

Part 3: Financial Position and Operational Results

13. Financial Highlights

Summary of Auditor's Report

EY Office Limited, as the auditor for the Company and its subsidiaries, has audited the consolidated statement of financial position of Bangkok Expressway and Metro Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2019, and the related consolidated statement of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statement of Bangkok Expressway and Metro Public Company Limited as at 31 December 2019. The auditor is of the opinion that the financial statements referred to above present fairly, in all material respects, the financial position of Bangkok Expressway and Metro Public Company Limited and its subsidiaries, and of Bangkok Expressway and Metro Public Company Limited, as at 31 December 2019, their operational results and cash flow for the year then ended in accordance with Thai Financial Reporting Standards.

(Unit : Baht)

Statement of financial position	2019		2018		2017	
	Amount	Percent	Amount	Percent	Amount	Percent
Assets						
Current assets						
Cash and cash equivalents	703,750,307	0.63	526,200,490	0.51	2,627,062,725	2.66
Current investments	1,157,746,702	1.04	1,282,474,987	1.24	1,449,457,222	1.47
Bank deposit for unearned fare box revenue	205,697,086	0.18	150,016,110	0.14	-	-
Trade and other receivables	481,786,671	0.43	514,055,818	0.50	426,286,028	0.43
Current portion of receivable under the concession agreement	1,649,683,274	1.48	1,649,683,274	1.59	1,649,683,274	1.67
Other current assets						
Prepaid expenses	83,599,640	0.08	78,021,423	0.07	72,857,362	0.07
Withholding tax deducted at source	128,148,743	0.11	-	-	-	-
Others	37,165,898	0.03	16,137,066	0.01	54,723,835	0.05
Total current assets	4,447,578,321	3.98	4,216,589,168	4.06	6,280,070,446	6.35
Non-current assets						
Receivable under the concession agreement, net of current portion	9,210,731,614	8.25	10,860,414,888	10.46	12,510,098,163	12.65
Investments in associates	-	-	6,368,744,918	6.13	9,592,230,802	9.70
Other long-term investments	17,096,827,328	15.31	6,688,646,612	6.44	1,654,862,090	1.67
Investment properties	120,357,493	0.11	120,357,493	0.12	120,357,493	0.12
Building and equipment	311,376,837	0.28	323,936,668	0.31	361,168,428	0.37
Rights to operate expressway sectors	32,253,366,737	28.88	35,146,019,997	33.85	38,448,873,562	38.87
Rights to use sites for expressway construction	61,467,080	0.06	390,198,219	0.38	719,073,059	0.73
Intangible asset under concession agreement of the MRT Blue Line Project	42,338,899,443	37.91	35,427,555,680	34.12	25,954,096,373	26.24
Project cost of the MRT Chalong Ratchadham Line	644,950,810	0.58	654,691,451	0.63	666,742,626	0.67
Prepaid project remuneration	5,086,367,785	4.54	3,495,195,243	3.37	2,487,433,243	2.51
Other intangible assets	74,027,004	0.06	84,777,999	0.08	75,257,871	0.08
Deferred tax assets	6,951,994	0.01	6,312,191	0.01	4,997,667	0.01
Other non-current assets	43,867,537	0.03	47,468,811	0.04	44,103,679	0.03
Total non-current assets	107,249,191,662	96.02	99,614,320,170	95.94	92,639,295,056	93.65
Total assets	111,696,769,983	100.00	103,830,909,338	100.00	98,919,365,502	100.00

(Unit : Baht)

Statement of financial position (continued)	2019		2018		2017	
	Amount	Percent	Amount	Percent	Amount	Percent
Liabilities and shareholders' equity						
Current liabilities						
Short-term loans from financial institutions	3,250,000,000	2.91	2,814,594,224	2.71	3,629,184,736	3.67
Trade and other payables	1,938,481,838	1.74	1,683,472,969	1.62	2,107,884,865	2.13
Current portion of long-term loans from financial institutions	3,166,120,069	2.83	3,041,760,069	2.93	3,808,760,069	3.85
Current portion of debentures	2,500,000,000	2.24	5,000,000,000	4.82	-	-
Unearned fare box revenue	212,234,424	0.19	163,117,129	0.16	138,261,714	0.14
Deposits on stored value ticket	79,946,797	0.07	65,265,286	0.06	54,367,547	0.05
Income tax payable	25,467,515	0.02	69,746,084	0.07	62,132,371	0.06
Current portion of provision for compensation for site acquisition cost	-	-	1,546,891,698	1.49	1,600,000,000	1.62
Other current liabilities						
Retention guarantees	56,227,880	0.05	27,735,192	0.03	18,312,525	0.02
Value added tax payable	61,238,396	0.05	76,044,732	0.07	56,978,843	0.06
Withholding tax deducted at source payable	99,118,066	0.09	90,510,248	0.09	94,180,664	0.10
Others	40,071,839	0.04	27,701,626	0.02	12,761,310	0.01
Total current liabilities	11,428,906,824	10.23	14,606,839,257	14.07	11,582,824,644	11.71
Non-current liabilities						
Long-term loans from financial institutions, net of current portion	21,745,560,898	19.46	18,373,779,608	17.70	25,801,112,363	26.08
Debentures, net of current portion	35,670,826,818	31.94	33,169,822,210	31.95	28,170,623,095	28.48
Derivative financial liabilities	112,685,174	0.10	21,808,675	0.02	52,954,374	0.05
Provision for compensation for site acquisition cost, net of current portion	-	-	-	-	1,411,401,698	1.43
Provision for long-term employee benefits	886,390,430	0.79	686,898,092	0.65	483,787,045	0.49
Deferred tax liabilities	3,025,459,610	2.71	1,353,842,048	1.30	217,152,225	0.22
Other non-current liabilities	3,758,883	0.01	5,892,925	0.01	20,211,885	0.02
Total non-current liabilities	61,444,681,813	55.01	53,612,043,558	51.63	56,157,242,685	56.77
Total liabilities	72,873,588,637	65.24	68,218,882,815	65.70	67,740,067,329	68.48

(Unit : Baht)

Statement of financial position (continued)	2019		2018		2017	
	Amount	Percent	Amount	Percent	Amount	Percent
Shareholders' equity						
Share capital						
Registered						
15,285,000,000 ordinary shares of Baht 1 each	15,285,000,000	13.68	15,285,000,000	14.72	15,285,000,000	15.45
Issued and paid-up						
15,285,000,000 ordinary shares of Baht 1 each	15,285,000,000	13.68	15,285,000,000	14.72	15,285,000,000	15.45
Premium on ordinary shares	5,816,938,084	5.21	5,816,938,084	5.60	5,816,938,084	5.88
Capital deficit from change in shareholding in subsidiaries	(256,942,521)	-0.23	(75,770,451)	-0.07	(32,148,702)	-0.03
Retained earnings						
Appropriated - statutory reserve	1,379,090,000	1.23	1,232,890,000	1.19	1,077,490,000	1.09
Unappropriated	15,052,068,973	13.48	12,133,780,735	11.69	8,948,481,343	9.05
Other components of shareholders' equity	1,504,565,153	1.35	1,105,927,958	1.06	(27,575,760)	-0.03
Equity attributable to shareholders of the Company	38,780,719,689	34.72	35,498,766,326	34.19	31,068,184,965	31.41
Non-controlling interests of the subsidiaries	42,461,657	0.04	113,260,197	0.11	111,113,208	0.11
Total shareholders' equity	38,823,181,346	34.76	35,612,026,523	34.30	31,179,298,173	31.52
Total liabilities and shareholders' equity	111,696,769,983	100.00	103,830,909,338	100.00	98,919,365,502	100.00

(Unit : Baht)

Income statement	2019		2018		2017	
	Amount	Percent	Amount	Amount	Percent	Amount
Revenues						
Revenue from expressway business	10,302,412,750	50.49	10,173,901,910	53.30	9,956,687,741	64.68
Revenue from rail business	5,022,100,349	24.61	4,736,002,363	24.81	4,520,903,061	29.37
Revenue from commercial development business	782,564,040	3.84	704,536,036	3.69	675,836,158	4.39
Other income						
Gains on sale of investments	181,078,813	0.89	499,393,573	2.62	11,887,334	0.07
Gain on reclassification of investment	3,408,628,533	16.71	2,496,266,396	13.08	-	-
Interest income	392,633,384	1.92	450,618,868	2.36	175,173,105	1.14
Dividend income	257,868,552	1.26	-	-	-	-
Others	56,312,532	0.28	26,601,445	0.14	52,743,740	0.35
Total revenues	20,403,598,953	100.00	19,087,320,591	100.00	15,393,231,139	100.00
Expenses						
Cost of expressway business	1,991,458,088	9.76	1,837,541,483	9.63	1,735,419,841	11.27
Cost of rail business	3,796,981,929	18.61	3,541,571,456	18.55	3,352,428,083	21.78
Cost of commercial development business	210,292,457	1.03	169,940,207	0.89	177,294,401	1.15
Amortisation on rights to operate completed expressway sectors and compensation for site acquisition cost	4,048,131,964	19.84	4,036,823,398	21.15	3,694,893,202	24.00
Amortisation on intangible asset under concession agreement of the MRT Blue Line Project	263,394,239	1.29	188,047,080	0.99	246,289,965	1.60
Selling expenses	139,622,388	0.68	111,421,323	0.58	95,313,153	0.62
Administrative expenses	1,196,759,191	5.87	1,252,317,805	6.56	1,049,120,611	6.82
Total expenses	11,646,640,256	57.08	11,137,662,752	58.35	10,350,759,256	67.24
Profit before share of profit from investments in associates, finance cost and income tax expenses	8,756,958,697	42.92	7,949,657,839	41.65	5,042,471,883	32.76
Share of profit from investments in associates	172,910,981	0.85	432,797,238	2.27	405,916,311	2.63
Profit before finance cost and income tax expenses	8,929,869,678	43.77	8,382,455,077	43.92	5,448,388,194	35.39
Finance cost	(1,723,062,346)	-8.45	(1,857,460,775)	-9.74	(1,610,435,067)	-10.46
Profit before income tax expenses	7,206,807,332	35.32	6,524,994,302	34.18	3,837,953,127	24.93
Income tax expenses	(1,754,942,103)	-8.60	(1,189,146,759)	-6.23	(695,602,106)	-4.52
Profit for the year	5,451,865,229	26.72	5,335,847,543	27.95	3,142,351,021	20.41

(Unit : Baht)

Income statement (continued)	2019		2018		2017	
	Amount	Percent	Amount	Amount	Percent	Amount
Profit attributable to:						
Equity holders of the Company	5,434,819,325	26.64	5,317,038,037	27.86	3,123,129,324	20.29
Non-controlling interests of the subsidiaries	17,045,904	0.08	18,809,506	0.09	19,221,697	0.12
	5,451,865,229	26.72	5,335,847,543	27.95	3,142,351,021	20.41
Basic earnings per share						
Profit attributable to equity holders of the Company	0.36		0.35		0.20	

(Unit : Baht)

Statement of comprehensive income	2019		2018		2017	
	Amount	Percent	Amount	Amount	Percent	Amount
Profit for the year	5,451,865,229	26.72	5,335,847,543	27.95	3,142,351,021	20.41
Other comprehensive income						
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>						
Unrealised gain (loss) from cash flow hedges, net of income tax	(72,701,199)	-0.36	24,916,559	0.13	(27,476,773)	-0.18
Unrealised gain on valuation of available-for-sale securities, net of income tax	482,287,536	2.36	1,112,425,756	5.83	-	-
Share of other comprehensive income of associate recognised due to reclassification of investment	(9,019,502)	-0.04	(37,094,724)	-0.19	-	-
Share of other comprehensive income from associates	(1,929,640)	-0.01	33,256,127	0.17	72,725,277	0.47
Other comprehensive income to be reclassified to profit or loss in subsequent periods, net of income tax	398,637,195	1.95	1,133,503,718	5.94	45,248,504	0.29
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>						
Actuarial gain (loss), net of income tax	(77,357,601)	-0.38	10,711,355	0.06	45,830,261	0.30
Share of other comprehensive income from associates	-	-	-	-	(2,635,896)	-0.01
Other comprehensive income not to be reclassified to profit or loss in subsequent periods, net of income	(77,357,601)	-0.38	10,711,355	0.06	43,194,365	0.29
Other comprehensive income for the year	321,279,594	1.57	1,144,215,073	6.00	88,442,869	0.58
Total comprehensive income for the year	5,773,144,823	28.29	6,480,062,616	33.95	3,230,793,890	20.99
Total comprehensive income attributable to:						
Equity holders of the Company	5,755,875,433	28.21	6,461,253,110	33.85	3,213,133,396	20.87
Non-controlling interests of the subsidiaries	17,269,390	0.08	18,809,506	0.10	17,660,494	0.12
	5,773,144,823	28.29	6,480,062,616	33.95	3,230,793,890	20.99

(Unit : Baht)

Cash flow statement	2019	2018	2017
Cash flows from operating activities			
Profit before tax	7,206,807,332	6,524,994,302	3,837,953,127
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:			
Amortisation and depreciation	4,026,462,692	3,866,567,954	3,544,655,128
Reversal of allowance for doubtful debt	(3,971,546)	(272,590)	272,590
Gains on sale of investments	(181,078,813)	(499,393,573)	(11,887,334)
Unrealised gain on change in value of investments	(24,997,738)	(10,442,237)	(29,720,956)
Gain on reclassification of investment	(3,408,628,533)	(2,496,266,396)	-
Loss (gain) on disposals/write-off of equipment and Intangible asset under concession agreement Blue Line of the MRT Project	(1,331,425)	(1,639,242)	6,028,232
Project remuneration expense	393,651,735	355,662,416	384,806,190
Compensation for site acquisition cost	397,839,441	464,364,839	495,800,643
Provision for long-term employee benefits	102,201,396	220,232,028	76,747,586
Share of profit from investments in associates	(172,910,981)	(432,797,238)	(405,916,311)
Unrealised loss (gain) on exchange rate	276	102,702	(105,460)
Interest expenses	(392,633,384)	(450,618,868)	(175,173,105)
Dividend income	(257,868,552)	-	-
Interest expenses	1,670,220,735	1,662,162,353	1,572,881,432
Financial fees	-	98,665,000	-
Profit from operating activities before changes in operating assets and liabilities	9,353,762,635	9,031,321,450	9,296,341,762
Operating assets (increase) decrease			
Bank deposit for unearned fare box revenue	(55,680,976)	(150,016,110)	-
Trade and other receivables	(7,760,875)	(43,104,677)	155,095,799
Receivable under the concession agreement	1,649,683,274	1,649,683,275	412,420,819
Other current assets	(11,393,416)	85,434,222	101,986,629
Other non-current assets	(3,048,985)	(3,438,527)	13,393,495
Cash paid for project remuneration	(1,894,886,245)	(1,350,459,625)	(1,252,089,706)
Operating liabilities increase (decrease)			
Trade payables and other payables	181,841,193	21,244,663	8,049,920
Unearned fare box revenue	49,117,295	24,855,415	26,290,336
Deposits on stored value ticket	14,681,511	10,897,739	11,053,550
Other current liabilities	34,359,081	27,513,762	(8,194,092)
Other non-current liabilities	(2,134,042)	(14,318,960)	2,229,724
Cash paid for long-term employee benefits	(11,000,415)	(10,325,738)	(7,740,208)
Cash paid for compensation for site acquisition cost	(1,616,000,000)	(1,600,000,000)	(1,500,000,000)
Net cash flows from operating activities	7,681,540,035	7,949,286,889	7,258,838,028
Cash received from interest income	392,634,064	452,272,207	139,602,025
Cash paid for income tax	(332,798,583)	(334,491,602)	(248,930,830)
Net cash flows from operating activities	7,747,375,516	8,067,067,494	7,149,509,223

(Unit : Baht)

Cash flow statement (continued)	2019	2018	2017
Cash flows from investing activities			
Cash received from sales of current investments	17,447,889,696	13,949,038,431	19,366,871,411
Cash paid for purchase of current investments	(17,290,610,050)	(13,767,671,038)	(14,833,370,394)
Cash paid for purchase of investments in subsidiary	(269,240,000)	(60,284,267)	-
Cash received from sales of investments in associates	398,386,200	540,351,710	-
Cash received from sales of other long-term investments	78,219,853	2,075,443,606	-
Increase in other long-term investments	(400,000,000)	(107,436,375)	(417,012,300)
Cash received from sales of investment before amalgamation	-	-	769,741,462
Cash received from sales of equipment and intangible asset concession agreement of the MRT Blue Line Project	1,695,689	3,215,729	7,706,184
Purchase of equipment	(46,552,497)	(23,042,080)	(89,131,306)
Advance payment for purchase of equipment	-	-	(77,040)
Cash received from interest income	-	4,676,477	21,484,010
Cash received from dividend income	488,801,682	493,938,904	551,455,191
Cash paid for project cost of the MRT Chalong Ratchadham Line	(29,307,405)	(390,955)	(65,000,000)
Cash paid for intangible asset under concession agreement of the MRT Blue Line Project	(6,840,809,764)	(9,963,513,656)	(7,906,570,615)
Cash paid for expressway construction	(706,974,948)	(284,809,045)	(130,085,647)
Interest expenses capitalised as cost of projects	(378,623,301)	(181,764,061)	(48,805,714)
Increase in other intangible assets	(15,722,417)	(30,649,444)	(25,644,761)
Net cash flows used in investing activities	(7,562,847,262)	(7,352,896,064)	(2,798,439,519)
Cash flows from financing activities			
Cash received from short-term loan from financial institution	4,882,000,000	10,000,000,000	-
Repayment of short-term loans from financial institutions	(4,448,000,000)	(10,816,000,000)	(1,088,000,000)
Cash received from long-term loans from financial institutions	6,530,000,000	5,300,000,000	500,000,000
Repayment of long-term loans from financial institutions	(3,041,760,069)	(13,475,010,069)	(3,536,448,559)
Cash received from debentures	5,000,000,000	10,000,000,000	5,000,000,000
Cash paid for redemption of debentures	(5,000,000,000)	-	-
Cash paid for financial fees	(11,516,532)	(181,553,849)	(8,219,329)
Interest paid	(1,618,951,836)	(1,655,419,747)	(1,534,140,236)
Dividend paid	(2,292,750,000)	(1,987,050,000)	(1,834,200,000)
Net cash flows used in financing activities	(978,437)	(2,815,033,665)	(2,501,008,124)
Net increase (decrease) in cash and cash equivalents	177,549,817	(2,100,862,235)	1,850,061,580
Cash and cash equivalents at beginning of year	526,200,490	2,627,062,725	777,001,145
Cash and cash equivalents at end of year	703,750,307	526,200,490	2,627,062,725

13.2 Significant Financial Ratios

	Unit	2019	2018	2017
LIQUIDITY RATIO				
1. Liquidity Ratio	Time	0.28	0.20	0.46
2. Quick Ratio	Time	0.26	0.19	0.45
3. Cash Flow Ratio	Time	0.50	0.52	0.68
PROFITABILITY RATIO				
4. Gross Profit Margin	%	35.99	37.40	39.25
5. Cash to Profitability Ratio	%	62.84	65.77	75.11
6. Net Profit Margin	%	18.66	20.35	20.45
7. Return on Equity	%	8.38	9.90	10.31
EFFICIENCY RATIO				
8. Return on Total Assets	%	3.24	3.76	3.75
9. Return on Fixed Assets	%	9.80	10.57	10.81
10. Assets Turnover	Time	0.17	0.18	0.18
FINANCIAL POLICY RATIO				
11. Interest Bearing Debt to Equity Ratio	Time	1.37	1.34	1.37
12. Interest Coverage Ratio	Time	7.04	7.41	6.06
13. Net Debt to EBITDA	Time	6.67	6.00	5.72
Per Share DATA				
14. Book Value per Share	Baht	2.54	2.32	2.03
15. Net Earnings per Share	Baht	0.36	0.35	0.20
16. Dividend per Share	Baht	0.15	0.15	0.13

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

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 due to reclassification.

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

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

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

The Company's Board of Directors is of the opinion that the financial statements for 2019 of the Company and the Subsidiaries, which have been reviewed by the Audit Committee in conjunction with the management, and audited by the Company's auditor, reflect accurate financial status and operational results as appropriate in material aspects in accordance with generally accepted accounting principles.

Dr. Virabongsa Ramangkura
Chairman of the Board of Directors
26 February 2020

Mrs. Payao Marittanaporn
Managing Director
26 February 2020

14. Management Discussion and Analysis

Significant events in the year 2019

1. The shareholding in Bangkok Metro Networks Limited (BMN)

On March 27, 2019, the Company purchased 5.08 Million ordinary shares of BMN, which is the subsidiary company, equal to 20 percent of its issued and paid-up share capital from its existing shareholders. As a result of this transaction, the Company's shareholding in BMN increased from 69.67 percent to 89.67 percent.

2. Dividend payment

On April 26, 2019, the 2019 Annual General Meeting of the Company's shareholders had a resolution to approve a dividend payment from 2018 operating results of Baht 0.15 per share. The Company paid an interim dividend of Baht 0.06 per share on September 19, 2018, and a dividend of Baht 0.09 per share on May 22, 2019.

On August 9, 2019, the Meeting of the Company's Board of Directors passed a resolution to approve an interim dividend payment of Baht 0.06 per share, which was paid on September 4, 2019.

3. The reclassification of the investment in TTW Public Company Limited (TTW)

During the second quarter of the year 2019, the Company has sold partial of 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 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.

4. The progress of the MRT Blue Line Extension Project

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 Sirindhorn 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. Moreover, the Company plans to operate full commercial service all the line within March 2020.

5. The Settlement of Disputes by Extension of the periods of Concession Agreements

On February 18, 2020, the Council of Ministers' Meeting agreed to amend the Agreements for Settlement of the Disputes between the Company/the subsidiary and the Expressway Authority of Thailand (EXAT), and on February 20, 2020, the Company/the subsidiary and EXAT signed the Second Stage Expressway Agreement (Amendment) and the Bang Pa-in - Pak Kret Expressway Agreement (Amendment), which significantly amended as follows:

Expressway	Toll revenue sharing EXAT : the Company / the subsidiary	Renewal period	Remaining period of time for entitled to renewal *
The Second Stage Sector A B C	The First Stage and the Second Stage Sector A B 60 : 40 Sector C 0 : 100	15 years 8 months to October 2035	4 years 4 months
The Second Stage Sector D	0 : 100	8 years 6 months to October 2035	11 years 6 months
Bang Pa-in - Pak Kret	0 : 100	9 years 1 month to October 2035	10 years 11 months

* The remaining periods of time entitled to renewal under the existing Agreements

Revision of fixed toll rates every 10 years from September 1, 2018 for the Second Stage Expressway Agreement, and revision of toll rates every 10 years from November 1, 2018 for the Bang Pa-in - Pak Kret Expressway Agreement, in accordance with the agreements.

Overview Operational Results Between the year 2019 and 2018

(Unit: Million Baht)

Description	2019	2018	Changes	
			Amount	%
Revenue from expressway business	10,302	10,174	128	1.3
Revenue from rail business	5,022	4,736	286	6.0
Revenue from commercial development business	783	705	78	11.1
Total revenue from main business	16,107	15,615	492	3.2
<i>Interest income from the MRT Purple Line Project</i>	380	435	(55)	-12.6
Gains on sale of investments	181	499	(318)	-63.7
Gain on reclassification of investment	3,409	2,496	(913)	36.6
Other income	327	43	284	660.5
Total revenues	20,404	19,088	1,316	6.9
Cost of service	10,311	9,775	536	5.5
Selling and administrative expenses	1,336	1,364	(28)	-2.1
Finance cost	1,343	1,422	(79)	-5.6
<i>Interest expense from the MRT Purple Line Project</i>	380	435	(55)	-12.6
Total expenses	13,370	12,996	374	2.9
Profit before income tax expenses	7,034	6,902	942	15.5
Income tax expenses	1,755	1,189	566	47.6
Profit before share of profit from associates and NCI	5,279	4,903	376	7.7
Share of profit from investments in associates, net	173	433	(260)	-60.0
NCI	(17)	(19)	2	10.5
Profit attributable to Equity holders of the Company	5,435	5,317	118	2.2
Basic earnings per share (Baht)	0.36	0.35	0.01	

The Company had revenue from main business Baht 16,107 Million representing an increase from the previous year by Baht 492 Million or 3.2 percent, revenue from expressway business increased by Baht 128 Million, revenue from rail business increased by Baht 286 Million and revenue from commercial development business increased by Baht 78 Million.

In the year 2019, gain on sale of investments decreased from the previous year by Baht 318 Million due to gain on sale of all shares in Xayaburi Power Company Limited (XPCL) and some shares in CK Power Public Company Limited (CKP) in the year 2018, while the Company had only gain on sale of some shares in TTW Public Company Limited (TTW) in the year 2019. As the sale of some CKP's shares and TTW's shares, the Company had a gain on reclassification of investment in CKP of Baht 2,496 Million in the year 2018, and had a gain on reclassification of investment in TTW of Baht 3,409 Million in the year 2019. Moreover, the Company recorded dividend income instead of share of profit from investment in associates after the reclassification of the investments, in accordance with Accounting Standard. Other income which consisted of dividend income, consequently increased in the year 2019, in accordance with a decrease in share of profit from investments in associates.

Cost of service amounted to Baht 10,311 Million representing an increase from the previous year by Baht 536 Million or 5.5 percent mainly from the increase in operating expense, expenses related to the operation of Section 2 in MRT Blue Line Extension, repair and maintenance expense and amortization. Selling and administrative expenses amounted to Baht 1,336 Million representing a decrease by Baht 28 Million or 2.1 percent. Finance cost amounted to Baht 1,343 Million representing a decrease from the previous year by Baht 79 Million or 5.6 percent and income tax expenses amounted to Baht 1,755 Million representing an increase from the previous year by Baht 566 Million or 47.6 percent mainly from tax related to gain on reclassification of investment in TTW which is non-cash transaction.

Overall of the year 2019, the Company had the net profit attributable to equity holders of the Company in the amount of Baht 5,435 Million representing an increase from the previous year by Baht 118 Million or 2.2 percent.

Segmental performance

1. Expressway business

The Company had revenue from Expressway business of Baht 10,302 Million, representing an increase from the previous year by Baht 128 Million or 1.3 percent, mainly from the increase in toll revenue from the Si Rat-Outer Ring Road Expressway Project (SOE). In the year 2019, SOE average traffic volume was at 64,253 trips/day representing an increase by 14.6 percent when compared to the previous year in accordance to expressway users learning behavior, together with the opening of the Connection between the Si Rat-Outer Ring Road Expressway and the Northbound Si Rat Expressway (heading to Chaeng Watthana). For the First Stage Expressway (FES), the Second Stage Expressway (SES) and the Bang Pa-in - Pak Kret Expressway (Sector C+), toll revenue was closely 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 2019, the cost was at Baht 6,040 Million, representing an increase from the previous year by Baht 165 Million or 2.8 percent mainly from the repair and maintenance expense and the amortization of rights to operate completed expressway sectors.

2. Rail business

The Company had revenue from Rail business of Baht 5,022 Million, representing an increase from the previous year by Baht 286 Million or 6 percent, mainly from farebox revenue of the MRT Blue Line as the ridership which continued to increase consecutively and including the operation in full commercial service of Section 2 in MRT Blue Line Extension, Hua Lamphong Station - Lak Song Station on September 29, 2019 which slightly affected to farebox revenue in the year 2019. The average ridership of the MRT Blue Line Project in the year 2019 was at 336,849 trips/day representing an increase from the previous year by 8.1 percent. Compared with the ridership in the forth quarter of the previous year, the ridership increased by 17.9 percent after the operation of Section 2 in MRT Blue Line Extension.

Cost of Rail business consisted of costs of farebox, O&M cost, maintenance cost and amortization of intangible asset under the MRT Blue Line Project. For the year 2019, the cost was at Baht 4,008 Million, representing an increase from the previous year by Baht 321 Million or 8.7 percent from repair and maintenance expense and expenses related to the operation of Section 2 in the MRT Blue Line Extension, Hua Lamphong Station - Lak Song Station.

3. Commercial Development Business

In the year 2019, total commercial development revenue was Baht 783 Million, representing an increase from the previous year by Baht 78 Million or 11.1 percent, mainly from the increase in retail revenue in Metro Mall which has gradually improved the commercial area in the station of the Chaloem Ratchamongkhon Line in modern trend which attracted more customers. Advertising and telecommunication revenue slightly increased from the operation of Section 2 in MRT Blue Line Extension, Hua Lamphong Station - Lak Song Station.

Cost of Commercial Development business for the year 2019 was at Baht 263 Million, representing an increase from the previous year by 50 Million or 23.5 percent in accordance with an increase in revenue.

Financial Position

(Unit: Million Baht)

Description	31 Dec 19	31 Dec 18	Changes	
			Amount	%
Total assets	111,697	103,831	7,866	7.6
Total liabilities	72,874	68,219	4,655	6.8
Total shareholders' equity	38,823	35,612	3,211	9.0

As at December 31, 2019, the Company and its subsidiaries had total assets amounted to Baht 111,697 Million, representing an increase by Baht 7,866 Million or 7.6 percent when compared with total assets as at December 31, 2018 mainly from fair value adjustment of investments in available-for-sale securities and the increase in construction in process of the Blue Line Extension Project. Total liabilities amounted to Baht 72,874 Million, representing an increase from the previous year by Baht 4,655 Million or 6.8 percent from the withdrawal of loan for the Blue Line Extension Project which is still under construction. Total shareholders' equity amounted to Baht 38,823 Million, representing an increase from the previous year by Baht 3,211 Million or 9 percent when compared to the end of the year 2018 resulted from the net profit from operation and unrealized gain on fair value adjustment of investments in available-for-sale securities.

Cash Flows

As at December 31, 2019, the Company and its subsidiaries had cash and cash equivalents amounting to Baht 704 Million, representing an increase from the end of the previous year by Baht 178 Million.

(Unit: Million Baht)

Description	For the year 2019
Net cash flows operating activities	7,741
Net cash flows investing activities	(7,562)
Net cash flows financing activities	(1)
Net increase in cash and cash equivalents	178
Cash and cash equivalents at beginning of year	526
Cash and cash equivalents at end of year	704

Cash used in investing activities mainly resulted from payment for the M&E equipment of the MRT Blue Line Project in the amount of Baht 6,841 Million, payment for constructions of U-turn bridge for cars and motorcycles on the railroad roads, and maintenances of the Si Rat-Outer Ring Road Expressway in the amount of Baht 707 Million.

Cash from financing activities resulted from the withdrawal of loan in the net amount of Baht 3,922 Million, dividend payment in the amount of Baht 2,293 Million and payment of interest and finance cost in the amount of Baht 1,630 Million.

Significant Financial Ratios*

Description	Unit	2019	2018
Net Profit Margin ratio	%	18.66	20.35
Return on Equity ratio	%	8.38	9.90
Return on Total Assets ratio	%	3.24	3.76
Debt to Equity ratio	Time	1.62	1.59
Net Interest Bearing Debt to Equity ratio	Time	1.37	1.34

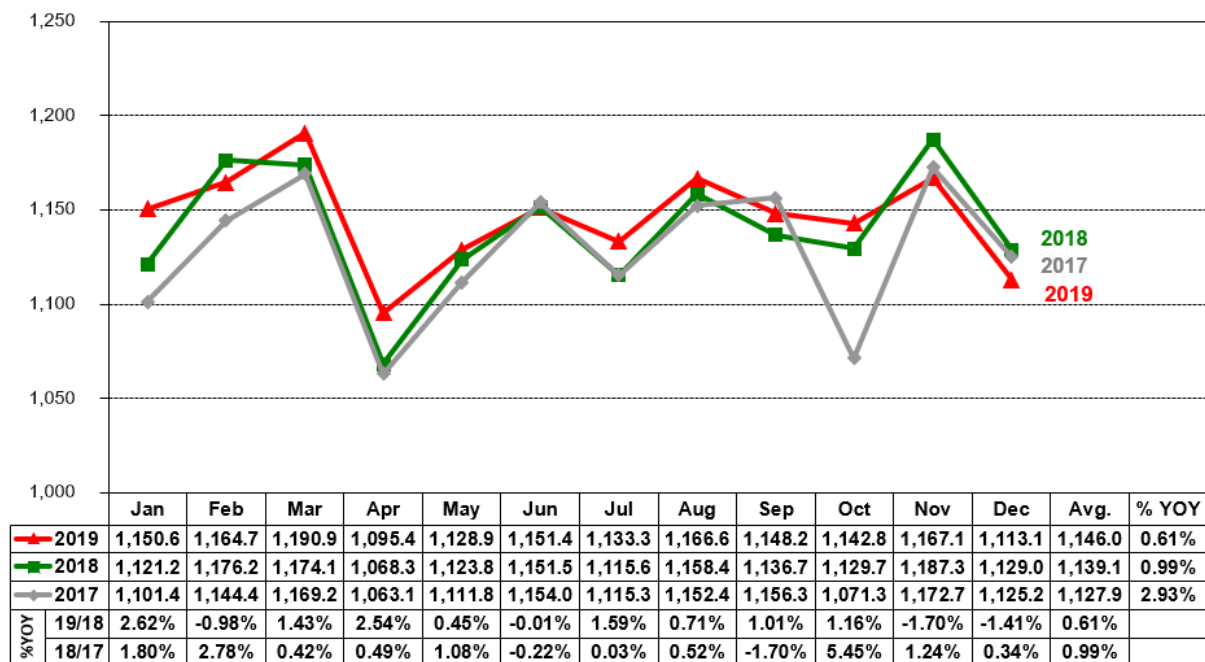
Financial ratio related to the profit decreased due to gains on sale of investments.

* 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.

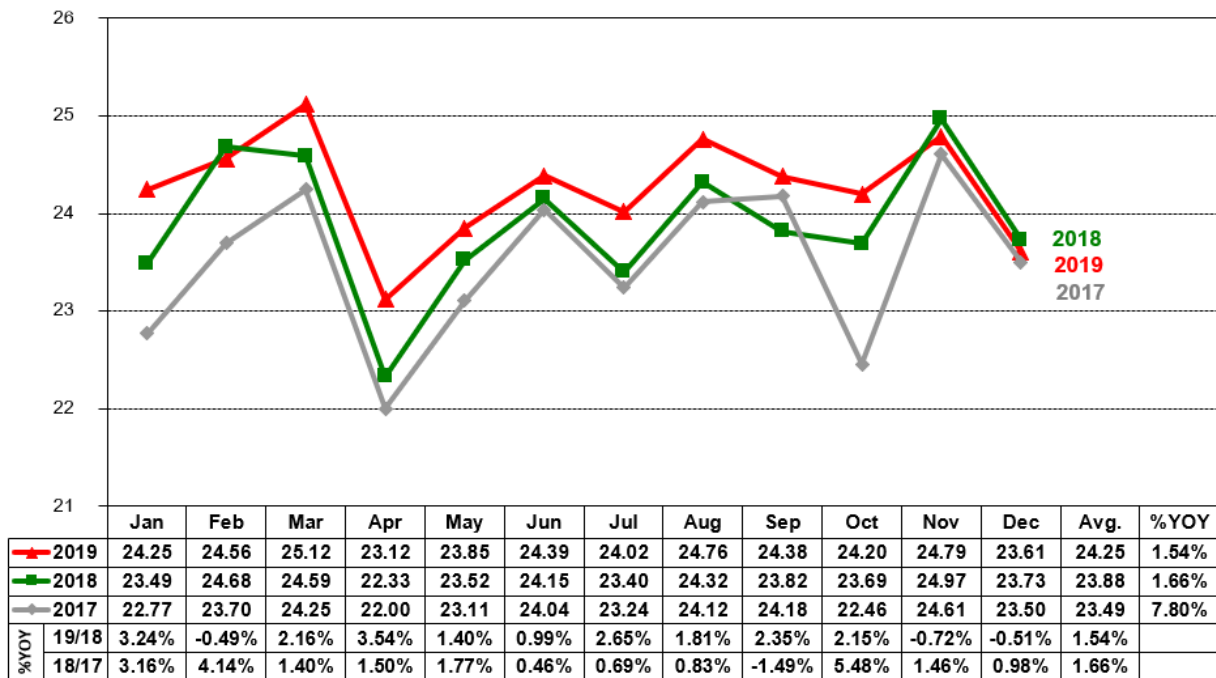
Average Daily Traffic Volume for the First Stage Expressway, the Second Stage Expressway and the Si Rat-Outer Ring Road Expressway

(Thousand Trips / Day)



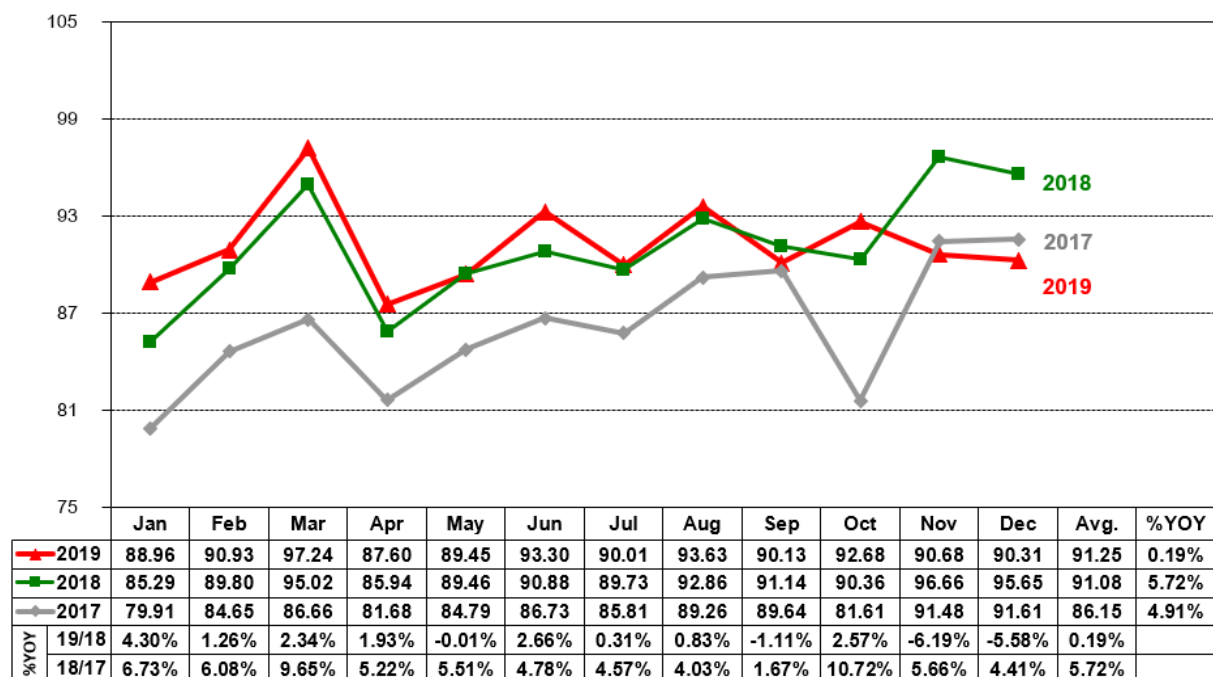
Average Daily Toll Revenue for the First Stage Expressway, the Second Stage Expressway and the Si Rat-Outer Ring Road Expressway

(Million Baht / Day)



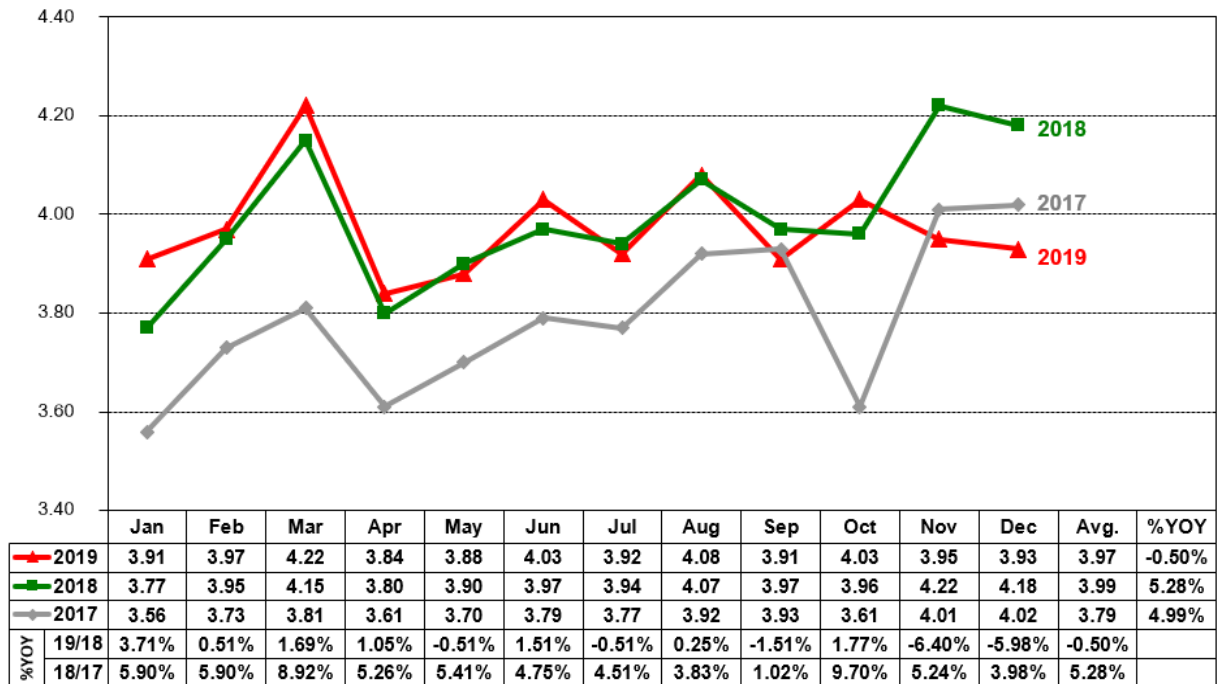
Average Daily Traffic Volume for the Bang Pa-in - Pak Kret Expressway

(Thousand Trips / Day)



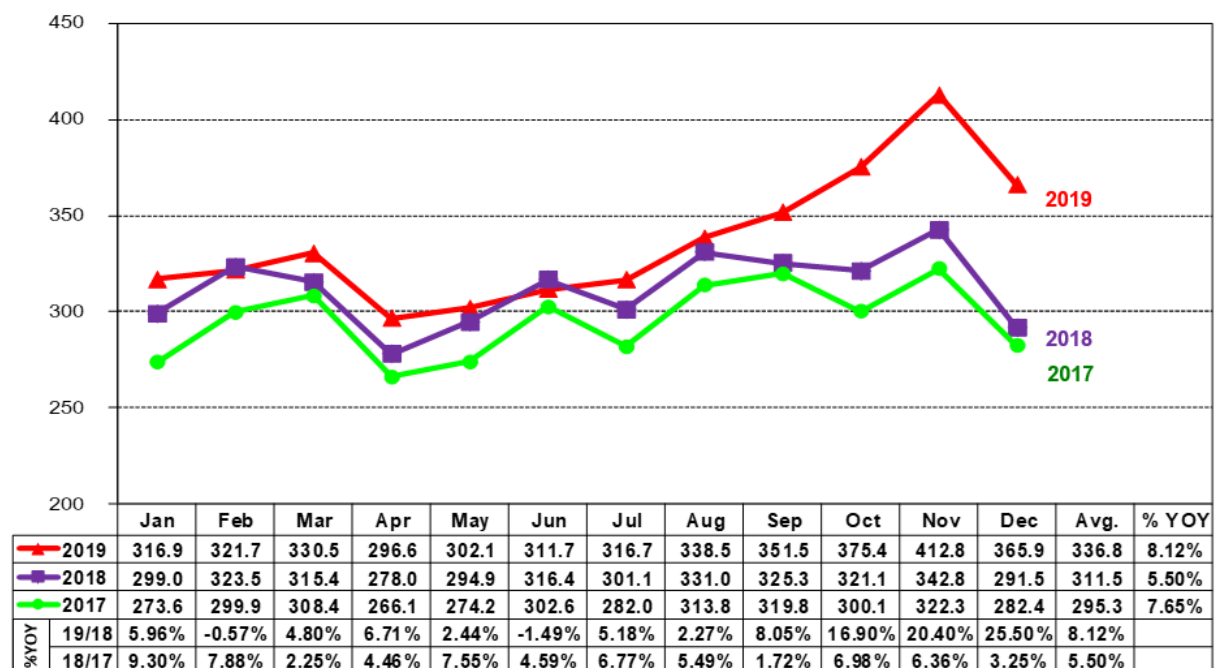
Average Daily Toll Revenue for the Bang Pa-in - Pak Kret Expressway

(Million Baht / Day)



Average Daily Ridership for Blue Line

(Thousand Trips / Day)



Average Daily Farebox Revenue for Blue Line

(Million Baht / Day)

