10.00 p.m. to 4.00 a.m. starting from April 3 to June 14, 2020, resulting in the materially significant decrease in traffic volume on expressways. However, after the government relaxed its measures in May and cancelled the curfew in June, the comfort of people's daily activities improved, and as such, the traffic volume continued to increase. Therefore, the overall average daily traffic volume on expressways for 2020 was at 1,050,000 trips, representing a decrease from the previous year by 15.00 percent.

In 2021, the Company's revenue from expressway business amounted to Baht 6,450 Million, representing a decrease from the previous year by Baht 1,695 Million or 20.81 percent, mainly due to the impact of the ongoing COVID-19 outbreak and its new mutations that occurred during the year, causing the situation to turn violent in ripples. As a result, the volume of expressway users decreased. The number of vehicles using the expressways in 2021 averaged 849,700 trips per day, representing a decrease from the previous year by 19.1 percent.

In 2022, the Company's revenue from expressway business amounted to Baht 8,192 Million, representing an increase from the previous year by Baht 1,742 Million or 27.0 percent, due to an increase in the number of vehicles using all expressways resulting from the unwinding situation of COVID-19. As a result, the activities of both the government and business sectors, including teaching and learning activities, gradually returned to normal, leading to a constant increase in travel. Despite a serious COVID-19 outbreak last year, there was the average number of vehicles using the expressways in 2022 at 1,040,000 trips per day, representing an increase from the previous year by 22.4 percent. In addition, the toll revisions for the Prachin Ratthaya Expressway (Si Rat - Outer Ring Road Expressway) caused higher increase in revenue than an increase in the number of vehicles.

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### Cost of Service for Expressway Business

In 2020, the Company's cost of service for expressway business, consisting of costs of toll and amortization on rights to operate completed expressway sectors, amounted to Baht 3,128 Million, representing a decrease from the previous year by Baht 2,912 Million or 48.21 percent, mainly resulting from a decrease in amortization on rights to operate expressway sectors A, B, C of the Si Rat Expressway which were fully amortized in the first quarter of the year 2020, and a decrease in amortization on rights to operate expressway sector D of the Si Rat Expressway, the Si Rat-Outer Ring Road Expressway (SOE) and the Udon Ratthaya Expressway (C+) due to the decreased traffic volume as a result of the COVID-19 outbreak, as well as the Company's efficient cost management which was suitable and in line with the circumstances, resulting in a decrease in cost of service.

In 2021, the Company's cost of service for expressway business, consisting of costs of toll and amortization on rights to operate completed expressway sectors, amounted to Baht 2,185 Million, representing a decrease from the previous year by Baht 943 Million or 30.15 percent, mainly resulting from a decrease in amortization on right to operate expressway sector relevant to the decreased traffic volume, and the cost management which was suitable and in line with the circumstances.

In 2022, the Company's cost of service for expressway business consisted of costs of toll and amortization on rights to operate completed expressway sectors, amounted to Baht 2,826 Million, representing an increase from the previous year by Baht 641 Million or 29.3 percent, mainly resulting from an increase in amortization on rights to operate completed expressway sectors which was relevant to the rising traffic volume, including the cost of maintenance work which gradually began this year.

## **2. Rail Business**

### Revenue from Rail Business

In 2020, the Company had revenue from rail business of Baht 4,520 Million, representing a decrease from the previous year by Baht 502 Million or 10.00 percent. Revenue from the operation service of the MRT Purple Line Project was as stated in the agreement while farebox revenue from the MRT Blue Line Project dramatically decreased even though the Company would open it for full commercial service, due to the impact of the COVID-19 outbreak, work-from-home policy, and social distancing measures. As a result, the metro ridership considerably decreased, particularly in April, and which then gradually improved following the relaxation of government's measures for controlling the spread of COVID-19. Overall, in comparison to 2019, the average daily ridership for 2020 was at 260,500 trips, representing a decrease by 23.00 percent, and the average daily ridership on working days was at 308,800 trips, representing a decrease by 21.00 percent.

In 2021, the Company's revenue from rail business amounted to Baht 3,454 Million, representing a decrease from the previous year by Baht 1,066 Million or 23.58 percent. Revenue from the operation service of the MRT Purple Line Project was as stated in the agreement while farebox revenue from the MRT Blue Line Project decreased, resulting from the impact of the COVID-19 outbreak which had its associated waves of severity, resulting in a decrease in metro ridership as compared to the previous year. The average daily ridership in 2021 was at 146,700 trips, representing a decrease by 43.7 percent, and the average daily ridership on working days was at 172,300 trips, representing a decrease by 44.2 percent.

In 2022, the Company's revenue from rail business amounted to Baht 4,917 Million, representing an increase from the previous year by Baht 1,463 Million or 42.4 percent, namely farebox revenue from the MRT Blue Line Project increased by Baht 1,213 Million or 81.4 percent, and revenue from the operation service of the MRT Purple Line Project increased by Baht 250 Million as stated in the concession agreement. The average daily ridership in 2022

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was at 270,617 trips per day, representing an increase from the previous year by 84.5 percent. The volume of passengers steadily grew in the second half of the year when the monthly trend was taken into consideration. The average daily ridership was in the range of 300,000 to 350,000 trips, and over 400,000 trips per day on working days. It is also expected that in 2023, the growth of passenger volume would continue due to the benefits of a rising number of tourists.

#### Cost of Service for Rail Business

In 2022, cost of service for rail business, consisting of costs of farebox, O&M cost and amortization of intangible asset under concession agreement of the MRT Blue Line Project, amounted to Baht 5,009 Million, representing an increase from the previous year by Baht 1,001 Million or 25.00 percent, due primarily on the expenses from the full service opening of the MRT Blue Line Extension Project on March 30, 2020.

In 2021, cost of service for rail business, consisting of costs of farebox, O&M cost and amortization of intangible asset under concession agreement of the MRT Blue Line Project, amounted to Baht 4,520 Million, representing a decrease from the previous year by Baht 489 Million or 9.77 percent due to the MRTA's remuneration and amortization of intangible asset under concession agreement of the MRT Blue Line Project, which were decreased in accordance with the passenger volume impacted by the COVID-19 outbreak and the postponement of maintenance plan.

In 2022, cost of service for rail business, consisting of costs of farebox, O&M cost and amortization of intangible asset under concession agreement, amounted to Baht 5,278 Million, representing an increase from the previous year by Baht 758 Million or 16.8 percent, primarily due to the maintenance costs which were deferred until this year and MRTA's remuneration which was higher according to income.

#### **Commercial Development Business**

##### Revenue from Commercial Development

In 2020, the Company's revenue from commercial development amounted to Baht 825 Million, representing an increase from the previous year by Baht 42 Million or 5.36 percent, mainly due to an increase in revenue from telecommunications services and procurement of advertising media as a result of the service opening of the MRT Blue Line Extension Project.

In 2021, the Company's revenue from commercial development was Baht 822 Million, representing a decrease from the previous year by Baht Three Million or 0.36 percent, due to the effects of the COVID-19 outbreak and the Company's remediation measures to continuously support its business alliances.

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In 2022, the Company's revenue from commercial development amounted to Baht 921 Million, representing an increase from the previous year by Baht 99 Million or 12.0 percent, mainly due to an increase in revenue from rental of retail space in Metro Mall and revenue from rental of advertising space resulting from the economic recovery. Moreover, revenue from network services was increased as stipulated in the concession agreement.

#### Cost of Service for Commercial Development Business

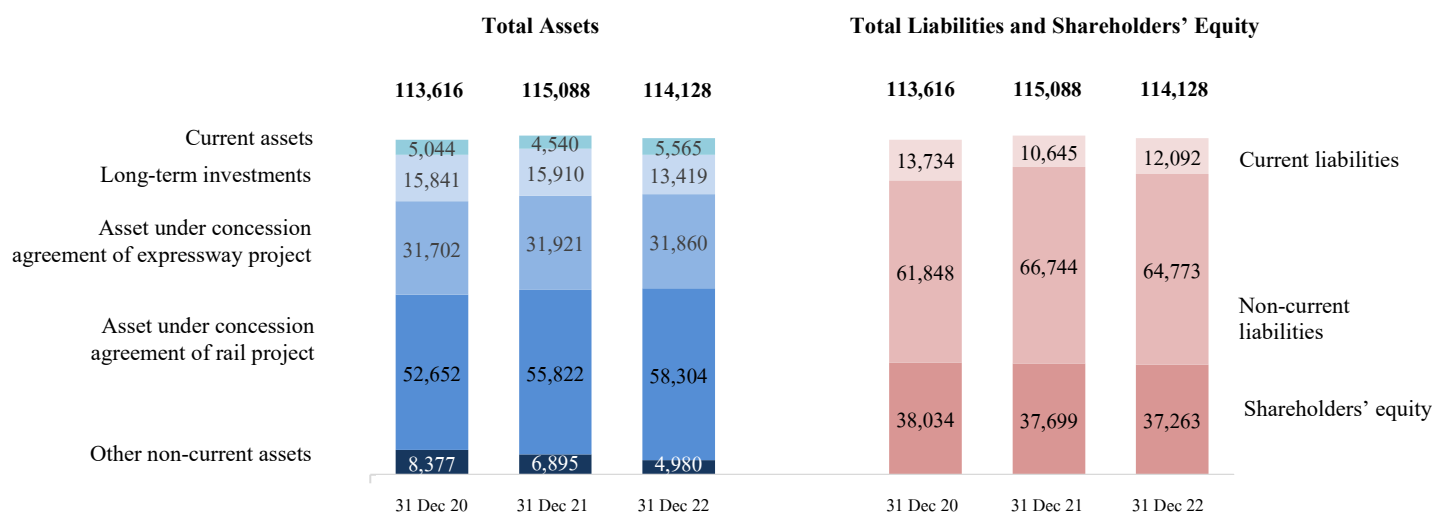
In 2020, the Company's cost of service for commercial development business amounted to Baht 289 Million, representing an increase from the previous year by Baht 26 Million or 9.94 percent, as a results of the OMO (Online Merges With Offline) marketing campaign to communicate with the passenger in rail system area and the opening for operation of the MRT Blue Line Extension Project.

In 2021, the Company's cost of service for commercial development business amounted to Baht 284 Million, representing a decrease from the previous year by Baht Five Million or 1.68 percent.

In 2022, the Company's cost of service for commercial development business amounted to Baht 343 Million, representing an increase from the previous year by Baht 59 Million or 20.8 percent, mainly due to the utilities cost, MRTA's remuneration and amortization of intangible asset under concession agreement of the MRT Blue Line Project which varies to the increase of revenue from the economic recovery.

#### Financial Position

(Unit : Million Baht)



#### Liquidity

Since most of the revenues which the Company and its Subsidiaries received daily are in cash, therefore it can be precisely forecasted. In addition, the company business has no accounts receivable or inventories which enhances the efficiency of liquidity management. Although, the main revenues of the Company have been affected by the COVID-19 outbreak over the past 3 years, the company still be able to maintain its financial covenants and fully comply with conditions in the credit facility agreements and the terms and conditions of the debenture issuer.

#### Assets

As at December 31, 2020, the Company had total assets in the amount of Baht 113,616 Million, representing an increase by Baht 1,919 Million or 1.72 percent when compared with that at the end of 2019, primarily due to an increase in the MRT Blue Line

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Extension Project's construction work, which was completed and opened for full commercial operation on March 30, 2020.

As at December 31, 2021, the Company had total assets in the amount of Baht 115,088 Million, representing an increase by Baht 1,472 Million or 1.30 percent when compared with that at the end of 2020, primarily due to an increase in asset under concession agreement of the MRT Blue Line Project, mainly resulting from prepaid project remuneration to MRTA in accordance to the concession agreement.

As at December 31, 2022, the Company had total assets in the amount of Baht 114,128 Million, representing a decrease by Baht 960 Million or 0.8 percent when compared with that at the end of 2021, primarily due to fair value adjustments of financial assets that were equity securities listed on the Stock Exchange; and an increase in asset under concession agreement of the MRT Blue Line Project, mainly resulting from prepaid project remuneration to MRTA in accordance to the concession agreement.

Liabilities and Shareholders' Equity

As at December 31, 2020, the Company's total liabilities amounted to Baht 75,582 Million, representing an increase by Baht 2,708 Million or 3.72 percent when compared with that at the end of 2019, mainly due to the drawdown of credit facility for the MRT Blue Line Extension Project; total shareholders' equity amounted to Baht 38,034 Million, representing a decrease of Baht 789 Million or 2.03 percent, mainly due to the fair value adjustment of investments in long-term financial assets according to current market conditions.

As at December 31, 2021, the Company's total liabilities amounted to Baht 77,389 Million, representing an increase by Baht 1,807 Million or 2.39 percent when compared with that at the end of 2020. During the year, the Company issued the Sustainability Bond worth a total of Baht 6,000 Million, and used the proceeds to repay the existing debentures that had matured; total shareholders' equity amounted to Baht 37,699 Million, representing a decrease by Baht 335 Million or 0.88 percent, representing a slight decrease from dividend payment to shareholders.

As at December 31, 2022, the Company's total liabilities amounted to Baht 76,865 Million, representing a decrease by Baht 524 Million or 0.7 percent, mainly resulting from a decrease in current portion of long-term loans; total shareholders' equity amounted to Baht 37,263 Million, representing a decrease by Baht 436 Million or 1.2 percent due to fair value adjustments of financial assets, resulting in a decrease in the total shareholders' equity.

**Cash Flows**

Description	2020	2021	2022
	Million Baht	Million Baht	Million Baht
Net cash flows from operating activities	5,351	2,870	5,632
Net cash flows used in investing activities	(3,724)	(1,731)	(597)
<b>Net cash flows used in financing activities</b>	<b>(717)</b>	<b>(1,621)</b>	<b>(4,379)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>910</b>	<b>(482)</b>	<b>656</b>

In 2020, the Company's net cash flows from operating activities amounted to Baht 5,351 Million, representing a decrease when compared to the previous year, due to a decrease in revenue as a result of the impact of the COVID-19 outbreak; net cash flows used in investing activities mainly involved payment for cost of M&E Equipment for the MRT Blue Line Extension Project in the amount of Baht 3,117 Million, payment for cost of the expressway improvement to facilitate motorists' service use, and fixed assets for operating activities in the

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amount of Baht 967 Million, acquisition of net investment in the amount of Baht 123 Million, and dividend income in the amount of Baht 483 Million; net cash flows from financing activities from the issuance of the debentures and drawdown of credit facility in the amount of Baht 2,696 Million, interest payment and financial fees in the amount of Baht 2,037 Million, and dividend payment in the amount of Baht 1,376 Million.

In 2021, the Company's net cash flows from operating activities amounted to Baht 2,870 Million, representing a decrease when compared to the previous year, due to a decrease in the Company's revenue as a result of the impact of the COVID-19 outbreak; net cash flows used in investing activities involved the improvement of M&E Equipment for the MRT Blue Line Project in the amount of Baht 1,164 Million, the expressway improvement in the amount of Baht 845 Million, the acquisition of net fixed assets in the amount of Baht 91 Million, the additional investments in subsidiaries in the amount of Baht 123 Million while the dividend income in the amount of Baht 492 Million; net cash flows used in financing activities involved receipt of proceeds from the issuance of debentures and drawdown of credit facility in the amount of Baht 1,914 Million, interest payment and financial fees in the amount of Baht 2,006 Million, and dividend payment in the amount of Baht 1,529 Million.

In 2022, the Company's net cash flows from operating activities amounted to Baht 5,632 Million, representing an increase from the previous year, resulting from an increase in revenue and net profit; net cash flows used in investing activities involved investment payment in the expressway improvement and improvement of the M&E Equipment for the MRT Blue Line Project in the amount of Baht 1,303 Million; investment in net financial assets in the amount of Baht 180 Million while dividend income amounted to Baht 552 Million, and proceeds on sales of investments in the amount of Baht 334 Million; net cash flows used in financing activities involved interest payment and financial fees in the amount of Baht 2,041 Million, dividend payment in the amount of Baht 1,223 Million, and net loan repayment in the amount of Baht 1,115 Million.

**Significant Financial Ratios \***

Description	Unit	2020	2021	2022
Net Profit Margin (NPM)	%	14.60	8.97	16.66
Return on Equity (ROE)	%	5.35	2.67	6.50
Return on Total Assets (ROA)	%	2.00	0.95	2.26
Debt to Equity Ratio (D/E)	Time	1.76	1.87	1.91
Net Interest Bearing Debt to Equity Ratio (Net IBD/E)	Time	1.52	1.65	1.66

**Note:** \* The operating results were calculated from the consolidated financial statements and had components from the performance of the expressway, rail, commercial development businesses, and return on investment in other companies; therefore, they could not be appropriately compared to industry benchmark numbers, and did not include transactions related to the novation of the M&E systems under the concession agreement of the M.R.T. Chalong Ratchadham Line Project, a debt which the MRTA shall be fully responsible for gradual repayment of principal and interest in accordance to the terms of the concession agreement, as well as excluding gains from reclassification of investments.



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In 2020, Net Profit Margin (NPM), Return on Equity (ROE), and Return on Total Assets (ROA) were lower than the previous year, due to a decrease in net profit as a result of the impact of the COVID-19, while Debt to Equity Ratio (D/E) increased resulting from the drawdown of credit facility for the construction of the MRT Blue Line Extension Project, but still lower than 2.5 times under the terms of the loan agreement and the terms of the debentures.

In 2021, the COVID-19 pandemic extremely affected to the Company's core revenues which related to travelling, resulting in a decrease in financial ratios from the decline of revenues and profit. As for liquidity ratios, the Company every day receives cash from providing services in the main businesses, accounting for approximately 85 percent of total revenues; therefore, the Company has no a liquidity issue. Net Interest-Bearing Debt to Equity Ratio (Net IBD/E) for 2021 was at 1.65 times, which was higher than the previous year, but still lower than 2.5 times as stated in the loan agreement and the terms of the debentures.

Overall, the Company's significant financial ratios in 2022 improved from the previous year due to the economic recovery; as a result, a rising number of expressway users and MRT passengers returned to use the services, resulting in an increase in revenue and net profit. The Net IBD/E ratio was close to the previous year, but still lower than 2.5 times as stated in loan and debenture agreements.

## 5. Related Party Transactions During the Past Year and the Present Year Until the Lastest Quarter

### Transactions of the Company and its Subsidiary with CH. Karnchang Public Company Limited (“CK”)

CK engages in the construction business and a full range of development, investment and management of large-scale infrastructure concession projects within the country and the region. CK is connected with the Company since CK is the Company’s major shareholder, holding shares in the Company, as at March 9, 2023 CK held 5,260,056,884 shares, representing 34.413 percent of the paid up capital. CK and the Company also have common directors, namely, Mr. Plew Trivisvavet, Mr. Vitoon Tejatussanasoontorn, Mr. Phongsarit Tantisuvanitchkul, and Ms. Supamas Trivisvavet

Transaction	Transaction Volume (Million Baht)			Transaction Nature/Necessity and Justification
	2022	2021	2020	
<b>Repair, Improvement of the Structures and System Works of the Expressways</b>				
<b><u>Transaction with the Company</u></b>				
- Improvement of the structures of the expressways	570.02	758.12	814.24	The Company and its subsidiaries have engaged the specialist company in inspection of the expressway structures on a yearly basis according to the specified schedule, covering all responsible routes to ensure that the expressway structures are in good condition. If a defect that requires repair is found, the Company and its subsidiaries will seek approval to proceed in accordance with the relevant regulations.
- Costs of repair of the structures of the expressways	364.32	-	35.50	
- Trade payable	117.88	51.85	12.14	
<b><u>Transaction with the Subsidiaries</u></b>				
- Improvement of the structures of the expressways	17.17	69.13	-	In the past 3 years, the Company and its subsidiaries have engaged CK to repair and improve the expressway structures as follows:  1) Construction and improvement of the structures of the Si Rat Expressway and the Si Rat - Outer Ring Road Expressway on January 23, 2019, with the total value of Baht 780 Million.
- Trade payable	0.01	6.00	-	

Transaction	Transaction Volume (Million Baht)			Transaction Nature/Necessity and Justification
	2022	2021	2020	
Repair, Improvement of the Structures and System Works of the Expressway (Continued)				<p>2) No. 4, Phase 3: The Si Rat Expressway, Sector B (Uruphong - Bang Klo) and the Si Rat - Outer Ring Road Expressway, on August 16, 2019, with the total value of Baht 233 Million. Subsequently, on July 17, 2020, the Company executed the Variation Order, with the value of Baht 4 Million.</p> <p>3) Construction and improvement of the structures and system works of the Si Rat Expressway on April 14, 2020, with the total value of Baht 831 Million.</p> <p>4) Improvement of the structures and system works, and No. 4, Phase 4: The Si Rat Expressway and the Si Rat - Outer Ring Road Expressway on December 21, 2020, with the total value of Baht 920 Million, and the Udon Ratthaya Expressway under the responsibility of the subsidiary, with the total value of Baht 86 Million.</p> <p>5) Repair and improvement of the structures and system works of the Si Rat Expressway, the Si Rat - Outer Ring Road Expressway, and the Udon Ratthaya Expressway on July 12, 2022, with the total value of Baht 1,078 Million.</p> <p>The Audit Committee is of the opinion that the above-mentioned engagement is reasonable and beneficial to the Company and its subsidiaries, due to the fact that CK has experience in the construction of many expressway projects, with potential, ability, and readiness in machinery, equipment and personnel, and moreover, the work prices are reasonable and lower than the prices as appraised by the Company and the independent certification engineer.</p>

Transaction	Transaction Volume (Million Baht)			Transaction Nature/Necessity and Justification
	2022	2021	2020	
<b>Management of Civil Infrastructure and Electrical and Mechanical Systems Maintenance for the MRT Project</b>				
- Cost of maintenance of civil infrastructure and electrical and mechanical systems	603.88	338.15	549.03	<p>To ensure that the Company is committed to providing the MRT service with the optimum efficiency while lowering the burden of maintenance work, which dealings with many maintenance service providers had caused problems on arguments for the Company, thereby wasting time and manpower, as such, the Company has implemented a policy to engage the specialist in civil and E&amp;M infrastructure to conduct management of maintenance work.</p> <p>Over the previous period, the Company has engaged CK to conduct management of the civil and E&amp;M infrastructure maintenance work as follows:</p> <p>1) On November 17, 2015, the Project Management Agreement was entered into for the M.R.T. Chaloem Ratchamongkhon Line Project (MRT Blue Line) for a period of 8 years and ending in 2023, with the total contract value of Baht 1,270 Million.</p> <p>On August 29, 2018, the Project Management Agreement was entered into for the MRT Blue Line Extension Project for a period of 8 years and 6 months, ending in 2027, together with the extension of the contract term of the M.R.T. Chaloem Ratchamongkhon Line Project (MRT Blue Line) for another 3 years and 5 months to end at the same time as the Agreement for the MRT Blue Line Extension Project, with the total value of Baht 2,778 Million.</p>
- Replacement of M&E Equipment	75.62	137.19	467.91	
- Trade payable	266.69	27.82	389.49	

Transaction	Transaction Volume (Million Baht)			Transaction Nature/Necessity and Justification
	2022	2021	2020	
<b>Management of Civil Infrastructure and Electrical and Mechanical Systems Maintenance for the MRT Project (Continued)</b>				<p>2) On November 17, 2015, the Project Management Agreement was entered into for the M.R.T. Chalong Ratchadham Line Project (MRT Purple Line), for a period of 8 years, ending in 2023, with the total contract value of Baht 1,520 Million. Subsequently, on December 14, 2016, additional engagement was carried out for the Bang Sue - Tao Poon Station, with the contract value of Baht 155 Million, for a period of 7 years, ending in 2023.</p> <p>The Audit Committee is of the opinion that the above-mentioned engagement is reasonable and beneficial to the Company, due to the fact that CK has readiness and has supplied and installed equipment of the MRT project from the beginning, thereby resulting in the continuity in the operation, and moreover, the work prices are reasonable and lower than the prices as appraised by the independent expert.</p>
<b>Project Management, as well as Supply, Installation, and Test Run and Commissioning of M&amp;E Equipment for the MRT Blue Line Project</b> - Project management cost  - Trade payable	-  -	-  -	1,523.14	<p>To ensure that the supply, installation and test run and commissioning of M&amp;E equipment for the MRT Blue Line Extension Project are completed within the period specified in the Concession Agreement, and no cost overrun incurs.</p> <p>- On June 20, 2017, the Company executed Project Management Agreement with CK for Project Management, as well as Supply, Installation, and Test Run and Commissioning of M&amp;E Equipment for the MRT Blue Line Project, in the total amount of Baht 19,643 Million.</p>

Transaction	Transaction Volume (Million Baht)			Transaction Nature/Necessity and Justification
	2022	2021	2020	
<b>Project Management, as well as Supply, Installation, and Test Run and Commissioning of M&amp;E Equipment for the MRT Blue Line Project (Continued)</b>				<p>On February 9, 2018, the Company executed the Variation Order for construction and improvement of the administrative building in the area of Huai Khwang Depot, as well as supply and installation of the (additional) M&amp;E Equipment, in the total amount of Baht 558 Million.</p> <p>On July 12, 2018, the Company executed the Variation Order for expediting the opening of the train operation ahead of schedule and installation of the telecommunication network system inside metro stations of the MRT Blue Line Extension Project, in the total amount of Baht 898 Million.</p> <p>On January 7, 2020, the Company executed the Variation Order for the M&amp;E Equipment and the Civil Work as assigned by MRTA which were beyond the scope of works under the existing Agreement in the total amount of Baht 293 Million.</p> <p>The Audit Committee is of the opinion that the above-mentioned engagement is reasonable and beneficial to the Company, due to the fact that CK has potential, experience and expertise, and used to carry out project management in design, supply, and installation of M&amp;E equipment for the MRT projects on a Lump Sum Turnkey basis for the Company, with CK completing such work according to schedule, budget, and with the quality work performance. The work prices are reasonable and lower than the prices as appraised by the independent expert.</p>
<b>Office Space Lease in Viriyathavorn 2 Building</b> - Office space rental and service charge - Trade payable	9.01 0.09	9.05 0.09	9.03 0.09	<p>The Company and its subsidiaries have taken a lease on Viriyathavorn 2 Building with CK, for the term of 3 years, ending on July 9, 2025. The office rental rate was comparable to the rental rates charged by the lessor to third party lessees.</p>

Transactions of the Company and its Subsidiary with Mass Rapid Transit Authority of Thailand (“MRTA”)

MRTA engages in mass rapid transit business and other business for the benefit of Mass Rapid Transit Authority of Thailand and the people in using the mass rapid transit service. MRTA is connected with the Company since MRTA holding shares in the Company, as at March 9, 2023 MRTA held 1,256,259,584 shares, representing 8.219 percent of paid up capital. In addition, MRTA has 2 representatives being the directors of the Company, namely: Mr. Piyakorn Apibalsri and Miss Jiranan Vorachak.

Transaction	Transaction Volume (Million Baht)			Transaction Nature/Necessity and Justification
	2022	2021	2020	
<b>Remuneration from Farebox Revenue and Commercial Development Revenue</b>				The transaction was in accordance with the conditions of the Concession Agreement.
- Remuneration from farebox revenue and commercial development revenue	421.10	220.64	350.69	
- Prepaid project remuneration	12,400.55	9,775.52	7,307.90	
- Land and building taxes	17.24	3.40	1.87	
- Trade and other payables	281.19	234.10	224.99	
<b>Space Lease for Billboard Installation</b>				The subsidiary took a lease on the space of MRTA for the purpose of commercial development, at the rental rate according to the market price.
- Remuneration for space use	17.54	9.58	9.90	
- Land and building taxes	0.06	-	0.86	



**6. Summary of Material Contracts During the Past 2 Years**

- None -

**7. Pending Material Lawsuits or Claims**

- None -

**8. Other Information that may Materially Affect the Decision of Investors**

- None -

**9. Board of Directors' Responsibilities to the Information Memorandum**

Board of Director takes responsibilities on information inside the information memorandums. Board of Director considered the information memorandums and guarantees that the information memorandums are accurate and complete in substance and have enough information for investors to make a sound decision.