

Significant events

1. The Extraordinary General Meeting of Shareholders No.1/2019

On March 18, 2019, the Extraordinary General Meeting of Shareholders approved the Company and the subsidiary to settle the disputes with the Expressway Authority of Thailand (EXAT) by means of review and amendment of the Second Stage Expressway Agreement, the Agreement for the Extension of the Second Stage Expressway System (Sector D), and the Bang Pa-in - Pak Kret Expressway Agreement. In case there are changes in the dispute settlement agreement, the Board of Directors shall be authorized to consider approving amendment in accordance with the results of the final negotiation and the resolution of the Council of Ministers and shall be authorized to approve details of the agreements, as well as taking any necessary actions in order to sign the agreements with EXAT until completion.

2. The shareholding in Bangkok Metro Networks Limited

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

3. 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, as a result, a dividend of Baht 0.09 per share will be paid on May 22, 2019.

4. Arbitral Award relating to Revision of Toll Rates of Sector D of the Si Rat Expressway for the year 2003

On April 29, 2019, the Company was informed by the arbitral award dated April 22, 2019, whereby the Arbitral Tribunal unanimously rendered its award requiring EXAT to compensate the Company for damages as follows:

- 1) Damages, together with interest, amounting to Baht 1,048.2 Million, and default interest under the Second Stage Expressway Agreement on such principal damages of Baht 914.3 Million, calculated on a daily basis from June 1, 2018 onwards until EXAT will make such payment in full.
- 2) Damages representing the difference of toll revenue sharing based on the toll rate under the Ministry of Transport's Announcement dated August 29, 2003 and the toll rates which the Company entitled to receive under the Agreement, calculated by the actual number of vehicles in each category using the expressways under the Agreement, calculated on a daily basis from June 1, 2018 onwards until August 31, 2018, including default interest under the Agreement on the difference of toll revenue sharing from June 1, 2018 onwards until the damages, together with interest, will be paid in full to the Company.

(Translation)

Bangkok Expressway and Metro Public Company Limited
Management Discussion and Analysis for the Quarter Ended on March 31, 2019



This dispute is part of the negotiation for settlement with EXAT which the Extraordinary General Meeting of the Shareholder No.1/2019 on March 18, 2019 approved the Company and the subsidiary to settle the disputes with EXAT as described in No.1. It is pending to the EXAT proceeding according to the procedures to the Cabinet for the approval.

Overview Operational Results

(Unit: Million Baht)

Description	1 st Quarter		Changes	
	2019	2018	Amount	%
Revenue from expressway business	2,581	2,537	44	1.7
Revenue from rail business	1,211	1,183	28	2.4
Revenue from commercial development business	177	166	11	6.6
Interest income from the MRT Purple Line Project	99	112	(13)	-11.6
Other income	57	61	(4)	-6.6
Total revenues	4,125	4,059	66	1.6
Cost of service	2,451	2,362	89	3.8
Selling and administrative expenses	312	296	16	5.4
Finance cost	305	482	(177)	-36.7
Interest expense from the MRT Purple Line Project	99	112	(13)	-11.6
Total expenses	3,167	3,252	(85)	-2.6
Profit before income tax expenses	958	807	151	18.7
Income tax expenses	196	163	33	20.2
Profit before share of profit from associates and NCI	762	644	118	18.3
Share of profit from investments in associates, net	106	96	10	10.4
Non-controlling interests of the subsidiaries	(9)	(4)	(5)	-125.0
Profit attributable to Equity holders of the Company	859	736	123	16.7
Basic earnings per share (Baht)	0.06	0.05	0.01	

In the first quarter of the year 2019, the Company had the net profit attributable to equity holders of the Company in the amount of Baht 859 Million representing an increase from the same quarter of the previous year by Baht 123 Million or 16.7 percent. The Company had total revenue of Baht 4,125 Million representing an increase from the same quarter of the previous year by Baht 66 Million or 1.6 percent from all 3 main businesses but mainly from the Si Rat-Outer Ring Road Expressway (SOE) and farebox revenue of the MRT Blue Line.

Cost of service amounted to Baht 2,451 Million representing an increase from the same quarter of the previous year by Baht 89 Million or 3.8 percent mainly from the increase in operating expense and amortization. Selling and administrative expenses amounted to Baht 312 Million representing an increase by Baht 16 Million or 5.4 percent.

(Translation)

Finance cost amounted to Baht 305 Million representing a decrease from the same quarter of the previous year by Baht 177 Million or 36.7 percent, mainly from refinancing expense of SOE long term loan amounting to Baht 140 Million in the first quarter of the year 2018. As a result of refinance, interest expense decreased by Baht 37 Million from the same quarter of the previous year according to the decrease in financial cost.

Segmental performance

1. Expressway business

The Company had revenue from Expressway business of Baht 2,581 Million, representing an increase from the same quarter of the previous year by Baht 44 Million or 1.7 percent, mainly from the increase in toll revenue from SOE. In the first quarter of the year 2019, SOE average traffic volume was at 62,300 trips/day representing an increase by 12 percent when compared to the same quarter of 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) on September 30, 2018. For the First Stage Expressway (FES) and the Second Stage Expressway (SES), toll revenue was slightly increased from the previous year. For the Bang Pa-in - Pak Kret Expressway (Sector C+), toll revenue increased by 2 percent due to the expansion of suburban area resulting to the traffic volume increased. Sector C+ average traffic volume in the first quarter of the year 2019 was at 92,400 trips/day representing an increase by 2.6 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 first quarter of the year 2019, the cost was at Baht 1,483 Million, representing an increase from the same quarter of the previous year by Baht 83 Million or 5.9 percent mainly from the amortization of rights to operate completed expressway sectors.

2. Rail business

The Company had revenue from Rail business of Baht 1,211 Million, representing an increase from the same quarter of the previous year by Baht 28 Million or 2.4 percent mainly from farebox revenue of the MRT Blue Line as the ridership continued to increase from the connection between the MRT Purple Line Project and the MRT Blue Line Project which convenience, time efficiency and familiar. The behavior of people has changed which resulted to the increase in MRT passengers. The average ridership of the MRT Blue Line Project in the first quarter of the year 2019 was at 323,100 trips/day and the average ridership per working days was at 367,500 trips/day representing an increase from the same quarter of the previous year by 3.5 percent and 3.9 percent, respectively.

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 first quarter of the year 2019, the cost was at Baht 908 Million, which is closely to the same quarter of the previous year.

(Translation)

3. Commercial Development Business

In the first quarter of the year 2019, total commercial development revenue was Baht 177 Million, representing an increase from the same quarter of the previous year by Baht 11 Million or 6.6 percent from the increase in retail revenue according to the increase in ridership and the renovation of Metro Mall.

Cost of Commercial Development business for the first quarter of the year 2019 was at Baht 60 Million, representing an increase from the previous year by Baht 7 Million or 13.2 percent.

Financial Position

(Unit: Million Baht)

Description	31 Mar 19	31 Dec 18	Changes	
			Amount	%
Total assets	105,069	103,831	1,238	1.2
Total liabilities	68,911	68,219	692	1.0
Total shareholders' equity	36,158	35,612	546	1.5

As at March 31, 2019, the Company and its subsidiaries had total assets amounted to Baht 105,069 Million, representing an increase by Baht 1,238 Million or 1.2 percent when compared with total assets as at December 31, 2018 mainly from the increase in construction in process of the Blue Line Extension Project. Total liabilities amounted to Baht 68,911 Million, representing an increase from the previous year by Baht 692 Million or 1 percent from the withdrawal of loan for the Blue Line Extension Project which is under construction. Total shareholders' equity amounted to Baht 36,158 Million, representing an increase from the previous year by Baht 546 Million or 1.5 percent when compared to the end of the year 2018 resulted from the net profit from operation.

Cash Flows

As at March 31, 2019, the Company and its subsidiaries had cash and cash equivalents amounting to Baht 836 Million, representing an increase from the end of the previous year by Baht 310 Million.

(Unit: Million Baht)

Description	1 st Quarter 2019
Net cash flows operating activities	1,788
Net cash flows investing activities	(2,101)
Net cash flows financing activities	623
Net increase in cash and cash equivalents	310
Cash and cash equivalents at beginning of period	526
Cash and cash equivalents at end of period	836

(Translation)

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 1,993 Million and addition investment in subsidiary in the amount of Baht 269 Million.

Cash from financing activities resulted from the withdrawal of long term loan in the net amount of Baht 815 Million and payment of interest and finance cost in the amount of Baht 192 Million.

Significant Financial Ratios*

Description	Unit	1 st Quarter	
		2019	2018
Net Profit Margin ratio	%	21.33	18.65
Return on Equity ratio	%	10.40	10.18
Return on Total Assets ratio	%	3.92	3.81
Debt to Equity ratio	Time	1.59	1.68
Net Interest Bearing Debt to Equity ratio	Time	1.35	1.39

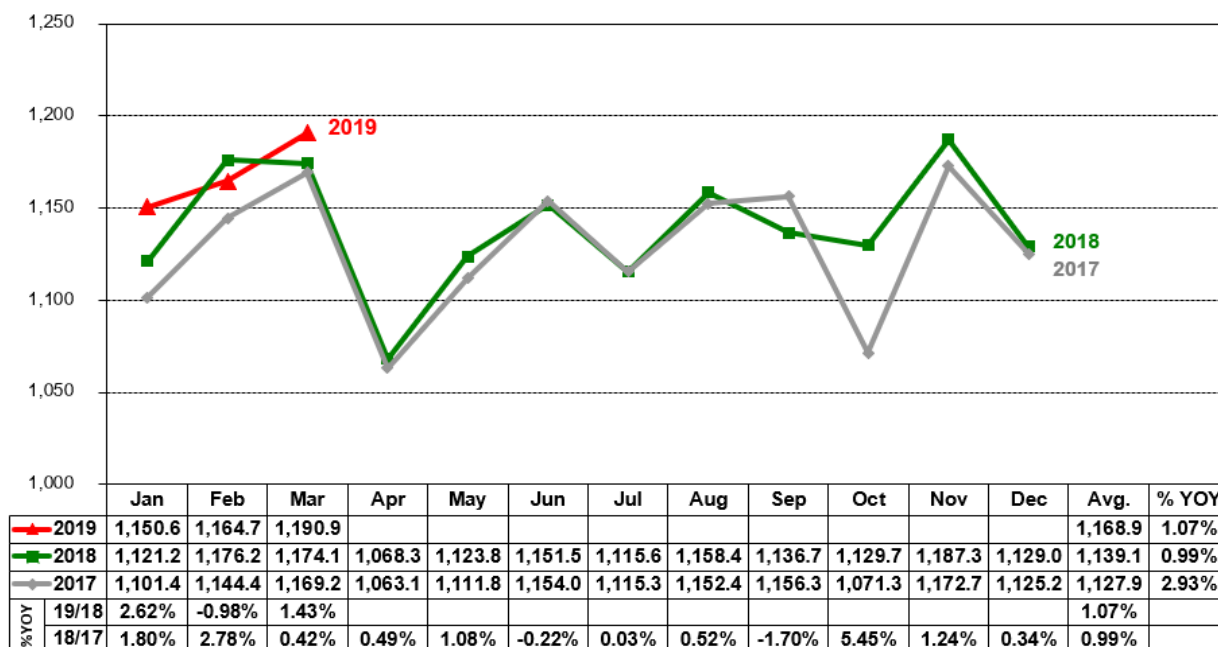
- * The operational results were calculated based on the consolidated financial statements which consist of the Expressway Business, Rail Business, Commercial Development Business, the manufacture and distribution of treated water business and electricity production business. Therefore, there was no similar type of business in the industry that can be used as a benchmark for comparison.

Not include transaction related to the novation of the M&E systems under the concession agreement of the MRT Chalong Ratchadham Line Project which the MRTA is fully responsible for both loan repayment and interest expense in accordance to the concession agreement and gain on fair value adjustment of investment in the third quarter of the year 2018.

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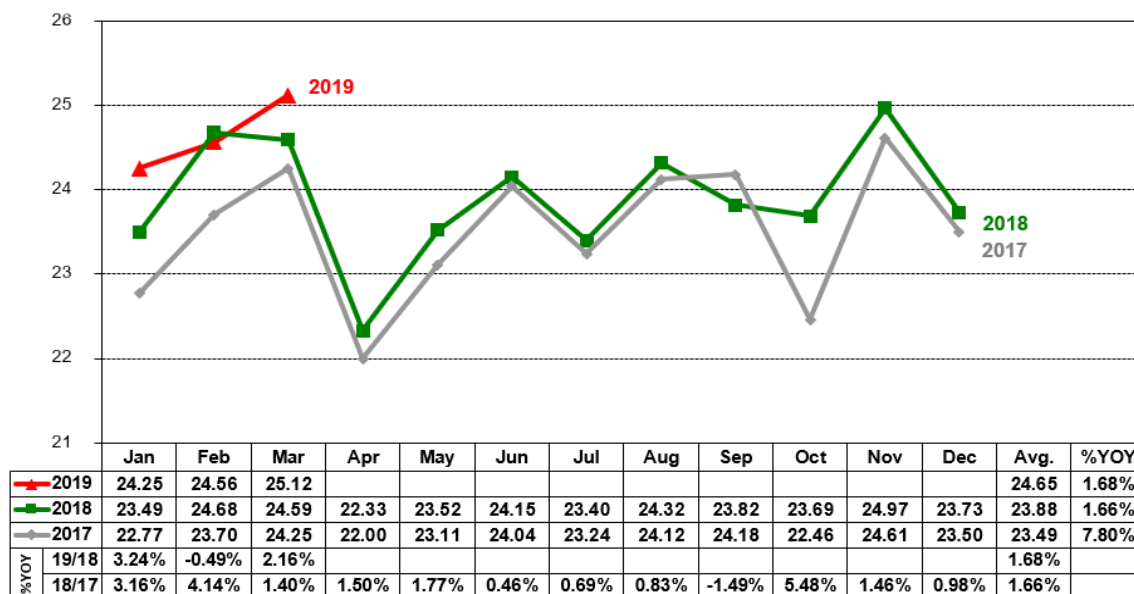
Average Daily Traffic Volume for the First Stage Expressway, the Second Stage Expressway and the Si Rat-Outer Ring Road Expressway

(Thousand Trips / Day)



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

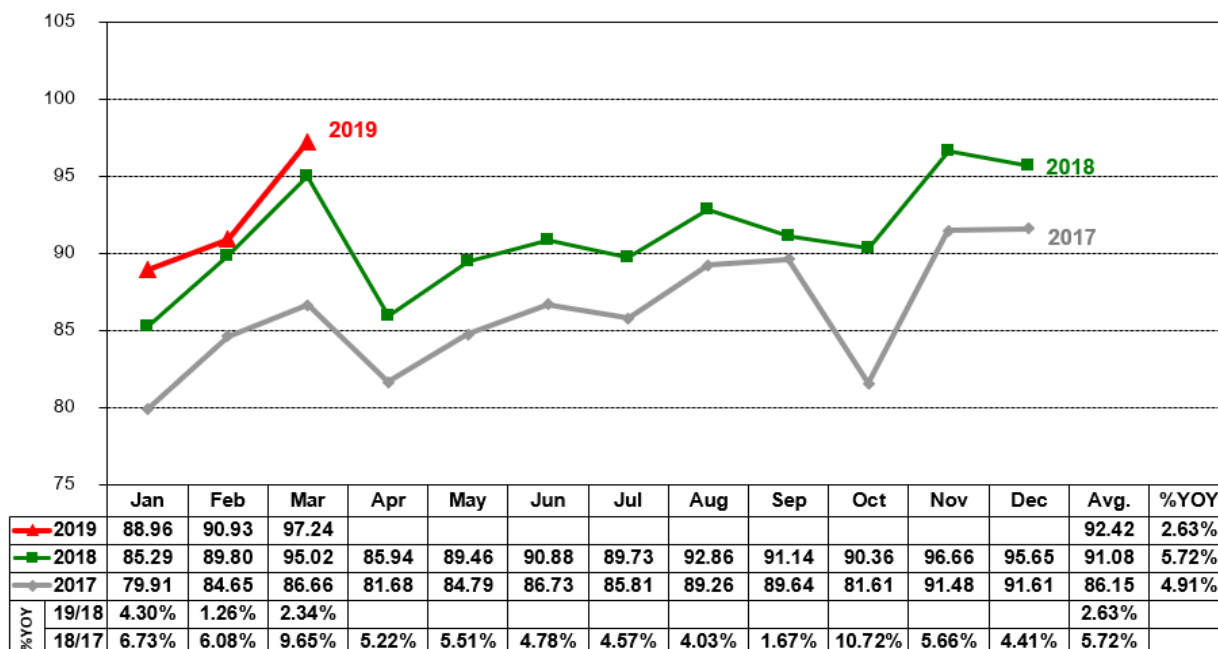
(Million Baht / Day)



(Translation)

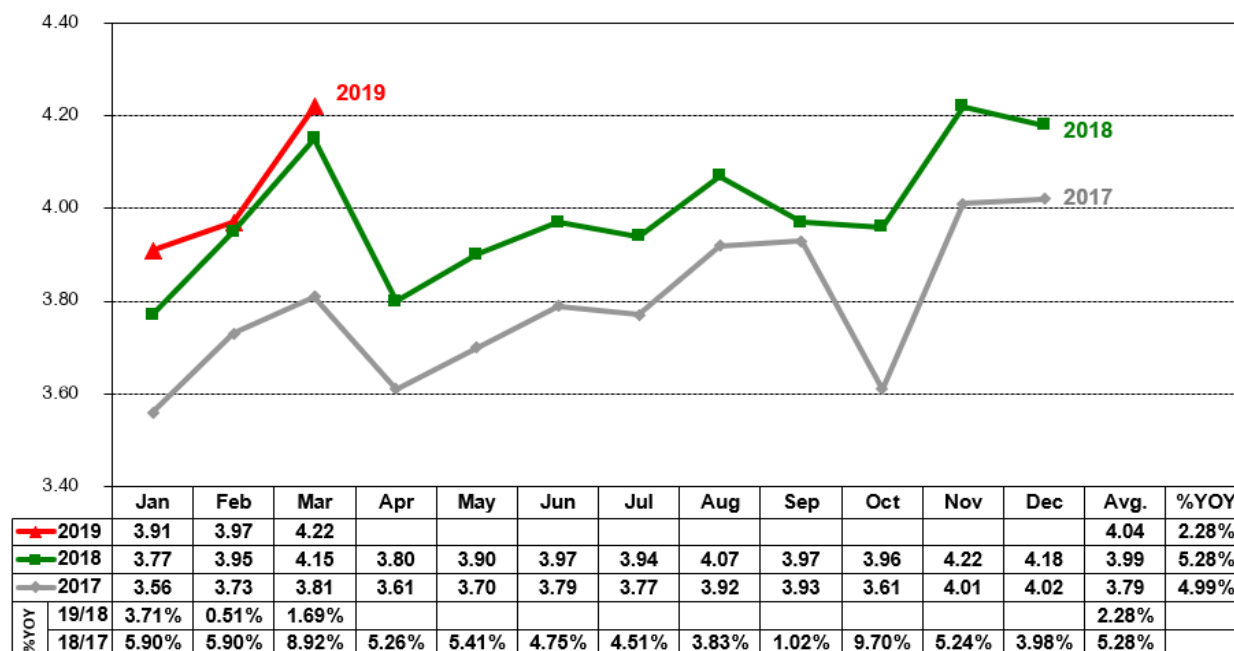
Average Daily Traffic Volume for the Bang Pa-in - Pak Kret Expressway

(Thousand Trips / Day)



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

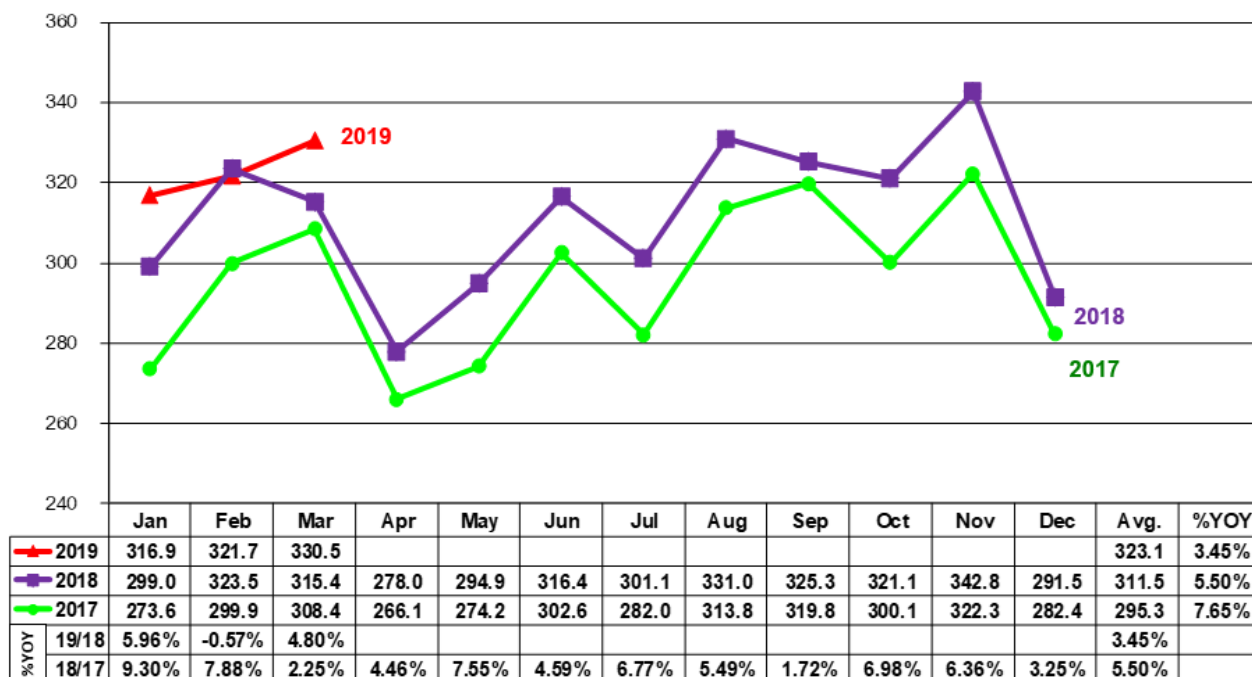
(Million Baht / Day)



(Translation)

Average Daily Ridership for Blue Line

(Thousand Trips / Day)



Average Daily Farebox Revenue for Blue Line

(Million Baht / Day)

