

**Information Memorandum Concerning the Acquisition of Assets from the Entering into the Public-Private Partnership Contract for the MRT Orange Line Project: Bang Khun Non – Min Buri (Suwinthawong) Section with the Mass Rapid Transit Authority of Thailand**

**and**

**Information Memorandum Concerning the Connected Transaction for the Engagement of CH. Karnchang Public Company Limited for the Management and Construction of Civil Works (West Section) and the Design, Procurement, Installation, Testing of System Equipment and the Trial Run (East Section and West Section) of the MRT Orange Line Project: Bang Khun Non – Min Buri (Suwinthawong) Section**

By



**Bangkok Expressway and Metro Public Company Limited**

11 November 2565

**The Transaction Concerning the Acquisition of Assets from the Entering into the Public-Private Partnership Contract for the MRT Orange Line Project: Bang Khun Non – Min Buri (Suwinthawong) Section with the Mass Rapid Transit Authority of Thailand**

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**The Transaction Concerning the Connected Transaction for the engagement of CH. Karnchang Public Company Limited for the Management and Construction of Civil Works (West Section) and the Design, Procurement, Installation, Testing of System Equipment and the Trial Run (East Section and West Section) of the MRT Orange Line Project: Bang Khun Non – Min Buri (Suwinthawong) Section**

The Board of Directors' Meeting of Bangkok Expressway and Metro Public Company Limited (the "Company") No. 5/2022 held on October 17, 2022 has resolved and approved to propose the Extraordinary General Meeting of Shareholders No. 1/2022, which will be held on November 28, 2022, to consider and approve the following matters:

1. The entering into the Public-Private Partnership Contract ("PPP Contract") for the MRT Orange Line Project: Bang Khun Non – Min Buri (Suwinthawong) Section ("MRT Orange Line Project") with the Mass Rapid Transit Authority of Thailand ("MRTA"), of which the scope of work can be divided into 2 phases: (1) the design and construction of civil works and procurement of mechanical & electrical systems ("M&E systems"), and (2) the operation and maintenance services, with an investment value of Baht 139,127 million (VAT inclusive). The entering into such contract is considered as an asset acquisition pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 20/2551 Re: Rules on Entering into Material Transactions Deemed as Acquisition or Disposal of Assets 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 Acquisition and Disposition of Assets, 2004 dated October 29, 2004 (as its amendments) (the "Notifications on Acquisition or Disposition of Assets").

The entering into such transaction has a size of the transaction equals to 120.48% of the Company's total assets (as of June 30, 2022, the Company had total assets of Baht 115,474 million) based on the total value of consideration criteria. During the past 6 months, the Company has no other asset acquisition transaction. Therefore, such transactions are considered as Class 4 transaction pursuant to the Notifications on Acquisition or Disposition of Assets or a backdoor listing in the Stock Exchange

of Thailand ("SET"). However, the entering into this PPP Contract is not considered as the case of the relisting application with the SET because the entering into such transaction is in accordance with the exemptions under Clause 24 of 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 Acquisition and Disposition of Assets, 2004 dated October 29, 2004 (as its amendments). However, the Company is still obliged to:

1. Prepare and immediately disclose the Information Memorandum concerning the entering into the transaction to the Stock Exchange of Thailand ("SET") with at least the information in accordance with the Notifications on Acquisition or Disposition of Assets.
  2. Arrange a shareholders' meeting of the Company to approve the transaction by sending the notice of the shareholders' meeting to the shareholders at least 14 days prior to the date of the shareholders' meeting. The transaction must receive the affirmative votes of at least three-fourths of the total votes of the shareholders who attend the meeting and are eligible to vote, excluding shareholders with conflict of interests.
  3. Appoint an independent financial advisor to provide opinions on the transaction by submitting the independent financial advisor's opinion report to the shareholders for consideration along with the notice of the shareholders' meeting. In this regard, the Company has appointed Capital Advantage Company Limited, a financial advisor approved by the Securities and Exchange Commission (the "SEC"), as an independent financial advisor.
2. The engagement of CH. Karnchang Public Company Limited ("CK") for the management and construction of civil works of the MRT Orange Line Project (West Section) with remuneration of Baht 82,502 million (VAT exclusive) and the design, procurement, installation, testing of system equipment, and trial run of the MRT Orange Line Project (East Section and West Section) with remuneration of Baht 26,714 million (VAT exclusive). The entering into the transaction with CK, who is the company's major shareholder, is considered as a connected transaction in accordance with the Notification of the Capital Market Supervisory Board No. TorChor. 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, 2003 dated November 19, 2003 (and its amendments) (the "Notifications on Connected Transaction").

The engagement of CK in accordance with the aforementioned scope of work is considered as a connected transaction that is a normal business transaction without general trading conditions. To

calculate size of the connected transaction, the Company has assessed the total value consideration from (1) value of civil design and construction works and (2) value of M&E systems procurement, which is in accordance with the employment contract between the Company and CK and is consistent with the Company's proposal submitted to the MRTA. The total value of transaction is at Baht 109,216 million, equivalent to 289.02% of net tangible asset based on consolidated financial statements as of June 30, 2022 (Baht 37,788 million x 3% = Baht 1,134 million).

In the past 6 months prior to the date on which the Board of Directors resolved to propose the Extraordinary General Meeting of Shareholders No. 1/2022 to consider and approve the entering into the employment contract with CK for the management and construction of civil works, design, procurement, installation, testing of system equipment, and trial run of the MRT Orange Line Project, the Board of Directors resolved on July 8, 2022, for the Company to enter into the connected transaction concerning the maintenance and structural improvement and system works of the Si Rat Expressway, the Si Rat – Outer Ring Road Expressway and the Udon Ratthaya Expressway with the size of the connected transaction of 2.82% of net tangible assets. Therefore, the total size of the connected transaction is 291.84%, which is higher than 3% of net tangible asset. In this regard, the Company is required to act as follows:

1. Prepare and immediately disclose the Information Memorandum concerning the entering into the transaction to the Stock Exchange of Thailand ("SET") with at least the information in accordance with the Notifications on Connected Transaction.
2. Arrange a shareholders' meeting of the Company to approve the transaction by sending the notice of the shareholders' meeting to the shareholders at least 14 days prior to the date of the shareholders' meeting. The transaction must receive the affirmative votes of at least three-fourths of the total votes of the shareholders who attend the meeting and are eligible to vote, excluding shareholders with conflict of interests.
3. Appoint an independent financial advisor to provide opinions on the transaction by submitting the independent financial advisor's opinion report to the shareholders for consideration along with the notice of the shareholders' meeting. In this regard, the Company has appointed Capital Advantage Company Limited, a financial advisor approved by the SEC, as an independent financial advisor.

To proceed for the shareholders' meeting of the Company in relation to aforementioned matters pursuant to the Notifications on Acquisition or Disposition of Assets and the Notifications on Connected Transaction, the Company would like to notice the information memorandum of the 2 matters to the shareholders as follows:

## Part 1

### **Information Memorandum Concerning the Acquisition of Assets from the Entering into the Public-Private Partnership Contract for the MRT Orange Line Project: Bang Khun Non – Min Buri (Suwinthawong) Section with the Mass Rapid Transit Authority of Thailand**

#### **1. Date of the Transaction**

The Company shall enter into the PPP Contract for the MRT Orange Line Project with the Mass Rapid Transit Authority of Thailand ("MRTA") after the Company receive the approval from the shareholders' meeting and the Cabinet approved the MRTA to enter into the contract.

#### **2. Contract Parties and Relationship with the Company**

Grantor : Mass Rapid Transit Authority of Thailand ("MRTA")

Concessionaire : Bangkok Expressway and Metro Public Company Limited (the "Company")

Relationship with the Company :

The MRTA is the shareholder of the Company. As of the Company's latest closing date of shareholders' register on October 31, 2022, the MRTA held 1,256,259,584 shares or 8.22% of the Company's paid-up capital. The MRTA has 2 representatives who serves as directors of the Company, namely Mr. Piyakorn Apibalsri (director of the MRTA) and Mr. Vithaya Punmongkol (Deputy Governor (Operations) of the MRTA).

However, the MRTA is not considered as a connected person of the Company pursuant to the Notification of the Capital Market Supervisory Board No. TorChor. 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, 2003 dated November 19, 2003 (and its amendments) (the "Notifications on Connected Transaction").

At the Board of Directors' Meeting No. 5/2022 held on October 17, 2022, Mr. Piyakorn Apibalsri and Mr. Vithaya Punmongkol, the directors representing the MRTA, did not attend the meeting and did not vote on the agenda concerning the entering into the PPP Contract for the MRT Orange Line Project.

### 3. General Characteristics of the Transaction

The Company intends to participate in the Public-Private Partnership for the MRT Orange Line Project, of which the scope of work is divided into 2 phases: (1) the design and construction of civil works and the procurement of M&E systems, and (2) the operations and maintenance services.

The entering into the PPP Contract is considered as the acquisition of assets pursuant to the Notifications on Acquisition or Disposition of Assets. In calculating the size of the asset acquisition transaction, the Company referred to the total value of the considerations of the MRT Orange Line Project of Baht 139,127 million (VAT inclusive), comprising of (1) value of the design and construction of civil works and interest during construction of Baht 95,432 million and (2) value of the procurement of M&E systems and related expenses for the right to operate the MRT services of Baht 43,695 million which is in accordance with the Company's proposal submitted to the MRTA. The details of the transaction size calculation, based on consolidated financial statements as of June 30, 2022, are as follows:

Criteria for Calculation of Transaction Size	Calculation Formula
1. Net tangible asset (NTA) criteria	= Not applicable as it is an acquisition of assets other than securities.
2. Net profit criteria	= Not applicable as it is an acquisition of assets other than securities.
3. Total value of consideration criteria	= The investment value of the project, which is in accordance with the Company's proposal submitted to the MRTA / Total assets according to the Company's consolidated financial statements  = Baht 139,127 million / Baht 115,474 million  = 120.48%
4. Total value of securities criteria	= Not applicable because there is no issuance of new securities as consideration of assets acquired

Size of the transaction is equal to 120.48% of the Company's total assets (as of June 30, 2022, the Company had total assets of Baht 115,474 million) based on the total value of consideration criteria. During the past 6 months, the Company has no other asset acquisition transaction. Therefore, such transactions are considered as Class 4 transaction pursuant to the Notifications on Acquisition or Disposition of Assets or a backdoor listing in the Stock Exchange of Thailand ("SET"). However, the entering into this PPP Contract is not considered as the case of the relisting application with the SET because:

- (1) The acquired business is in a similar line of business or a mutually supporting business to the listed companies

Currently, the Company operates as a concessionaire from the public sector, including concessions for expressway and the MRT projects as well as commercial development on such concessions. The entering into the PPP Contract for the MRT Orange Line Project is the acquisition of a project that is the Company's normal business. In addition, the partnership in the MRT Orange Line Project shall promotes the Company's overall business. As a result, the Company shall be able to provide a more comprehensive service and create opportunities to increase the number of passengers of the current MRT projects.

- (2) The listed company has no policy to make a significant change in its core business after the acquisition

The Company has no policy to make a significant change in its core business.

- (3) The group of listed companies resulting from the acquisition of assets has suitable qualifications for listing with the SET

After entering into the PPP Contract for the MRT Orange Line Project, the Company is still able to comply with the criteria for maintaining the status of a listed company of the SET since the acquisition of the MRT project is the Company's core business operation. The Company shall apply the same principal of the internal control for operation of the MRT Orange Line Project.

- (4) There will be no material change in the composition of the Board of Directors of the listed company or in the controlling power of the listed company or the controlling shareholders of the listed company

The Company has no plans to make significant change to its Board of Directors. In addition, after the entering into the PPP Contract for the MRT Orange Line Project, CH. Karnchang Public Company Limited will remain the major shareholder of the Company.

Thus, the entering into such transaction is in accordance with the exemptions under Clause 24 of 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 Acquisition and Disposition of Assets, 2004 dated October 29, 2004 (as its amendments). However, the Company is still obliged to (1) disclose the information memorandum of such transaction to the SET, (2) seek for approval from the shareholders' meeting with the affirmative vote of at least three-fourths of the total votes of the shareholders who attend the meeting and are eligible to vote, excluding shareholders with conflict of interests, and (3) send the notice of the shareholders' meeting with the opinion of the independent financial advisor to the shareholders for a period not less than 14 days prior to the date of the shareholders' meeting.

#### **4. Details of the Acquired Asset**

The asset being acquired is the PPP Contract for the MRT Orange Line Project: Bang Khun Non – Min Buri (Suwinthawong) Section. The project connects East Bangkok and West Bangkok with the total distance of 35.9 kilometers. There are 28 stations, divided into 2 phases as follows:

##### **1. The MRT Orange Line Project (East Section)**

Total distance of 22.5 kilometers with 17 stations from Thailand Cultural Centre Station to Suwinthawong Station, comprising of 10 underground stations and 7 elevated stations

##### **2. The MRT Orange Line Project (West Section)**

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

The material terms of the PPP Contract between the Company and the MRTA can be summarized as follows:

#### **4.1 General Characteristics of the Contract**

The PPP Contract for the MRT Orange Line Project: Bang Khun Non – Min Buri (Suwinthawong) Section is in a PPP net cost arrangement or the partnership between the public and private sectors. The public sector shall responsible for cost of civil works of the MRT Orange Line Project (East Section) and land acquisition cost of the MRT Orange Line Project (West Section) while the private sector invests in civil works of the MRT Orange Line Project (West Section) and the M&E systems cost, rolling stocks, as well as system operation and maintenance of the entire route for a period of 30 years starting from the commencement date



of the commercial operation of the MRT Orange Line Project (East Section). In this regard, the public sector shall subsidize for the civil works of the MRT Orange Line Project (West Section). The private sector has the right to revenue from fares and commercial development rights while paying concession fee to the public sector in accordance with the conditions specified in the PPP Contract. The MRT Orange Line Project: Bang Khun Non - Min Buri (Suwinthawong) Section connects East Bangkok and West Bangkok with a total distance of 35.9 kilometers, divided into 22.5 kilometers of the East Section (Thailand Cultural Centre – Min Buri (Suwinthawong) with 17 stations (10 underground stations and 7 elevated stations) and 13.4 kilometers of the West Section (Bang Khun Non – Thailand Cultural Centre) with 11 underground stations.

#### **4.2 Term of the Contract**

The contract period is 33 years and 6 months, divided into 2 phases as follows:

**Phase 1:** Civil design and construction and procurement of M&E systems

1. The MRT Orange Line Project (East Section): 3 years and 6 months from the date specified on the Notice to Proceed of the MRTA
2. The MRT Orange Line Project (West Section): 6 years from the date specified on the Notice to Proceed of the MRTA

**Phase 2:** The operation and maintenance service: 30 years from the commencement date of the commercial operation of the MRT Orange Line Project (East Section)

#### **4.3 Scope of Work**

Duties and responsibilities of the Company

**Phase 1: The design and construction of civil works and procurement of M&E systems**

1. The MRT Orange Line Project (East Section): The Company's duties and responsibilities comprise of the design, manufacturing, procurement, and installation of M&E systems, and other related systems and computer programs for the management of the project, as well as individual testing, integrated system testing and trial run, training, and technology transfer for the readiness of public services under the terms and conditions specified by the MRTA under the PPP Contract.

2. The MRT Orange Line Project (West Section): The Company's duties and responsibilities comprise of the design and construction of civil works, facilities, including buildings, demolitions and/or reconstruction of utilities related to the project as specified in the contract, as well as the design, manufacturing, procurement, and installation of the M&E systems and other related systems and computer programs for the management of the project, as well as individual testing, integrated system testing and trial run, training, and technology transfer for the readiness of public services under the terms and conditions specified by the MRTA under the PPP Contract.

**Phase 2:** Operation and maintenance services (East Section and West Section)

1. Operation: The Company's duties and responsibilities comprise of the operational management and provision of the safe and efficient MRT service in accordance with the standards specified in the PPP Contract. It must also provide adequately skilled personnel and security and rescue, maintenance, inspection of service, and insurance in accordance with the requirements of the MRTA.
2. Maintenance: The Company's duties and responsibilities comprise of the inspection and maintenance of civil works, except for park & ride buildings, and the maintenance, repair, refurbishment and replacement (as necessary) for the M&E systems, including all maintenance equipment and tools of the MRT Orange Line Project provided by the Company and which have been granted the right of possession by the MRTA.

#### **4.4 Source of Funds**

The Company shall be responsible for the costs and necessary funding for the works, including expenses and compliance with the terms and conditions of the contract.

#### **4.5 Ownership of System Equipment**

The Company is responsible for transferring ownership of the M&E systems, which are assets that the Company has constructed or procured under the contract, to the MRTA after passing all the tests required under the contract and the MRTA has issued the commissioning certificate to the Company. The MRTA shall assign the right to control and possess of such assets, including the civil works of the

MRT Orange Line Project (excluding park & ride buildings and areas that the MRTA does not assign the right) to the Company on the same day for the Company to manage, operation, and maintenance the MRT Orange Line Project throughout the contractual period.

#### **4.6 Sources of Revenue**

The Company will have 2 main sources of revenue from the operation of the MRT Orange Line Project which are (1) revenue from fare collection and (2) commercial development revenue.

#### **4.7 Payment of Considerations**

1. The MRTA shall be responsible for civil works of the West Section and interest during the construction period. The payments shall be annually paid in Thai Baht to the Company in accordance with the actual payment paid for the construction for a period of 6 years starting from the 3rd - 8th year from the date specified on the Notice to Proceed of the MRTA.

2. The Company is obliged to pay consideration to the MRTA, divided it into 2 parts as follows:

Part 1: Fixed payment shall be paid to the MRTA in accordance with the Company's proposal submitted to the MRTA in the amount of Baht 10,000 million which will be gradually paid throughout the contract period in accordance with the conditions specified in the PPP Contract.

Part 2: Variable payment shall be paid to the MRTA when the Company's equity internal rate of return ("Equity IRR") from the operation of the MRT Orange Line Project exceeds 9.75% per annum. The Company agrees to share revenue with the MRTA (VAT inclusive) as follows:

- (1) In a year that the Company receives an equity IRR in excess of 9.75% per annum but not more than 11% per annum, it shall share revenue on that year with the MRTA at a rate of 50% of net cash flow which generate return in excess of 9.75% per annum but not more than 11% per annum.
- (2) In a year that the Company receives an equity IRR in excess of 11% per annum but not more than 15% per annum, it shall share revenue on that year with the MRTA at a rate of 60% of net cash flow which generate return in excess of 11% per annum but not more than 15% per annum.

- (3) In a year that the Company receives an equity IRR in excess of 15% per annum, it shall share revenue on that year with the MRTA at a rate of 75% of net cash flow which generate return in excess of 15% per annum.

#### **4.8 Delays Caused by the Company**

In case of delays caused by the Company's fault and are not the case of force majeure or exemption event:

1. In case of delay in civil works beyond the specified date, the Company is liable to pay a fine to the MRTA on a daily basis at the rate of 0.0025% of the value of phase 1 work, calculated from the first day of such delay.
2. In case of commencement of service for the MRT Orange Line Project beyond the specified date, the Company is liable to pay a fine of Baht 5 million per day, calculated from the first day of such delay.

#### **4.9 Termination of the Contract with the Company as a Non-Performing Party**

If the Company is unable to complete the work and provide services that generate revenue from some section or the entire route within 180 days from the date specified in the PPP Contract or the extended date, the MRTA has the right to terminate the contract and the MRTA will pay the company for the book value of civil works of the MRT Orange Line Project (West Section) and M&E systems that the MRTA deems functional. The said value, according to the Company's most recent financial statements, is calculated based on the cost and subtracted by depreciation (based on the service life in accordance with the principles or accounting standards acceptable by the MRTA) and cost of civil works of the West Section that the MRTA had paid to the Company.

#### **4.10 Termination of the Contract with the MRTA as a Non-Performing Party**

If the MRTA fails to perform its material duties in accordance with the contract, including the inability to deliver the construction site to the Company as the schedule specified in the PPP Contract causing a material impact on the rights of the Company, or the MRTA has no authority to carry out its obligations under this contract without any other entity to accept the transfer of rights and obligations of the MRTA, the Company has the right to terminate the contract after the Company has notified the MRTA to rectify the breach of contract or other incidents of default with a period of not less than 90 days and the MRTA cannot rectify the breach of

contract or other incidents of default. In this regard, the MRTA will pay the company as follows:

1. Expenses incurred as a result of or directly related to legally accountable works and financing costs and cost of civil works of the West Section which have not been paid by the MRTA.
2. Book value of all M&E systems, as well as damages incurred as a result of early termination of the contract. The amount of compensation, including expenses and damages, will be determined in conjunction with the accounting audit, which will be done immediately after the termination of the contract by an internationally renowned auditing company appointed with the approval of the MRTA for such purpose.

#### **4.11 Termination of the Contract Caused by Force Majeure or Exemption Events**

In case of force majeure or exemption events (which cause severe damage to the Company's financial position) in accordance with the conditions specified in the contract, whereby either party considers that the consequences of such cause will prevent the performance to serve the objectives of the contract. The parties can mutually agree to terminate the contract, and the MRTA shall pay the Company the compensation in each case as follows:

1. If the termination occurs prior to the commencement of Phase 2, the MRTA will consider compensating the Company for any expenses incurred or related to a particular work that the MRTA deems useful and functional and can be accounted for in accordance with the law, including financing costs. Such compensation shall be calculated up to the day prior to the termination date. The costs incurred must be actual and reasonable expenses with supporting documents.
2. If the termination occurs on or after the commencement of Phase 2, the MRTA will consider compensating the Company for the cost of civil works of the West Section which have not been paid by the MRTA and the book value of the completed section of M&E systems, minus depreciation of the part that the MRTA considers useful and functional.

#### **4.12 Performance Security**

1. The Company shall submit a domestic bank guarantee as the performance security to the MRTA in the amount of Baht 4,500 million to guarantee the performance in accordance with the PPP Contract. Such performance security must be valid throughout operating

period of phase 1. The MRTA shall return such performance security of phase 1 to the Company upon the completion of works in phase 1 operations and commencement of commercial operation of the entire route.

2. Upon the MRTA's issuance of the commissioning certificate which determines the commencement date of operation that generates income from the MRT Orange Line (East Section), the Company is required to submit a domestic bank guarantee as the new performance security to the MRTA take in the amount of Baht 200 million. Such performance security must be valid throughout operating period of phase 2. The MRTA shall return the performance security of phase 2 upon the Company's release of its obligations under the PPP Contract.

#### **4.13 Insurance**

The Company shall be responsible for the provision of all risks insurance, third-party liability insurance, public liabilities insurance, business interruption insurance with the insurance companies operating in Thailand. The Company shall be the insured and the MRTA and financial lender (if any) shall be the co-insureds and co-beneficiaries. Such insurance shall be valid throughout the period of the contract.

#### **4.14 Investment Promotion**

The MRTA will coordinate with relevant government agencies as necessary in order for the Company to receive investment promotion under the Investment Promotion Act, B.E. 2520 (1977) and its amendments.

### **5. Total Value of Consideration and Criteria for Determining Value of Consideration**

The total value of consideration is equal to Baht 139,127 million (VAT inclusive), consisting of (1) value of the design and construction of civil works and interest during construction period of Baht 95,432 million and (2) value of the procurement of the M&E systems and related expenses for the right to operate the MRT service of Baht 43,695 million, which is in accordance with the Company's proposal submitted to the MRTA based on the feasibility report of the Company and the MRTA as references and the expected total value of consideration for entering the PPP Contract with the MRTA.

### **6. Expected Benefits to the Company**

- (1) Enhance the Company's capability to conduct business continuously

The Company's core business involves concessions which have a maturity period. Presently, the Company has 2 MRT projects which are the concession for the MRT Purple Line Project (expire in 2043) and the concession for MRT Blue Line Project (expire in 2050). It also has 3 expressway project contracts, namely concessions for the Si Rat Expressway and the Udon Rattaya Expressway which will expire in 2035 and concession for the Si Rat – Outer Ring Road Expressway which will expire in 2042. Investing in the MRT Orange Line Project which has a period of 30 years starting from the commencement of operation of the East Section creates an opportunity for the Company to enhance its capability to continuously operate its business.

(2) Increase revenue from project management of the MRT Orange Line

After the commencement of operation of the MRT Orange Line Project, the Company shall be able to generate more revenue from fare collection and commercial development for a period of 30 years.

(3) Connecting and expanding the network of mass transit system under the Company's management to cover more service area

The Company currently has 2 concessions for the MRT lines, namely the MRT Blue Line, which has a circular operation covering Bangkok and Thonburi sides from Tha Phra – Bang Sue – Hua Lamphong – Lak Song for the total distance of 48 kilometers with 38 stations, and the MRT Purple Line from Khlong Bang Phai – Tao Poon for the total distance of 23 kilometers with 16 stations covering a service area in Nonthaburi and the north side of Bangkok. By obtaining the concession for the MRT Orange Line Project: Bang Khun Non – Min Buri (Suwinthawong) Section for the total distance of 35.9 kilometers with 28 stations covering a service area connecting the east and west sides of Bangkok, the Company shall be able to expand the network of mass transit systems to cover the main areas of Bangkok and its vicinity in all directions, resulting in higher number of passengers of the MRT system managed by the Company.

(4) Increase the number of passengers and revenues of the MRT projects under the Company's concessions

Since the MRT Orange Line Project connects the east and west sides of Bangkok and passes through densely populated areas where no mass transit system supported by electric trains is available, thus, it is considered as the expansion of the MRT network to accommodate faster transportation of passengers from the suburban areas into the city. In addition, the MRT Orange Line Project has interchange stations with several MRT projects, enabling the project to serve

higher number of passengers, including the transfer of passengers to the MRT Blue Line Project and the MRT Purple Line Project managed by the Company. This will provide an opportunity for the Company to generate more revenue.

## **7. Source of Funds**

The Company expects to use external sources of funds by borrowing from financial institutions and/or issuing debentures and/or using internal sources of funds from operating cash flows and the subsidy from the MRTA for the civil works of the West Section. The Company views that such sources of funds are considered sufficient for the operation of the MRT Orange Line Project.

## **8. Conditions on the Entering into the Transaction**

- (1) The Cabinet approves the MRTA to enter into the PPP Contract for the MRT Orange Line Project with the Company.
- (2) The Extraordinary General Meeting of Shareholders of the Company No. 1/2022, which will be held on November 28, 2022, resolved to approve the entering into the PPP Contract for the MRT Orange Line Project with the MRTA.

## **9. Company's Information Required to Disclose Pursuant to the Notifications on Acquisition or Disposition of Assets as Follows to Shareholders refer to Part 3: Company's Information**

- (1) Summary of the Company's information and business operation (Part 3 page 33 – 44).
- (2) List of management and list of the first 10 shareholders as at the latest closing date of the shareholders' register (Part 3 page 44 – 46).
- (3) Summary of the Company's liabilities (Part 3 page 46 – 50).
- (4) Summary of financial statements during the past 3 years and the present year until the latest quarter, as well as the discussion and analysis of financial position and operating result (Part 3 page 50 – 68).
- (5) Related party transaction during the past year and the present year until the latest quarter (Part 3 page 69 – 74).
- (6) Summary of material contracts during the past 2 years (Part 3 page 75).
- (7) Pending material lawsuits or claims (Part 3 page 75).
- (8) Other information that may materially affect the decision of investors (Part 3 page 75).
- (9) Board of Directors' responsibilities to the information memorandum (Part 3 page 75).



## 10. Details of the Persons who have Conflict of Interest

As at October 31, 2022, there is the person who have conflict of interest on the Acquisition of Assets from the Entering into the Public-Private Partnership Contract for the MRT Orange Line Project: Bang Khun Non – Min Buri (Suwinthawong) Section with the Mass Rapid Transit Authority of Thailand totaling 1 person that is The MRTA, who is the shareholder of the Company, holding 1,256,259,584 shares or 8.22% of paid-up capital of the Company.

In this regard, the abovementioned persons who have conflict of interest are ineligible to vote on the agenda in relation to the Acquisition of Assets from the Entering into the Public-Private Partnership Contract for the MRT Orange Line Project: Bang Khun Non – Min Buri (Suwinthawong) Section with the Mass Rapid Transit Authority of Thailand.

## 11. Opinion of the Board of Directors

The Board of Directors, excluding directors with conflict of interest, has considered the feasibility and appropriateness as well as the risks involved and opines that the entering into the above transaction will benefit the Company. Therefore, it was deemed appropriate for the Company to invest in the MRT Orange Line Project by entering into the PPP Contract with the MRTA for the following reasons:

### (1) Benefits of the transaction

- Benefits to the nation and society as a whole

The MRT Orange Line Project will connect the mass transit network in the country's rail system to be complete and more efficient, which is for the interests of the public and the people who use the services and is to preserve the interests of the public sector.

- Benefits to the Company and its shareholders

The entering into the PPP Contract for the MRT Orange Line Project will create a great opportunity for the Company to increase its profit potential and eventually increase the opportunity for shareholders to earn capital gains and more dividends. Please refer to the benefits to the Company and its shareholders in Clause 6.

### (2) Risks that may arise from the transaction

- Risks from the design and construction of civil works and the procurement of the M&E systems

The design and construction of civil works and the procurement of the M&E systems in Phase 1 are related to civil engineering that is complicated and requires techniques and high-skilled construction as well as proceeding along with procurement of the M&E systems. Therefore, in order to mitigate the risk, the Company will enter into contracts with subcontractors who have expertise and experience in civil design and construction and procurement of the M&E systems in the form of lump sum turnkey and the subcontractors will be responsible for the design and construction as well as the procurement of the M&E systems until completion within the specified period.

- Risks relating the number of passengers

Since the main revenue of the MRT Orange Line Project is fare collection revenue, the deviation of the actual number of passengers using the service, both from the MRT Orange Line Project and from other MRT projects, from the forecast will affect the Company's revenue either positively or negatively. The actual number of passengers using the service depends on various factors such as the road traffic, the economic growth rate, an increase or decrease in the number of residents along the MRT Orange Line and other MRT projects, as well as passenger traffic of other mass transit systems.

However, the estimated number of passengers using the MRT Orange Line used to calculate the return is based on a study conducted by the MRTA, which considers various important factors such as the historical growth rate of actual number of passengers of other MRT projects, the population and expansion of housing and real estate surrounding the stations of the MRT Orange Line Project, the forecast of the number of passengers from other MRT projects coming to the MRT Orange Line.

- Risks relating to the fare

The concession specifies that fares shall be adjusted every 2 years in accordance with Bangkok's consumer price index: non-food & beverages announced by the Ministry of Commerce. If the consumer price index changes from the Company's estimates, it will affect the Company's revenue and financial performance.

- Risks relating to revenues from commercial development

Under the PPP Contract for the MRT Orange Line Project, the Company has made projection of revenue from commercial development such as revenue from rent of retail space, revenue from advertising services, and revenue from the provision of telecommunications equipment.

If the revenue from commercial development differs from the Company's projection, it may affect the Company's revenue and financial performance.

Moreover, the Board of Directors have an opinion that the source of funds (according to 7.) is sufficient for the operation of the MRT Orange Line Project.

**12. Opinion of the Audit Committee and/or Directors of the Company, which Differ from the Opinion of the Board of Directors of the Company Specified in Clause 11**

- None -

**13. Opinion of the Independent Financial Advisor**

The independent financial advisor's opinion by Capital Advantage Company Limited is as in the Attachment 3.

**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 4.

## Part 2

### **Information Memorandum Concerning the Connected Transaction for the engagement of CH. Karnchang Public Company Limited for the Management and Construction of Civil Works (West Section) and the Design, Procurement, Installation, Testing of System Equipment and the Trial Run (East Section and West Section) of the MRT Orange Line Project: Bang Khun Non – Min Buri (Suwinthawong) Section**

#### **1. Date of the Transaction**

The Company shall enter into the agreement with CK both for the civil works contract and mechanical & electrical systems procurement contract after signing the PPP Contract for the MRT Orange Line Project with the Mass Rapid Transit Authority of Thailand ("MRTA") and obtaining approval from the shareholders' meeting to enter into the transaction.

#### **2. Contract Parties and Relationship with the Company**

Employer : Bangkok Expressway and Metro Public Company Limited (the "Company")

Contractor : CH. Karnchang Public Company Limited ("CK")

Relationship :

CK is the major shareholder of the Company. As of the latest closing date of the shareholders' register on October 31, 2022, CK held 4,947,389,484 shares, representing 32.37% of the paid-up capital of the Company. (Please refer to details of other relationship in Clause 6).

#### **3. General Characteristics of the Transaction**

The Company has negotiated and finalized the contract with the Selection Committee for the partnership of the MRT Orange Line Project. The MRTA is currently in the approval process in accordance with the procedures of the Public-Private Partnership Act B.E. 2562 (2019), under which the scope of works of phase 1 concerning the design and construction of civil works and the provision of mechanical & electrical systems ("M&E systems") specified that the tenderer must have experience in civil works construction management. In the event that the tenderer does not have such experience, it can propose experiences and project references of the contractors in order to fulfill the said requirement. Thus, the Company has submitted the proposal with reference based on experience in civil works construction management of CK as a contractor. The Company has a policy to appoint

management and construction of civil works and M&E systems procurement in the form of turnkey contract to achieve integration in design and construction and to be able to efficiently utilize resources for the project. In order to comply with the proposal submitted to the MRTA and to be beneficial for the Company to carry out the project, the Company wishes to appoint CK for (1) the management and construction of civil works of the MRT Orange Line Project (West Section) (excluding the appointment of consultants of the MRTA) and (2) the design, procurement, installations, testing of system equipment, and trial run of the MRT Orange Line Project (East Section and West Section) under the two lump sum turnkey contracts:

- (1) Contract employing CK for the management and construction of civil works of the MRT Orange Line Project (West Section) (excluding the appointment of consultants of the MRTA) (the “Civil Works Contract”) with remuneration of Baht 82,502 million (VAT exclusive); and
- (2) Contract employing CK for the design, procurement, installations, testing of system equipment, and trial run of the MRT Orange Line Project (East Section and West Section) (the “M&E Systems Procurement Contract”) with remuneration of Baht 26,714 million (VAT exclusive).

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

### **3.1 Scope of Work**

The main duties of CK under the employment contract are as follows:

1. Civil Works (West Section) according to the Civil Works Contract

Civil design and construction for the MRT Orange Line Project (West Section) according to the requirements of the MRTA as prescribed in the PPP Contract for the MRT Orange Line Project, excluding the appointment of consultants of the MRTA, and the handover of the works to the MRTA in accordance with the terms and conditions of the PPP Contract.

2. Procurement of M&E systems (East Section and West Section) according to the M&E Systems Procurement Contract

The design, manufacturing, procurement, and installation of M&E systems, other related systems, and computer programs for the management of the project, including the individual testing, integrated system testing and trial run, as well as training and technology transfer for the MRT Orange Line Project (East Section and West Section)

until completion so that the Company can transfer ownership of the said property to the MRTA according to the terms and conditions of the PPP Contract.

### **3.2 Value of Consideration and Payment Conditions**

The Company will pay according to the conditions specified in each contract:

1. According to the Civil Works Contract costing of Baht 82,502 million shall be paid in accordance with the interim payment schedule of the civil works of the MRT Orange Line Project (West Section), which correlates with the work progress as specified in the contract and in line with the PPP Contract of the MRT Orange Line Project with the MRTA.
2. According to the M&E Systems Procurement Contract costing of Baht 26,714 million shall be paid accordance with the interim payment schedule of the M&E systems procurement works of the MRT Orange Line Project (East Section and West Section), which correlates with the M&E systems work progress as specified in the contract.

### **3.3 Performance Security**

1. Domestic bank guarantee in the amount of Baht 4,500 million as the performance bond must be valid throughout the term of phase 1 operation according to the terms and conditions of the PPP Contract.
2. Domestic bank guarantee in the amount of Baht 4,500 million as the warranty must be valid for a period of 2 years from the completion of phase 1 of the PPP Contract.

### **3.4 Contractual Period**

The contract period is divided into 2 phases as follows:

1. The M&E systems procurement for the MRT Orange Line Project (East Section): 3 years and 6 months from the date specified on the Notice to Proceed of the MRTA.
2. The civil works and M&E systems procurement for the MRT Orange Line Project (West Section): 6 years from the date specified on the Notice to Proceed of the MRTA.

When CK views that works of phase 1 of the PPP Contract has been completed and ready for service, CK must notify the Company in order to coordinate with the MRTA to inspect and issue a commissioning certificate and hand over the ownership to the MRTA, by which the operation will be deemed as completed.

### **3.5 Variation Order**

The Company may issue a change of work order as stipulated in the contract, by which CK shall carry out in accordance with such change, provided that the parties agree on the responsibility, costs, conditions, and related details prior to the change of work made by CK.

### **3.6 Insurance**

CK shall be responsible for the provision of all risks insurance and third-party liability insurance with the insurance companies operating in Thailand at its own expense. The Company and CK shall be the insured and the MRTA and financial lender (if any) shall be the co-insureds and co-beneficiaries. Such insurance shall be valid throughout the period of phase 1 of the PPP Contract.

### **3.7 Penalty**

In the event that CK is unable to complete the works according to the material schedule specified in the employment contract, CK shall pay penalty to the Company according to the rate or amount that the Company is obliged to pay penalty to the MRTA under the PPP Contract.

## **4. Total Value of Consideration and Criteria for Determining Value of Consideration**

The total value of consideration consists of (1) value of civil design and construction of Baht 82,502 million and (2) value of the M&E systems procurement of Baht 26,714 million, which determined from the negotiation between the Company and CK.

The Company has appointed Infra Asia (Thailand) Limited and Egis Rail (Thailand) Company Limited ("Independent Experts") as the independent expert engineers to assess the appropriate value of work. The Independent Experts has reviewed and assessed such work which the appropriate value of the civil works is Baht 86,000 million and the appropriate value of the M&E systems procurement is Baht 27,953 million.

The value of civil works proposed by CK (VAT exclusive) is lower than the value of works assessed by the Independent Experts, under the scope of similar work of such project, by Baht 3,498 million or 4.07% and the value of M&E systems procurement proposed by CK (VAT exclusive) is lower than the value of works assessed by the Independent Experts, under the scope of similar work of such project, by Baht 1,239 million or 4.43%.

## 5. Source of Funds

The Company expects to use external sources of funds by borrowing from financial institutions and/or issuing debentures and/or using internal sources of funds from operating cash flows, and the subsidy from the MRTA for the civil works of the West Section. The Company views that such sources of funds are considered sufficient for the engagement of CK.

## 6. Characteristics and Scope of Interest of the Connected Person and Details of the Connected Person

The engagement of CK in accordance with the aforementioned scope of work is considered as a connected transaction that is a normal business transaction without general trading conditions.

To calculate size of the connected transaction, the Company has assessed the total value consideration from (1) value of civil design and construction works of Baht 82,502 million and (2) value of M&E systems procurement of Baht 26,714 million, which is in accordance with the employment contract between the Company and CK and is consistent with the Company's proposal submitted to the MRTA. The total value of transaction is at Baht 109,216 million, equivalent to 289.02% of net tangible asset based on consolidated financial statements as of June 30, 2022 (Baht 37,788 million x 3% = Baht 1,134 million).

In the past 6 months prior to the date on which the Board of Directors resolved to propose the Extraordinary General Meeting of Shareholders No. 1/2022 to consider and approve the entering into the employment contract with CK for the management and construction of civil works, design, procurement, installation, testing of system equipment, and trial run of the MRT Orange Line Project, the Board of Directors resolved on July 8, 2022, for the Company to enter into the connected transaction concerning the maintenance and structural improvement and system works of the Si Rat Expressway, the Si Rat – Outer Ring Road Expressway and the Udon Rattaya Expressway with the size of the connected transaction of 2.82% of net tangible assets. Therefore, the total size of the connected transaction is 291.84%, which is higher than 3% of net tangible asset. In this regard, the Company is required to act as follows:

1. Prepare and immediately disclose the Information Memorandum concerning the entering into the transaction to the SET with at least the information in accordance with the Notifications on Connected Transaction.
2. Arrange a shareholders' meeting of the Company to approve the transaction by sending the notice of the shareholders' meeting to the shareholders at least 14 days prior to the date of the



shareholders' meeting. The transaction must receive the affirmative votes of at least three-fourths of the total votes of the shareholders who attend the meeting and are eligible to vote, excluding shareholders with conflict of interests.

3. Appoint an independent financial advisor to provide opinions on the transaction by submitting the independent financial advisor's opinion report to the shareholders for consideration along with the notice of the shareholders' meeting. In this regard, the Company has appointed Capital Advantage Company Limited, a financial advisor approved by the SEC, as an independent financial advisor.

Pursuant to the list of shareholders of the Company as of the latest closing date of the shareholders' register on October 31, 2022, the list of connected persons and/or shareholders who have conflict of interest 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>	4,947,389,484
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

No.	Connected Persons and/or Shareholders who Have Conflict of Interest	Relationship/Interest	No. of Shares Held in the Company
	Mrs. Kasem 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 Managing director 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
	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, Deputy Executive Director 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>	14,000

No.	Connected Persons and/or Shareholders who Have Conflict of Interest	Relationship/Interest	No. of Shares Held in the Company
	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>	12,787,005
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. Somsak 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>	539,800
10	Mr. Aswin Kongsiri	<ul style="list-style-type: none"> <li>Chairman and Independent Director of CK</li> </ul>	3,360,600
	M.R. Achariya Kongsiri	<ul style="list-style-type: none"> <li>Spouse of Mr. Aswin Kongsiri</li> </ul>	139,152
11	Mr. Sittidej Trivisvavet	<ul style="list-style-type: none"> <li>Management of CK</li> <li>Shareholder of CK holding 2,000,000 shares or 0.1181% of the paid-up capital of CK</li> </ul>	500,000
	Mrs. Pranee Tongkittikul	<ul style="list-style-type: none"> <li>Mr. Sittidej Trivisvavet's close relative</li> </ul>	1,187,778

No.	Connected Persons and/or Shareholders who Have Conflict of Interest	Relationship/Interest	No. of Shares Held in the Company
	Mr. Puwane Trivisvavet	<ul style="list-style-type: none"> <li>Mr. Sittidej Trivisvavet's close relative</li> <li>Shareholder of CK holding 1,129,855 shares or 0.0667% of the paid-up capital of CK</li> </ul>	577,024
	Ms. Sawanya Trivisvavet	<ul style="list-style-type: none"> <li>Mr. Sittidej Trivisvavet's offspring</li> <li>Shareholder of CK holding 600,025 shares or 0.0354% of the paid-up capital of CK</li> </ul>	605,046
12	Mr. Narong Sangsuriya	<ul style="list-style-type: none"> <li>Director, Executive Director and Senior Executive of CK</li> <li>Shareholder of CK holding 512,500 shares or 0.0303% of the paid-up capital of CK</li> </ul>	-None-
	Ms. Vasana Sangsuriya	<ul style="list-style-type: none"> <li>Mr. Narong Sangsuriya's close relative</li> <li>Shareholder of CK holding 1,050 shares or 0.0001% of the paid-up capital of CK</li> </ul>	7,000
13	Dr. Anukool Tuntimas	<ul style="list-style-type: none"> <li>Director, Executive Director and Management of CK</li> </ul>	86,554
14	Mr. Pairat Prom-In	<ul style="list-style-type: none"> <li>Management of CK</li> </ul>	-None-
	Mrs. Daranee Prom-In	<ul style="list-style-type: none"> <li>Spouse of Mr. Pairat Prom-In</li> </ul>	21,025
15	Mr. Phichai Choeibamrung	<ul style="list-style-type: none"> <li>Management of CK</li> <li>Shareholder of CK holding 150,000 shares or 0.0089% of the paid-up capital of CK</li> </ul>	145,500
16	Mr. Pornnarong Siriyothin	<ul style="list-style-type: none"> <li>Management of CK</li> </ul>	1,198
17	Mr. Prapon Chanpradubfa	<ul style="list-style-type: none"> <li>Management of CK</li> </ul>	10,000
18	Mr. Thammanoon Surarat	<ul style="list-style-type: none"> <li>Management of CK</li> </ul>	100,000
19	Mr. Keerati Luangchookiat	<ul style="list-style-type: none"> <li>Management of CK</li> </ul>	293
<b>Total number of shares</b>			<b>5,135,616,406</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 Public Company Limited for the Management and Construction of Civil Works (West Section) and the Design, Procurement, Installation, Testing of System Equipment and the Trial Run (East Section and West Section) of the MRT Orange Line Project: Bang Khun Non – Min Buri (Suwinthawong) Section.

**7. Participation in the Meeting and Voting of Directors with Conflict of Interest and/or Directors who are Connected Persons**

In the Board of Directors' Meeting No. 5/2022 on October 17, 2022, directors with conflict of interest and/or directors who are connected persons, namely (1) Mr. Plew Trivisvavet, (2) Mr. Phongsarit Tantisuvanitchkul, and (3) Miss Supamas Trivisvavet, did not attend the meeting and were ineligible to vote on this agenda

**8. Conditions on the Entering into the Transaction**

The entering into a contract with CK shall be executed after the completion of the following matters:

1. The Company has entered into the PPP Contract for the MRT Orange Line Project with the MRTA.
2. The Extraordinary General Meeting of Shareholders of the Company No. 1/2022, which will be held on November 28, 2022, resolved to approve the entering into the connected transaction for the engagement of CH. Karnchang Public Company Limited for the management and construction of civil works of the West Section and the design, procurement, installation, testing of system equipment, and trial run of the East Section and West Section of the MRT Orange Line Project during Bang Khun Non – Min Buri (Suwinthawong) Section.

**9. Company's Information Required to Disclose Pursuant to the Notifications on Connected Transaction as Follows to Shareholders refer to Part 3: Company's Information**

1. Summary of the the Company's information and business operation (Part 3 page 33 – 44).
2. List of management and list of the first 10 shareholders as at the latest closing date of the shareholders' register (Part 3 page 44 – 46).
3. Summary of financial statements during the past 3 years and the present year until the latest quarter, as well as the discussion and analysis of financial position and operating result (Part 3 page 50 - 68).
4. Related party transaction during the past year and the present year until the latest quarter (Part 3 page 69 - 74).
5. Other information that may materially affect the decision of investors (Part 3 page 75).

## 10. Opinion of the Board of Directors Regarding the Entering into the Connected Transaction

The Board of Directors is of the opinion that the entering into the connected transaction for the engagement of CK as mentioned earlier in the total amount of Baht 109,216 million (VAT exclusive) is reasonable and beneficial to the Company for the following reasons:

1. CK is a large construction contractor in the country with extensive records of design and construction of civil works and the procurement of M&E systems for several projects, which CK had completed as scheduled with acceptable quality. Thus, it has experience, knowledge, and expertise in civil works and the procurement of M&E systems. Track record of CK in major MRT projects can be summarized as follows:

Project Name	Contractor	Scope of Work
<b>Civil works</b>		
<b>MRT Blue Line Project</b> Bang Sue – Hua Lamphong Section	BCKT JV <sup>1</sup>	Design and construction of 9 underground stations, including civil works of the underground stations, tunnels, M&E systems, and structural and architectural works, with a distance of 10 kilometers
<b>MRT Blue Line Project</b> Bang Sue – Tao Poon Section	CKSL JV <sup>2</sup>	Design and construction of ballasted and ballastless trackwork and conductor rail
<b>MRT Blue Line Extension Project</b> Hua Lamphong – Bang Kae and Bang Sue – Tha Phra Section	CK	<ul style="list-style-type: none"> <li>• Design and construction of cut and cover tunnel connecting to bored tunnel with 1 intervention shaft</li> <li>• Design and construction of 2 underground stations, including station architectural works and building services works and M&amp;E works</li> <li>• Design and construction of ballasted and ballastless trackwork and conductor rail</li> </ul>
<b>MRT Purple Line Project</b> Bang Yai – Bang Sue Section	CKTC JV <sup>3</sup>	Construction of elevated structure and 8 stations, including station architectural works and M&E works, and the redesign of viaduct and station structures.
<b>MRT Green Line Project</b> Bearing – Samut Prakarn Section	CK	<ul style="list-style-type: none"> <li>• Construction of elevated structures and 9 stations, including station architectural works, construction and improvement of utilities, and redesign of viaduct and station structures.</li> <li>• Design and construction of ballasted and ballastless trackwork for the elevated stations, viaduct, and Depot</li> </ul>
<b>Procurement of M&amp;E systems</b>		
<b>MRT Blue Line Project and MRT Blue Line Extension Project</b>	CK	Design, manufacture, procure, install, and test M&E systems such as rolling stock system, signaling and train controlling system, platform screen door, automatic fare collection system, Depot workshop equipment, power supply system, and supervisory control and data acquisition (SCADA)
<b>MRT Purple Line Project</b> Bang Yai – Bang Sue and Tao Poon – Bang Sue Section	CK	Design, manufacture, procure, install, and test M&E systems such as rolling stock system, signaling and train controlling system, platform screen door, automatic fare collection system, Depot

Project Name	Contractor	Scope of Work
		workshop equipment, power supply system, supervisory control and data acquisition (SCADA), and management system

**Remark:**

1. BCKT JV is the BCKT joint venture, comprising of Bilfinger & Berger Bauaktiengesellschaft Company Limited, CK, Kumagai Gumi Company Limited, and Tokyu Construction Company Limited
2. CKSL JV is the CKSL joint venture, comprising of CK and SNC-Lavalin Inc.
3. CKTC JV is the CKTC joint venture, comprising of CK and Tokyu Construction Company Limited

2. The Company uses the experience of CK as the contractor for the technical experience in the qualification proposal and uses the blueprints and construction method documents prepared by CK in the technical proposal. The proposal is complete in accordance with the terms of the contract and the CK has been selected by the MRTA to be the civil works contractor of the MRT Orange Line Project (West Section), as the Company's subcontractor.
3. The engagement of CK to be responsible for civil works and M&E systems procurement will enable the seamless integration of civil works and M&E systems procurement.
4. CK is a financially strong company, having a stable financial position, capability to manage risks that may arise from the implementation of mega-scale projects such as exchange rate risk, risk from project delays, and risk of cost overrun.
5. CK agreed to be responsible for (1) the management and construction of civil works of the MRT Orange Line project (West Section) (excluding the appointment of consultant of the MRTA); and (2) the design, procurement, installation, testing of system equipment, and trial run of the MRT Orange Line Project for the Company in the form of lump sum turnkey that guarantees the work by taking all risks that may arise if the project cannot be completed within the specified period (Completion Risk).
6. CK is the Company's investment partners, resulting in its responsibility and commitment to successfully execute the project.

In addition, the Board of Directors of the Company is of the opinion that the employment conditions are reasonable as follows:

1. The lump sum turnkey arrangement is a condition that corresponds to the duties and obligations that the Company will have to comply with the terms and conditions of the PPP Contract that the Company will sign with the MRTA such as scope of work, performance guarantee and payment of penalty, thereby limiting the potential risks associated with the operation of the MRT Orange Line Project.

2. The total value of consideration paid by the Company to CK in the amount of Baht 109,216 million (VAT exclusive) is lower than the value of work assessed by the Independent Experts under the scope of the similar type of work of such project.

**11. Opinion of the Audit Committee and/or Directors of the Company, which Differ from the Opinion of the Board of Directors of the Company Specified in Clause 10.**

- None -

**12. Opinion of the Independent Financial Advisor**

The independent financial advisor's opinion by Capital Advantage Company Limited is as in the Attachment 3.

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

As in the Attachment 4.



## Part 3

### 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 domestic and abroad. As of October 31, 2022, the Company's registered and paid-up capital amounted to Baht 15,285 million divided into of 15,285 million ordinary shares, at the par value of Baht 1 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 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 Phayathai Interchange eastward to Rama 9 Road and from Phayathai Interchange heading southward to Bangkhlo Interchange, connecting with the Chalerm 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 Si Rat - Outer Ring Road Expressway**

The 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 in which the Company have an exclusive right for the tolls revenue for the duration of concession period. The route starts from the Outer Ring Road (Kanjapisek Road around 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 whereby NECL has the right to receive tolls revenue as stipulated in the Agreement including the right to commercial development in the side-road area on the Expressway structure, 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. Chaloe Ratchamongkhon Line Project (MRT Blue Line)**

The M.R.T. Chaloe Ratchamongkhon Line Project (MRT Blue Line), by 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 for the concession period of 30 years from the full service opening of the entire route which is March 30, 2021. The MRT Blue Line Project comprising of:

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

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

The M.R.T. Chaloe Ratchadham Line Project (the MRT Purple Line), Bang Yai - Rat Burana, Bang Yai - Bang Sue Section (Klong 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. Chaloe Ratchadham Line Project (MRT

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

### **1.1.3 Commercial Development Business**

As the Company has the exclusive rights to the Commercial Development as stipulated in the related Concession Agreements, it appointed its subsidiary, Bangkok Metro Networks Limited (“BMN”), as a representative for the management of commercial developments both in the Mass Rapid Transit Project and Expressway Projects. It can be divided into 3 types of business operations as follows;

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

The commercial development area comprised of both self- operated and external developer terms.

## **1.2 Business Outlook**

### **1.2.1 Express Business**

The Company is a private expressway operator which operates the Si Rat Expressway, the Si Rat - Outer Ring Road 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 BEM, 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, BEM’s network is more connected to other expressways than that of the other private company, thereby allowing for comprehensive travel connections.

In 2021, Thailand had been affected by the situation of the spread of COVID -19 for the second year in a row, which had extensive effects across all sectors. Entrepreneurs were affected by the inability of people to live a normal life, and moreover, a state of emergency was declared, measures to encourage individuals to work from home (WFH) were adopted, online education was conducted by schools and universities, and people and tourists refrained from travelling, thereby periodically having an impact on

various businesses. Similarly, the expressway business was also impacted by the announcement of numerous measures; as a result, the traffic volume on the expressways was lower than usual, and people refrained from traveling during lockdown and shutdown measures, not to mention the fact that people scrimped and saved, including buying and selling cars, which continued to decline. According to a study of statistics on auto sales at the Motor Expo, held in December every year, it was found that before the epidemic of COVID-19, 44,189 vehicles were sold in 2018; 37,489 vehicles were sold in 2019; 33,753 vehicles were sold in 2020, and 31,583 vehicles were sold in 2021 (*Prachachat Business Newspaper, December 2021*), which continued to decline. However, in spite of a decrease in auto purchase-sale; a decrease in traffic volumes on expressways, during the peak of the outbreak of COVID-19, using expressways was the safest method to travel, people reduced their use of public transportation, thereby increasing their use of private vehicles for travel. As a result, after the government began to gradually loosen various measures, there was high traffic on both roads and expressways, especially during the 4<sup>th</sup> quarter of the year, people started traveling more due to the continually declining situation of the COVID-19 outbreak, including the government's relaxation of various government measures, resulting in an increase in traffic on the expressways, but not to the normal condition prior to the outbreak of COVID-19. Therefore, the traffic volume on the expressways still continued to reduce in 2021 owing to the impact of the COVID-19, which lasted longer than 2020. However, even in the hardship situation, the Company has improved the traffic lanes on the expressways, upgraded and expanded the EASY PASS lanes and introduced the toll collection system with VISA PAYWAVE and MASTER CARD PAY PASS credit card / debit card, simply by using a credit / debit card from any bank to pay tolls at the cash counter by lowering the car glass and tapping the card at the contactless reader to instantly pay, for convenience, rapidity, safety, reducing touch, while also serving as another convenient option for expressway users. In this regard, it is currently in service on all of the five expressway routes.

### **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.

Despite the fact that the ongoing situation of the spread of COVID -19 has resulted in a decrease in the volume of travel and the use of public transportation, the development of public transportation must continue.

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. Chaloem 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, Section 1: Watcharaphon - Thong Lor; the MRT Grey Line, Section 2: Phra Ram 3 - Tha Phra; 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>	<b>Bang Sue-Rang Sit, with 10 stations, for a distance of 26.30 km.</b> - It was opened to the public for a fare-free trial on August 8, 2021. - It was officially opened for service on November 29, 2021. <b>Bang Sue-Taling Chan, with 3 stations, for a distance of 15 km.</b>

Project	Current Status of Project
	<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 in the process of studying the details of format of the Public-Private Partnerships (PPP).</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 in the process of studying the details of format of the Public-Private Partnerships (PPP).</li> </ul> <p><b>Hua Lamphong-Mahachai, with 17 stations, for a distance of 37 km.</b></p> <ul style="list-style-type: none"> <li>- Currently, SRT is in the process of studying the details of format of the Public-Private Partnerships (PPP).</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 in the process of studying the details of format of the Public-Private Partnerships (PPP).</li> </ul>
<b>MRT Brown Line</b>	<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>- The bidding is expected to begin in 2023 and the construction is expected to begin in 2024.</li> </ul>
<b>MRT Purple Line Extension</b>	<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>- Currently, the project is in the process of selling tender documents, TOR to select the qualified private sectors for civil construction. It is expected that the bidding will be completed to acquire the winning bidder in the first quarter of 2022.</li> </ul>
<b>MRT Grey Line</b>	<p><b>Watcharaphon - Thong Lor, with 39 stations, for a distance of 39.91 km.</b></p> <ul style="list-style-type: none"> <li>- Currently, SRT is in the process of studying the details of format of the Public-Private Partnerships (PPP).</li> </ul>

Project	Current Status of Project
<b>Bangna-Suvarnabhumi Line Project</b>	<p><b>Phase 1: Bang Na - Thana City Section, with 12 stations, for a distance of 14.6 km.</b></p> <p><b>Phase 2: Thana City-Suvarnabhumi (South Terminal), with 2 stations, for a distance of 5.1 km.</b></p> <p>- Currently, SRT is in the process of studying the details of format of the Public-Private Partnerships (PPP).</p>

### 1.2.3 Commercial Development Business

#### Advertising Media

Owing to the situation of the outbreak of COVID-19, the announcement of various government measures to contain or prevent the spread of the virus has had an enormous impact on the country's economy, and entrepreneurs have adapted to such situations, such as reducing management budgets, public relations budgets, not to mention the implementation of a policy allowing staff to work from home, thereby resulting in a dramatic decrease in MRT passengers compared to that in the period prior to the outbreak of COVID-19.

The aforesaid situation is detrimental to the advertising industry condition. In the period of January-October 2021, the top five affected media with the highest rate of decline, compared to the same period of 2020, were cinema media, mobile media, newspapers, magazines, and radio, a reduction by more than 10 percent as compared to that of the previous year, with cinema media having the largest decline rate at 31 percent while mobile media at 24 percent. As a result, the usage of budgets for advertising and public relations in the MRT trains has been impacted accordingly.

Nevertheless, in the fourth quarter of the year, it started to show better signs from easing the measures, by allowing the opening of shops and services, canceling the lockdown measures, and opening the country, including the steadily increasing vaccination rate, especially in Bangkok and its vicinities, and goods and service owners began to use their budgets for advertising, public relations to boost sales at the end of the year. Yet, the COVID-19 outbreak is still present, goods and service owners are therefore forced to change their strategies to plan for short-term budget usage instead of long-term budget use.

Throughout 2021, the Company did emphasize assisting and supporting its advertising media customers to ensure they could get through such crises such as time postponement or extension of advertising media publicity and media organization at a special price, among other things, to strengthen good relationships with business alliances in the long run.



### **Space for Lease and Services**

The space for lease and services is another business which has been impacted by the outbreak of COVID-19, thereby forcing retail shops to temporarily close their services according to each period specified by the government announcement, which includes retail shops available in the MRT stations; and additionally, the aforementioned situation has resulted in a substantial change in consumers' shopping behavior. This is due to the fact that consumers need to avoid entering heavily crowded areas by switching to an online shopping service or a delivery service rather than physically using the service in shopping malls.

The Company has implemented various supportive and remedial measures to ensure that tenants and service providers can continue to run their businesses through the crises, including waiving rent and service charges, lowering rent and service charges, expanding space to allow tenants to distribute their products more widely, and so forth. These measures will help greatly strengthen the business relationships between the Company and its business alliances.

During the fourth quarter of the year, the government had loosened its mandatory measures, and as such, people began to live outdoors more, along with their adaptation to a New Normal way of life, resulting in a gradual increase in the number of metro users compared to that in the previous period, and a rise in the purchase of goods and services in the MRT stations. As a result, revenue from sales of goods and services began to improve, with people leasing space for activities to sell products and services at the end of the year.

In 2022, the Company anticipates a steady increase in MRT service users, which will benefit entrepreneurs in the lease and service spaces. Furthermore, the Company plans to develop and improve the Metro Mall area at Phahon Yothin Station, as well as preparing to open the Metro Mall area at Queen Sirikit National Convention Center Station, by giving priority to services that meet the needs of service users, ensure convenience, a good image and safety, while maintaining good relationships with the entrepreneurs operating in the area to become the Company's long-term business alliances and partners.

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

### **1.3.1 Risk from Government Policy**

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 Interest Rate Fluctuations**

The Company remains obliged, which have a large interest from the Concession Agreement. As a result, the Company's interest expenses are considered its significant expenditures. If the interest rate on loan is significantly changed, it may affect the Company's financial costs and business operations. The Company has managed such risk by arranging for the loan structure at floating interest rates and loans at fixed interest rates as appropriate. Making the contract to prevent such risks from floating interest rates and fixed interest rates. In addition, The Company also follow up the tendency circumstance of interest rate change for improving floating interest rates as appropriate.

### **1.3.3 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.

#### **1.3.4 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 opened for service, the Company's image may be tarnished.

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 staff 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.

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

The Company provides both expressway and metro services, therefore, the Company's core revenues are tolls and fares, which may be subject to a variety of external factors 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.

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.

The situation of the outbreak of Coronavirus Disease 2019 (COVID-19) has been detrimental to the Company. To contain the spread of the disease, the government has adopted high-level control measures and promulgated the Emergency Decree on Public Administration in Emergency Situation, which has encouraged people to refrain from traveling. In 2021, travel volume had been declining steadily since April 2021 in both the expressway business and the metro business, thereby causing a decrease in the Company's revenue from the previous year, which was lower than the expected estimates. Despite the fact that the Company's revenue would be considerably affected by the COVID-19 outbreak situation, the Company has conducted stringent cost management while receiving dividends from investments in other companies. As a result, the Company has enough revenue to operate the businesses.

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

### **2.1 List of the Director and Management as at 31 October 2022**

<b>List of Director</b>	<b>Position</b>
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. General Chetta Thanajaro	Chairman of the Nomination and Remuneration Committee / Independent Director / Audit Committee Member
4. Dr. Annop Tanlamai	Independent Director / Audit Committee Member

List of Director	Position
5. Prof. (adjunct) Athapol Yaisawang	Chairman of the Corporate Governance, Risk Management and Sustainable Development Committee / Independent Director / Nomination and Remuneration 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	Director / Corporate Governance, Risk Management and Sustainable Development Committee Member / Executive Director
10. Dr. Sombat Kitjalaksana	Corporate Governance, Risk Management and Sustainable Development Committee Member / Executive Director
11. Ms. Arisara Dharamadhaj	Director
12. Mr. Panit Dunnvatanachit	Director
13. Mr. Vithaya Punmongkol	Director
14. Mr. Piyakorn Apibalsri	Director
15. Mrs. Tasanuch Thammachot	Director
16. Mrs. Payao Marittanaporn	Director / Executive Director
17. Ms. Supamas Trivisvavet	Director / Executive Director

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 October 31, 2022

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 October 31, 2022, the first 10 shareholders are listed as follow:

List of Shareholders	Number of Shares	%
1. CH. Karnchang Public Company Limited	4,947,389,484	32.37
2. Mass Rapid Transit Authority of Thailand	1,256,259,584	8.22
3. Thai NVDR Company Limited	971,447,811	6.36

List of Shareholders	Number of Shares	%
4. Krung Thai Bank Public Company Limited	815,356,075	5.33
5. Social Security Office	535,297,600	3.50
6. South East Asia UK (Type C) Nominees Limited	400,531,149	2.62
7. Mr. Wichai Wachiraphong	316,825,657	2.07
8. Bangkok Bank Public Company Limited	303,448,709	1.99
9. State Street Europe Limited	219,186,556	1.43
10. Mr. Min Tieworn	160,000,000	1.05
Others	5,359,257,375	35.06
<b>Total</b>	<b>15,285,000,000</b>	<b>100.00</b>

### 3. Summary of the Company's Liabilities

#### 3.1 The Total Amount of Debt Instruments Having Been Issued and Those Not Having Been Issued Pursuant to the Resolution of the Shareholders Meeting, which Authorizes the Board of Directors of the Listed Company to Consider Issuing Them for Sale as It Deems Appropriate

No. / Tranche	Term	Issuance date	Maturity date	Interest rate (% / annum)	Outstanding balance according to consolidated financial statements as of June 30, 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	11 years 10 months	11 August 2016	24 June 2028	3.61	500
No. 3/2016					
- Tranche 2	9 years	21 October 2016	21 October 2025	3.78	2,500
- Tranche 3	11 years	21 October 2016	21 October 2027	3.95	3,000
No. 1/2017					
- Tranche 1	5 years	7 September 2017	7 September 2022	2.65	2,000
- 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. / Tranche	Term	Issuance date	Maturity date	Interest rate (% / annum)	Outstanding balance according to consolidated financial statements as of June 30, 2022 (Million Baht)
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
<b>Total</b>					<b>39,085</b>
Less: Current portion of debentures					(7,500)
Less: Deferred debentures issuing cost					(24)
<b>Debentures - net of current portion</b>					<b>31,561</b>

In this regard, according to the Annual General Meeting of Shareholders 2016 and the Extraordinary General Meeting of Shareholders No. 1/2017 resolved and approved the issuance and offering of secured and/or unsecured bond in total amount and outstanding balance of principal not excess Baht 48,000 million and Baht 16,000 million, respectively. Therefore, the Company has total amount of Baht 24,915 million of unissued debt instruments according to the shareholder meetings' resolutions and authorization of the Board of Directors to consider and issue as appropriate.

### 3.2 The Total Amount of Loans with Specified Repayment Period, including the Liability to Place Assets as Collateral

Loan	Interest rate (% / annum)	Repayment	Outstanding balance according to consolidated financial statements as of June 30, 2022 (Million Baht)
Long-term loan	Fixed rate	Repayment in every 6 months (April 2022 – April 2026)	4,440
Long-term loan	6M FDR + stipulated margins	Repayment in quarterly (March 2020 – December 2025)	2,664
Long-term loan for MRT Blue Line Extension Project <sup>1</sup>	6M THBFIX + stipulated margins	Repayment in quarterly (December 2021 – December 2035)	13,850

Loan	Interest rate (% / annum)	Repayment	Outstanding balance according to consolidated financial statements as of June 30, 2022 (Million Baht)
Sustainability loan agreement	Float rate + stipulated margins	Repayment in yearly (February 2023 – February 2027)	3,000
<b>Balance as of June 30, 2022</b>			<b>23,954</b>
Liability under concession agreement	12M FDR + stipulated margins	Repayment in monthly (October 2017 – July 2026)	<b>6,296</b>
Loss from the cross currency and interest rate swap contract			122
<b>Balance as of June 30, 2022</b>			<b>30,372</b>
Less: Current portion			(4,159)
Add: Deferred financial fees			267
<b>Long-term loans - net of current portion</b>			<b>26,481</b>

**Remarks:** 1. The Company has taken some of the Company's assets to be placed as collateral for the mentioned loan

### 3.3 The Total Value of Debts in Other Categories, Including Overdrafts, and the Liability to Place Assets as Collateral

Liability	Interest rate (% / annum)	Outstanding balance according to consolidated financial statements as of June 30, 2022 (Million Baht)
Promissory notes	Fixed rate	1,500
<b>Balance as of June 30, 2022</b>		<b>1,500</b>

### 3.4 Commitments and contingent liabilities

#### Capital commitments

As at 30 June 2022, the Company has capital commitments as follows:

Capital Commitments	Value
Performance improvement for farebox collection systems	Baht 61 million and USD 5 million
Acquisition of equipment	Baht 8 million
Installation of the M&E Systems of the MRT Project	Baht 177 million
Improvement for civil infrastructure of expressway	Baht 32 million
Telecommunication equipments	Baht 49 million
Other capital commitments	Baht 5 million



**Long-term service commitments**

As at June 30, 2022, the Company has commitments in respect of the Maintenance of M&E equipment and infrastructure and civil works contracts of the MRT Project. These contracts will expire between 2023 and 2029. Future minimum service fees payable under these contracts, excluding escalation in accordance with the general consumer price index are as follows:

Payable:	Million				
	Baht	USD	EUR	SGD	YEN
In up to 1 year	1,609	-	4	-	379
In over 1 year and up to 5 years	4,809	2	16	1	1,170
In over 5 years	1,621	2	10	-	-

**Commitments under various service agreements**

As at June 30, 2022, the Company has commitments under various service agreements as follows:

Payable:	Million Baht
In up to 1 year	420
In over 1 year and up to 5 years	464

**Operating lease commitments**

As at June 30, 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 these agreements are between 1 and 4 years. Future minimum lease payments required under these operating lease agreements were as follows:

Payable:	Million Baht
In up to 1 year	8
In over 1 year and up to 4 years	3

**Guarantees**

As at June 30, 2022, There were the following outstanding performance bonds and bank guarantees issued by banks on behalf of the Company.

Payable:	Million Baht
Issued to the MRTA in accordance with the operation of	
- The MRT Blue Line Concession agreement	210
- The MRT Chalong Ratchadham Line Concession agreement	200

Payable:	Million Baht
Issued to the Metropolitan Electricity Authority to guarantee electricity under rail projects	118
Other guarantees	3

#### **Other commitments**

As at June 30, 2022, the Company has other commitments as follow:

Payable:	Million Baht
Commitments in respect of the uncalled portion of investment Northern Bangkok Expressway Company Limited	750
Commitment in respect of Expressway inspection, maintenance and improvement agreements (paid within one year)	5
Commitment in respect of the procurement and maintenance of M&E equipment contract (paid within one year)	21

#### **4. Summary of Financial Statements During the past 3 Years and the Present Year Until the Latest Quarter, as well as the Discussion and Analysis of Financial Position and Operating Result**

##### **Statement of financial position**

Statement of financial position	As at							
	31 December 2019		31 December 2020		31 December 2021		30 June 2022	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
<b><u>Assets</u></b>								
<b><u>Current assets</u></b>								
Cash and cash equivalents	704	0.63	1,614	1.42	1,131	0.98	1,255	1.09
Current investments	1,158	1.04	-	-	-	-	-	-
Bank deposit for unearned fare box revenue	206	0.18	224	0.20	225	0.20	226	0.20
Trade and other receivables	482	0.43	549	0.48	473	0.41	517	0.45
Current portion of receivable under the concession agreement	1,650	1.48	1,650	1.45	1,650	1.43	1,650	1.43
Current tax assets	128	0.11	125	0.11	121	0.11	67	0.06
Other current financial assets	-	-	761	0.67	766	0.67	589	0.51
Other current assets								
Prepaid expenses	84	0.07	91	0.08	93	0.08	82	0.07
Advance payment for service contracts	25	0.02	18	0.02	45	0.04	12	0.01

Statement of financial position	As at							
	31 December 2019		31 December 2020		31 December 2021		30 June 2022	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Spare parts	-	-	-	-	27	0.02	43	0.04
Others	13	0.01	12	0.01	11	0.01	8	0.01
Total current assets	4,448	3.98	5,044	4.44	4,541	3.95	4,448	3.85
<u>Non-current assets</u>								
Receivable under the concession agreement, net of current portion	9,211	8.25	7,561	6.65	5,911	5.14	5,087	4.40
Other non-current financial assets	-	-	15,841	13.94	15,910	13.82	16,097	13.94
Other long-term investments	17,097	15.31	-	-	-	-	-	-
Investment properties	120	0.11	120	0.11	120	0.10	120	0.10
Building and equipment	311	0.28	379	0.33	384	0.33	350	0.30
Right-of-use assets	-	-	87	0.08	140	0.12	183	0.16
Right to operate expressway sectors	32,253	28.88	31,702	27.90	31,921	27.74	31,668	27.42
Right to use sites for expressway construction	61	0.06	-	-	-	-	-	-
Intangible asset under concession agreement of the MRT Blue Line Project	42,339	37.91	44,684	39.33	45,369	39.42	45,371	39.29
Project cost of the MRT Chalong Ratchadham Line	645	0.58	660	0.58	677	0.59	674	0.58
Prepaid project remuneration	5,086	4.55	7,308	6.43	9,776	8.49	11,025	9.55
Other intangible assets	74	0.07	63	0.06	48	0.04	41	0.04
Deferred tax assets	7	0.01	14	0.01	16	0.01	11	0.01
Other non-current assets	44	0.04	154	0.14	276	0.24	400	0.35
Total non-current assets	107,249	96.02	108,572	95.56	110,548	96.05	111,026	96.15
<b>Total assets</b>	<b>111,697</b>	<b>100.00</b>	<b>113,616</b>	<b>100.00</b>	<b>115,088</b>	<b>100.00</b>	<b>115,474</b>	<b>100.00</b>
<u>Liabilities and shareholders' equity</u>								
<u>Current liabilities</u>								
Short-term loans from financial institutions	3,250	2.91	3,000	2.64	2,000	1.74	1,500	1.30
Trade and other payables	1,938	1.74	1,745	1.54	1,492	1.30	1,525	1.32
Current portion of long-term loans from financial institutions	3,166	2.83	3,745	3.30	3,544	3.08	4,159	3.60
Current portion of lease liabilities	-	-	46	0.04	45	0.04	60	0.05
Current portion of debentures	2,500	2.24	4,615	4.06	3,000	2.61	7,500	6.49
Unearned fare box revenue	212	0.19	228	0.20	222	0.19	238	0.21
Deposits on stored value ticket	80	0.07	88	0.08	87	0.08	89	0.08

Statement of financial position	As at							
	31 December 2019		31 December 2020		31 December 2021		30 June 2022	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Income tax payable	25	0.02	42	0.04	28	0.02	-	-
Current portion of derivative financial liabilities	-	-	12	0.01	-	-	-	-
Other current financial liabilities	56	0.05	65	0.06	103	0.09	115	0.10
Other current liabilities								
Value added tax payable	61	0.05	65	0.06	53	0.05	60	0.05
Withholding tax deducted at source payable	99	0.09	59	0.05	40	0.03	15	0.01
Others	40	0.04	25	0.02	33	0.03	27	0.02
Total current liabilities	11,429	10.23	13,734	12.09	10,645	9.25	15,287	13.24
<u>Non-current liabilities</u>								
Long-term loans from financial institutions, net of current portion	21,746	19.47	23,670	20.83	25,609	22.25	26,481	22.93
Lease liabilities, net of current portion	-	-	41	0.04	93	0.08	122	0.11
Debentures, net of current portion	35,671	31.94	34,058	29.98	37,057	32.20	31,561	27.33
Derivative financial liabilities, net of current portion	113	0.10	174	0.15	96	0.08	-	-
Provision for long-term employee benefits	886	0.79	932	0.82	771	0.67	818	0.71
Deferred tax liabilities	3,025	2.71	2,960	2.60	3,109	2.70	3,350	2.90
Other non-current liabilities	4	0.00	14	0.01	9	0.01	12	0.01
Total non-current liabilities	61,445	55.01	61,848	54.44	66,744	57.99	62,345	53.99
<b>Total liabilities</b>	<b>72,874</b>	<b>65.24</b>	<b>75,582</b>	<b>66.52</b>	<b>77,390</b>	<b>67.24</b>	<b>77,632</b>	<b>67.23</b>
<u>Shareholders' equity</u>								
Share capital registered	15,285	13.68	15,285	13.45	15,285	13.28	15,285	13.24
Share capital issued and fully paid-up	15,285	13.68	15,285	13.45	15,285	13.28	15,285	13.24
Premium on ordinary shares	5,817	5.21	5,817	5.12	5,817	5.05	5,817	5.04
Capital deficit from change in shareholding in subsidiaries	(257)	(0.23)	(265)	(0.23)	(346)	(0.30)	(346)	(0.30)
Retained earnings								
Appropriated – statutory reserve	1,379	1.23	1,464	1.29	1,503	1.31	1,503	1.30
Unappropriated	15,052	13.48	15,573	13.71	15,194	13.20	15,011	13.00
Other components of shareholders' equity	1,505	1.35	118	0.10	245	0.21	571	0.49
Equity attributable to shareholders of the Company	38,781	34.72	37,991	33.44	37,697	32.76	37,840	32.77

Statement of financial position	As at							
	31 December 2019		31 December 2020		31 December 2021		30 June 2022	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
Non-controlling interests of the subsidiaries	42	0.04	42	0.04	2	0.00	2	0.00
<b>Total shareholders' equity</b>	<b>38,823</b>	<b>34.76</b>	<b>38,034</b>	<b>33.48</b>	<b>37,699</b>	<b>32.76</b>	<b>37,842</b>	<b>32.77</b>
<b>Total liabilities and shareholders' equity</b>	<b>111,697</b>	<b>100.00</b>	<b>113,616</b>	<b>100.00</b>	<b>115,088</b>	<b>100.00</b>	<b>115,474</b>	<b>100.00</b>

### Statement of comprehensive income

Statement of comprehensive income	2019		2020		2021		Six-month period ended 30 June 2022	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
<b>Revenues</b>								
Revenue from expressway business	10,302	50.49	8,145	56.87	6,450	56.18	3,849	56.58
Revenue from rail business	5,022	24.61	4,520	31.56	3,454	30.09	2,104	30.92
Revenue from commercial development business	783	3.84	825	5.76	822	7.16	403	5.92
Other income								
Gains on sales of investments	181	0.89	4	0.02	-	-	-	-
Gain on reclassification of investment	3,409	16.71	-	-	-	-	-	-
Interest income	393	1.92	296	2.07	227	1.98	96	1.41
Dividend income	258	1.26	483	3.37	492	4.29	331	4.86
Others	56	0.28	51	0.35	36	0.30	21	0.31
<b>Total revenues</b>	<b>20,404</b>	<b>100.00</b>	<b>14,323</b>	<b>100.00</b>	<b>11,481</b>	<b>100.00</b>	<b>6,804</b>	<b>100.00</b>
<b>Expenses</b>								
Cost of expressway business	1,991	9.76	1,738	12.14	1,499	13.05	957	14.06
Cost of rail business	3,797	18.61	4,713	32.91	4,335	37.76	2,268	33.34
Cost of commercial development business	210	1.03	226	1.58	224	1.95	125	1.83
Amortisation on rights to operate expressway sectors	4,048	19.84	1,390	9.70	686	5.98	424	6.23
Amortisation on intangible asset under concession agreement of the MRT Blue Line Project	263	1.29	359	2.51	245	2.14	183	2.69
Selling expenses	140	0.68	170	1.19	92	0.80	48	0.71
Administrative expenses	1,197	5.87	1,177	8.22	1,068	9.30	521	7.65

Statement of comprehensive income	2019		2020		2021		Six-month period ended 30 June 2022	
	Million Baht	%	Million Baht	%	Million Baht	%	Million Baht	%
<b>Total expenses</b>	<b>11,647</b>	<b>57.08</b>	<b>9,773</b>	<b>68.24</b>	<b>8,149</b>	<b>70.98</b>	<b>4,526</b>	<b>66.51</b>
<b>Operating profit</b>	8,757	42.92	4,549	31.76	3,332	29.02	2,278	33.49
Share of profit from investment in an associate	173	0.85	-	-	-	-	-	-
Finance cost	(1,723)	(8.44)	(2,113)	(14.75)	(2,187)	(19.05)	(1,153)	(16.94)
<b>Profit before income tax expenses</b>	<b>7,207</b>	<b>35.32</b>	<b>2,437</b>	<b>17.01</b>	<b>1,145</b>	<b>9.97</b>	<b>1,126</b>	<b>16.55</b>
Income tax expenses	(1,755)	(8.60)	(382)	(2.67)	(134)	(1.17)	(155)	(2.29)
<b>Profit for the period</b>	<b>5,452</b>	<b>26.72</b>	<b>2,055</b>	<b>14.35</b>	<b>1,011</b>	<b>8.81</b>	<b>970</b>	<b>14.26</b>
<b><u>Profit attributable to:</u></b>								
Equity holders of the Company	5,435		2,051		1,010		970	
Non-controlling interests of the subsidiaries	17		4		1		0	
<b>Total</b>	<b>5,452</b>		<b>2,055</b>		<b>1,011</b>		<b>970</b>	

### **Cash flow statement**

Cash flow statement	2019	2020	2021	Six-month period ended 30 June 2022
	Million Baht	Million Baht	Million Baht	Million Baht
Net cash flows from (used in) operating activities	7,741	5,351	2,870	2,294
Net cash flows from (used in) investing activities	(7,562)	(3,724)	(1,731)	374
Net cash flows from (used in) financing activities	(1)	(717)	(1,621)	(2,544)
Net increase (decrease) in cash and cash equivalents	178	910	(482)	124
Cash and cash equivalents at beginning of period	526	704	1,614	1,131
Cash and cash equivalents at end of period	704	1,614	1,131	1,255

**Financial Ratios**

Financial Ratios	2019	2020	2021	Six-month period ended 30 June 2022
<b>LIQUIDITY RATIO</b>				
Current Ratio (Time)	0.28	0.28	0.32	0.20
Quick Ratio (Time)	0.26	0.26	0.29	0.19
Cash Flow Ratio (Time)	0.50	0.31	0.09	0.17
<b>PROFITABILITY RATIO</b>				
Gross Profit Margin (%)	35.99	37.53	34.84	37.75
Operating Profit Margin (%)	56.59	45.21	39.33	45.13
Other Income to Total Income (%)	5.34	5.93	6.70	6.67
Cash to Profitability Ratio (%)	62.66	56.16	23.74	48.03
Net Profit margin (%)	18.66	14.60	8.97	14.46
Return on Equity (%)	8.38	5.35	2.67	3.90
<b>EFFICIENCY RATIO</b>				
Return on Total Assets (%)	3.24	2.00	0.95	1.37
Return on Fixed Assets (%)	9.80	5.16	2.77	3.52
Assets Turnover (Time)	0.17	0.14	0.11	0.11
<b>FINANCIAL POLICY RATIO</b>				
Debt to Equity Ratio (Time)	1.62	1.76	1.87	1.89
Net Interest Bearing Debt to Equity Ratio (Time)	1.39	1.52	1.65	1.66
Interest Coverage Ratio (Time)	7.06	3.38	2.17	3.11
Net Debt to EBITDA (Time)	6.65	10.56	16.16	13.89
Debt Service Coverage Ratio (Time)	3.38	1.96	1.15	1.90
Dividend Payout Ratio (%)	42.19	74.52	121.06	126.03

**Discussion and Analysis of Financial Position and Operating Results****Significant Events**

In 2019, the Company purchased 5.08 Million ordinary shares of Bangkok Metro Networks Limited (“BMN”), which is the subsidiary company, equal to 20 percent of its issued and paid-up share capital from its existing shareholders on 27 March 2019. As a result of this transaction, the Company’s shareholding in BMN increased from 69.67 percent to 89.67 percent.

During the second quarter of the year 2019, the Company has sold partial of TTW Public Company Limited (“TTW”)’s shares, as a result, the interest in the equity of TTW decreased to 18.47 percent. Following this sale, the Company reclassified the investment in TTW from investment in associated

company to investment in available-for-sale securities, which consistent with the investment proportion and the purpose of the Company's investment. The Company recorded gain on fair value adjustment of investment due to reclassification in the amount of Baht 2,334 million, net of corporate income tax.

At the end of December 2019, the progress of the installation of the M&E Systems of the MRT Blue Line Extension Project (Hua Lamphong - Lak Song and Bang Sue -Tha Phra) was at 97 percent which slightly earlier than the plan. During the year 2019, the Company has gradually operated trial run service in MRT Blue Line Extension without farebox charge as follows:

- Wat Mangkon Station to Tha Phra Station on July 29, 2019
- Bang Phai Station to Bang Wa Station on August 24, 2019
- Phetkasem 48 Station to Lak Song Station on September 21, 2019
- Bangpho Station to Sirindhon Station on December 4, 2019
- Bang Yi khan Station to Charan 13 Station on December 23, 2019

The Company operated full commercial service of Section 2 in MRT Blue Line Extension (Hua Lamphong Station - Lak Song Station) which connected with the Initial Blue Line at Hua Lamphong Station on September 29, 2019.

In 2020, the Company/the subsidiary and Expressway Authority of Thailand (EXAT) signed the Second Stage Expressway Agreement (Amendment) and the Bang Pa-in - Pak Kret Expressway Agreement (Amendment) on 20 February 2020 which extend the concession to end in October 2035. In this regard, the Company/the subsidiary is entitled to full renewal of the concession as stated in the previous agreements after October 2035. In addition, the Company/the subsidiary is eligible for fixed toll revision every 10 years in accordance with the concession which revenue sharing remained as current proportion. The Company/the subsidiary has cooperated to waive the toll fees on annual public holidays as announced by the Office of the Prime Minister in 3 expressways, the First Stage Expressway, the Second Stage Expressway and the Bang Pa-In - Pak Kret Expressway.

Moreover, on March 30, 2020, the Company has fully commercial operated MRT Blue Line Project for the total distance of 48 kilometers and 38 stations, which connects as a circle line for center of Bangkok and connects with Thonburi side with 35 additional trains from 19 to 54. Moreover, MRT Blue Line also connects with other rail lines such as Green Line, Purple Line, Orange Line, Red Line and Airport Rail Link which is convenience for the passengers.



The COVID-19 pandemic has started since the year 2020 and widely affected in a series of waves in 2021 which resulted to the negative impact on travelling and led to a decrease in the number of the Expressway users and the Metro passengers. However, the travelling increased significantly when the government relaxed the measures, the recovery rate of traffic and ridership volume when compared from the lowest of the year in August 2021 was at 77.6 percent and 226.4 percent respectively.

In 6-month period of 2022, as the COVID-19 and the current economic condition have a large impact to the people's living, BEM contributes and supports the government policy to relieve public transportation costs by extending the current MRT Blue Line fare price until 31 December 2022. The fare is still in a range of Baht 17 - 42 and the Company has given the 50% discount for children, elderly and 10% discount for students.

Moreover, after success in the issuance of the sustainability debentures for the first time for a private company in transportation and logistics sector in Southeast Asia in the last year, on February 2022, BEM signed a contract for the sustainability loan (SL) in the amount of Baht 3 Billion for using in the MRT Blue Line project.

### Overview Operational Results

Description	2019	2020	Change of 2020 from the previous year		2021	Change of 2021 from the previous year	
	Million Baht	Million Baht	Million Baht	%	Million Baht	Million Baht	%
Revenue from expressway business	10,302	8,145	(2,157)	(20.94)	6,450	(1,695)	(20.81)
Revenue from rail business	5,022	4,520	(502)	(10.00)	3,454	(1,066)	(23.58)
Revenue from commercial development business	783	825	42	5.36	822	(3)	(0.36)
Total revenue from main business	16,107	13,490	(2,617)	(16.25)	10,726	(2,764)	(20.49)
Other Income							
<i>Interest income from the MRT Purple Line Project</i>	380	277	(103)	(27.11)	218	(59)	(21.30)
Gain on sale of investment	181	4	(177)	(97.79)	-	(4)	(100.00)
Gain on reclassification of investment	3,409	-	(3,409)	(100.00)	-	-	-
Others	327	552	225	68.81	537	(15)	(2.72)
Total other income	4,297	833	(3,464)	(80.61)	755	(78)	(9.36)
<b>Total revenues</b>	<b>20,404</b>	<b>14,323</b>	<b>(6,081)</b>	<b>(29.80)</b>	<b>11,481</b>	<b>(2,842)</b>	<b>(19.84)</b>
Cost of service	10,311	8,426	(1,885)	(18.28)	6,989	(1,437)	(17.05)
Selling and administrative expenses	1,336	1,347	11	0.82	1,160	(187)	(13.88)
<b>Total expenses</b>	<b>11,647</b>	<b>9,773</b>	<b>(1,874)</b>	<b>(16.09)</b>	<b>8,149</b>	<b>(1,624)</b>	<b>(16.60)</b>
Profit before finance cost and tax expenses	8,757	4,550	(4,207)	(48.04)	3,332	(1,218)	(26.77)
Finance cost	1,343	1,820	477	35.52	1,948	128	7.03
<i>Interest expense from the MRT Purple Line Project</i>	380	293	(87)	(22.89)	239	(54)	(18.43)

Description	2019	2020	Change of 2020 from the previous year		2021	Change of 2021 from the previous year	
	Million Baht	Million Baht	Million Baht	%	Million Baht	Million Baht	%
Profit before income tax expenses	7,034	2,437	(4,597)	(65.35)	1,145	(1,292)	(53.02)
Income tax expenses	1,755	382	(1,373)	(78.23)	134	(248)	(64.92)
Profit before share of profit from associates and NCI	5,279	2,055	(3,224)	(61.07)	1,011	(1,044)	(50.80)
Share of profit from investments in associates, net	173	-	(173)	(100.00)	-	-	-
NCI	(17)	(4)	13	78.47	(1)	3	75.00
<b>Profit attributable to Equity holders of the Company</b>	<b>5,435</b>	<b>2,051</b>	<b>(3,384)</b>	<b>(62.26)</b>	<b>1,010</b>	<b>(1,041)</b>	<b>(50.76)</b>
Profit per share attributable to Equity holders of the Company (Baht)	0.36	0.13			0.07		

Items	6-month 2021	6-month 2022	Change	
	Million Baht	Million Baht	Million Baht	%
Revenue from expressway business	3,276	3,849	573	17.49
Revenue from rail business	1,824	2,104	280	15.35
Revenue from commercial development business	414	403	(11)	(2.66)
Total revenue from main business	5,514	6,356	842	15.27
Other Income				
<i>Interest income from the MRT Purple Line Project</i>	114	92	(22)	(19.30)
Others	299	356	57	19.06
Total other income	413	448	35	8.47
<b>Total revenues</b>	<b>5,927</b>	<b>6,804</b>	<b>877</b>	<b>14.80</b>
Cost of service	3,680	3,957	277	7.53
Selling and administrative expenses	598	569	(29)	(4.85)
<b>Total expenses</b>	<b>4,278</b>	<b>4,526</b>	<b>248</b>	<b>5.80</b>
Profit before finance cost and tax expenses	1,649	2,278	629	38.14
Finance cost	957	1,040	83	8.67
<i>Interest expense from the MRT Purple Line Project</i>	124	113	(11)	(8.87)
Profit before income tax expenses	568	1,125	557	98.06
Income tax expenses	61	155	94	154.10
Profit before share of profit from associates and NCI	507	970	463	91.32
Share of profit from investments in associates, net	-	-	-	-
NCI	(1)	(0)	1	100.00
<b>Profit attributable to Equity holders of the Company</b>	<b>506</b>	<b>970</b>	<b>464</b>	<b>91.70</b>
Profit per share attributable to Equity holders of the Company (Baht)	0.03	0.06		

### Revenue from main business

For the year 2020, the Company had revenue from main business of Baht 13,490 million, decreasing from the previous year by Baht 2,617 million or 16.25 percent due to COVID-19 pandemic. Revenue from expressway business decreased by Baht 2,157 million and revenue from rail business decreased by Baht 502 million while revenue from commercial development business increased by Baht 42 million.

For the year 2021, the Company had revenue from main business of 10,726 million, decreasing from the previous year by Baht 2,764 million or 20.49 percent due to COVID-19 pandemic. Revenue from expressway business decreased by Baht 1,695 million, revenue from rail business decreased by Baht 1,066 million and revenue from commercial development business decreased by Baht 3 million.

For 6-month period of 2022, the Company had revenue from main business of 6,356 million, increasing from the same period of the previous year Baht 842 million or 15.27 percent due to most citizen in Bangkok and vicinity have been vaccinated both basic and booster doses, and the symptoms of the disease are not severe as much as the beginning of the pandemic. Therefore, normal living has resumed which resulted in the continuous increase in the Expressway users and the Metro passengers although the subvariant of COVID-19 has still widely spread. Revenue from expressway business increased by Baht 573 million and revenue from rail business increased by Baht 280 million while revenue from commercial development business decreased by Baht 11 million.

### Other income

For the year 2020, the Company had other income of Baht 833 million, decreasing from the previous year by Baht 3,464 million or 80.61 percent as the Company had profit from investment in associates after the reclassification of the investments in TTW in the previous year. While, there was none of such transaction in this year and the Company recorded dividend income from TTW instead of share of profit from investment in associates after the reclassification of the investments.

For the year 2021, the Company had other income of Baht 755 million, decreasing from the previous year by Baht 78 million or 9.36 percent resulted from a decrease in interest income due to the loan repayment of receivable under the concession agreement.

For 6-month period of 2022, the Company had other income of Baht 448 million, increasing from the same period of the previous year by Baht 35 million of 8.47 percent mainly from the increase in dividend receives.

### Expenses

For the year 2020, the Company had cost of service of Baht 8,426 million decreasing from the previous year by Baht 1,885 million or 18.28 percent mainly from the decrease in amortization expense as cost of rights to operate expressway sectors of Si Rat Expressway Sector A, B, C were fully amortized in the first quarter of the year 2020 whereas 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 Company had expenses related to the anti-COVID-19 measures, due to efficient cost management, the Company had selling and administrative expenses of Baht 1,347 million, which slightly increased from the previous year by Baht 11 million or 0.82 percent.

For the year 2021, the Company had cost of service of Baht 6,989 million, decreasing from the previous year by Baht 1,437 million or 17.05 percent, and selling and administrative expenses of Baht 1,160 million, decreasing from the previous year by Baht 187 million or 13.88 percent, mainly from the efficiency in cost management during the situation.

For 6-month period of 2022, the Company had cost of service of Baht 3,957 million, increasing from the previous year by Baht 277 million or 7.53 percent, which increased in accordance with the increase in revenue, and selling and administrative expenses of Baht 569 million, decreasing from the same period of the previous year by Baht 29 million or 4.85 percent, mainly from the efficiency in cost management during the situation.

### Finance Cost

For the year 2020, the Company had finance cost of Baht 1,820 million, increasing from the previous year by Baht 477 million or 35.52 percent, mainly from the full operation in commercial service of the MRT Blue Line. The Company recorded interest cost of the project, which formerly recorded as cost of construction, as interest expenses in the income statement in accordance to accounting standard, resulting to the increase of interest expense from the previous year.

For the year 2021, the Company had finance cost of Baht 1,948 million, increasing from the previous year by Baht 128 million or 7.03 percent, as the company recorded interest cost of the project as cost of construction in the beginning of the year 2020. Moreover, the measurement of loans and debentures at amortized cost method as the adoption of the Thai financial reporting standard (TFRS 9: Financial Instruments) resulted to higher interest expenses in the income statement than the amount of interest payment.

For 6-month period of 2022, the Company had finance cost of Baht 1,040 million, increasing from the same period of the previous year by Baht 83 million or 7.03 percent, mainly from the measurement of loans and debentures at amortized cost method as the adoption of the Thai financial reporting standard (TFRS 9: Financial Instruments) resulted to higher interest expenses in the income statement than the amount of interest payment.

#### Profit attributable to Equity holders of the Company

For the year 2020, the Company had profit attributable to Equity holders of the Company of Baht 2,051 million, decreasing from the previous year by Baht 3,384 million or 62.26 percent, mainly from one-time gain on reclassification of investment in TTW in the year 2019 at the net amount of Baht 2,334 million but there was no such transaction in this year. Comparing with the net profit of the year 2019 excluded the one-time gain, the Company has net profit decreased by Baht 1,050 million or 33.9 percent mainly from the effect of COVID-19 outbreak in the year 2020 resulting to the decrease in toll revenue and farebox revenue whereas 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.

For the year 2021, although the Company was affected by COVID-19 pandemic, with well cost management and well investment strategy, the company received dividend income regularly. As a result, the Company still had profit attributable to Equity holders of the Company of Baht 1,011 million, decreasing from the previous Baht 1,044 million or 50.80 percent.

For 6-month period of 2022, the Company had profit attributable to Equity holders of the Company of Baht 970 million, increasing from the same period of the previous year Baht 464 million or 91.70 percent, mainly from the continuous increase in the Expressway users and the Metro passengers rising the Company's revenue.

### **Segmental Performance**

#### **1. Expressway Business**

##### Revenue from expressway business

For the year 2020, the Company had revenue from expressway business of Baht 8,145 million, decreasing from the previous year by Baht 2,157 million or 20.94 percent mainly from 3 factors, (1) the Company is responsible for value-added tax for motorists after the extension periods of concession agreements starting from March 1, 2020 amounted to Baht 322 million for the year 2020, (2) the Company cooperated to waive the toll fee on official holiday, amounted to Baht 305 million for the year 2020 and (3) the effect of the COVID-19 pandemic

amounted to Baht 1,530 million, since there was the limited traveling trips and work from home starting from March 2020 and the government's measures according to the Emergency Decree on Public Administration in Emergency Situations B.E.2548 (2005) such as closing the risk-prone areas, no activity in crowded places and EXAT limited service time on expressway from 10.00 p.m. to 4.00 a.m. starting from April 3 to June 14, 2020 resulting to the major decrease in traffic volume. However, after the government relaxed measures in May and cancelled the curfew in June, the traffic volume continued to increase. Therefore, the average traffic volume for the year 2020 was at 1,050,000 trips/day representing a decrease from the previous year by 15 percent.

For the year 2021, the Company had revenue from expressway business of Baht 6,450 million, decreasing from the previous Baht 1,695 million or 20.81 percent, mainly from continuous COVID-19 pandemic and mutation during the year resulting in a decrease in the number of the Expressway users. The average traffic volume of the year 2021 was at 849,700 trips per day representing a decrease from the previous year by 19.1 percent.

For 6-month period of 2022, the Company had revenue from expressway business of Baht 3,849 million, increasing from the same period of the previous year by Baht 573 million or 17.49 percent, mainly from the increase in traffic volume in all expressway sectors and the rise of toll fee on 15 December 2021 as stated in the concession agreement of the Si Rat - Outer Ring Road Expressway Project.

#### Cost of service for operation of expressway business

For the year 2020, cost of service for operation of expressway business consisted of costs of toll and amortization on rights to operate completed expressway sectors. For the year 2020, the cost was at Baht 3,128 million, decreasing from the previous year by Baht 2,912 million or 48.21 percent, mainly from the decrease in amortization due to cost of right to operate expressway sector A, B, C were fully amortized in the first quarter of the year 2020 and amortization of sector D, the Si Rat-Outer Ring Road Expressway (SOE) and the Udon Rathaya Expressway (C+) decreased in line with traffic volume regarding to the COVID-19 effect, as well as efficient cost management which suitable for the situation resulted to the decrease in cost of service.

For the year 2021, cost of service for operation of expressway business consisted of costs of toll and amortization on rights to operate completed expressway sectors, amounted to Baht 2,185 million, decreasing from the previous year by Baht 943 million or 30.15 percent, mainly from a decrease in amortization on rights to operate completed expressway sectors which related to the traffic volume and appropriate cost management with the situation.

For 6-month period of 2022, cost of service for operation of expressway business consisted of costs of toll and amortization on rights to operate completed expressway sectors, amounted to Baht 1,381 million, increasing from the same period of the previous year by Baht 281 million or 25.55 percent, mainly from the maintenance, which was postponed during the COVID-19 situation in year 2020 - 2021, gradually resumed this year, together with an overestimated expense charged from counterparties.

## **2. Rail Business**

### Revenue from rail business

For the year 2020, the Company had revenue from rail business of Baht 4,520 million, decreasing from the previous year by Baht 502 million or 10.00 percent. Revenue from O&M services of the Purple Line Project was as stated in the agreement. Although the Company has fully commercial operated MRT Blue Line Project, farebox revenue from the MRT Blue Line Project decreased significantly from the COVID-19 pandemic, work from home and social distancing measure resulted to the decrease in ridership especially in April and gradually increased after the government eased measures. Therefore, average ridership for the year 2020 was at 260,500 trips/day representing a decrease from the previous year by 23.00 percent and the average ridership per working day was at 308,800 trips/day representing a decrease by 21.00 percent.

For the year 2021, the Company had revenue from rail business of Baht 3,454 million, decreasing from the decrease from the year 2020 by Baht 1,066 million or 23.58 percent. Revenue from O&M services of the Purple Line Project was as stated in the agreement. Farebox revenue from the MRT Blue Line Project decreased from the COVID-19 which was widely affect in the series of wave, resulted to a decrease in ridership when compared with the previous year. The average ridership in the year 2021 was at 146,700 trips per day representing a decrease by 43.7 percent, and the average ridership per working day was at 172,300 trips per day representing a decrease by 44.2 percent.

For 6-month period of 2022, the Company had revenue from rail business of Baht 2,104 million, increasing from the same period of the previous year by Baht 280 million or 15.35 percent, mainly from the increase in ridership and revenue from O&M services of the Purple Line increased as stated in the agreement.

### Cost of service for operation of rail business

For the year 2020, cost of service for operation of rail business consisted of costs of farebox, O&M cost and amortization on intangible asset under concession agreement of the MRT Blue Line Project. For the year 2020, the cost was at Baht 5,009 million, increasing from the previous year by Baht 1,001 million or 25.00 percent mainly from expenses related to the full operation of the MRT Blue Line Extension on March 30, 2020.

For the year 2021, cost of service for operation of rail business consisted of costs of farebox, O&M cost and amortization on intangible asset under concession agreement of the MRT Blue Line Project. For the year 2021, the cost was at Baht 4,520 million, decreasing from the previous year by Baht 489 million or 9.77 percent.

For 6-month period of 2022, cost of service for operation of rail business consisted of costs of farebox, O&M cost and amortization on intangible asset under concession agreement of the MRT Blue Line Project. For 6-month period of 2022, the cost was at Baht 2,451 million, slightly decreasing from the same period of the previous year by Baht 17 million or 0.69 percent.

### **3. Commercial Development Business**

#### Revenue from commercial development business

For the year 2020, the Company had revenue from commercial development business of Baht 825 million, increasing from the previous year by Baht 42 million or 5.36 percent, mainly from the increase in telecommunication and advertising revenue from the operation of the MRT Blue Line Extension Project.

For the year 2021, the Company had revenue from commercial development business of Baht 822 million, decreasing from the previous year by Baht 3 million or 0.36 percent due to the effect of COVID-19 and the Company's measures to support the business alliances.

For 6-month period of 2022, the Company had revenue from commercial development business of Baht 403 million, decreasing from the previous year by Baht 11 million or 2.66 percent, mainly from the decrease in revenue from advertisement due to COVID-19 pandemic, which caused economic uncertainty. As a result, many companies reduce their advertisement cost.

#### Cost of service for operation of commercial development business

For the year 2020, the Company had cost of service for operation of commercial development business of Baht 289 million, increasing from the previous year 26 million or 9.94 percent.

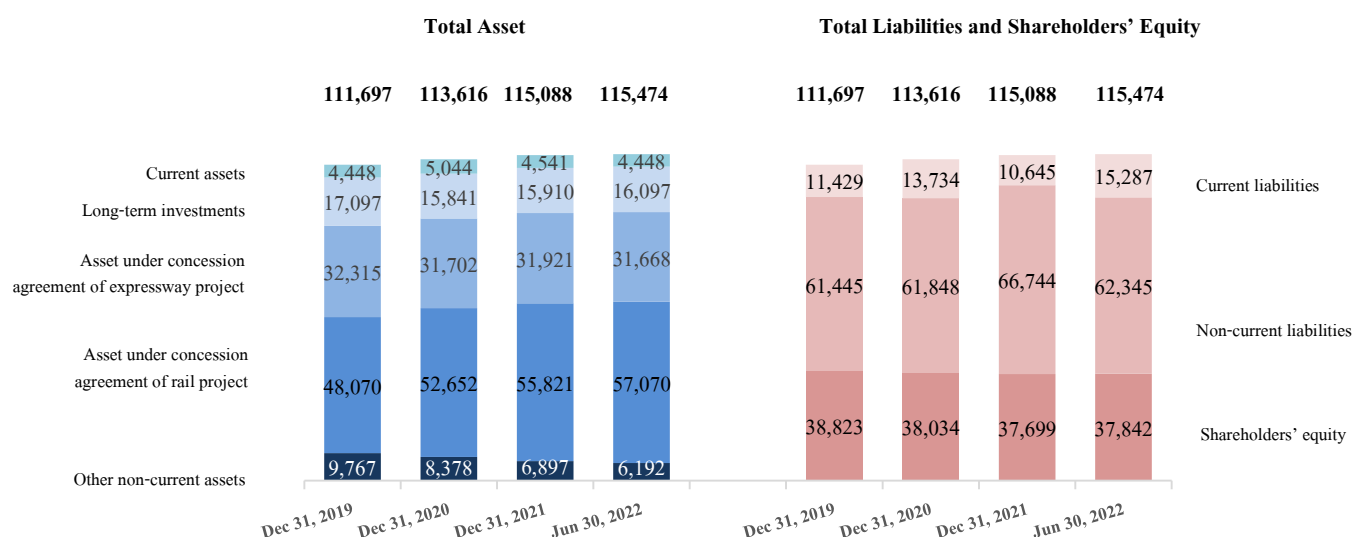
For the year 2021, the Company had cost of service for operation of commercial development business of Baht 284 million, decreasing from the previous year by Baht 5 million or 1.68 percent.

For 6-month period of 2022, the Company had cost of service for operation of commercial development business of Baht 125 million, increasing from the same period of the previous year by 13 million or 11.18 percent, mainly from the full collection of Land and Building Tax in the year 2022 without the government's mitigation measure as the year 2021.



## Financial Position

(Unit : Million Baht)



### Asset

As at December 31, 2020, the Company had total assets of Baht 113,616 million, increasing by Baht 1,919 million or 1.72 percent when compared with the end of the year 2019, mainly from the increase in the construction of the Blue Line Extension Project, which was completed and operated in full commercial service on March 30, 2020.

As at December 31, 2021, the Company had total assets of Baht 115,088 million, increasing by Baht 1,472 million or 1.30 percent when compared with the end of the year 2020, mainly from an increase in asset under concession agreements of MRT Blue Line, substantially from prepaid project remuneration in accordance to the concession agreement.

As at June 30, 2022, the Company had total assets of Baht 115,747 million, increasing 386 or 0.34 percent when compared with the end of the year 2021, mainly from an increase in asset under concession agreements of MRT Blue Line, substantially from prepaid project remuneration in accordance to the concession agreement.

### Liabilities and shareholders' equity

As at December 31, 2020, the Company had total liabilities of Baht 75,582 million, increasing by Baht 2,708 million or 3.72 percent when compared with total liabilities as at December 31, 2019, mainly from the withdrawal of loan for the Blue Line Extension Project. Total shareholders' equity amounted to Baht 38,304 million, representing a decrease from the previous year by Baht 789 million or 2.03 percent when compared

to the end of the year 2019, mainly from fair value adjustment of long-term investments in financial assets in accordance with the current stock market situation.

As at December 31, 2021, the Company had total liabilities of Baht 77,389 million, increasing by Baht 1,807 million or 2.39 percent when compared with the end of the year 2020, as during the year, the Company issued sustainability debentures with the total amount of Baht 6,000 million to repay matured debentures. Total shareholders' equity amounted to Baht 37,699 million, slightly decreasing by Baht 335 million or 0.88 percent from dividend payment to shareholders.

As at June 30, 2022, the Company had total liabilities of Baht 77,632 million, increasing by Baht 243 million or 0.31 percent, as during the year, the Company had an increase in loans from institution as the Company's working capital. Total shareholders' equity amounted to Baht 37,842 million, increasing by Baht 143 million or 0.38 percent from the Company's profit and the fair value adjustment of long-term investments and derivatives.

### Cash Flows

Description	2019	2020	2021
	Million Baht	Million Baht	Million Baht
Net cash flows from (used in) operating activities	7,741	5,351	2,870
Net cash flows from (used in) investing activities	(7,562)	(3,724)	(1,731)
Net cash flows from (used in) financing activities	(1)	(717)	(1,621)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>178</b>	<b>910</b>	<b>(482)</b>

Description	6-month period of 2021	6-month period of 2022
	Million Baht	Million Baht
Net cash flows from (used in) operating activities	1,649	2,294
Net cash flows from (used in) investing activities	(1,081)	374
Net cash flows from (used in) financing activities	(562)	(2,544)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>6</b>	<b>124</b>

For the year 2020, the Company had net cash flows from operating activities of Baht 5,351 million, decreasing when compared to the previous year according to the decrease in revenue from COVID-19. Net cash flow used in investing activities, mainly resulted from payment for the M&E equipment of the MRT Blue Line Extension Project in the amount of Baht 3,117 million, payment for constructions of the expressway and fixed asset for the operation in the amount of Baht 967 million, additional investment in the net amount of Baht 123 million and dividend receipt in the amount of Baht 483 million. Cash from financing activities resulted from the issuance of debenture and the withdrawal of loan in the net amount of Baht 2,696

million, interest payment and financial cost in the amount of Baht 2,037 million and dividend payment in the amount of Baht 1,376 million.

For the year 2021, the Company had net cash flows from operating activities of Baht 2,870 million, decreasing when compared with the previous year due to revenue declined from the effect of COVID-19. Cash used in investing activities resulted from payment for improvement of the M&E equipment of the MRT Blue Line Project in the amount of Baht 1,164 million, payment for improvement of the Expressway in the amount of Baht 845 Million, payment for fixed assets in the net amount of Baht 91 Million, investment in subsidiary in the amount of Baht 123 million, and dividend income in the amount of Baht 492 million. Cash used in financing activities resulted from the issuance of debentures and the withdrawal of loans in the net 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.

For 6-month period of 2022, the Company had net cash from operating activities was at Baht 2,294 million representing an increase from the same period of the previous year, mainly from an increase of net profit which arisen from company's operating revenue. Net cash from investing activities was at Baht 374 million, resulted from cash receipt from sale of investment in financial assets in the amount of Baht 505 million, and dividend income in the amount of Baht 330 Million whereas cash payment for improvement of the Expressway in the amount of Baht 232 million, and payment for improvement of the M&E equipment of the MRT Blue Line Project in the amount of Baht 229 million. Net cash used in financing activities was at Baht 2,544 Million, from the redemption of debentures in the amount of Baht 1,000 million, interest payment and financial fees in the amount of Baht 1,049 million, dividend payment in the amount of Baht 1,233 million and the withdrawal of loans in the net amount of Baht 728 million

#### Key Financial Ratio<sup>\*</sup>

Description	Unit	2019	2020	2021
Net Profit Margin ratio (NPM)	%	18.66	14.60	8.97
Return on Equity ratio (ROE)	%	8.38	5.35	2.67
Return on Total Assets ratio (ROA)	%	3.24	2.00	0.95
Debt to Equity ratio (D/E)	times	1.62	1.76	1.87
Net Interest Bearing Debt to Equity ratio (Net IBD/E)	times	1.39	1.52	1.65

Description	Unit	6-month period of 2021	6-month period of 2022
Net Profit Margin ratio (NPM)	%	8.70	14.46
Return on Equity ratio (ROE)	%	5.09	3.90
Return on Total Assets ratio (ROA)	%	1.80	1.37
Debt to Equity ratio (D/E)	times	1.86	1.89
Net Interest Bearing Debt to Equity ratio (Net IBD/E)	times	1.61	1.66

**Remark:** \* The operational results were calculated based on the consolidated financial statements which consist of the Expressway Business, Rail Business, Commercial Development Business, and return on investment in other companies. Therefore, there was no similar type of business in the industry that can be used as a benchmark for comparison. Not include transaction related to the novation of the M&E systems under the concession agreement of the MRT Chalong Ratchadham Line Project which the MRTA is fully responsible for both loan repayment and interest expense in accordance to the concession agreement and gain on fair value adjustment of investment.

For the year 2020, Net Profit Margin ratio, ROE and ROA decreased from the previous year as a result from the decrease in net profit which affected from the COVID-19. D/E ratio increased from the withdrawal of loan for the Blue Line Extension Project but lower than 2.5 times as stated in loan and debenture agreement.

For 2021, the COVID-19 pandemic extremely affected to the company's main revenues which related to travelling, resulting to a decrease in financial ratios from the decline of revenues and profit. For Liquidity ratios, every day the company receives cash from providing services in the main business which is approximated 85 percent of total revenues; therefore, the company have no liquidity issue. Net interest-bearing debt to equity ratio (Net IBD/E) of the year 2021 was at 1.65 times representing an increase from the previous year, but still lower than 2.5 times as stated in loan and debenture agreements.

For 6-month period of 2022, Net profit margin ratio increased from 6-month period of the year 2021, resulted from the less severe of the COVID-19 and the people's adaption to the situation which led to the increase of Expressway users and Metro passengers resulted to an increase in revenues. ROE and ROA decreased due to the calculation from the annualized net profit of which combined the period from the 3<sup>rd</sup> quarter to 4<sup>th</sup> quarter of 2021 reflecting the most severe impact of COVID-19 whereas the ratio of the 6-month period of 2021 included the period that the effect was not serious, resulted to ROE and ROA of the 6-month period of 2022 was less than the 6-month period of 2021. Debt ratios were slightly increased from the withdrawal of loans.

## 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 October 31, 2022, representing 32.37% 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 Value (Million Baht)		Transaction Nature/Necessity and Justification
	2021	6-month period ended June 30, 2022	
<b>Repair, Improvement of the Structures and System Works of the Expressways</b>			
<u>Transaction with the Company</u>			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.
- Improvement of the structures of the expressways	758.12	153.28	
- Costs of repair of the structures of the expressways	-	48.45	
- Trade payable	51.85	20.91	
<u>Transaction with the Subsidiaries</u>			In the past 3 years, the Company and its subsidiaries have engaged CK to repair and improve the expressway structures as follows:
- Improvement of the structures of the expressways	69.13	17.17	
- Trade payable	6.00	0.01	

Transaction	Transaction Value (Million Baht)		Transaction Nature/Necessity and Justification
	2021	6-month period ended June 30, 2022	
			<ol style="list-style-type: none"> <li>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.</li> <li>2. No. 4, Phase 3: The Si Rat Expressway, Sector B (Uruphong - Bang Kloi) 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.</li> <li>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.</li> <li>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 Raththaya Expressway under the responsibility of the subsidiary, with the total value of Baht 86 Million.</li> <li>5. Maintenance and structural improvement and system works, The Si Rat Expressway and the Si Rat – Outer Ring Road Expressway, on July 12, 2022, with the total value of Baht 1,078 million.</li> </ol> <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</p>

Transaction	Transaction Value (Million Baht)		Transaction Nature/Necessity and Justification
	2021	6-month period ended June 30, 2022	
			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.
<b>Management of Civil Infrastructure and Electrical and Mechanical Systems Maintenance for the MRT Project</b> <ul style="list-style-type: none"> <li>- Cost of maintenance of civil infrastructure and electrical and mechanical systems</li> <li>- Replacement of M&amp;E Systems and cost of preparation for repair</li> <li>- Trade payable</li> </ul>	338.15  137.19  27.82	270.62  24.65  140.23	<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> <ol style="list-style-type: none"> <li>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.</li> </ol> <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</p>

Transaction	Transaction Value (Million Baht)		Transaction Nature/Necessity and Justification
	2021	6-month period ended June 30, 2022	
			<p>2027, together with the extension of the contract term of the M.R.T. Chaloom 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> <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>Office Space Lease in Viriyathavorn 2 Building</b> - Office space rental and service charge - Trade payable	8.81 0.09	4.38 0.12	



Transaction	Transaction Value (Million Baht)		Transaction Nature/Necessity and Justification
	2021	6-month period ended June 30, 2022	
			The subsidiary has 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.

**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 holds shares in the Company as at October 31, 2022 representing 8.22% of paid up capital. In addition, MRTA has 2 representatives being the directors of the Company, namely: Mr. Piyakorn Apibalsri is a representative director of MRTA and Mr. Vithaya Punmongkol is the deputy governor (operation) of MRTA.

Transaction	Transaction Value (Million Baht)		Transaction Nature/Necessity and Justification
	2021	6-month period ended 30 June 2022	
<b>Remuneration from Farebox Revenue and Commercial Development Revenue</b> - Remuneration from farebox revenue and commercial development revenue - Prepaid project remuneration - Building and land taxes - Trade and other payables	220.64  9,775.52 3.40 234.10	139.18  11,024.66 - 249.07	The transaction was in accordance with the conditions of the Concession Agreement
<b>Space Lease for Billboard Installation</b> - Remuneration for space use - Building and land taxes	9.58 -	9.00 -	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.

**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.