

(Translation)

**Information Memorandum on the Connected Transaction
regarding the Engagement of CH. Karnchang Public Company Limited
for Project Management, Supply, Installation, and Test Run of the
M&E Systems of the MRT Blue Line Project**

by

Bangkok Expressway and Metro Public Company Limited

Document for the Extraordinary General Meeting of Shareholders No. 1/2017

on 12 June 2017

Part 1

Information Memorandum of Bangkok Expressway and Metro Public Company Limited on the Connected Transaction regarding the Engagement of CH. Karnchang Public Company Limited for Project Management, Supply, Installation, and Test Run of the M&E Systems of the MRT Blue Line Project

The Board of Directors' Meeting of Bangkok Expressway and Metro Public Company Limited (the "**Company**") No. 3/2017 held on 11 April 2017 has resolved to propose to the Extraordinary General Meeting of Shareholders No. 1/2017 on 12 June 2017 for consideration and approval of the engagement of CH. Karnchang Public Company Limited ("**CH. Karnchang**") for project management, supply, installation, and test run of the M&E systems of the MRT Blue Line Project for a total value of not exceeding Baht 19,643 million (excluding value-added tax).

To enter into the transaction with CH. Karnchang, who is a major shareholder of the Company, is considered a connected transaction pursuant to the Notification of the Capital Market Supervisory Board No. Tor Chor. 21/2551, Re: *Rules on Connected Transactions*, and the Notification of the Board of Governors of the Stock Exchange of Thailand, Re: *Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions*, B.E. 2546 (2003) as amended (hereinafter collectively referred to as the "**Notifications on Connected Transactions**"). The total size of the transactions is representing 66.31 percent of the Company's net tangible assets according to the consolidated financial statements as of 31 December 2016. However, when include other connected transaction of the Company during the past 6 months at the transaction size of 0.53 percent, (in accordance with the Board of Directors' Meeting No. 6/2016 held on 30 November 2016), the total transaction size is 66.84 percent of the Company's net tangible assets.

Since the entering into connected transaction has the transaction size exceeding 3 percent of the Company's net tangible assets, the Company has the obligation to disclose the information memorandum to the Stock Exchange of Thailand (the "**SET**") and seek the approval from the shareholders' meeting to approve the transaction with at least three-fourth of the total votes of shareholders who attend the meeting and are eligible to vote. The Company shall submit the notice for shareholders' meeting together with the opinion of

an Independent Financial Advisor (the “**IFA**”) to the shareholders for the period of no less than 14 days before the shareholders’ meeting date.

To comply with the Notifications on Connected Transactions, the Company hereby submits the Information Memorandum on the Connected Transaction regarding the engagement of CH. Karnchang for project management, supply, installation, and test run of the M&E systems of the MRT Blue Line Project as per the following details:

1. Transaction Date

The Board of Directors’ Meeting No. 3/2017 held on 11 April 2017 has resolved to propose to the shareholders’ meeting for consideration and approval of the engagement of CH. Karnchang for project management, supply, installation, and test run of the M&E systems of the MRT Blue Line Project. In this regard, the Extraordinary General Meeting of Shareholders No. 1/2017 will be held on 12 June 2017 to consider and approve such connected transaction. If the shareholders’ meeting passes a resolution to approve the transaction, the Company expects to enter into the transaction within June 2017.

2. Related Parties for the Transaction

Employer : Bangkok Expressway and Metro Public Company Limited (the “**Company**”)
Contractor : CH. Karnchang Public Company Limited (“**CH. Karnchang**”)
Relationship : CH. Karnchang is the major shareholder of the Company.
As at the latest book closing date of the Company on 27 April 2017, CH. Karnchang holds 4,582,121,829 shares, representing 29.98 percent of the Company’s paid-up capital.

3. General Characteristics of the Transaction

The Company, as the concessionaire under the concession for the MRT Blue Line Project granted by Mass Rapid Transit Authority of Thailand (the “**MRTA**”), intends to engage CH. Karnchang for project management, supply, installation, and test run of the M&E systems of the MRT Blue Line Project for a total value of not exceeding Baht 19,643 million (excluding value-added tax). The engagement contract of CH. Karnchang can be summarized as follows:

3.1. Scope of the Contract

The main duties of CH. Karnchang under this contract are as follows:

1. Design, supply, and install, the M&E systems of the MRT Blue Line Project which comprises of but not limited to rolling stocks, signaling systems, power supply systems, SCADA system, communication systems, automatic fare collection system, platform screen doors, and depot workshop equipment.
2. Connect the M&E Systems of the MRT Blue Line Extension Project with those of MRT Chaloem Ratchamongkhon and of the MRT Blue Line Project Bang Sue Station - Tao Poon Station Section, and conduct trial running to be in accordance with the provisions in the concession for the MRT Blue Line Project.
3. Jointly perform inspection, testing, and commissioning of the M&E systems of the MRT Blue Line Extension Project with the Company.

3.2. Contract Term

CH. Karnchang shall deliver the work under the contract within the end of the terms specified in the concession agreement of the MRT Blue Line Project, the contract which is signed by the Company and the MRTA on 31 March 2017.

3.3. Performance Guarantees

CH. Karnchang shall provide a performance security (Performance Bond) with a value of 10 percent of the contract value. Such security's term shall remain until CH. Karnchang can be released from the obligation under this contract.

4. Total Value of Consideration and Payment Method

- Value of Consideration** : Not exceeding Baht 19,643 million (excluding value-added tax).
- Payment Method** : The Company agrees to make payments to CH. Karnchang on a monthly basis according to the completion progress within 30 days from the date that the Company receives the invoice.

5. Basis of Calculation of Value of Consideration

The total value of consideration that the Company agrees to pay to CH. Karnchang as consideration for the transaction at the amount of not exceeding Baht 19,643 million (excluding value-added tax) is based on the value of project management, supply, installation, and test run of the M&E systems of the MRT Blue Line Project.

For the Company's consideration, the Company has engaged Infra Asia (Thailand) Company Limited ("**Infra Asia**") to act as an independent engineering advisor in determining the fair value of the total consideration. Infra Asia conducted due diligence and estimated of the project value, therefore, provided the opinion that the total consideration was fair for project management, supply, installation, and test run of the M&E systems of the MRT Blue Line Project at the total of Baht 21,105 million (excluding value-added tax). The quoted contract prices from CH. Karnchang are lower than the estimated fair values by Infra Asia for the scope of work of a similar type of project.

6. Calculation of Size of the Connected Transaction

This transaction is a connected transaction which is considered as normal business transaction without general trading conditions with the total value of Baht 19,643 million(excluding value-added tax), representing 66.31 percent of the Company's net tangible assets according to the consolidated financial statements as of 31 December 2016. However, when include other connected transaction of the Company during the past 6 months at the transaction size of 0.53 percent, (in accordance with the Board of Directors' Meeting No. 6/2016 held on 30 November 2016), the total transaction size is 66.84 percent of the Company's net tangible assets. According to the Notifications on Connected Transactions, transactions with value exceeding 3 percent of the net tangible assets (Baht 29,621.023 million x 3 percent = Baht 889.63 million) must be approved by the Company's shareholders' meeting with at least three-fourth of the total votes of shareholders who attend the meeting and are eligible to vote. The votes by the shareholders with conflicts of interest will not be counted.

7. Nature and Extent of Interest of Connected Persons

CH. Karnchang is the major shareholder of the Company. As at the latest book closing date of the Company on 27 April 2017, CH. Karnchang holds 4,582,121,829 shares, representing 29.98 percent of the Company's paid-up capital. Therefore, CH. Karnchang is considered a connected person of the Company and the entering into

contract to engage CH. Karnchang for project management, supply, installation, and test run of the M&E systems of the MRT Blue Line Project is considered the Connected Transactions according to the Notifications on Connected Transactions.

8. Details of Connected Persons

The Company's connected persons and/or interested shareholders, based on the Company's list of shareholders and the list of directors and management as at the latest book closing date of the Company on 27 April 2017, are as follows:

Connected persons and/or Interested Shareholders	Relationship/connection with the Company	Shareholding in the Company
1. CH. Karnchang Public Company Limited	Major shareholder of the Company	4,582,121,829 shares representing 29.98 percent of the Company's paid-up capital
2. CH. Karnchang – Tokyu Construction Company Limited	Shareholder of the Company and a company that CH. Karnchang, who is a major shareholder of the Company, holds 549,996 shares representing 55.00 percent of CH. Karnchang – Tokyu Construction Company Limited's paid-up capital	136,659,952 shares representing 0.89 percent of the Company's paid-up capital
3. Mr. Plew Trivisvavet	Vice Chairman of the Board of Directors and Chairman of the Executive Board of the Company and Chairman of the Executive Board of CH. Karnchang, who holds 13,631,497 shares in CH. Karnchang, representing 0.80 percent of CH. Karnchang's paid-up capital	21,706,878 shares representing 0.14 percent of the Company's paid-up capital
4. Mrs. Saikasem Trivisvavet	Spouse of Mr. Plew Trivisvavet and holds 5,061,142 shares in CH. Karnchang, representing 0.30 percent of CH. Karnchang's paid-up capital. However, Mrs. Saikasem does not hold any director or management position in either the Company or CH. Karnchang.	2,402,527 shares representing 0.02 percent of the Company's paid-up capital

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Children of Mr. Plew Trivisvavet but hold shares in the Company less than 1.00 percent of the Company's paid-up capital (not consider as major shareholder of the Company since they are not holding the Company's shares more than 10.00 percent in accordance with the Securities and Exchange Commission of Thailand ("SEC")'s definition)

Connected persons and/or Interested Shareholders	Relationship/connection with the Company	Shareholding in the Company
1. Dr. Supamas Trivisvavet	Director of CH. Karnchang, daughter of Mr. Plew Trivisvavet, and holds 1,700,000 shares in CH. Karnchang, representing 0.10 percent of CH. Karnchang's paid-up capital.	144,272 shares representing less than 0.001 percent of the Company's paid-up capital
2. Mr. Thanawat Trivisvavet	Son of Mr. Plew Trivisvavet	84,101 shares representing less than 0.001 percent of the Company's paid-up capital
3. Mr. Nutthawut Trivisvavet	Son of Mr. Plew Trivisvavet and holds 2,405,785 shares in CH. Karnchang, representing 0.14 percent of CH. Karnchang's paid-up capital.	274,391 shares representing less than 0.002 percent of the Company's paid-up capital

Corporate entity that directors of the Company have control but holds shares in the Company less than 1.00 percent of the Company's paid-up capital (not consider as major shareholder of the Company since they are not holding the Company's shares more than 10.00 percent in accordance with the SEC's definition)

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Connected persons and/or Interested Shareholders	Relationship/connection with the Company	Shareholding in the Company
1. Maharisi Siam Company Limited	Major shareholder of CH. Karnchang and holds 307,312,365 shares in CH. Karnchang, representing 18.14 percent of CH. Karnchang's paid-up capital. In addition, Maharisi Siam Company Limited is held by Trivisvavet family.	4,327,689 shares representing 0.03 percent of the Company's paid-up capital
2. CH. Karnchang Holding Company Limited	Major shareholder of CH. Karnchang and holds 173,096,530 shares in CH. Karnchang, representing 10.22 percent of CH. Karnchang's paid-up capital. In addition, CH. Karnchang Holding Company Limited is held by Maharisi Siam Company Limited and Trivisvavet family.	2,077,291 shares representing 0.01 percent of the Company's paid-up capital

Jointly position as Chairman of the Audit Committee and Independent Director

Connected persons and/or Interested Shareholders	Relationship/connection with the Company	Shareholding in the Company
1. Mr. Vitoon Tejatussanasoontorn	Chairman of the Audit Committee and Independent Director of CH. Karnchang and holds 256,250 shares in CH. Karnchang, representing 0.02 percent of CH. Karnchang's paid-up capital.	803,893 shares representing 0.005 percent of the Company's paid-up capital

Sources:

- Information as at the latest book closing date of the Company on 27 April 2017 (XM) and CH. Karnchang on 16 March 2017 (XM)
- The Company's affidavit as of 2 March 2017 and CH. Karnchang's affidavit as of 6 March 2017
- Form 56-1 annual report 2017 of the Company and CH. Karnchang

Note: There are other shareholders of the Company who hold less than 1.00 percent of the Company's paid-up capital, including Mr. Aswin Kongsiri (Director of CH. Karnchang), relatives of Mr. Ratn Santaannop (Director of CH. Karnchang), and relatives of Mr. Phongsarit Tantisuvanitchkul (Management of CH. Karnchang)

(However, it is not included other directors and management of CH. Karnchang who hold less than 100,000 shares of the Company which is representing minimal shareholding portion of the Company's paid-up capital)

The connected persons and/or interested shareholders who have no right to vote on the agendas to approve the connected transaction at the Extraordinary General Meeting of Shareholders No. 1/2017 are as follows

1. CH. Karnchang Public Company Limited	amount	4,582,121,829 shares
2. CH. Karnchang – Tokyu Construction Company Limited	amount	136,659,952 shares
3. Mr. Plew Trivisvavet	amount	21,706,878 shares
4. Mrs. Saikasem Trivisvavet	amount	<u>2,402,527</u> shares
Total Amount		<u>4,742,891,186</u> shares

- 9. Source of Fund :** External fund from bond issuance and/or loan from financial institution
- 10. Participation in the Meeting and Voting by Interested Directors and/or Directors who are Connected Persons**

In the Board of Directors' Meeting No. 3/2017 held on 11 April 2017, the directors who have conflicts of interest and/or directors who are connected persons, namely, (1) Mr. Plew Trivisvavet; (2) Mr. Phongsarit Tantisuvanitchkul; and (3) Mrs. Payao Marittanaporn, did not attend the Meeting and are not eligible to vote on this agenda.

- 11. Opinion of the Board of Directors in Relation to the Entering into the Connected Transaction**

The Board of Directors is of the opinion that the entering into the connected transaction of the Company in relation to the engagement of CH. Karnchang for project management, supply, installation, and test run of the M&E systems of the MRT Blue Line Project for a total value of not exceeding Baht 19,643 million (excluding value-added tax) is reasonable and beneficial to the Company for the reasons as the following:

11.1 Potentiality, experience, and expertise

- (1) CH. Karnchang is a large construction company with expertise and experience in management of many large projects, including the project management for the design, supply and installation of the M&E Equipment for the MRT Chaloem Ratchamongkhon Project and the MRT Purple Line Project, and also responsible for the System Integration and trial running for public service commencement within the MRTA's timeframe. Therefore, CH. Karnchang has sufficient experience and expertise in the M&E systems of the MRT Projects.
- (2) CH. Karnchang has experience in engaging in Lump Sum Turnkey agreements for similar scopes of work for the MRT Projects with the Company, in which the works were done with quality, within the timeframe, and with accurate budget.

Currently, the engagement for supply and installation of the M&E Systems of the MRT Project is fairly limited to certain local contractors due to complexity of scope of work and technology, and it is required high experience in the design, installation, and trial running for public service commencement within the determined timeframe.

- (3) Since CH. Karnchang is the construction contractor under Contract 2 and Contract 5 of the MRT Blue Line Extension Project, the System Integration would be smoothly in accordance with the civil infrastructure.
- (4) Since CH. Karnchang was the project manager for the design, supply, and installation of the M&E Systems of the MRT Chaloe Ratchamongkhon Project, the System Integration for the MRT Chaloe Ratchamongkhon Project and the MRT Blue Line Extension Project would be run effectively.
- (5) CH. Karnchang is a company with financial strength, strong financial position, and abilities to manage risks from operating large projects, including the risks from foreign exchange rate fluctuation, risks from delayed construction, and risks from cost overrun.
- (6) Since CH. Karnchang is an investment partner with the Company, CH. Karnchang is thus responsible and committed in succeeding the construction of the project.

11.2 The amount that CH. Karnchang has quoted of not exceeding Baht 19,643 million (excluding value-added tax) is reasonable because the amount is lower than the fair value assessed by Infra Asia, an independent engineering advisor who is a reputable third-party, of Baht 21,105 million.

11.3 The Company has fully complied with the regulations in relation to the connected transaction and other related laws and regulations. This transaction has the transaction size of more than 3 percent of the net tangible assets according to the consolidated financial statements as of 31 December 2016 and requires shareholders' meeting approval.

12. Opinion of the Audit Committee and/or of the Company's Directors which is different from the opinion of the Board of Directors under Clause 11

- None -

13. Qualifications of Independent Experts who Provide Opinions on the Transaction

Capital Advantage Company Limited is the independent financial advisor to provide an opinion on the the engagement of CH. Karnchang for project management, supply, installation, and test run of the M&E systems of the MRT Blue Line Project, which is considered as a connected transaction. The independent financial advisor does not hold share in the Company and has no relationship with the Company.

Capital Advantage Company Limited also gives the permission to disclose the independent financial advisor report dated 2 May 2017. (Please consider the independent financial advisor report enclosed to the letter of invitation to the Extraordinary General Meeting of Shareholders No. 1/2017).

Part 2

Information of the Company

1. Nature of the business and other information relating to the Company

1.1. General Information of the Company

Name of the Company	Bangkok Expressway and Metro Public Company Limited
Type of business	<ul style="list-style-type: none">▪ Construct and operate expressway▪ Operate mass rapid transit system and related business
Category of business	Transportation and logistics
Industry/sectors	Service
Office address	587 Sutthisarnvinitchai Road, Dindaeng, Bangkok 10400
Company registration number	0107558000491
Company registration date	30 December 2015

1.2. Business operations of the Company

The Company was incorporated from the amalgamation, pursuant to the Public Limited Company Act, between Bangkok Expressway Public Company Limited (“BECL”) and Bangkok Metro Public Company Limited (“BMCL”) on 30 December 2015, and the Company has assumed all assets, rights, duties and responsibilities of both companies by operation of law. As at 31 December 2016, the Company’s registered and paid-up capital amounted to Baht 15,285,000,000, divided into a total of 15,285,000,000 ordinary shares, at the par value of Baht 1 per share.

The Company’s businesses comprise the provision of the expressway and metro services, including commercial development relating to the expressway and metro systems, which will lay a foundation for business expansion through future extension of the network routes, 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. In addition, the Company may extend its businesses to other fast-growing businesses with good returns, such as, other infrastructure projects, commercial development or real estate development, both at home and abroad, etc.

Nature of business operations

1.2.1 Expressway business

The Company its subsidiaries construct and operate the expressways, namely, the Si Rat Expressway, the Si Rat - Outer Ring Road Expressway, and the Udon Rattaya Expressway, as per the following details:

- 1) The Si Rat Expressway** under the Second Stage Expressway Agreement with the Expressway Authority of Thailand (“EXAT”) for a concession period of 30 years from 1 March 1990.
- 2) The Si Rat Expressway Sector D** under the Agreement for Extension of the Second Stage Expressway (Sector D) with the EXAT for a concession period of 30 years from 22 April 1997.
- 3) The Si Rat – Outer Ring Road Expressway Project** under the Concession Agreement for Investment, Design, Construction, Operation, Service and Maintenance of the Si Rat - Outer Ring Road Expressway Project with the EXAT for a concession period of 30 years from 15 December 2012.
- 4) The Udon Rattaya Expressway (Bang Pa-in – Pak Kret)** operated by a subsidiary, namely, Northern Bangkok Expressway Company Limited (“NECL”) under the Bang Pa-in - Pak Kret Expressway Agreement with EXAT for a period of 30 years from 27 September 1996.

The business overview of expressway business for each expressway can be summarized as follows:

(1) The Si Rat Expressway

The Company and the EXAT jointly invested in expressway projects in Bangkok and vicinity. The Company invested in the construction and operation of the Si Rat Expressway, comprising 4 Sectors, namely, Sector A (Rama 9 - Ratchadapisek), Sector B (Phayathai - Bangkhlo), Sector C (Ratchadapisek - Chaeng Watthana), and Sector D (Rama 9 - Srinagarindra), covering a total distance of 38.5 kilometers. In this regard, the title to various permanent constructions pertaining to or useful for the Si Rat Expressway shall be vested in EXAT. The EXAT invested in the construction and

operation of the Chalem Mahanakorn Expressway (First Stage Expressway), covering a total distance of 27.1 kilometers.

As for toll collection, expressway users shall pay tolls at the booths around the onramps of the Expressway. The EXAT is responsible for the collection of all tolls and shares such toll revenue with the Company as specified in the Second Stage Expressway Agreement with effect from the Priority Component Opening Date. The toll revenue from the Chalem Mahanakorn Expressway and the Si Rat Expressway shall be encompassed and shared as per rules of area zoning. This is to say that in the urban network, for the first nine years, the Company and EXAT shall receive the revenue sharing at 60 percent and 40 percent, respectively. For the last nine years, the Company and EXAT shall receive the revenue sharing at 40 percent and 60 percent, respectively. As for the period between the first nine years and the last nine years, the Company and EXAT shall receive the revenue sharing at 50 percent each. For the suburban network, namely, Sector C and Sector D of the Si Rat Expressway, all toll revenue shall belong to the Company throughout the period of the Agreement.

(2) The Si Rat – Outer Ring Road Expressway

The Company shall have the duty in design and construction, supply and installation of various equipment and systems, including the operation, service and maintenance of the expressway, together with toll collection, whereby the Company shall be responsible for investment and all operating expenses throughout the concession period, and share consideration with or provide benefits to the State to be agreed upon in the Concession Agreement.

The Company shall have the right to receive toll revenue and other revenues (if any) throughout the concession period, whereby the toll rates and revisions shall be agreed upon in the Agreement. The Concession Agreement shall have a term of 30 years from 15 December 2012, whereby the operations shall be divided into two phases, as follows:

Phase 1 Design and construction of the expressway, supply and installation of electrical and mechanical system equipment, toll collection

system, communications system and traffic controlling system, and other systems related to the expressway, for the construction period of not exceeding 48 months from 15 December 2012 as the date specified by EXAT in the Notice to Proceed (NTP);

Phase 2 Operation and provision of service, such as, toll collection, rescue operation and maintenance of the expressway, starting from the opening of the project until the end of the concession period.

The Company commenced construction on 15 December 2012, with the construction completion and opening for service on 22 August 2016.

The project is an elevated expressway with six traffic lanes, for a distance of 16.7 kilometers, with 10 toll plazas. 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), and running down to at-grade level around Kamphaeng Phet 2 Road.

(3) The Udon Rattaya Expressway

NECL constructs and operates the Udon Rattaya Expressway, comprising 2 Stages, namely, Stage 1, Chaeng Watthana - Chiang Rak, and Stage 2, Chiang Rak - Bang Sai, connecting to the Si Rat Expressway around Chaeng Watthana Road, covering a total distance of 32 kilometers. As for the inbound route, expressway users shall pay tolls at the booths around the on-ramps of the expressway while in respect of the outbound route, expressway users shall pay tolls at the off-ramps. EXAT is responsible to collect and deliver all tolls to the subsidiary. All toll revenue in respect of the Udon Rattaya Expressway shall belong to NECL.

1.2.2 Rail Business

The Company has been granted concessions for two mass rapid transit rail system projects by MRTA, as per the following details:

- 1) **MRT Blue Line Project** under a concession agreement with the MRTA on 31 March 2017 with a concession period of 33 years from the date the MRTA gives Notice to Proceed (“NTP”). The MRTA Blue Line Project comprises of the MRT Chaloem Ratchamongkhon Project (Hua Lamphong Station – Bang Sue Station) and the MRT Blue Line Extension Project (Hua Lamphong Station – Lak Song and Bang Sue – Tha Phra).
 - (1) **MRT Chaloem Ratchamongkhon Project** (Hua Lamphong Station – Bang Sue Station) with the distance of 20 kilometers and 18 stations, whereby the Company is entitled to fare box revenue and undertake activities and commercial development, including advertising, leasing space and telecommunications services in the metro stations and in the trains
 - (2) **MRT Blue Line Extension** (Hua Lamphong Station – Lak Song Station and Bang Sue Station – Tha Phra Station) with the distance of 27 kilometers and 20 stations, connecting to the MRT Chaloem Ratchamongkhon Project at Hua Lamphong Station and at Bang Sue Station. The Company has the responsibility to supply, install, and test run the M&E Systems and operate Through Operation system of the MRT Chaloem Ratchamongkhon Project and the MRT Blue Line Extension Project. The Company has rights to retain all fares from passengers and revenue from commercial development in accordance with the Concession Agreement throughout the concession period of the MRT Blue Line Project.
- 2) **The MRT Chalong Ratchadham Line (MRT Purple Line), Bang Yai-Rat Burana, Bang Yai-Bang Sue Section (Khlung Bang Phai Station-Tao Poon Station) (“MRT Purple Line Project”)**, Contract 4 concession for Supply of M&E Systems and O&M Services, 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 fare box

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 4 September 2013.

1.2.3 Commercial Development Business

The Company and one of its subsidiaries, namely, Bangkok Metro Networks Limited (“BMN”), operate the commercial development business of the MRT Blue Line Project for 1) procurement and/or production of advertising media of various forms in the trains and metro stations; 2) lease of retail spaces in the MRT Blue Line stations and spaces in the basement level of the Lat Phrao park and ride facility; and 3) provision of service and maintenance of telecommunications system equipment inside the metro stations. In addition, as for the expressways, the Company and another subsidiary, namely, NECL, allowed private entities and individuals to take on lease of spaces for commercial operation for installation of Intelligent Traffic Signs and various advertising boards, including retail spaces around toll plazas, and other business activities, such as, the use of the expressway areas for installation of 3G signal boosters, etc.

1.2.4 Investment in Other Companies

The Company has investments in companies that operate utilities business as follows:

- 1) **CK Power Public Company Limited (“CKP”)** operates main business by holding shares in other companies (Holding Company) that produce and distribute electricity from various sources of energy, of which the Company holds 19.40 percent of shares.
- 2) **TTW Public Company Limited (“TTW”)** produces and distributes water supply to the Provincial Water Authority and invests in other

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utilities companies, of which the Company holds 19.45 percent of shares.

- 3) **Xayaburi Power Company Limited (“XPCL”)** constructs and operates Xayaburi hydro power plant project, of which the Company holds 7.50 percent of shares.

1.3. Lists of directors, management, and top ten shareholders as of the book closure date

Lists of directors

As of 27 April 2017, lists of directors are as follows;

No.	Name	Position
1.	Dr. Virabongsa Ramangkura	Chairman of the Board of Directors
2.	Mr. Plew Trivisvavet	Vice Chairman of the Board of Directors/ Chairman of the Executive Committee
3.	Mr. Vitoon Tejatussanasoontorn	Director / Chairman of the Audit Committee
4.	General Chetta Thanajaro	Director / Audit Committee
5.	General Sampao Choosri	Director / Audit Committee
6.	Dr. Annop Tanlamai	Director / Audit Committee
7.	Mrs. Vallapa Assakul	Director
8.	Mr. Supong Chayutsahakij	Director / Executive Committee
9.	M.L. Prasobchai Kasemsant	Director
10.	Mr. Phongsarit Tantisuvanitchkul	Director / Executive Committee
11.	Mr. Werapong Suppasedsak	Director
12.	Mr. Panit Dunnvatanachit	Director
13.	Mr. Yuttana Yimgarund	Director
14.	Mr. Dumkerng Pankam	Director
15.	Dr. Sombat Kitjalaksana	Director / Executive Committee / Managing Director
16.	Mrs. Payao Marittanaporn	Director / Executive Committee / Managing Director

(Translation)

Lists of executives

As of 27 April 2017, lists of executives are as follows;

No.	Name	Position
1.	Dr. Sombat Kitjalaksana	Managing Director
2.	Mrs. Payao Marittanaporn	Managing Director
3.	Mr. Sanguan Kunatinun	Deputy Managing Director Expressway Engineering
4.	Mrs. Sudruthai Prommart	Deputy Managing Director Expressway Operation
5.	Miss Panan Tosuwanthaworn	Deputy Managing Director Finance
6.	Mr. Witoon Hatairatana	Deputy Managing Director Railway System Operation and Engineering
7.	Mr. Alvin Gee	Deputy Managing Operation Support
8.	Mr. Phakpoom Thaweewittayarut	Deputy Managing Director Administration and Company Secretary

Lists of shareholders

List of Top ten shareholders as of the latest book closure date as of 27 April 2017 are as follows;

No.	Shareholder	Number of Shares	Percentage of Total Shares
1.	CH. Karnchang Public Company Limited	4,582,121,829	29.978
2.	Mass Rapid Transit Authority of Thailand	1,256,259,584	8.219
3.	Krung Thai Bank Public Company Limited	1,047,025,175	6.850
4.	Thai NVDR Company Limited	764,067,937	4.999
5.	Mr. Wichai Wachiraphong	394,545,048	2.581
6.	Bangkok Bank Public Company Limited	323,453,209	2.116
7.	UOB KAY HIAN (HONG KONG) LIMITED - Client Account	250,700,000	1.640
8.	Mr. Min Tieworn	200,000,000	1.308
9.	Social Security Office	194,320,500	1.271
10.	STATE STREET BANK EUROPE LIMITED	173,916,411	1.138
	Others	6,098,590,307	39.901
	Total	15,285,000,000	100.00

1.4. Connected Transactions of the Company with Related Companies/Parties in the previous year up until the latest quarter of the current year

Related Companies/ Parties	Relationship	Nature of Transaction	Transaction Value (Baht)		Nature/Necessity and Justification of Transaction	Opinions of the Audit Committee
			Year 2016	Year 2015		
1. CH. Karnchang	<p>- This company is a major shareholder of the Company, with 29.98 percent of shares in the Company as at 27 April 2017.</p> <p>- Mr. Plew Trivisvavet, director, executive director, and executive of CH. Karnchang Public Company Limited, serves as director and Chairman of the Executive Board of the Company.</p>	<p><u>The Company</u></p> <p>- Advance Payment</p> <p>- Project Management Fee</p> <p>- Trade Accounts Payable</p>	<p>-</p> <p>4,100,011,478</p> <p>65,002,500</p>	<p>398,250,000</p> <p>8,370,000,000</p> <p>1,954,890,000</p>	<p>- <u>Advance Payment and Fee for Management of the Si Rat - Outer Ring Road Expressway Project:</u></p> <p>On September 14, 2012, the Company engaged CH. Karnchang Public Company Limited as Project Manager of the Si Rat - Outer Ring Road Expressway Project, in the total value of Baht 22,500 Million, with a construction period of not exceeding 48 months, commencing on December 15, 2012.</p>	<p>- CH. Karnchang Public Company Limited has expertise, experience and know-how in the Segment Box Girder construction methodology in accordance with the terms of reference of the Si Rat - Outer Ring Road Expressway Project, together with experience in administering the lump sum turnkey contracts for the Company with good quality of work and low maintenance costs as well as construction completion according to schedule and within the fixed budget; and its strategic investment partnership with the Company which would assure its responsibility and commitment for the successful operation of the Project.</p>

(Translation)

Related Companies/ Parties	Relationship	Nature of Transaction	Transaction Value (Baht)		Nature/Necessity and Justification of Transaction	Opinions of the Audit Committee
			Year 2016	Year 2015		
1. CH. Karnchang (cont'd)	<p>- Mr. Prasert Marittanaporn, director and Senior Executive Vice President of CH. Karnchang Public Company Limited is the spouse of Mrs. Payao Marittanaporn, director, executive director, Managing Director of the Company and Acting Managing Director of NECL.</p> <p>- Mr. Phongsarit Tantisuvanitchkul, executive of CH. Karnchang Public Company Limited, serves as director and executive director of the Company.</p>	<p><u>The Company</u></p> <p>- Costs of inspection and repair of the structure of the expressway</p>	-	14,644,976	<p>- <u>Inspection and repair of the structure of the Si Rat Expressway, No. 3, Phase 3:</u></p> <p>On September 1, 2014, the Company executed a contract engaging CH. Karnchang Public Company Limited to carry out the inspection and repair of the structure of the Si Rat Expressway, No. 3, Phase 3, in the total value of Baht 26,771,325, with a contract term of 10 months from the date of the contract signing.</p>	<p>- The price of the work is reasonable and lower than the price assessed by the independent consulting company. In addition, the contractor has expertise and experience in construction of the Si Rat Expressway, and as such, it should be capable to carry out the work properly and is well-prepared to promptly start the work.</p>
		- Trade accounts payable	-	14,644,976		
		- Costs of inspection and repair of the structure of the expressway	6,300,106	-		
		- Trade accounts payable	2,416,794	-		

(Translation)

Related Companies/ Parties	Relationship	Nature of Transaction	Transaction Value (Baht)		Nature/Necessity and Justification of Transaction	Opinions of the Audit Committee
			Year 2016	Year 2015		
1. CH. Karnchang (cont'd)		<u>The Company</u> - Gain on sale of investment - Interest income - Subscriptions receivable net of deferred interest income	- 35,985,138 756,834,379	1,235,536,377 44,994,038 1,320,849,241	- <u>Sale of ordinary shares in Bangkok Metro Public Company Limited:</u> On July 2, 2015, the Company sold its 2,050,134,895 shares in Bangkok Metro Public Company Limited to CH. Karnchang Public Company Limited, at the price of Baht 1.79 per share, whereby the Company received payment on the transaction date in the amount of Baht 2,000 Million, with the remaining payment to be gradually made until completion by August 2017.	- The selling price of shares is reasonable and comparative to market price. Such price was concluded after negotiation and agreement based on the weighted average price of Bangkok Metro Public Company Limited's shares for the past 60 days, less discount of approximately 5 percent due to big lot trading. The conditions on payment were set to allow the Company to be able to sell all such shares on a single occasion at the agreed price.

(Translation)

Related Companies/ Parties	Relationship	Nature of Transaction	Transaction Value (Baht)		Nature/Necessity and Justification of Transaction	Opinions of the Audit Committee
			Year 2016	Year 2015		
1. CH. Karnchang (cont'd)		<p><u>The Company</u></p> <ul style="list-style-type: none"> - Other accounts receivable - Advance payment received under the Contract for Engineering Services (which was recorded in deferred project cost of rail in the Company's statement of financial position) 	<p>12,840,000</p> <p>104,000,000</p>	<p>17,120,000</p> <p>86,000,000</p>	<p>- <u>Engineering Services and Commissioning for Operation Service in the MRT Purple Line Project, Contract 4:</u></p> <p>On May 2, 2014, the Company executed the Contract engaging CH. Karnchang Public Company Limited for Engineering Services and Commissioning for Operation Service in the MRT Purple Line Project, Contract 4: Concession for Supply of M&E Systems and O&M Services (Khlung Bang Phai Station - Tao Poon Station), for the total contract value of Baht 450 Million.</p>	<p>- The contract was made with clear terms of payment. CH. Karnchang Public Company Limited is an experienced and specialized company in this type of work and was also responsible for the civil infrastructure work in relation to each train station. CH. Karnchang Public Company Limited has information of electric systems and civil work, which would enhance the efficiency in construction of such project.</p>

(Translation)

Related Companies/ Parties	Relationship	Nature of Transaction	Transaction Value (Baht)		Nature/Necessity and Justification of Transaction	Opinions of the Audit Committee
			Year 2016	Year 2015		
1. CH. Karnchang (cont'd)		<p><u>The Company</u></p> <ul style="list-style-type: none"> - Cost of maintenance of civil infrastructure and electrical and mechanical systems - Trade accounts payable 	<p>87,555,556</p> <p>41,441,667</p>	<p>2,444,444</p> <p>2,615,556</p>	<p>- <u>Civil Infrastructure and Electrical and Mechanical Systems Maintenance for the MRT Chaloem Ratchamongkhon Line Project (MRT Blue Line):</u></p> <p>On November 17, 2015, the Company executed the Project Management Agreement engaging CH. Karnchang Public Company Limited for Civil Infrastructure and Electrical and Mechanical Systems Maintenance for the MRT Chaloem Ratchamongkhon Line Project (MRT Blue Line) for a period of 9 years, for the total contract value of Baht 1,270 Million.</p>	<p>- The value of the Project Management Agreement with CH. Karnchang Public Company Limited for Civil Infrastructure and Electrical and Mechanical Systems Maintenance for the MRT Blue Line is reasonable and lower than the price assessed by the independent consulting company under the same scope of work. In addition, CH. Karnchang Public Company Limited is a large-sized construction company in Thailand, having experience and expertise, and familiarity to equipment, including civil infrastructure of the metro, as it was responsible for the construction of tunnels and metro stations in the southern part of the MRT Blue Line Project. Therefore, it is well prepared for management of the maintenance and supply of equipment for the maintenance service.</p>

(Translation)

Related Companies/ Parties	Relationship	Nature of Transaction	Transaction Value (Baht)		Nature/Necessity and Justification of Transaction	Opinions of the Audit Committee
			Year 2016	Year 2015		
1. CH. Karnchang (cont'd)		<p><u>The Company</u></p> <ul style="list-style-type: none"> - Cost of maintenance of civil infrastructure and electrical and mechanical systems - Improvement of civil infrastructure in stations and depot, as well as supply of related spare parts and equipment (which was recorded in deferred project cost of rail in the Company's statement of financial position) - Trade accounts payable 	55,000,000	-	<ul style="list-style-type: none"> - On November 17, 2015, the Company executed the Project Management Agreement engaging CH. Karnchang Public Company Limited for Civil Infrastructure and Electrical and Mechanical Systems Maintenance, including maintenance of elevators and escalators inside the metro stations, elevated structures and depot, as well as supply of equipment, tools, spare parts and personnel for maintenance services, for the MRT Purple Line for a period of 8 years from November 17, 2015 to November 16, 2023, for the contract value of Baht 1,520 Million. - Subsequently, on December 14, 2016, the Company executed additional Project Management Agreement engaging CH. Karnchang Public Company Limited for Civil Infrastructure and Electrical and Mechanical Systems Maintenance for the MRT Purple Line, for the contract value of Baht 155 Million, for a period of 7 years from January 1, 2017 to December 31, 2023. 	<ul style="list-style-type: none"> - The value of the Project Management Agreement with CH. Karnchang Public Company Limited for Civil Infrastructure and Electrical and Mechanical Systems Maintenance, as well as supply of equipment and tools for train operation and maintenance services, for the MRT Purple Line is reasonable and lower than the price assessed by the independent consulting company under the same scope of work. In addition, CH. Karnchang Public Company Limited is a large-sized construction company in Thailand, having experience and expertise, and familiarity to equipment, including engineering structures of the MRT Purple Line.
			53,000,000	-		
			52,715,333	-		

(Translation)

Related Companies/ Parties	Relationship	Nature of Transaction	Transaction Value (Baht)		Nature/Necessity and Justification of Transaction	Opinions of the Audit Committee
			Year 2016	Year 2015		
1. CH. Karnchang (cont'd)		<u>Northern Expressway Company Limited</u> (“NECL”) <ul style="list-style-type: none"> - Costs of inspection and repair of the structure of the expressway - Trade accounts payable 	24,972,181	608,350	<ul style="list-style-type: none"> - <u>Inspection and repair of the structure of the Udon Rattaya Expressway, No. 3, Phase 4:</u> On December 1, 2015, the subsidiary (NECL) executed a contract engaging CH. Karnchang Public Company Limited to carry out the inspection and repair of the structure of the Udon Rattaya Expressway, No. 3, Phase 4, in the total value of Baht 25,580,531, with a contract term of 10 months from the date of the contract signing. 	<ul style="list-style-type: none"> - The price of the work is reasonable and lower than the price assessed by the independent consulting company. In addition, the contractor has expertise and experience in construction of the Si Rat Expressway, and as such, it should be capable to carry out the work properly and is well-prepared to promptly start the work.

(Translation)

Related Companies/ Parties	Relationship	Nature of Transaction	Transaction Value (Baht)		Nature/Necessity and Justification of Transaction	Opinions of the Audit Committee
			Year 2016	Year 2015		
1. CH. Karnchang (cont'd)		<u>Bangkok Metro Network Company Limited</u> (“BMN”) <ul style="list-style-type: none"> - Office space rental and service charge - Trade accounts payable 	<p style="text-align: center;">7,188,358</p> <p style="text-align: center;">1,800,900</p>	<p style="text-align: center;">6,675,592</p> <p style="text-align: center;">81,187</p>	<ul style="list-style-type: none"> - BMN entered into the office space lease agreement in Viriyathavorn Building with CH. Karnchang Public Company Limited, with a term of three years until February 9, 2016, and extended the lease term for another five months until July 9, 2016. - Subsequently, BMN relocated its office by entering into the office space lease agreement in Viriyathavorn 2 Building with CH. Karnchang Public Company Limited, with a term of three years, from July 10, 2016 to July 9, 2019. 	<ul style="list-style-type: none"> - This rental rate is comparable to the rental rates charged by the lessor to third party lessees.

(Translation)

Related Companies/ Parties	Relationship	Nature of Transaction	Transaction Value (Baht)		Nature/Necessity and Justification of Transaction	Opinions of the Audit Committee
			Year 2016	Year 2015		
2. Mass Rapid Transit Authority of Thailand (the "MRTA")	<ul style="list-style-type: none"> - The MRTA holds shares in the Company representing 8.22 percent as at 27 April 2017. - Mr. Yuttana Yimgarund, director of MRTA, serves as director of the Company. 	<u>The Company</u> <ul style="list-style-type: none"> - Remuneration from fare revenue and commercial development revenue - Building and land taxes - Trade accounts and other payables (Remuneration payable from revenue and others) 	<p style="text-align: center;">503,539,074</p> <p style="text-align: center;">3,521,496</p> <p style="text-align: center;">102,915,876</p>	<p style="text-align: center;">466,697,678</p> <p style="text-align: center;">14,481,380</p> <p style="text-align: center;">103,204,494</p>	<ul style="list-style-type: none"> - The remuneration to MRTA from the fare revenue and commercial development revenue. - In 2015, the building and land taxes amounted to Baht 3.14 Million, and the building and land taxes with retroactive effect for 2005 - 2013 amounted to Baht 11.34 Million. 	<ul style="list-style-type: none"> - The transaction is in accordance with the conditions of the Concession Agreement with which the Company is required to comply. - The transaction is the expense which was made and paid under the Agreement.

(Translation)

Related Companies/ Parties	Relationship	Nature of Transaction	Transaction Value (Baht)		Nature/Necessity and Justification of Transaction	Opinions of the Audit Committee
			Year 2016	Year 2015		
2. The MRTA (cont'd)		<u>BMN</u> - Remuneration from commercial development revenue - Building and land taxes - Trade accounts payable	236,963 6,675,561 -	484,160 22,568,816 -	- BMN took on lease of the area for advertising board installation in the vicinity of the Interchange Building at the MRT Sukhumvit Station, covering an area of 12 square meters, which ended in August 2016. - In 2015, building and land taxes amounted to Baht 5.54 Million, and the building and land taxes with retroactive effect for 2005 - 2014 amounted to Baht 17.03 Million.	- The rental rate of such advertising media is reasonable - The transaction is in accordance with the conditions of the Agreement.

1.5. Summary of Financial Statements and the explanation and analysis of financial position and operating result in the past year and the present year until the latest quarter

งบแสดงฐานะการเงิน (หน่วย: บาท)	Year 2014	Year 2015	Year 2016
Assets			
Current Assets			
Cash and cash equivalents	2,377,047,712	4,483,374,825	777,001,145
Current investments	2,347,869,300	497,356,702	5,941,349,949
Trade and other receivables	101,814,657	84,628,359	1,614,563,463
Current portion of receivable from sale of investment	-	564,014,862	756,834,379
Other current assets	198,265,173	239,884,440	129,541,368
Total Current Assets	5,024,996,842	5,869,259,188	9,219,290,304
Non-current Assets			
Receivable from sale of investment, net of current portion	-	756,834,379	-
Investments in associates	8,893,834,811	9,836,588,559	9,667,680,300
Other long-term investment	699,337,490	913,087,490	1,237,849,790
Investment properties	120,357,493	120,357,493	120,357,493
Building and equipment	152,078,567	154,365,572	340,732,838
Project costs under construction	10,744,375,635	19,600,400,995	-
Rights to operate completed expressway sectors	23,146,990,149	20,327,463,226	41,551,825,215
Rights to use sites for expressway construction	1,611,877,302	1,320,193,685	1,020,623,701
Intangible assets under concession agreement of the MRTA Initial System Project – Chalong Rachadham Line	17,245,678,953	16,987,640,143	16,959,960,538
Advance payment under expressway construction contract	1,235,250,000	398,250,000	-
Project cost of the MRT Chalong Rachadham Line	136,820,680	271,396,970	627,255,954
Deferred of project remuneration	308,832,264	942,249,276	1,614,607,949
Other intangible assets	34,591,734	36,236,800	68,228,569
Deferred tax assets	622,207,992	474,860,502	201,887,940
Other non-current assets	48,734,082	85,418,857	155,262,494
Total Non-current Assets	65,000,967,152	72,225,343,947	73,566,272,781
Total Assets	70,025,963,994	78,094,603,135	82,785,563,085
Liabilities and Shareholders' Equity			
Current Liabilities			
Short-term loans from financial institutions	2,000,000,000	22,410,000,000	4,715,775,247
Trade and other payables	2,009,237,107	2,579,553,648	819,413,535
Payable from purchase of investment - due within 1 year	313,695,000	-	-
Current portion of long-term loans from financial institutions	40,500,000	118,500,000	2,066,750,000
Unearned fare box revenue	86,935,236	89,973,896	111,971,378
Deposit on stored value ticket	35,474,683	34,738,933	43,313,997
Current portion of debentures	3,000,000,000	-	-
Income tax payable	308,734,049	306,735,926	31,444,025
Current portion of provision for compensation for site acquisition cost	1,500,000,000	1,500,000,000	1,500,000,000

(Translation)

งบแสดงฐานะการเงิน (หน่วย: บาท)	Year 2014	Year 2015	Year 2016
Other current liabilities			
- Retention guarantees	208,666,119	161,068,581	70,983,137
- Others	133,895,027	114,148,191	198,105,957
Total Current Liabilities	9,637,137,221	27,314,719,175	9,557,757,276
Non-current liabilities			
Long-term loans, net of current portion	12,089,017,683	17,329,066,575	16,952,402,523
Debentures, net of current portion	16,384,594,851	-	23,167,912,861
Derivative financial liabilities	-	-	18,608,408
Provision for compensation for site acquisition cost, net of current portion	5,262,381,698	4,066,671,698	2,817,151,698
Provision for long-term employee benefits	211,263,100	237,842,102	471,043,876
Other non-current liabilities	232,982,188	16,269,432	17,982,160
Total Non-current Liabilities	34,180,239,520	21,649,849,807	43,445,101,526
Total Liabilities	43,817,376,741	48,964,568,982	53,002,858,802
Shareholders' Equity			
Share capital			
Registered			
- 15,285,000,000 ordinary shares of Baht 1 each	28,500,000,000	15,285,000,000	15,285,000,000
Issued and paid-up			
- 15,285,000,000 ordinary shares of Baht 1 each	28,200,000,000	15,285,000,000	15,285,000,000
- Premium on ordinary shares	5,816,938,084	5,816,938,084	5,816,938,084
- Investment before amalgamation	(2,340,328,827)	-	-
Retained earnings (Deficit)			
- Appropriated - statutory reserve	800,000,000	800,490,000	928,690,000
- Unappropriated	(6,390,591,344)	7,254,261,049	7,763,596,451
Other components of shareholders' equity	(34,442,517)	(113,097,160)	(104,972,966)
Equity attributable to shareholders of the Company	26,051,575,396	29,043,591,973	29,689,251,569
Non-controlling interests of the subsidiaries	157,011,857	86,442,180	93,452,714
Total Shareholders' Equity	26,208,587,253	29,130,034,153	29,782,704,283
Total Liabilities and Shareholders' Equity	70,025,963,994	78,094,603,135	82,785,563,085

(Translation)

Statement of comprehensive income (unit: Baht)	Year 2014	Year 2015	Year 2016
Revenues			
Revenue from expressway business	8,485,017,698	8,814,588,007	9,300,724,132
Revenue from rail business	2,247,826,551	2,373,562,621	3,230,064,080
Revenue from commercial development business	501,051,472	549,431,372	573,349,010
Other income			
- Interest income	43,267,448	57,843,948	68,199,690
- Gain from sales of investment before amalgamation	536,651,350	1,235,526,377	-
- Gain from sales of investment	-	62,222,728	31,090,443
- Others	69,584,458	11,636,374	29,967,268
Total revenues	11,883,398,977	13,104,811,427	13,233,394,623
Expenses			
Cost of expressway business	1,101,541,468	1,239,604,475	1,345,932,621
Cost of rail business	1,369,850,563	1,444,542,770	1,959,861,340
Cost of commercial development business	185,867,601	210,151,434	199,943,914
Amortization of rights to operate completed expressway sectors and compensation for site acquisition cost	3,326,864,677	3,422,566,022	3,470,883,807
Amortization of intangible assets under concession agreement of the MRTA Initial System Project – Chaloem Ratchamongkhon Line and remuneration fee to the grantor	572,317,474	777,584,371	851,636,080
Selling expenses	54,459,803	79,252,582	92,540,321
Administrative expenses	868,993,631	1,035,883,873	1,038,036,681
Total expenses	7,479,895,217	8,209,585,527	8,958,834,764
Profit before share of profit from investments in associates, finance cost and income tax expenses	4,403,503,760	4,895,225,900	4,274,559,859
Share of profit from investments in associates	546,426,651	461,212,789	347,349,465
Profit before finance cost and income tax expenses	4,949,930,411	5,356,438,689	4,621,909,324
Finance cost	(1,437,191,010)	(1,934,186,129)	(1,446,116,624)
Profit before income tax expenses	3,512,739,401	3,422,252,560	3,175,792,700
Income tax expenses	(702,302,531)	(721,234,596)	(562,927,698)
Profit for the period	2,810,436,870	2,701,017,964	2,612,865,002
Profit attributable to:			
Equity holders of the Company	2,744,542,901	2,649,736,343	2,605,854,468
Non-controlling interests of the subsidiaries	65,893,969	51,281,621	7,010,534
	2,810,436,870	2,701,017,964	2,612,865,002
Basic earnings per share			
Profit attributable to equity holders of the Company	0.180	0.173	0.170
Profit for the period	2,810,436,870	2,701,017,964	2,612,865,002

(Translation)

Statement of comprehensive income (unit: Baht)	Year 2014	Year 2015	Year 2016
Other comprehensive income			
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>			
Unrealized loss from cash flow hedges of the Company, net of income tax	-	-	(14,886,726)
Unrealized gain (loss) from cash flow hedges of associates, net of income tax	(1,754,805)	(46,505,941)	19,198,381
Unrealized gain from revaluation of available for sale of investment	-	-	3,812,539
Other comprehensive income to be reclassified to profit or loss in subsequent periods, net of income tax	(1,754,805)	(46,505,941)	8,124,194
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>			
Actuarial gain (loss) of the Company, net of income tax	(4,689,568)	5,606,050	(134,132,646)
Actuarial gain (loss) of associates	-	-	13,580
Other comprehensive income not to be reclassified to profit or loss in subsequent periods, net of income tax	(4,689,568)	5,606,050	(134,119,066)
Other comprehensive income for the period	(6,444,373)	(40,899,891)	(125,994,872)
Total comprehensive income for the period	2,803,992,497	2,660,118,073	2,486,870,130
Total comprehensive income attributable to:			
Equity holders of the Company	2,738,098,528	2,608,836,452	2,479,859,596
Non-controlling interests of the subsidiaries	65,893,969	51,281,621	7,010,534
	2,803,992,497	2,660,118,073	2,486,870,130

Statement of Cash Flows (unit: Baht)	Year 2014	Year 2015	Year 2016
Net cash flows from (used in) operating activities	5,458,463,909	4,161,535,895	3,845,326,150
Net cash flows from (used in) investing activities	(7,127,540,177)	(4,732,111,683)	(11,663,245,542)
Net cash flows from (used in) financing activities	1,013,519,193	2,676,902,901	4,111,545,712
Net increase (decrease) in cash and cash equivalents	(655,557,075)	2,106,327,113	(3,706,373,680)
Cash and cash equivalents at the beginning of the period	3,032,604,787	2,377,047,712	4,483,374,825
Cash and cash equivalents at the end of the period	2,377,047,712	4,483,374,825	777,001,145

Financial Ratios	Year 2014	Year 2015	Year 2016
Net Profit Margin (%)	23.10	20.22	19.69
Return on Shareholders' Equity (%)	11.04	9.76	8.87
Return on Total Assets (%)	4.15	3.65	3.25
Debt to Equity Ratio (times)	1.67	1.68	1.78
Book Value per Share (Baht)	1.70	1.90	1.94

1.5.1. Analysis of operating result and profitability

In the year 2016, the Company had the net profit attributable to equity holders of the Company in the amount of Baht 2,606 Million, representing an increase by Baht 925 Million or 55 percent, when compared with the net profit from normal operation of the year 2015 which excluded extraordinary transaction from a gain on sales of investment in Bangkok Metro Public Company Limited before an amalgamation, net of tax, in the amount of Baht 969 Million. The Company had the revenue from main business increased by Baht 1,366 Million. The toll revenue from Expressway business increased by Baht 486 Million or 5.5 percent due to an increase in the traffic volume in all routes and a positive impact from the opening of the Si Rat-Outer Ring Road Expressway on August 22, 2016. In addition, the revenue from Rail business also increased by Baht 856 Million or 36.1 percent, resulted from the increasing of passenger volume and the revenue of O&M service of the MRT Purple Line which operated on August 6, 2016. Cost of service increased in relevant to the opening of the projects. Moreover, financial cost decreased by Baht 488 Million or 25.2 percent from debt restructuring. Nevertheless, the interest cost from construction loans, which were formerly recorded as cost of construction, were recorded as interest expense in the income statement after the opening of the SOE project.

When compared the net profit of the year 2016 amounted to Baht 2,606 Million with the net profit of the year 2015 amounted to Baht 2,650 Million which included extraordinary transaction from a gain on sales of investment, net of tax, in the amount of Baht 969 Million, the net profit decreased from the previous year by Baht 44 Million or 1.7 percent due to there is no transaction in this year.

Segmental Performance

1) Expressway Business

The Company had toll revenue of Baht 9,301 Million, representing an increase from the previous year by Baht 486 Million or 5.5 percent due to an increase from the traffic volume in all routes. The traffic volume of the First Stage Expressway (FES) and the Second Stage Expressway (SES) had

increased from the previous year on the average of 15,000 trips/day or 1.4 percent. The SOE had traffic volume on the average since an opening on August 22 to December 31, 2016 at 39,400 trips/day. As a result, overall toll revenue from FES and SES included SOE increased by Baht 371 Million or 4.9 percent, when compared to the previous year. For the Bang Pa-in - Pak Kret Expressway, the traffic volume increased from the previous year on the average of 7,000 trips/day or 9.4 percent from the expansion of suburban area, which resulted in toll revenue increased by Baht 115 Million or 9.5 percent, when compared to the previous year.

Cost of service for operation of Expressway business consisted of costs of toll, amortization of rights to operate completed expressway sectors and compensation for site acquisition cost, for the year 2016, amounted to Baht 4,817 Million, representing an increase from the previous year by Baht 154 Million or 3.3 percent. This was mainly from the increase in traffic volume and the opening of the SOE.

2. Rail Business

The Company had farebox revenue of Baht 3,230 Million, representing an increase from the previous year by Baht 856 Million or 36.1 percent. Farebox revenue had increased from the rising of the average ridership from the MRT Blue Line are at 13,400 trips/day or 5.1 percent and from the increasing of service revenue from the MRT Purple Line (O&M contract) which operated on August 6, 2016.

Cost of Rail business consisted of costs of farebox, cost for supplying O&M services, amortization of intangible asset under the MRT Blue Line Project, operation and remuneration to the grantor which for the year 2016, amounted to Baht 2,769 Million, representing an increase by Baht 576 Million or 26.3 percent from the previous year. This is caused by the increase in ridership and the initial cost of O&M services by the MRT Purple Line which is in line with revenue growth.

3. Commercial Development Business

In the year 2016, total commercial development revenue was Baht 573 Million, representing an increase from the previous year by Baht 24 Million or 4.4 percent, which was mainly from the commercial development revenue related to rail business.

1.5.2. Analysis of liquidity and sufficiency of working capital of the Company

Financial Position

As at December 31, 2016, the Company and its subsidiaries had total assets amounted to Baht 82,786 Million, representing an increase by Baht 4,691 million, when compared with total assets as at December 31, 2015, mainly from the increase in the project cost of the Si Rat-Outer Ring Road Expressway which was opened on August 2016. Total liabilities amounted to Baht 53,003 Million, representing an increase by Baht 4,038 Million which is consistent to the increase in asset. Total shareholders' equity amounted to Baht 29,793 Million, representing an increase by Baht 653 Million from the net profit and dividend payment of Baht 1,834 Million.

Cash Flows

For the year 2016, the Company and its subsidiaries generated cash flows from operating activities amounting to Baht 3,845 Million. Cash utilized of Baht 11,663 Million from investing activities as follows (1) investment in the Si Rat-Outer Ring Road Expressway Project in the amount of Baht 6,035 Million, (2) investment in current investments and other investment in the amount of Baht 5,744 Million, (3) paid for the M&E equipment of the MRT Blue Line Project and investment in the MRT Purple Line Project in the net amount of Baht 766 Million, (4) acquisition of fixed assets and other assets in the net amount of Baht 277 Million, and (5) cash receipt from sales of investments and dividend from TTW and CKP in the amount of Baht 1,159 Million.

The Company and its subsidiaries had net cash of Baht 4,112 Million from financing activities due to (1) receipt from issuance of debentures in the net amount of Baht 23,200 Million, (2) draw down of long-term loans in the net amount of Baht 1,585 Million, (3) repayment of short-term loans in the net

(Translation)

amount of Baht 17,690 Million, (4) dividend payment in the amount of Baht 1,834 Million, and (5) payment of interest and finance cost in the amount of Baht 1,149 Million.

As at December 31 2016, the Company and its subsidiaries had cash and cash equivalents amounting to Baht 777 Million, representing a decrease from the end of the previous year by Baht 3,706 Million.

Significant Financial Ratios

For the year 2016, the Company had Net Profit Margin ratio at 19.69 percent, Return on Equity ratio at 8.87 percent, Return on Total Assets ratio at 3.25 percent, Debt to Equity ratio at 1.78 times and Interest Bearing Debt to Equity ratio at 1.33 times.

2. Other information which may materially affect the decision of investors

- None -

3. Responsibilities of the Board of Directors concerning the Information Memorandum

The Board of Directors is responsible for the information disclosed in this information memorandum, which the Board of Directors has considered and certified that the information contained herein is sufficiently correct and complete for the investors' decision-making.