

Significant events in the second quarter of the year 2020

1. The effect of the Corona Virus Disease 2019 outbreak (COVID-19)

At the end of March to the beginning of April, the government had measures such as closed the potential risk places, no activity in crowded places, asked for people cooperation to work from home and imposed the curfew from 10 p.m. to 4 a.m. starting from April 3, 2020 in order to limit the movement of people, which led to the decrease in traveling trips and revenue of the Company especially in April 2020 when the traffic volume reduced 50% and the ridership reduced 74% comparing to the same period of the previous year. However, on May 3, 2020, the government relief measures for flexible living routine and curfew cancelation which led to the continued increase in traveling trips. In July 2020, the average traffic volume was at 1,121,200 trips/day which was 92 percent of the traffic volume in July 2019 and the average ridership per working day was at 307,200 trips/day and average ridership was at 253,400 trips/day which was 80 percent of the ridership in July 2019.

The Company organized “Healthy Journey With BEM” project to hand out 1 million face mask for people and the MRT passengers during June to August 2020, also provided alcohol gel hand sanitizer in the station and cleaned surfaces inside stations and trains in order to create confidence among passengers using MRT trains.

2. The 2020 Annual General Meeting and dividend payment

According to the COVID-19 outbreak and the social distancing policy from the government which to prevent the wide spread of the virus, the Company postponed the 2020 Annual General Meeting on April 24, 2020 until the situation is well. Moreover, in order to reduce the effect on the shareholders from the postponement of the 2020 Annual General Meeting, the Board of Directors Meeting on April 9, 2020 had a resolution to approve the interim payment instead of the annual dividend payment at a rate of Baht 0.09 per share. The Company has already paid dividend on May 8, 2020 and held the 2020 Annual General Meeting on July 20, 2020.

3. Toll free on official holidays

The Company cooperated to waive the toll fee on official holiday announced by the Prime Minister's Office in 3 expressways, the First Stage Expressway, the Second Stage Expressway and the Bang Pa-In - Pak Kret Expressway. There are 19 official holidays in year 2020, 5 days were in the second quarter which are Chakri Memorial Day, Coronation Day, Visakha Bucha Day, Royal Ploughing Ceremony Day and H.M. Queen Suthida's Birthday.

(Translation)

Overview Operational Results Between the second quarter and the six-month period of the year 2020 and 2019

(Unit: Million Baht)

Description	2 nd Quarter		Changes %	For the six months		Changes %±
	2020	2019		2020	2019	
Revenue from expressway business	1,506	2,521	-40.3	3,806	5,103	-25.4
Revenue from rail business	816	1,162	-29.8	2,109	2,373	-11.1
Revenue from commercial development business	167	182	-8.2	371	361	2.8
Total revenue from main business	2,489	3,865	-35.6	6,286	7,837	-19.8
<i>Interest income from the MRT Purple Line Project</i>	70	97	-27.8	150	196	-23.5
Other income	274	65	321.5	283	74	282.4
Gains on sale of investments	-	106	-100.0	3	153	-98.0
Gain on reclassification of investment	-	3,409	-100.0	-	3,409	-100.0
Total revenues	2,833	7,542	-62.4	6,722	11,669	-42.4
Cost of service	1,821	2,480	-26.6	4,316	4,931	-12.5
Selling and administrative expenses	341	330	3.3	646	645	0.2
Total expenses	2,162	2,810	-23.1	4,962	5,576	-11.0
Profit before finance cost and tax expenses	671	4,732	-85.8	1,760	6,093	-71.1
Finance cost	473	324	46.0	852	628	35.7
<i>Interest expense from the MRT Purple Line Project *</i>	75	97	-22.7	151	196	-23.0
Profit before income tax expenses	123	4,311	-97.1	757	5,269	-85.6
Income tax (revenue) expenses	(29)	1,257	-102.3	94	1,453	-93.5
Profit before share of profit from associates and NCI	152	3,054	-95.0	663	3,816	-82.6
Share of profit from investments in associates, net	-	67	-100.0	-	173	-100.0
NCI	-	(3)	100.0	(3)	(12)	75.0
Profit attributable to Equity holders of the Company	152	3,118	-95.1	660	3,977	-83.4
Basic earnings per share (Baht)	0.01	0.20		0.04	0.26	

* According to the adoption of Thai Financial Reporting Standard No.9 Financial Instruments since January 1, 2020, the Company reclassified loan from financial institution for the MRT Purple Line Project (the MRTA is fully responsible for both loan repayment and interest expense in accordance to the concession agreement) to financial liabilities which measured at amortized cost with effective interest rate. The Company recorded interest expense from the MRT Purple Line Project in the second quarter and the six-month period of the year 2020 in the amount of Baht 75 Million and 151 Million, respectively whereas recorded interest income as actual receipt in the amount of Baht 70 Million and 150 Million, respectively.

(Translation)

In the second quarter of the year 2020, the Company had the net profit attributable to equity holders of the Company in the amount of Baht 152 Million representing a decrease by Baht 632 Million or 80.6 percent when comparing to the net profit from normal operation of the same quarter of the previous year, mainly from the decrease in revenue from the effect of COVID-19 outbreak. When included a gain on reclassification of investment in TTW Public Company Limited (TTW) in the net amount of Baht 2,334 Million in the second quarter of the year 2019, the net profit in this quarter decreased by Baht 2,966, Million or 95.1 percent due to no such transaction in this year.

The Company had revenue from main business of Baht 2,489 Million representing a decrease from the same quarter of the previous year by Baht 1,376 Million or 35.6 percent. Toll revenue decreased by Baht 1,015 Million, revenue from Rail business decreased by Baht 346 Million and revenue from Commercial Development business decrease by Baht 15 Million. Other revenue of Baht 274 Million representing an increase from the same quarter of the previous year by Baht 209 Million mainly from the change in recording revenue from TTW from share of profit to dividend income due to the reclassification of investment and there was no gain on sale of investment in this quarter.

Cost of service amounted to Baht 1,821 Million represented a decrease from the same quarter of the previous year by Baht 659 Million or 26.6 percent mainly from the decrease in amortization expense due to cost of rights to operated expressway sectors of Sri Rat Expressway Sector A, B, C were fully amortized in the first quarter of the year 2020 whereas there was an increase in expenses related to the operation of the MRT Blue Line which was operated in full commercial service on March 30, 2020. Selling and administrative expenses slightly increased from the same quarter of the previous year.

Finance cost, after the full operated in commercial service of the MRT Blue Line, the Company recorded interest cost of the project, which formerly recorded as cost of construction, as interest expenses in the income statement according to accounting standard, resulting to the increase of interest expense from the same quarter of the previous year.

In this quarter, the Company had no amount of share of profit from investments in associates but recorded dividend income instead of share of profit from investment in associates after the reclassification of the investments in TTW from investment in associate to long-term investments in financial assets (formerly named other long-term investments) in accordance with Accounting Standard.

For the six-month period of the year 2020, the Company had the net profit attributable to equity holders of the Company in the amount of Baht 660 Million representing a decrease from the same period of the previous year by Baht 3,317 Million or 83.4 percent mainly from gain on reclassification of investment in the year 2019 but no such transaction in this year together with the effect from COVID-19 outbreak which led to the decrease in traffic volume and ridership resulting to the decrease in revenue. Cost of service amounted to Baht 4,316 Million representing a decrease from the previous year by Baht 615 Million or 12.5 percent and finance cost amounted to Baht 1,003 Million representing an increase from the previous year by Baht 179 Million or 21.7 percent.

(Translation)

Segmental performance

1. Expressway business

The Company had revenue from Expressway business of Baht 1,506 Million, representing a decrease from the same quarter of the previous year by Baht 1,015 Million or 40.3 percent. Toll revenue decreased in all sectors due to limited traveling trips and work from home since the end of February, comprising with the government's measures to prevent further spread of COVID-19 such as closed potential risk places, no activity in crowded places which effected to the significant decreased in traffic volume especially in April 2020. However, after the government relief measures in May 2020, traffic volume and toll revenue had increase consequently. By June, the average traffic volume was over 1 Million trips/day and was at 1.12 Million trips/day in July 2020 or 92 percent of the traffic volume in July 2019.

Cost of service for operation of Expressway business consisted of costs of toll, amortization on rights to operate completed expressway sectors and compensation for site acquisition cost. For the second quarter of the year 2020, the cost was at Baht 584 Million, representing a decrease from the same quarter of the previous year by Baht 898 Million or 60.6 percent mainly from the decrease in amortization due to cost of right to operate expressway sector A, B, C were fully amortized in the first quarter of the year 2020 and well manage cost which suitable for the situation.

2. Rail business

The Company had revenue from Rail business of Baht 816 Million, representing a decrease from the previous year by Baht 346 Million or 29.8 percent, mainly from the COVID-19 which most people work from home resulting in the decrease in MRT ridership especially in April 2020 and gradually increase after the government relief measures. However, the ridership was slowly recovering than the traffic volume because of the social distancing measures in the MRT. The average ridership per working day in July 2020 was over 300,000 trips/day or 80 percent of the ridership when compared to the same period of the previous year.

Cost of Rail business consisted of costs of farebox, O&M cost and amortization on intangible asset under concession agreement of the MRT Blue Line Project. For the second quarter of the year 2020, the cost was at Baht 1,170 Million, representing an increase from the previous year by Baht 232 Million or 24.7 percent mainly from expenses related to the full operation of the MRT Blue Line.

3. Commercial Development business

In the second quarter of the year 2020, total Commercial Development revenue was at Baht 167 Million, representing a decrease from the same quarter of the previous year by Baht 15 Million or 8.2 percent, mainly from the decrease in advertising and retail revenue in order to help those affected by COVID-19. Cost of Commercial Development business was at Baht 67 Million, representing an increase from the same quarter of the previous year by Baht 7 Million or 11.7 percent.

(Translation)

Financial Position

(Unit: Million Baht)

Description	30 Jun 20	31 Dec 19	Changes	
			Amount	%
Total assets	113,835	111,697	2,138	1.9
Total liabilities	77,020	72,874	4,146	5.7
Total shareholders' equity	36,815	38,823	(2,008)	-5.2

As at June 30, 2020, the Company and its subsidiaries had total assets amounted to Baht 113,835 Million, representing an increase by Baht 2,138 Million or 1.9 percent when compared with total assets as at December 31, 2019 mainly from the increase in the construction of the Blue Line Extension Project which was completed and operated in full commercial service on March 30, 2020. Total liabilities amounted to Baht 77,020 Million, representing an increase from the previous year by Baht 4,146 Million or 5.7 percent from the withdrawal of loan for the Blue Line Extension Project. Total shareholders' equity amounted to Baht 36,815 Million, representing a decrease from the previous year by Baht 2,008 Million or 5.2 percent when compared to the end of the year 2019 mainly from dividend payment and loss on fair value adjustment of long-term investments in financial assets whereas the net profit for the six-month period of the year 2020 amounted to Baht 660 Million.

Cash Flows

As at June 30, 2020, the Company and its subsidiaries had cash and cash equivalents amounting to Baht 2,466 Million, representing an increase from the end of the previous year by Baht 1,762 Million.

(Unit: Million Baht)

Description	For the six months of the year 2020
Net cash flows operating activities	2,434
Net cash flows investing activities	(2,833)
Net cash flows financing activities	2,161
Net increase in cash and cash equivalents	1,762
Cash and cash equivalents at beginning of period	704
Cash and cash equivalents at end of period	2,466

Cash used in investing activities mainly resulted from payment for the M&E equipment of the MRT Blue Line Extension Project in the amount of Baht 2,952 Million, payment for constructions of the Si Rat-Outer Ring Road Expressway and fixed asset for the operation in the amount of Baht 414 Million, investment and receipt from sale of investment in the net amount of Baht 271 Million and dividend receipt in the amount of Baht 262 Million.

(Translation)

Cash from financing activities resulted from the issuance of debenture and the withdrawal of loan in the net amount of Baht 4,523 Million for company liquidity during COVID-19 situation, dividend and interest payment in the amount of Baht 2,338 Million.

Significant Financial Ratios*

Description	Unit	2 nd Quarter	
		2020	2019
Net Profit Margin ratio	%	5.51	19.41
Return on Equity ratio	%	5.46	8.89
Return on Total Assets ratio	%	2.07	3.46
Debt to Equity ratio	Time	1.84	1.50
Net Interest Bearing Debt to Equity ratio	Time	1.55	1.24

Toll revenue and farebox revenue of the Company decreased resulting from the COVID-19 outbreak, whereas the expense increased from the operation of the MRT Blue Line Extension and the record of interest expense of such project to the income statement resulted to the decrease in financial ratio related to the profit.

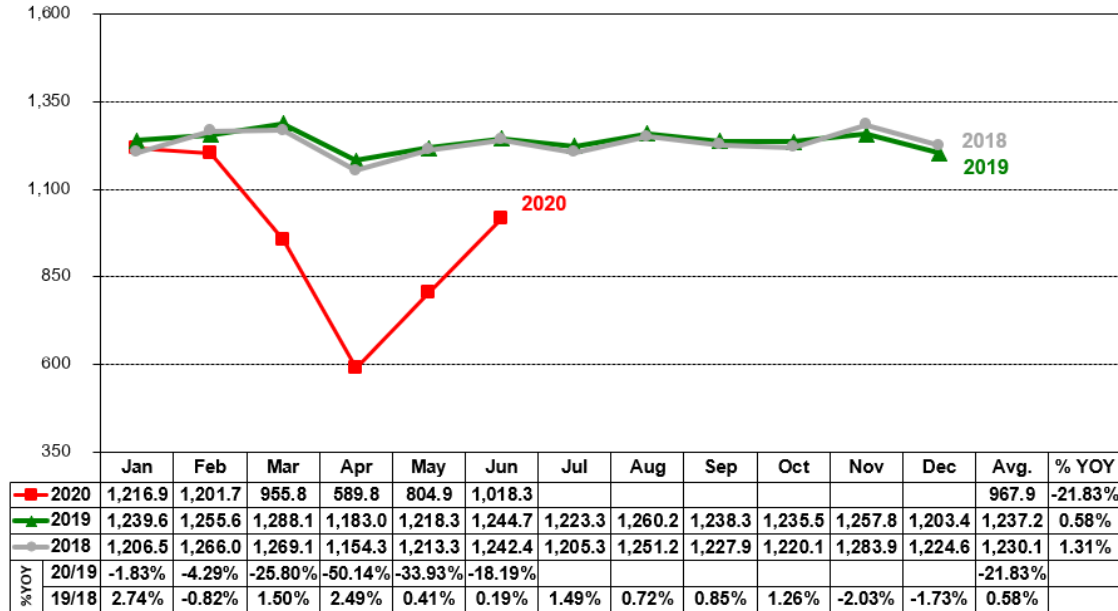
* The operational results were calculated based on the consolidated financial statements which consist of the Expressway Business, Rail Business, Commercial Development Business, and return on investment in other companies. Therefore, there was no similar type of business in the industry that can be 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.

(Translation)

Average Daily Traffic Volume for the First Stage Expressway, the Second Stage Expressway, the Si Rat-Outer Ring Road Expressway and the Bang Pa-in - Pak Kret Expressway

(Thousand Trips / Day)



Average Daily Ridership for Blue Line

(Thousand Trips / Day)

