

Significant events in the second quarter of the year 2019

1. 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.

2. 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 the EXAT to compensate the Company for damages as follows:

- 1) Damages, together with interest, amounting to Baht 1,048 Million, and default interest under the Second Stage Expressway Agreement on such principal damages of Baht 914 Million, calculated on a daily basis from June 1, 2008 onwards until the 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, 2008 onwards until August 31, 2008, including default interest under the Agreement on the difference of toll revenue sharing from June 1, 2008 onwards until the damages, together with interest, will be paid in full to the Company.

3. The Central Administrative Court's Judgement on the Revision of Toll Rates of the Chalerm Mahanakorn Expressway and the Si Rat Expressway for the year 2003

On May 14, 2019, the Central Administrative Court has ruled to dismiss the case the EXAT filed to revoke the Arbitral Award. By the result of the Court's Judgement, the Arbitral award on February 12, 2016 shall be legally binding the EXAT to compensate the Company for damages as follows:

- 1) Damages, together with interest, amounting to Baht 4,368 Million, and default interest under the Second Stage Expressway Agreement on such principal damages of Baht 3,776 Million, calculated on a daily basis from April 1, 2008 onwards until the 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 April 1, 2008 onwards, including default interest under the Agreement on the difference of toll revenue sharing from April 1, 2008 onwards until the damages, together with interest, will be paid in full to the Company.

The disputes as described in No.2 and No.3 are part of the negotiation 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 the EXAT. It is pending to the EXAT proceeding according to the procedures to the Cabinet for the approval.

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

During the second quarter of the year 2019, the Company sold some 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.

5. The progress of the MRT Blue Line Extension Project

At the end of June 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 82 percent slightly earlier than the plan. However, the Company has operated trial run service for 5 more stations from Wat Mangkon Station to Tha Phra Station in MRT Blue Line Extension which included Wat Mangkon Station, Sam Yot Station, Sanam Chai Station, Itsaraphap Station and Tha Phra Station without farebox charge from July 29, 2019 to September 28, 2019 between 10 A.M. to 4 P.M. Afterward, the Company will operate 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

(Translation)

Overview Operational Results Between the second quarter of the year 2019 and 2018

(Unit: Million Baht)

Description	2 nd Quarter		Changes	
	2019	2018	Amount	%
Revenue from expressway business	2,521	2,477	44	1.8
Revenue from rail business	1,162	1,162	-	-
Revenue from commercial development business	179	160	19	11.9
<i>Interest income from the MRT Purple Line Project</i>	97	110	(13)	-11.8
Other income	68	8	60	750.0
Gains on sale of investments	106	245	(139)	-56.7
Gain on reclassification of investment	3,409	-	3,409	N/A
Total revenues	7,542	4,162	3,380	81.2
Cost of service	2,480	2,320	160	6.9
Selling and administrative expenses	330	313	17	5.4
Finance cost	324	320	4	1.3
<i>Interest expense from the MRT Purple Line Project</i>	97	110	(13)	-11.8
Total expenses	3,231	3,063	168	5.5
Profit before income tax expenses	4,311	1,099	3,212	292.3
Income tax expenses	1,257	229	1,028	448.9
Profit before share of profit from associates and NCI	3,054	870	2,184	251.1
Share of profit from investments in associates, net	67	110	(43)	-39.1
Non-controlling interests of the subsidiaries	(3)	(2)	(1)	-50.0
Profit attributable to Equity holders of the Company	3,118	978	2,140	218.8
Basic earnings per share (Baht)	0.20	0.06	0.14	

In the second quarter of the year 2019, the Company had the net profit attributable to equity holders of the Company in the amount of Baht 3,118 Million representing an increase from the same quarter of the previous year by Baht 2,140 Million or 218.8 percent mainly from gain on reclassification of investment, net of tax, in the amount of Baht 2,334 Million in this quarter. The Company had revenue from expressway business, rail business and commercial development business in the amount of Baht 3,862 million representing an increase from the same quarter of the previous year by Baht 63 Million or 1.7 percent mainly from the Si Rat-Outer Ring Road Expressway (SOE). Other income increased by Baht 60 million or 750 percent mainly from the record of dividend income from CK Power Public Company Limited (CKP) in the income statement after the reclassification of investment in the third quarter of the year 2018. However, gains on sale of investments decreased due to the Company had gain on sale of investment in Xayaburi Power Company Limited (XPCL) in the amount of Baht 244 million in the second quarter of the year 2018.

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Cost of service amounted to Baht 2,480 Million representing an increase from the same quarter of the previous year by Baht 160 Million or 6.9 percent mainly from the increase in operating expense and amortization. Selling and administrative expenses amounted to Baht 330 Million representing an increase by Baht 17 Million or 5.4 percent.

Finance cost amounted to Baht 324 Million representing an increase from the same quarter of the previous year by Baht 4 Million or 1.3 percent and income tax expenses amounted to Baht 1,257 Million representing an increase from the same quarter of the previous year by Baht 1,028 Million or 448.9 percent mainly from tax related gain on reclassification of investment which is non-cash transaction.

Segmental performance

1. Expressway business

The Company had revenue from Expressway business of Baht 2,521 Million, representing an increase from the same quarter of the previous year by Baht 44 Million or 1.8 percent, mainly from the increase in toll revenue from SOE. In the second quarter of the year 2019, SOE average traffic volume was at 62,700 trips/day representing an increase by 17.4 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). 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 0.8 percent. Sector C+ average traffic volume in the second quarter of the year 2019 was at 90,100 trips/day representing an increase by 1.5 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 second quarter of the year 2019, the cost was at Baht 1,482 Million, representing an increase from the same quarter of the previous year by Baht 124 Million or 9.1 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 1,162 Million, although the average ridership per working days increased 3.9 percent from 349,000 trips/day in the second quarter of the year 2018 to 362,600 trips/day in the second quarter of the year 2019 but as the number of holidays occurred more than the previous year, the revenue from Rail business was closely to the same quarter of the previous year.

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 second quarter of the year 2019, the cost was at Baht 938 Million, representing an increase from the same quarter of the previous year by Baht 27 Million or 3 percent.

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3. Commercial Development Business

In the second quarter of the year 2019, total commercial development revenue was Baht 179 Million, representing an increase from the same quarter of the previous year by Baht 19 Million or 11.9 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 second quarter of the year 2019 was at Baht 60 Million, representing an increase from the same quarter of the previous year by 9 Million or 17.6 percent.

Overview Operational Results Between the six-month period of the year 2019 and 2018

(Unit: Million Baht)

Description	For the six months		Changes	
	2019	2018	Amount	%
Revenue from expressway business	5,103	5,015	88	1.8
Revenue from rail business	2,373	2,344	29	1.2
Revenue from commercial development business	356	326	30	9.2
<i>Interest income from the MRT Purple Line Project</i>	196	222	(26)	-11.7
Other income	79	28	51	182.1
Gains on sale of investments	153	287	(134)	-46.7
Gain on reclassification of investment	3,409	-	3,409	N/A
Total revenues	11,669	8,222	3,447	41.9
Cost of service	4,931	4,684	247	5.3
Selling and administrative expenses	644	608	36	5.9
Finance cost	628	802	(174)	-21.7
<i>Interest expense from the MRT Purple Line Project</i>	196	222	(26)	-11.7
Total expenses	6,399	6,316	83	1.3
Profit before income tax expenses	5,270	1,906	3,364	176.5
Income tax expenses	1,454	392	1,062	270.9
Profit before share of profit from associates and NCI	3,816	1,514	2,302	152.0
Share of profit from investments in associates, net	173	206	(33)	-16.0
Non-controlling interests of the subsidiaries	(12)	(6)	(6)	-100.0
Profit attributable to Equity holders of the Company	3,977	1,714	2,263	132.0
Basic earnings per share (Baht)	0.26	0.11	0.15	

(Translation)

For the six-month period of the year 2019, the Company had the net profit attributable to equity holders of the Company in the amount of Baht 3,977 Million representing an increase from the same period of the previous year by Baht 2,263 Million or 132 percent mainly from gain on reclassification of investment and the increase in revenue from all 3 businesses.

Cost of service amounted to Baht 4,931 Million representing an increase from the same period of the previous year by Baht 247 Million or 5.3 percent mainly from the increase in operating expense and amortization. Selling and administrative expenses amounted to Baht 644 Million representing an increase by Baht 36 Million or 5.9 percent.

Finance cost amounted to Baht 628 Million representing a decrease from the same period of the previous year by Baht 174 Million or 21.7 percent due to in the year 2018 the Company had refinancing expense of SOE long term loan amounting to Baht 140 Million but no such transaction in this year.

Financial Position

(Unit: Million Baht)

Description	30 Jun 19	31 Dec 18	Changes	
			Amount	%
Total assets	113,587	103,831	9,756	9.4
Total liabilities	72,581	68,219	4,362	6.4
Total shareholders' equity	41,006	35,612	5,394	15.1

As at June 30, 2019, the Company and its subsidiaries had total assets amounted to Baht 113,587 Million, representing an increase by Baht 9,756 Million or 9.4 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 72,581 Million, representing an increase from the previous year by Baht 4,362 Million or 6.4 percent from the withdrawal of loan for the Blue Line Extension Project which is under construction. Total shareholders' equity amounted to Baht 41,006 Million, representing an increase from the previous year by Baht 5,394 Million or 15.1 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 which presented under other components of shareholders' equity.

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Cash Flows

As at June 30, 2019, the Company and its subsidiaries had cash and cash equivalents amounting to Baht 940 Million, representing an increase from the end of the previous year by Baht 414 Million.

(Unit: Million Baht)

Description	For the six months of the year 2019
Net cash flows operating activities	4,392
Net cash flows investing activities	(4,584)
Net cash flows financing activities	606
Net increase in cash and cash equivalents	414
Cash and cash equivalents at beginning of period	526
Cash and cash equivalents at end of period	940

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 4,376 Million.

Cash from financing activities resulted from the withdrawal of long term loan in the net amount of Baht 3,179 Million, dividend payment in the amount of Baht 1,376 million and payment of interest and finance cost in the amount of Baht 789 Million.

Significant Financial Ratios*

Description	Unit	2 nd Quarter	
		2019	2018
Net Profit Margin ratio	%	19.41	24.14
Return on Equity ratio	%	8.89	11.03
Return on Total Assets ratio	%	3.46	4.13
Debt to Equity ratio	Time	1.50	1.71
Net Interest Bearing Debt to Equity ratio	Time	1.24	1.39

Financial ratio related to the profit decreased from the previous year due to the decrease of gains on sale of investments.

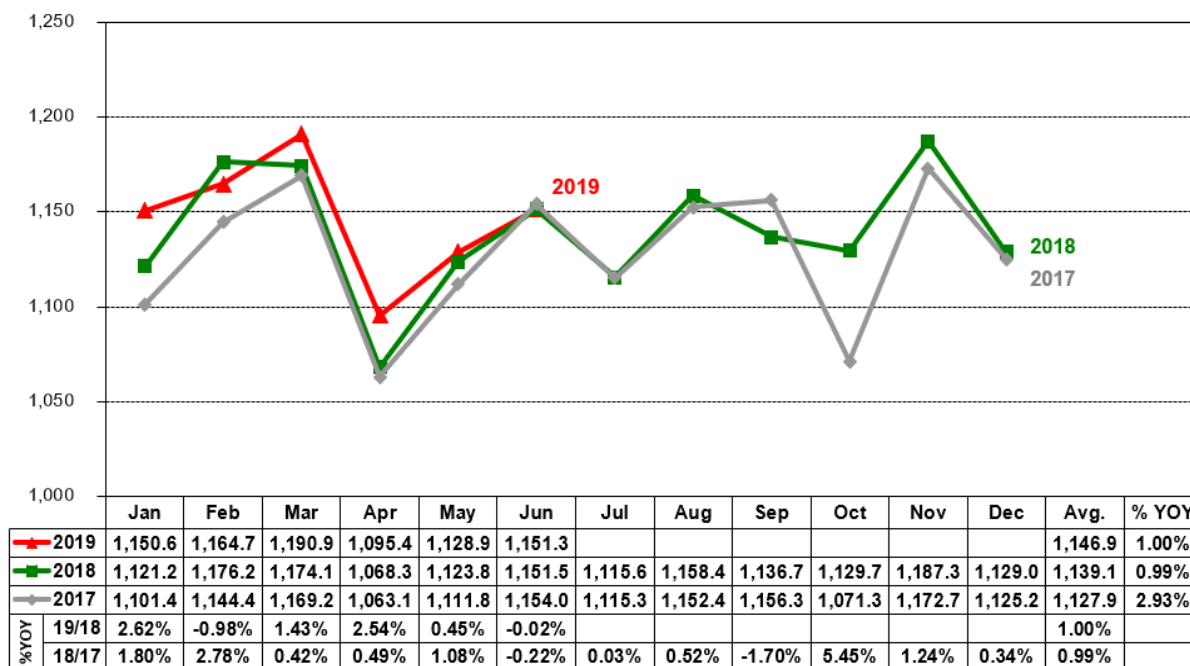
* The operational results were calculated based on the consolidated financial statements which consist of the Expressway Business, Rail Business, Commercial Development Business, the manufacture and distribution of treated water business and electricity production business. Therefore, there was no similar 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.

(Translation)

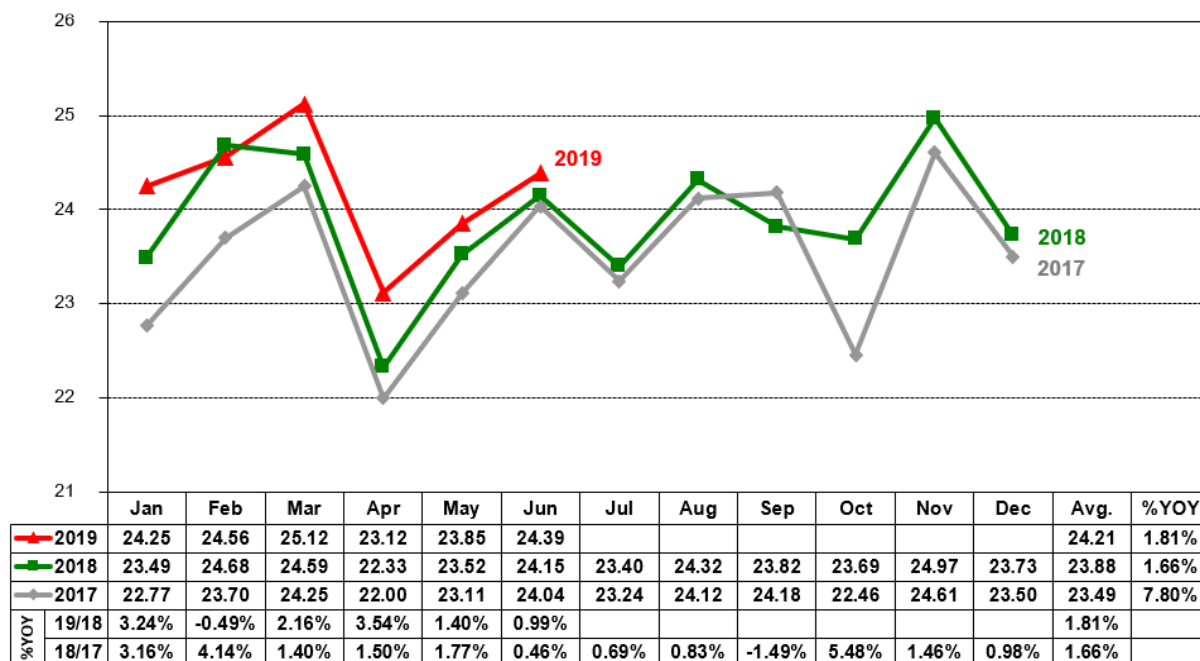
Average Daily Traffic Volume for the First Stage Expressway, the Second Stage Expressway and the Si Rat-Outer Ring Road Expressway

(Thousand Trips / Day)



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

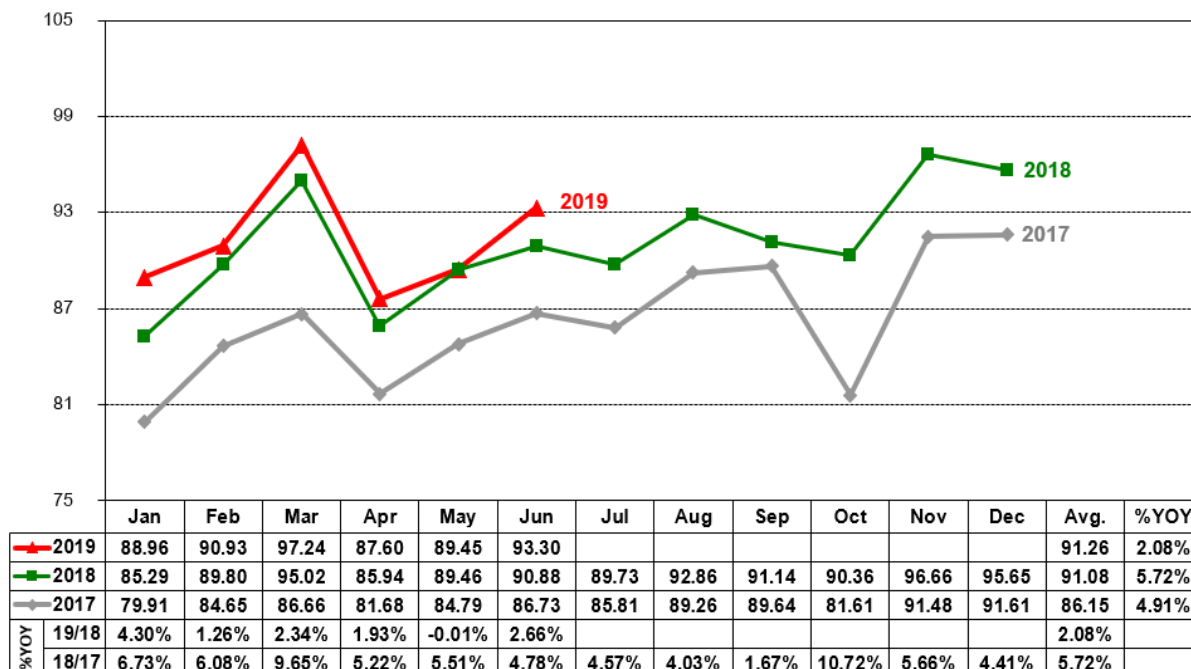
(Million Baht / Day)



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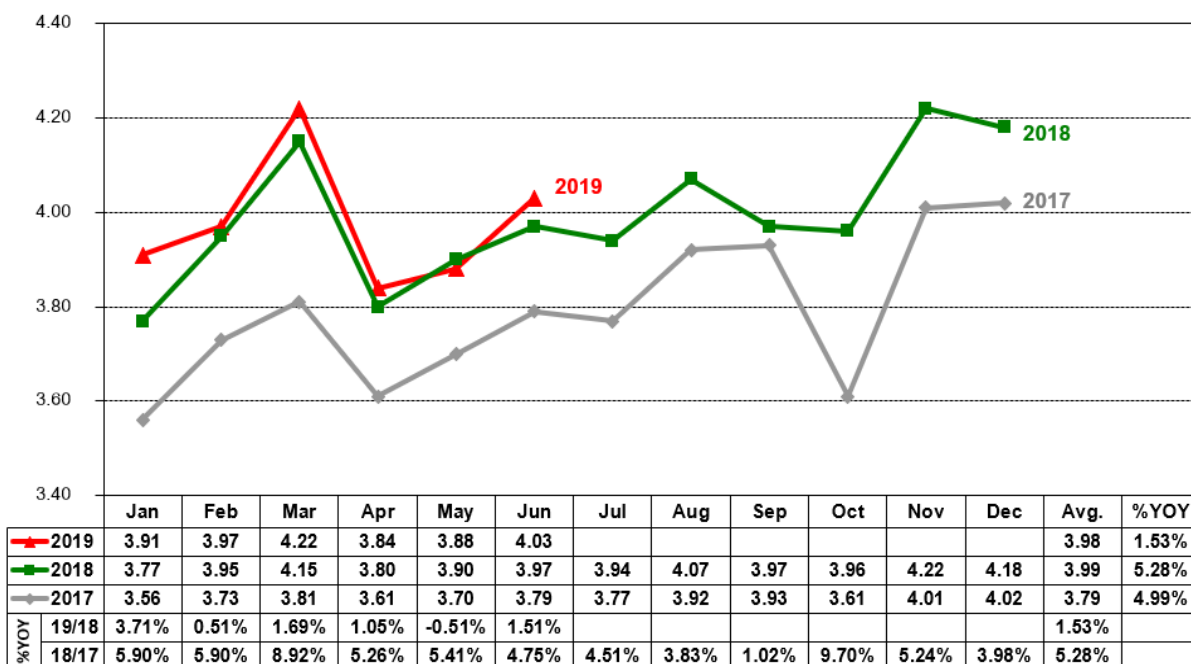
Average Daily Traffic Volume for the Bang Pa-in - Pak Kret Expressway

(Thousand Trips / Day)



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

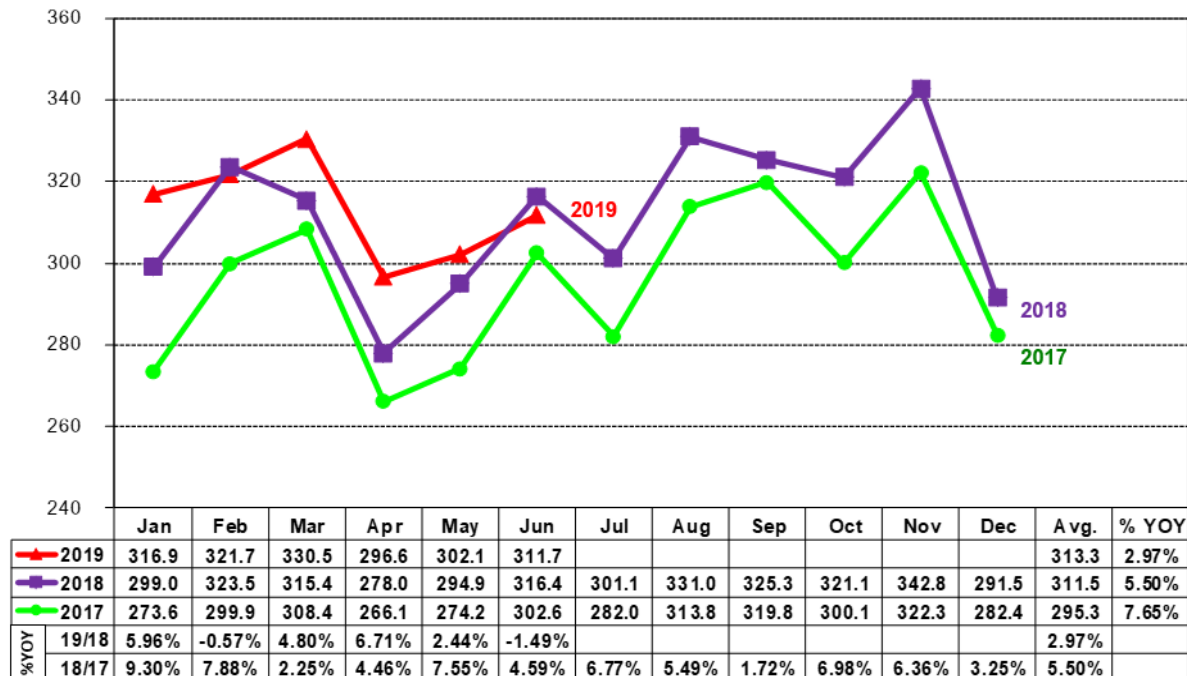
(Million Baht / Day)



(Translation)

Average Daily Ridership for Blue Line

(Thousand Trips / Day)



Average Daily Farebox Revenue for Blue Line

(Million Baht / Day)

