

## **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 Sirindhon 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	11 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.

(Translation)

**Bangkok Expressway and Metro Public Company Limited**  
**Management Discussion and Analysis for the year 2019**



**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
<b>Profit attributable to Equity holders of the Company</b>	<b>5,435</b>	<b>5,317</b>	<b>118</b>	<b>2.2</b>
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

(Translation)

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 an 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.

(Translation)

## **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 Chaloeem 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.

(Translation)

## 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

(Translation)

**Bangkok Expressway and Metro Public Company Limited**  
**Management Discussion and Analysis for the year 2019**



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.

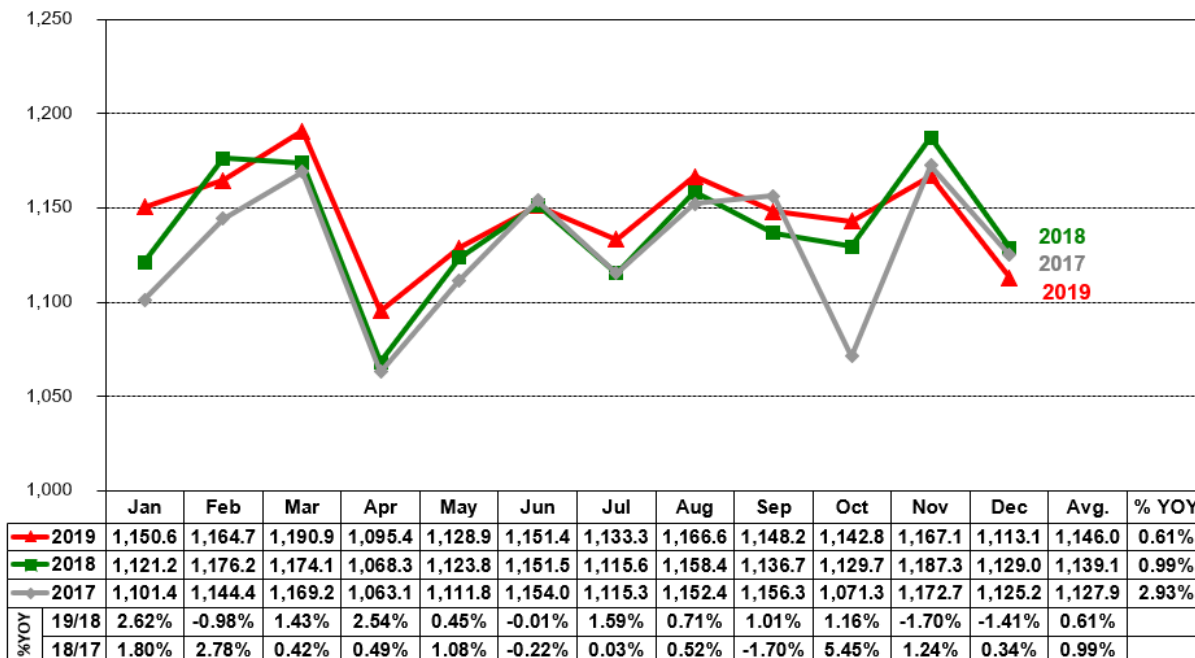
\* The operational results were calculated based on the consolidated financial statements which consist of the Expressway Business, Rail Business, Commercial Development Business, and return on investment in other companies. Therefore, there was no similar type of business in the industry that can be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

(Translation)

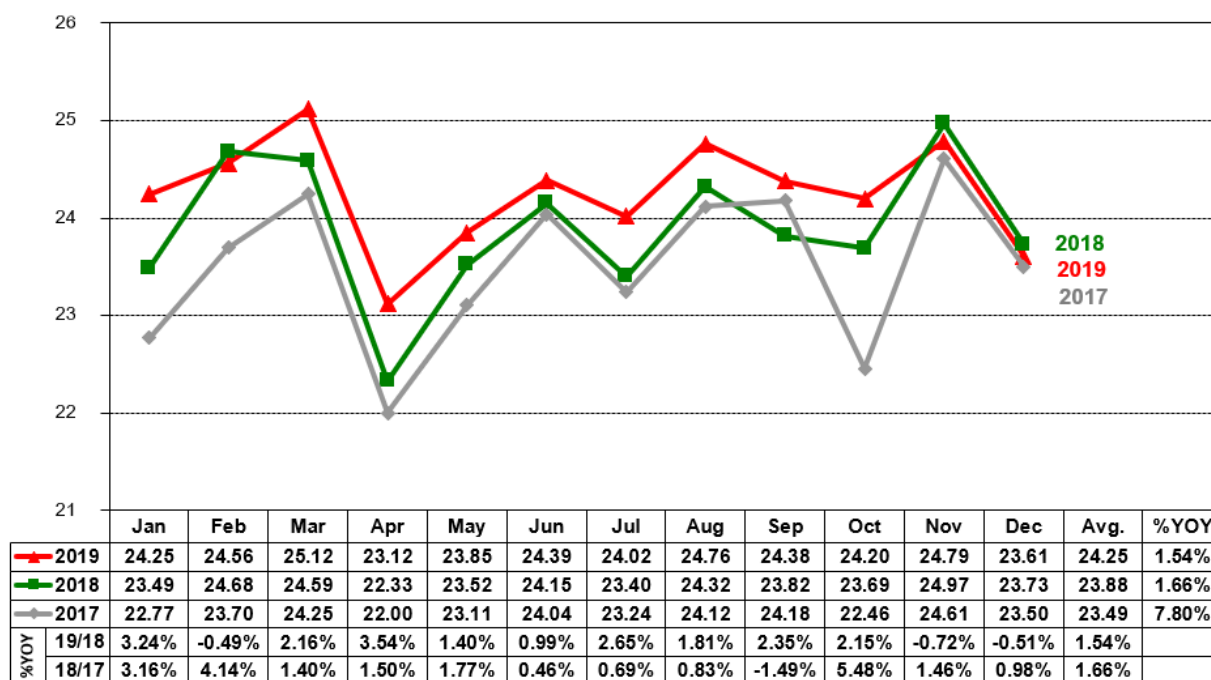
### Average Daily Traffic Volume for the First Stage Expressway, the Second Stage Expressway and the Si Rat-Outer Ring Road Expressway

(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)

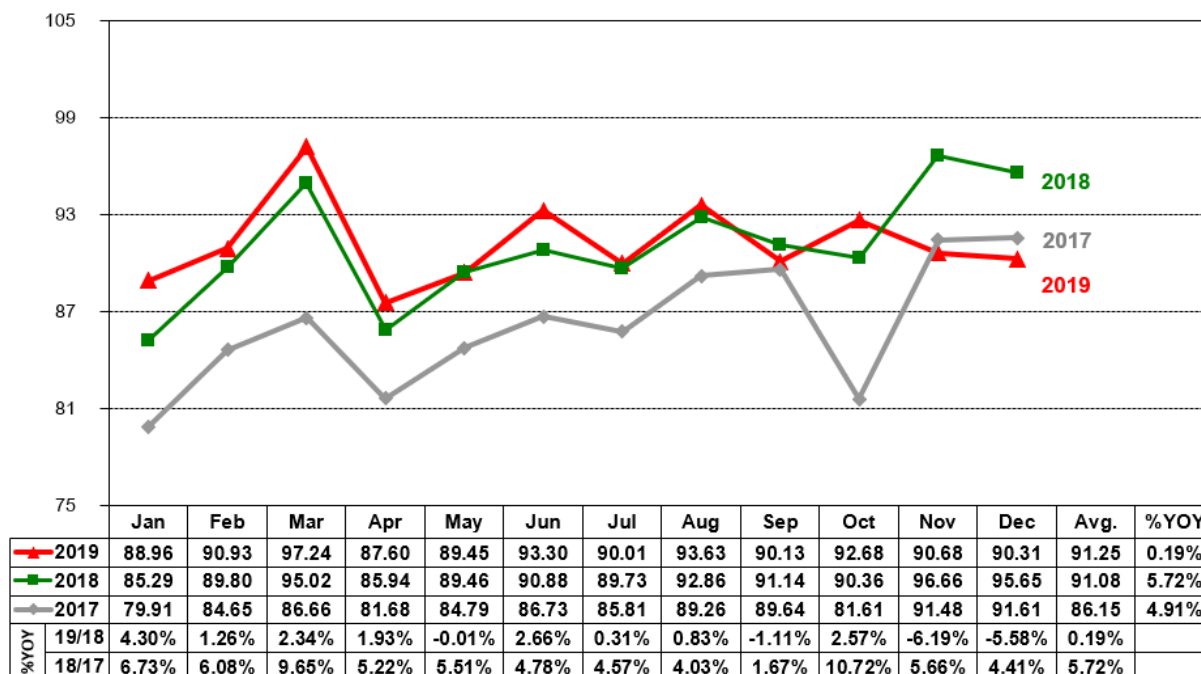




(Translation)

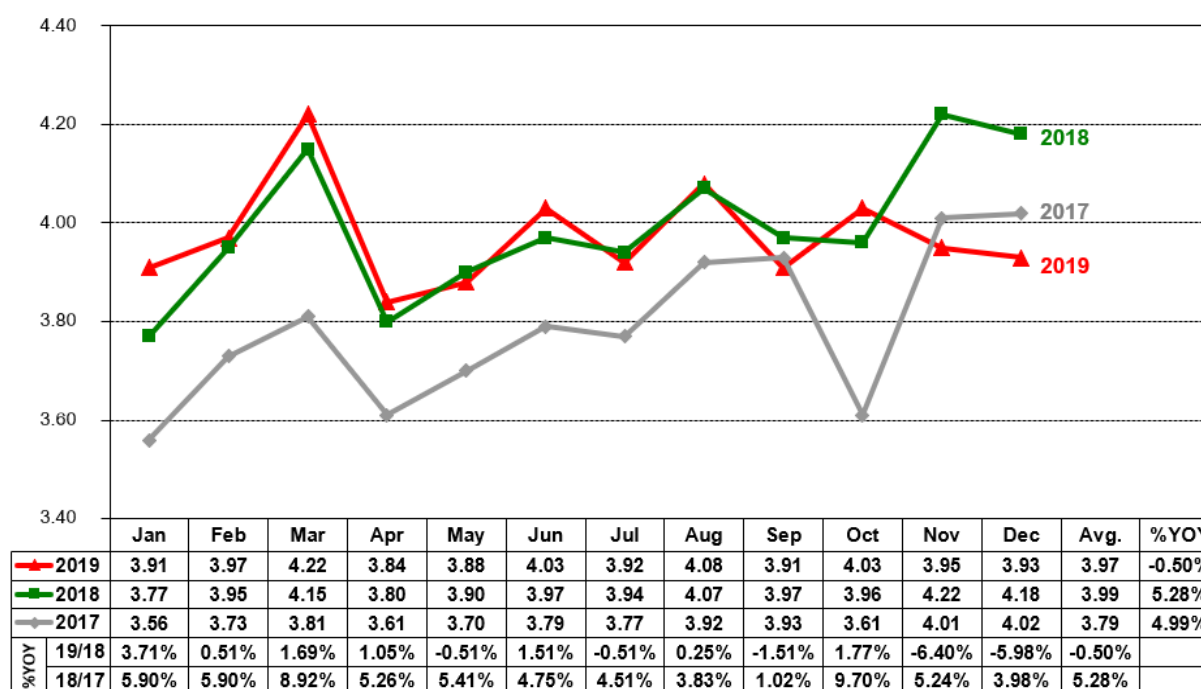
### Average Daily Traffic Volume for the Bang Pa-in - Pak Kret Expressway

(Thousand Trips / Day)



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

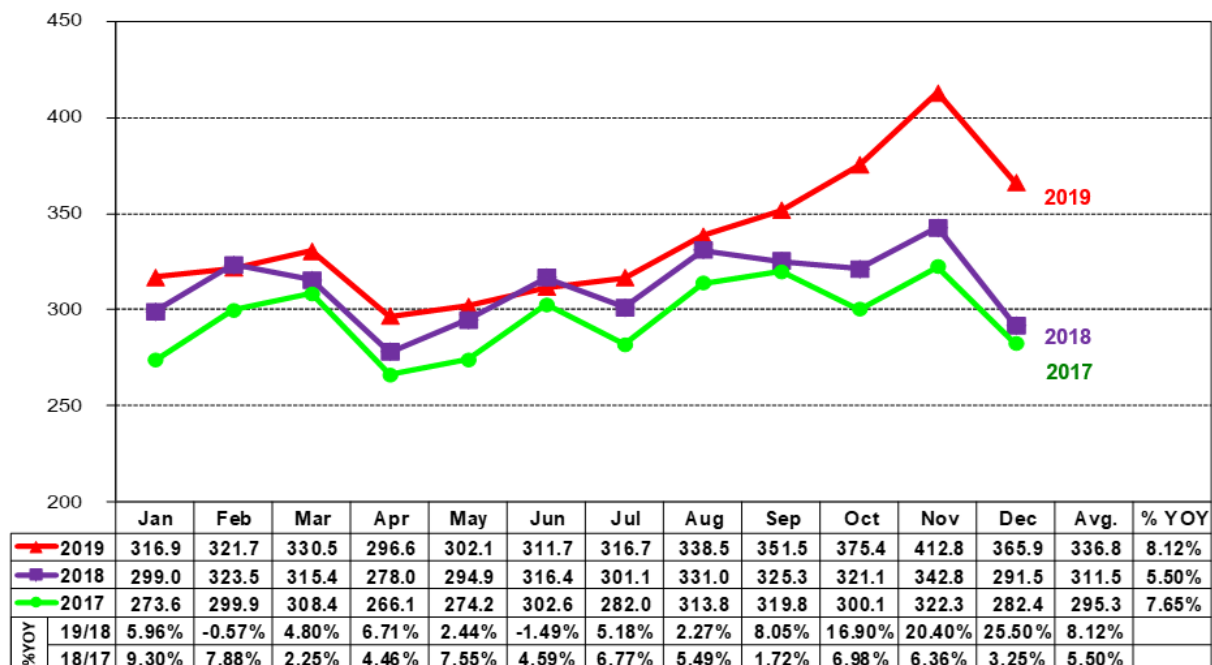
(Million Baht / Day)



(Translation)

### Average Daily Ridership for Blue Line

(Thousand Trips / Day)



### Average Daily Farebox Revenue for Blue Line

(Million Baht / Day)

