

Bangkok Expressway and Metro Public Company Limited
and its subsidiaries
Report and consolidated interim financial statements
For the three-month period ended 31 March 2019

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Bangkok Expressway and Metro Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Bangkok Expressway and Metro Public Company Limited and its subsidiaries as at 31 March 2019, the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of Bangkok Expressway and Metro Public Company Limited for the same period. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*.

Emphasis of matter

I draw attention to Note 30.1.11 to the interim financial statements regarding the dispute over a competing road with Udon Ratthaya Expressway, which was ruled on by the Supreme Administrative Court in September 2018, in favour of the subsidiary. The dispute is only one of a number of all disputes relating to the Expressway Concession Agreements of the Company and the subsidiary and a number of these disputes are still being considered by a panel, arbitral tribunals, and administrative courts as described in Note 30 to the interim financial statements. The Company and the subsidiary have negotiated with the relevant government agencies to reach a comprehensive resolution of these disputes. The results of the dispute negotiation and settlement between the government agencies and the Company and the subsidiary are still pending, as the relevant government agencies are seeking approval from the cabinet. When approval is granted by the cabinet, the concession agreements are to be amended. As a result, there is still uncertainty about the compensation to be received by the subsidiary from the Expressway Authority of Thailand, as described in Note 30.1.11 to the interim financial statements. Therefore, the subsidiary did not record the compensation of Baht 1,790 million in the ruling of the Supreme Administrative Court regarding the dispute over a competing road with Udon Ratthaya Expressway, together with interest thereon and related expenses that may be incurred in the interim financial statements for the three-month period ended 31 March 2019. My conclusion is not modified in respect of this matter.

Israporn Wisutthiyan

Certified Public Accountant (Thailand) No. 7480

EY Office Limited

Bangkok: 9 May 2019

Bangkok Expressway and Metro Public Company Limited and its subsidiaries

Statement of financial position

As at 31 March 2019

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	31 March 2019	31 December 2018	31 March 2019	31 December 2018
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents	4	836,059	526,200	717,117	423,687
Current investments	5	1,080,707	1,282,475	1,066,072	1,268,648
Bank deposit for unearned fare box revenue	6	157,006	150,016	157,006	150,016
Trade and other receivables	7	532,976	514,056	534,236	525,352
Current portion of long-term loans to related party	3	-	-	18,000	18,000
Current portion of receivable under the concession agreement	8	1,649,683	1,649,683	1,649,683	1,649,683
Other current assets		192,254	94,159	176,039	82,863
Total current assets		4,448,685	4,216,589	4,318,153	4,118,249
Non-current assets					
Long-term loans to and interest receivable					
from related parties, net of current portion	3	-	-	2,449,496	2,985,996
Receivable under the concession agreement, net of current portion	8	10,447,994	10,860,415	10,447,994	10,860,415
Investments in subsidiaries	9	-	-	633,110	363,870
Investments in associates	10	6,372,687	6,368,745	4,176,165	4,242,262
Other long-term investments	11	6,629,409	6,688,647	6,629,409	6,688,647
Investment properties		120,357	120,357	120,357	120,357
Building and equipment	12	315,654	323,937	271,872	282,541
Rights to operate expressway sectors	13	34,482,243	35,146,020	29,028,710	29,542,189
Rights to use sites for expressway construction	14	308,072	390,198	308,072	390,198
Intangible asset under concession agreement of					
the MRT Blue Line Project	15	37,403,180	35,427,556	37,064,619	35,089,506
Project cost of the MRT Chalong Ratchadham Line	16	648,179	654,691	648,179	654,691
Prepaid project remuneration	3	3,763,300	3,495,195	3,763,300	3,495,195
Other intangible assets	17	77,658	84,778	73,693	80,301
Deferred tax assets		8,377	6,312	-	-
Other non-current assets		43,078	47,469	18,061	18,022
Total non-current assets		100,620,188	99,614,320	95,633,037	94,814,190
Total assets		105,068,873	103,830,909	99,951,190	98,932,439

The accompanying notes are an integral part of the financial statements.

Bangkok Expressway and Metro Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 March 2019

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	31 March 2019	31 December 2018	31 March 2019	31 December 2018
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	18	2,814,947	2,814,594	2,814,947	2,814,594
Trade and other payables	19	2,211,521	1,683,473	2,177,264	1,658,800
Current portion of long-term loans from financial institutions	20	3,041,760	3,041,760	3,041,760	3,041,760
Current portion of debentures	21	5,000,000	5,000,000	5,000,000	5,000,000
Unearned fare box revenue	6	172,666	163,117	172,666	163,117
Deposits on stored value ticket		68,051	65,265	68,051	65,265
Income tax payable		120,650	69,746	81,981	48,142
Provision for compensation for site acquisition cost	22	756,289	1,546,892	756,289	1,546,892
Other current liabilities					
Retention guarantees		46,586	45,610	43,274	42,329
Value added tax payable		73,580	76,045	65,250	64,874
Withholding tax deducted at source payable		29,130	90,510	27,261	87,258
Others		31,634	9,827	26,332	8,076
Total current liabilities		14,366,814	14,606,839	14,275,075	14,541,107
Non-current liabilities					
Long-term loans from financial institutions, net of current portion	20	19,187,413	18,373,780	17,287,413	16,773,780
Debentures, net of current portion	21	33,171,982	33,169,822	33,171,982	33,169,822
Derivative financial liabilities		26,212	21,809	26,212	21,809
Unearned revenue from advertising management rights	23	-	-	11,553	11,865
Provision for long-term employee benefits	24	710,372	686,898	687,069	664,554
Deferred tax liabilities		1,442,796	1,353,842	1,442,796	1,353,842
Other non-current liabilities		5,352	5,893	811	1,000
Total non-current liabilities		54,544,127	53,612,044	52,627,836	51,996,672
Total liabilities		68,910,941	68,218,883	66,902,911	66,537,779

The accompanying notes are an integral part of the financial statements.

Bangkok Expressway and Metro Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 March 2019

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>31 March 2019</u>	<u>31 December 2018</u>	<u>31 March 2019</u>	<u>31 December 2018</u>
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity				
Share capital				
Registered				
15,285,000,000 ordinary shares of Baht 1 each	<u>15,285,000</u>	<u>15,285,000</u>	<u>15,285,000</u>	<u>15,285,000</u>
Issued and paid-up				
15,285,000,000 ordinary shares of Baht 1 each	15,285,000	15,285,000	15,285,000	15,285,000
Premium on ordinary shares	5,816,938	5,816,938	5,816,938	5,816,938
Capital deficit from change in shareholding in subsidiaries	(256,943)	(75,771)	-	-
Retained earnings				
Appropriated - statutory reserve	1,232,890	1,232,890	1,232,890	1,232,890
Unappropriated	12,992,765	12,133,781	7,800,423	7,095,892
Other components of shareholders' equity	<u>1,053,341</u>	<u>1,105,928</u>	<u>2,913,028</u>	<u>2,963,940</u>
Equity attributable to shareholders of the Company	36,123,991	35,498,766	33,048,279	32,394,660
Non-controlling interests of the subsidiaries	<u>33,941</u>	<u>113,260</u>	-	-
Total shareholders' equity	<u>36,157,932</u>	<u>35,612,026</u>	<u>33,048,279</u>	<u>32,394,660</u>
Total liabilities and shareholders' equity	<u>105,068,873</u>	<u>103,830,909</u>	<u>99,951,190</u>	<u>98,932,439</u>
	-	-	-	-

The accompanying notes are an integral part of the financial statements.

Directors

(Unaudited but reviewed)

Bangkok Expressway and Metro Public Company Limited and its subsidiaries**Income statement****For the three-month period ended 31 March 2019**

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Revenues					
Revenue from expressway business		2,581,567	2,537,349	2,218,119	2,181,404
Revenue from rail business		1,210,949	1,182,467	1,210,949	1,182,467
Revenue from commercial development business	25	177,296	165,835	166,710	98,713
Other income					
Gains on sale of investments	5, 10	47,013	41,765	81,533	59,249
Interest income		99,858	119,310	117,866	150,826
Others		9,012	12,341	53,445	50,873
Total revenues		4,125,695	4,059,067	3,848,622	3,723,532
Expenses					
Cost of expressway business		477,253	455,185	424,625	405,833
Cost of rail business		870,737	872,754	870,737	872,754
Cost of commercial development business		48,367	43,407	109,732	23,875
Amortisation on rights to operate completed expressway sectors and compensation for site acquisition cost	13, 14, 22	1,006,397	945,400	856,099	806,166
Amortisation on intangible asset under concession agreement of the MRT Blue Line Project	15	48,601	46,161	38,657	37,136
Selling expenses		28,134	25,642	17,400	13,686
Administrative expenses		285,406	270,066	263,217	255,104
Total expenses		2,764,895	2,658,615	2,580,467	2,414,554
Profit before share of profit from investments in associates, finance cost and income tax expenses		1,360,800	1,400,452	1,268,155	1,308,978
Share of profit from investments in associates		106,332	95,798	-	-
Profit before finance cost and income tax expenses		1,467,132	1,496,250	1,268,155	1,308,978
Finance cost		(403,704)	(593,982)	(389,850)	(588,623)
Profit before income tax expenses		1,063,428	902,268	878,305	720,355
Income tax expenses	26	(195,695)	(162,756)	(173,774)	(142,913)
Profit for the period		867,733	739,512	704,531	577,442
Profit attributable to:					
Equity holders of the Company		858,984	736,126	704,531	577,442
Non-controlling interests of the subsidiaries		8,749	3,386		
		<u>867,733</u>	<u>739,512</u>		
Basic earnings per share (Baht)					
Profit attributable to equity holders of the Company	27	0.06	0.05	0.05	0.04

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Bangkok Expressway and Metro Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 31 March 2019

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Profit for the period	<u>867,733</u>	<u>739,512</u>	<u>704,531</u>	<u>577,442</u>
Other comprehensive income				
<i>Other comprehensive income to be reclassified</i>				
<i>to profit or loss in subsequent periods:</i>				
Unrealised loss from cash flow hedges of the Company,				
net of income tax	(3,522)	(7,690)	(3,522)	(7,690)
Unrealised loss on valuation of available-for-sale securities,				
net of income tax	(47,390)	-	(47,390)	-
Share of other comprehensive income from associates	<u>(1,675)</u>	<u>38,582</u>	<u>-</u>	<u>-</u>
Other comprehensive income to be reclassified to profit or loss				
in subsequent periods, net of income tax	<u>(52,587)</u>	<u>30,892</u>	<u>(50,912)</u>	<u>(7,690)</u>
Other comprehensive income for the period	<u>(52,587)</u>	<u>30,892</u>	<u>(50,912)</u>	<u>(7,690)</u>
Total comprehensive income for the period	<u>815,146</u>	<u>770,404</u>	<u>653,619</u>	<u>569,752</u>
Total comprehensive income attributable to:				
Equity holders of the Company	806,397	767,018	<u>653,619</u>	<u>569,752</u>
Non-controlling interests of the subsidiaries	<u>8,749</u>	<u>3,386</u>		
	<u>815,146</u>	<u>770,404</u>		
	-	-		

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Bangkok Expressway and Metro Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the three-month period ended 31 March 2019

(Unit: Thousand Baht)

Consolidated financial statements												
Equity attributable to the shareholders of the Company												
	Other components of shareholders' equity											
	Other comprehensive income											
	Issued and paid-up share capital	Premium on ordinary shares	Capital deficit from change in shareholding in subsidiaries	Retained earnings		Unrealised loss from cash flow hedges	Unrealised gain (loss) on valuation of available-for-sale securities	Share of other comprehensive income from associates	Total other components of shareholders' equity	Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
				Appropriated - statutory reserve	Unappropriated							
Balance as at 1 January 2018	15,285,000	5,816,938	(32,149)	1,077,490	8,948,481	(42,363)	-	14,788	(27,575)	31,068,185	111,113	31,179,298
Profit for the period	-	-	-	-	736,126	-	-	-	-	736,126	3,386	739,512
Other comprehensive income for the period	-	-	-	-	-	(7,690)	-	38,582	30,892	30,892	-	30,892
Total comprehensive income for the period	-	-	-	-	736,126	(7,690)	-	38,582	30,892	767,018	3,386	770,404
Balance as at 31 March 2018	<u>15,285,000</u>	<u>5,816,938</u>	<u>(32,149)</u>	<u>1,077,490</u>	<u>9,684,607</u>	<u>(50,053)</u>	<u>-</u>	<u>53,370</u>	<u>3,317</u>	<u>31,835,203</u>	<u>114,499</u>	<u>31,949,702</u>
Balance as at 1 January 2019	15,285,000	5,816,938	(75,771)	1,232,890	12,133,781	(17,447)	1,112,426	10,949	1,105,928	35,498,766	113,260	35,612,026
Profit for the period	-	-	-	-	858,984	-	-	-	-	858,984	8,749	867,733
Other comprehensive income for the period	-	-	-	-	-	(3,522)	(47,390)	(1,675)	(52,587)	(52,587)	-	(52,587)
Total comprehensive income for the period	-	-	-	-	858,984	(3,522)	(47,390)	(1,675)	(52,587)	806,397	8,749	815,146
Investment in subsidiary (Note 9)	-	-	(181,172)	-	-	-	-	-	-	(181,172)	(88,068)	(269,240)
Balance as at 31 March 2019	<u>15,285,000</u>	<u>5,816,938</u>	<u>(256,943)</u>	<u>1,232,890</u>	<u>12,992,765</u>	<u>(20,969)</u>	<u>1,065,036</u>	<u>9,274</u>	<u>1,053,341</u>	<u>36,123,991</u>	<u>33,941</u>	<u>36,157,932</u>

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Bangkok Expressway and Metro Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the three-month period ended 31 March 2019

(Unit: Thousand Baht)

	Separate financial statements							
	Retained earnings				Other components of shareholders' equity			
					Other comprehensive income		Total other components of shareholders' equity	Total shareholders' equity
	Issued and paid-up share capital	Premium on ordinary shares	Appropriated - statutory reserve	Unappropriated	Unrealised loss from cash flow hedges	Unrealised gain (loss) on valuation of available-for-sale securities		
Balance as at 1 January 2018	15,285,000	5,816,938	1,077,490	6,120,200	(42,363)	-	(42,363)	28,257,265
Profit for the period	-	-	-	577,442	-	-	-	577,442
Other comprehensive income for the period	-	-	-	-	(7,690)	-	(7,690)	(7,690)
Total comprehensive income for the period	-	-	-	577,442	(7,690)	-	(7,690)	569,752
Balance as at 31 March 2018	<u>15,285,000</u>	<u>5,816,938</u>	<u>1,077,490</u>	<u>6,697,642</u>	<u>(50,053)</u>	<u>-</u>	<u>(50,053)</u>	<u>28,827,017</u>
Balance as at 1 January 2019	15,285,000	5,816,938	1,232,890	7,095,892	(17,447)	2,981,387	2,963,940	32,394,660
Profit for the period	-	-	-	704,531	-	-	-	704,531
Other comprehensive income for the period	-	-	-	-	(3,522)	(47,390)	(50,912)	(50,912)
Total comprehensive income for the period	-	-	-	704,531	(3,522)	(47,390)	(50,912)	653,619
Balance as at 31 March 2019	<u>15,285,000</u>	<u>5,816,938</u>	<u>1,232,890</u>	<u>7,800,423</u>	<u>(20,969)</u>	<u>2,933,997</u>	<u>2,913,028</u>	<u>33,048,279</u>

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The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Bangkok Expressway and Metro Public Company Limited and its subsidiaries**Cash flow statement****For the three-month period ended 31 March 2019**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Cash flows from operating activities				
Profit before tax	1,063,428	902,268	878,305	720,355
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Amortisation and depreciation	984,006	905,623	819,553	753,575
Revenue recognition of unearned revenue from advertising management rights	-	-	(312)	(312)
Gains on sale of investments	(47,013)	(41,765)	(81,533)	(59,249)
Unrealised gain on change in value of investments	(3,887)	(4,469)	(3,877)	(4,468)
Gains on disposal of equipment	(435)	(465)	(435)	(465)
Project remuneration expense	92,474	87,301	92,474	87,301
Compensation for site acquisition cost	99,523	112,131	99,523	112,131
Provision for long-term employee benefits	23,316	23,839	22,357	22,967
Share of profit from investments in associates	(106,332)	(95,798)	-	-
Unrealised (gain) loss on exchange rate	126	(143)	126	(143)
Interest income	(99,858)	(119,310)	(117,866)	(150,826)
Interest expenses	386,169	443,849	373,290	439,904
Profit from operating activities before changes in operating assets and liabilities	2,391,517	2,213,061	2,081,605	1,920,770
Operating assets (increase) decrease				
Bank deposit for unearned fare box revenue	(6,990)	-	(6,990)	-
Trade and other receivables	(18,920)	(160,294)	(8,884)	(150,531)
Receivable under the concession agreement	412,421	412,421	412,421	412,421
Other current assets	(94,278)	41,815	(89,362)	40,773
Other non-current assets	(2,246)	(4,551)	(39)	(1,138)
Cash paid for project remuneration	(360,401)	(322,624)	(360,401)	(322,624)
Operating liabilities increase (decrease)				
Trade payables and other payables	244,879	123,732	235,243	127,967
Unearned fare box revenue	9,549	9,091	9,549	9,091
Deposits on stored value ticket	2,786	2,776	2,786	2,776
Other current liabilities	(41,059)	(22,237)	(40,420)	(24,279)
Other non-current liabilities	(541)	(637)	(189)	(188)
Cash paid for long-term employee benefits	(1,848)	-	(1,848)	-
Cash paid for compensation for site acquisition cost	(808,000)	(800,000)	(808,000)	(800,000)
Net cash flows from operating activities	1,726,869	1,492,553	1,425,471	1,215,038
Cash received from interest income	99,552	121,214	99,552	121,214
Cash paid for income tax	(38,537)	(41,806)	(38,252)	(34,152)
Net cash flows from operating activities	1,787,884	1,571,961	1,486,771	1,302,100

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Bangkok Expressway and Metro Public Company Limited and its subsidiaries**Cash flow statement (continued)****For the three-month period ended 31 March 2019**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Cash flows from investing activities				
Cash received from sales of current investments	4,148,500	2,983,500	3,765,500	2,605,500
Cash paid for purchase of current investments	(3,941,082)	(2,707,764)	(3,557,382)	(2,330,615)
Cash paid for purchase of investments in subsidiary	(269,240)	-	(269,240)	-
Cash received from sales of investments in associates	145,965	103,589	145,965	103,589
Increase in other long-term investments	-	(73,216)	-	(73,216)
Cash received from long-term loans to related parties	-	-	444,836	188,249
Cash received from disposal of equipment	443	1,548	443	1,548
Purchase of equipment	(5,038)	(2,340)	(458)	(2,238)
Advance payment for purchase of equipment	-	(254)	-	-
Cash received from interest income	-	3,912	109,678	73,685
Cash paid for intangible asset under concession agreement of the MRT Blue Line Project	(1,938,485)	(2,590,594)	(1,926,525)	(2,588,605)
Cash paid for expressway construction	(186,544)	(69,178)	(186,544)	(69,178)
Interest expenses capitalised as cost of projects	(55,086)	(29,458)	(55,086)	(29,458)
Increase in intangible assets	(81)	(2,337)	(81)	(2,337)
Net cash flows used in investing activities	<u>(2,100,648)</u>	<u>(2,382,592)</u>	<u>(1,528,894)</u>	<u>(2,123,076)</u>
Cash flows from financing activities				
Cash received from short-term loans from financial institutions	816,000	10,000,000	816,000	10,000,000
Repayment of short-term loans from financial institutions	(816,000)	-	(816,000)	-
Cash received from long-term loans from financial institutions	1,200,000	-	900,000	-
Repayment of long-term loans from financial institutions	(385,440)	(10,318,690)	(385,440)	(10,318,690)
Cash paid for financial fees	(3,852)	(74,002)	(3,852)	(74,002)
Interest paid	(188,085)	(268,515)	(175,155)	(264,525)
Net cash flows from (used in) financing activities	<u>622,623</u>	<u>(661,207)</u>	<u>335,553</u>	<u>(657,217)</u>
Net increase (decrease) in cash and cash equivalents	<u>309,859</u>	<u>(1,471,838)</u>	<u>293,430</u>	<u>(1,478,193)</u>
Cash and cash equivalents at beginning of period	<u>526,200</u>	<u>2,627,063</u>	<u>423,687</u>	<u>2,526,936</u>
Cash and cash equivalents at end of period	<u>836,059</u>	<u>1,155,225</u>	<u>717,117</u>	<u>1,048,743</u>
	-		-	
Supplemental cash flows information				
Non-cash items consist of:				
Increase in payable from expressway construction	56,553	32,448	56,553	32,448
Increase in accrued interest expenses capitalised as cost of projects	35,850	10,000	35,850	10,000

The accompanying notes are an integral part of the financial statements.

Bangkok Expressway and Metro Public Company Limited and its subsidiaries

Notes to consolidated interim financial statements

For the three-month period ended 31 March 2019

1. General information

1.1 Corporate information

Bangkok Expressway and Metro Public Company Limited (“the Company”) is a public company from amalgamation under Thai law on 30 December 2015 and domiciled in Thailand. The Company’s major shareholder is CH. Karnchang Public Company Limited, which was a public company incorporated in Thailand. The Company is principally engaged in the construction and management of expressways, the operation of metro services and commercial development. Its registered office of the Company is at 587 Sutthisarn Road, Ratchadaphisek Subdistrict, Dindaeng District, Bangkok. The Company has four branches.

1.2 Basis for preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 Interim Financial Reporting, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, income statement, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the Thai language interim financial statements.

1.3 Basis of consolidation

These interim consolidated financial statements have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2018, with no changes in shareholding structure of subsidiaries during the period.

1.4 New financial reporting standards

(a) Financial reporting standards that became effective in the current period

During the period, the Company and its subsidiaries have adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Company's and its subsidiaries' financial statements. However, the new standard involves changes to key principles, which are summarised below:

IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes the following accounting standards together with related interpretations.

TAS 11 (revised 2017)	Construction Contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
IFRIC 13 (revised 2017)	Customer Loyalty Programmes
IFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
IFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

This standard does not have any significant impact on the Company's and its subsidiaries' financial statements.

(b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2020

The Federation of Accounting Professions issued a number of new financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These new standards involve changes to key principles, which are summarised below.

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company and its subsidiaries is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The management of the Company and its subsidiaries is currently evaluating the impact of this standard on the financial statements in the year when it is adopted.

2. Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2018.

3. Related party transactions

During the period, the Company and its subsidiaries had significant business transactions with related parties. Such transactions arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and its subsidiaries and those related parties.

The relationship between the Company and the related parties which the Company and its subsidiaries have transactions with during the three-month periods ended 31 March 2019 and 2018 are summarised below.

Name of related parties	Relationship with the Company
CH. Karnchang Public Company Limited	Major shareholders
Mass Rapid Transit Authority of Thailand	Shareholders
Northern Bangkok Expressway Company Limited	Subsidiary company
Bangkok Metro Networks Limited	Subsidiary company
TTW Public Company Limited	Associated company
CK Power Public Company Limited	Related company through common directors of the Company
Xayaburi Power Company Limited	Related company through common directors of the Company
Bangpa-in Land Development Company Limited	Related company through common directors of the Company
Krungthai Bank Public Company Limited	Related company through a director of the company's authority in the bank
Bangkok Bank Public Company Limited	Related company through a director of the company's authority in the bank
Plan B Public Company Limited	Related company through having common directors with a subsidiary company between 9 February 2018 and 27 March 2019

Such significant transactions and pricing policy are summarised below.

(Unit: Million Baht)

	For the three-month periods ended 31 March				
	Consolidated		Separate		
	financial statements		financial statements		Pricing policy
	2019	2018	2019	2018	
<u>Transactions with major shareholder</u>					
Cost of rail projects	1,592	1,422	1,592	1,422	Base on contracts
Cost of expressway construction	243	121	243	121	Base on contracts
Expressway and civil works maintenance expenses	146	97	146	97	Base on contracts
Office rental and service expenses	2	2	-	-	Base on contracts
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Commercial development revenue	-	-	-	82	Base on contracts
Interest income from long-term loans	-	-	18	32	Base on contracts
Project management income	-	-	47	38	Based on contract
Commercial development management fee	-	-	90	-	Based on contract
<u>Transactions with related companies</u>					
Commercial development revenue	27	22	27	8	Base on contracts
Interest income from M&E Systems	99	112	99	112	FDR plus stipulated margins per annum
Costs of commercial development	-	3	-	-	Agreed between the parties
Remuneration from fare box (Inclusive of VAT)	88	85	88	85	Concession agreement
Remuneration from commercial development	4	2	4	2	Concession agreement
Property tax	4	1	4	1	At the rates charged by Bangkok Metropolitan Administration
Utility expenses	1	-	1	-	Based on contract
Financial fee	10	34	9	33	Base on contracts
Interest expenses on long-term loans	66	71	66	71	At FDR plus stipulated margin and 6M THBFIX plus a stipulated margin per annum (2018: MLR minus stipulated margins, 6M FDR plus stipulated margins and FDR plus stipulated margins per annum)

(Unaudited but reviewed)

As at 31 March 2019 and 31 December 2018, the balances of the accounts between the Company and its subsidiaries and related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2019	31 December 2018 (Audited)	31 March 2019	31 December 2018 (Audited)
<u>Trade and other receivables (Note 7)</u>				
<u>Trade receivables</u>				
Bangkok Metro Networks Limited	-	-	4,178	28,893
Mass Rapid Transit Authority of Thailand	375,244	374,324	375,244	374,324
Plan B Media Public Company Limited ⁽¹⁾	-	14,681	-	14,681
Krungthai Bank Public Company Limited	276	288	276	288
Bangkok Bank Public Company Limited	396	396	396	396
Total	375,916	389,689	380,094	418,582
<u>Other receivables</u>				
Northern Bangkok Expressway Company Limited	-	-	16,585	13,375
CH. Karnchang Public Company Limited	179	119	179	119
Total	179	119	16,764	13,494
<u>Prepaid expenses</u>				
Krungthai Bank Public Company Limited	27,029	31,096	25,349	28,791
Bangkok Bank Public Company Limited	22,851	22,208	22,851	22,208
Total	49,880	53,304	48,200	50,999
<u>Advance payment under service contract</u>				
CH. Karnchang Public Company Limited	57,490	4,009	57,490	4,009
<u>Long-term loans to and interest receivable from related parties</u>				
Northern Bangkok Expressway Company Limited	-	-	2,326,996	2,858,996
Bangkok Metro Networks Limited	-	-	140,500	145,000
Total	-	-	2,467,496	3,003,996
Less: current portion	-	-	(18,000)	(18,000)
Long-term loans to and interest receivable from related parties, net of current portion	-	-	2,449,496	2,985,996
<u>Receivable under the concession agreement (Note 8)</u>				
Mass Rapid Transit Authority of Thailand	12,097,677	12,510,098	12,097,677	12,510,098
<u>Prepaid project remuneration</u>				
Mass Rapid Transit Authority of Thailand	3,763,300	3,495,195	3,763,300	3,495,195

⁽¹⁾ This company is a related company between 9 February 2018 and 27 March 2019.

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2019	2018	2019	2018
		(Audited)		(Audited)
<u>Trade and other payables (Note 19)</u>				
Bangkok Metro Networks Limited	-	-	32,100	32,279
CH. Karnchang Public Company Limited	731,260	725,067	731,141	724,987
Mass Rapid Transit Authority of Thailand	128,611	125,148	128,604	125,146
Krungthai Bank Public Company Limited	1,184	1,221	1,055	1,095
Bangkok Bank Public Company Limited	577	656	577	656
Others	334	517	320	320
Total	861,966	852,609	893,797	884,483
<u>Unearned revenue</u>				
Plan B Media Public Company Limited ⁽¹⁾	-	1,752	-	1,752
<u>Retention guarantees</u>				
CH. Karnchang Public Company Limited	12,706	16,781	12,706	16,781
<u>Unearned revenue from advertising management rights (Note 23)</u>				
Bangkok Metro Networks Limited	-	-	12,802	13,114

⁽¹⁾ This company is a related company between 9 February 2018 and 27 March 2019.

During the current period, movements in long-term loans to and interest receivable from related parties in the separate financial statement were as follow:

(Unit: Thousand Baht)

		Increase	Decrease	
	1 January 2019	during the period	during the period	31 March 2019
Northern Bangkok Expressway Company Limited				
Long-term loan	2,366,692	-	(440,336)	1,926,356
Interest receivable	492,304	16,776	(108,440)	400,640
Total	2,858,996	16,776	(548,776)	2,326,996
Bangkok Metro Networks Limited				
Long-term loan	145,000	-	(4,500)	140,500
Interest receivable	-	1,238	(1,238)	-
Total	145,000	1,238	(5,738)	140,500
Grand total	3,003,996	18,014	(554,514)	2,467,496

(Unaudited but reviewed)

The assets of Northern Bangkok Expressway Company Limited such as deposits at banks, current investments, rights in the Bang Pa-In - Pak Kret Expressway System, rights in toll revenues and beneficiary rights under insurance policies are secured against the loans from the Company. However, the subsidiary is able to make withdrawals from deposit at banks and trading of current investments for use as regular operating expenses.

During the current period, movement in long-term loans from financial institutions (only principal) were as follow:

(Unit: Thousand Baht)

Long-term loans	Consolidated and Separate financial statements			
	1 January 2019	Increase during the period	Decrease during the period	31 March 2019
Krungthai Bank Public Company Limited	5,970,278	300,000	(150,669)	6,119,609
Bangkok Bank Public Company Limited	1,400,000	300,000	-	1,700,000
Total	7,370,278	600,000	(150,669)	7,819,609

Directors and management benefits

During the three-month periods ended 31 March 2019 and 2018, the Company and its subsidiaries had employee benefit expenses of their directors and managements as below.

(Unit: Thousand Baht)

	For the three-month periods ended 31 March			
	Consolidated financial statements		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Short-term employee benefits	43,915	37,691	39,098	34,235
Post-employment benefits	2,357	2,603	2,079	2,458
Total	46,272	40,294	41,177	36,693

4. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
		(Audited)		(Audited)
Cash	35,471	34,934	32,894	32,484
Bank deposits	800,588	491,266	684,223	391,203
Total	836,059	526,200	717,117	423,687

The Company has pledged the bank accounts used to deposit moneys received for work on the MRT Chalong Ratchadham Line Project, and transferred rights to debit or withdraw from the deposit accounts used to make payment of loans and related financial fees to a group of lenders to secure the Company's loan, as described in Note 20 to the interim financial statements.

As at 31 March 2019, the balance of the pledged bank account amounted to Baht 1,022 (31 December 2018: Baht 1,022).

5. Current investments

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
		(Audited)		(Audited)
Investments in trading securities				
Unit trusts	1,030,347	1,235,602	1,015,718	1,221,781
Add: Unrealised gain on changes in value of investments	50,360	46,873	50,354	46,867
Unit trusts - Fair value	1,080,707	1,282,475	1,066,072	1,268,648
Total current investments	1,080,707	1,282,475	1,066,072	1,268,648

6. Bank deposit for unearned fare box revenue

In order to comply with the Notification of the Bank of Thailand applicable to electronic card businesses, the Company has to deposit cash received in advance from cardholders with financial institutions in amount not less than the outstanding balance of the advance receipts at the end of each day. These funds cannot be used for any purposes other than making payment for fare box revenue.

7. Trade and other receivables

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	31 March	31 December	31 March	31 December
	2019	2018	2019	2018
		(Audited)		(Audited)
<u>Trade receivables</u>				
Trade receivables				
- Related parties (Note 3)	375,916	389,689	380,094	418,582
- Unrelated parties	110,277	116,002	86,230	80,785
Less: Allowance for doubtful debts	(4,910)	(4,910)	-	-
Total trade receivables - net	481,283	500,781	466,324	499,367
<u>Other receivables</u>				
Other receivables				
- Related parties (Note 3)	179	119	16,764	13,494
- Unrelated parties	39,388	2,631	39,022	1,966
Accrued income	12,126	10,525	12,126	10,525
Total other receivables	51,693	13,275	67,912	25,985
Trade and other receivables - net	532,976	514,056	534,236	525,352

Most of the trade receivables of the Company and its subsidiaries were within their credit terms or past due up to 3 months. As at 31 March 2019, the outstanding balances of trade receivables in the consolidated financial statements that are one year past due amounted to approximately Baht 8 million (31 December 2018: Baht 7 million) (Separate financial statements: Nil). The Company and its subsidiaries assessed the net realisable value of the receivables that were past due and recorded an allowance for doubtful accounts amounting to Baht 5 million in the consolidated financial statements (31 December 2018: Baht 5 million) (Separate financial statements: Nil).

(Unaudited but reviewed)

8. Receivable under the concession agreement

	(Unit: Thousand Baht)
	Consolidated and Separate financial statements
Net book value as at 1 January 2019	12,510,098
Collection	(412,421)
Net book value as at 31 March 2019	12,097,677
Current	1,649,683
Non-current	10,447,994
Total receivable under the concession agreement	12,097,677

Receivable under the concession agreement is a receivable for M&E system (Inclusive of VAT) of Phase 1 of the MRT Chalong Ratchadham Line Project. The MRTA will pay the remuneration and interest in the form of monthly installments until 2026. The Company transferred rights to receive cash from receivable under the concession agreement to the group of lenders, in settlement of long-term loans from financial institutions, as described in Note 20 to the interim financial statements.

Interest income for M&E systems for the three-month period ended 31 March 2019 amounted to Baht 99 million (2018: Baht 112 million).

9. Investments in subsidiaries

Details of investments in subsidiaries as presented in the separate financial statements are as follows:

	(Unit: Million Baht)							
Company's name	Registered capital		Paid-up capital		Proportion of investment		Cost	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018	31 March 2019	31 December 2018	31 March 2019	31 December 2018
					(Percent)	(Percent)		(Audited)
Northern Bangkok Expressway Company Limited	6,000	6,000	5,250	5,250	99.99	99.99	2,604	2,604
Bangkok Metro Networks Limited	254	254	254	254	89.67	69.67	495	226
Total							3,099	2,830
Less: Allowance for impairment of investments							(2,466)	(2,466)
Cost - net							633	364

(Unaudited but reviewed)

In March 2019, the Company purchased 5 million ordinary shares of Bangkok Metro Networks Limited (subsidiary company) (equal to 20 percent of its issued and paid-up share capital) from its existing shareholders, for a total of Baht 269 million. As a result of this transaction, its shareholding in the subsidiary changed from 69.67 percent to 89.67 percent.

The purchase transaction of investment in the subsidiary was detailed below.

	(Unit: Thousand Baht)
	Consolidated financial statements
Purchase price of investment in subsidiary	269,240
Less: Non-controlling interests of subsidiary adjusted	(88,068)
Capital deficit from change in shareholding interest in subsidiary	181,172

10. Investments in associates

(Unit: Million Baht)

Consolidated financial statements								
Company's name	Shareholding percentage		Cost		Carrying amounts based on equity method		Fair values	
	31 March	31 December	31 March	31 December	31 March	31 December	31 March	31 December
	2019	2018	2019	2018	2019	2018	2019	2018
	(Percent)	(Percent)		(Audited)		(Audited)		(Audited)
TTW Public Company Limited	18.99	19.29	6,811	6,919	6,373	6,369	9,245	9,468
Total			6,811	6,919	6,373	6,369	9,245	9,468

(Unit: Million Baht)

Separate financial statements						
Company's name	Shareholding percentage		Cost		Fair values	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018	31 March 2019	31 December 2018
	(Percent)	(Percent)		(Audited)		(Audited)
TTW Public Company Limited	18.99	19.29	4,176	4,242	9,245	9,468
Total			4,176	4,242	9,245	9,468

In March 2019, the Company sold 12 million ordinary shares of TTW Public Company Limited amounting to Baht 146 million, and recorded gains on sale of investment in this associated company of Baht 45 million and Baht 80 million in profit or loss in the consolidated and separate financial statements, respectively. As a result, its equity interest of TTW Public Company Limited decreased from 19.29 percent to 18.99 percent.

(Unaudited but reviewed)

11. Other long-term investments

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	31 March	31 December	31 March	31 December
	2019	2018	2019	2018
		(Audited)		(Audited)
<u>Investment in available-for-sale securities</u>				
CK Power Public Company Limited				
- Ordinary shares	5,178,082	5,178,082	2,813,840	2,813,840
- Warrants	120,032	120,032	148,073	148,073
Add: Unrealised gain on changes in value of investments	1,331,295	1,390,533	3,667,496	3,726,734
Other long-term investments - net	<u>6,629,409</u>	<u>6,688,647</u>	<u>6,629,409</u>	<u>6,688,647</u>

12. Building and equipment

A reconciliation of the net book value of the building and equipment during the three-month period ended 31 March 2019 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2019	323,937	282,541
Acquisitions during the period - at cost	5,038	458
Reclassification	1,505	-
Disposals during the period - net book value at disposal date	(8)	(8)
Depreciation for the period	<u>(14,818)</u>	<u>(11,119)</u>
Net book value as at 31 March 2019	<u>315,654</u>	<u>271,872</u>

13. Rights to operate expressway sectors

A reconciliation of the net book value of the rights to operate completed expressway sectors during the three-month period ended 31 March 2019 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2019	35,146,020	29,542,189
Increase during the period - at cost	243,097	243,097
Amortisation for the period	(906,874)	(756,576)
Net book value as at 31 March 2019	<u>34,482,243</u>	<u>29,028,710</u>

14. Rights to use sites for expressway construction

A reconciliation of the net book value of the rights to use sites for expressway construction during the three-month period ended 31 March 2019 is summarised below.

	(Unit: Thousand Baht)
	Consolidated and Separate
	financial statements
Net book value as at 1 January 2019	390,198
Amortisation for the period	(82,126)
Net book value as at 31 March 2019	<u>308,072</u>

The rights to use sites for expressway construction is a part of rights to operate completed expressway sectors.

15. Intangible asset under concession agreement of the MRT Blue Line Project

A reconciliation of the net book value of the intangible asset under concession agreement of the MRT Blue Line Project during the three-month period ended 31 March 2019 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2019	35,427,556	35,089,506
Increase during the period - at cost	1,934,794	1,922,834
Reclassification	(1,505)	-
Interest cost	90,936	90,936
Amortisation for the period	(48,601)	(38,657)
Net book value as at 31 March 2019	37,403,180	37,064,619

During the three-month period ended 31 March 2019, the Company has capitalised the borrowing cost as part of the intangible asset under concession agreement of the MRT Blue Line Project. The weighted average rate used to determine the amount of borrowing cost eligible from capitalisation was 3.14 percent.

16. Project cost of the MRT Chalong Ratchadham Line

A reconciliation of the net book value of the project cost of the MRT Chalong Ratchadham Line during the three-month period ended 31 March 2019 is summarised below.

	(Unit: Thousand Baht)
	Consolidated and Separate
	financial statements
Net book value as at 1 January 2019	654,691
Amortisation for the period	(6,512)
Net book value as at 31 March 2019	648,179

17. Other intangible assets

A reconciliation of the net book value of other intangible assets for the three-month period ended 31 March 2019 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2019	84,778	80,301
Acquisitions during the period - at cost	81	81
Amortisation for the period	(7,201)	(6,689)
Net book value as at 31 March 2019	77,658	73,693

18. Short-term loans from financial institutions

		(Unit: Thousand Baht)	
		Consolidated and Separate financial statements	
	Interest rate	31 March 2019	31 December 2018
	(Percent per annum)		(Audited)
Promissory Notes	At the fixed rate	2,816,000	2,816,000
Less: Deferred financial fees		(1,053)	(1,406)
Total		2,814,947	2,814,594

19. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
		(Audited)		(Audited)
Trade payables - related parties (Note 3)	717,751	779,566	749,648	811,497
Trade payables - unrelated parties	482,464	347,047	445,001	314,246
Accrued interest - related parties (Note 3)	1,033	1,132	1,033	1,132
Accrued interest - unrelated parties	422,833	188,799	422,324	188,238
Accrued expense - related parties (Note 3)	143,182	71,911	143,116	71,854
Accrued expense - unrelated parties	424,428	280,845	398,526	260,840
Other payables	19,830	14,173	17,616	10,993
Total trade and other payables	2,211,521	1,683,473	2,177,264	1,658,800

(Unaudited but reviewed)

20. Long-term loans from financial institutions

(Unit: Thousand Baht)

Loans	Credit facility (Million Baht)	Consolidated financial statements		Separate financial statements	
		31 March 2019	31 December 2018	31 March 2019	31 December 2018
			(Audited)		(Audited)
1. Long-term loan (Fully drew down)	8,000	4,000,000	4,000,000	4,000,000	4,000,000
2. Tranche A (Fully drew down)	13,557	11,254,838	11,638,526	11,254,838	11,638,526
3. Tranche B (Fully drew down)	62	51,402	53,154	51,402	53,154
4. Long-term loan (Available credit facilities to be drawn down: Baht 8,900 million)	14,000	5,100,000	4,200,000	5,100,000	4,200,000
5. Long-term loan (Available credit facilities to be drawn down: Baht 2,695 million)	5,700	1,900,000	1,600,000	-	-
Total	41,319	22,306,240	21,491,680	20,406,240	19,891,680
Less: Current portion of long-term loans		(3,041,760)	(3,041,760)	(3,041,760)	(3,041,760)
Less: Deferred financial fees		(77,067)	(76,140)	(77,067)	(76,140)
Long-term loans - net of current portion		19,187,413	18,373,780	17,287,413	16,773,780

Movements in the long-term loans account for the three-month period ended 31 March 2019 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2019	21,491,680	19,891,680
Add: Drawdown during the period	1,200,000	900,000
Less: Repayment during the period	(385,440)	(385,440)
Balance as at 31 March 2019	22,306,240	20,406,240

Long-term loan number 1

The Company entered into an interest rate swap agreement to change the interest rate from a floating rate of 6M THBFIX plus a stipulated margins to a fixed rate.

Under the loan agreement, the Company must comply with normal financial covenants relating to various matters, such as the maintenance of debt service coverage ratio and debt to equity ratio.

Long-term loans number 2 and 3

The Company pledged bank accounts used to deposit moneys received for work on the M&E system of Phase 1 of the MRT Chalong Ratchadham Line (Note 4) and transferred rights to receive payments for such work to the group of lenders (Note 8) as collateral to secure these loans. The Company had interest expenses amounting to Baht 99 million on such loans for the three-month period ended 31 March 2019 (2018: Baht 112 million).

Under the Credit Facility Agreement, the Company must comply with normal financial covenants relating to various matters, such as maintenance of debt service coverage ratio and debt to equity ratio, dividend payment and conditions for mandatory prepayment.

Long-term loan number 4

The Company entered into interest rate swap agreements for parts of these loans to change the interest rate from a floating rate of 6M THBFIX plus a stipulated margins to a fixed rate.

Under the Credit Facility Agreements, the Company must comply with normal financial covenants relating to various matters, such as maintenance of debt service coverage ratio and debt to equity ratio, dividend payment and conditions for mandatory prepayment.

Long-term loan number 5

This is a loan of a subsidiary company. Under the loan agreement, the subsidiary must comply with normal financial covenants relating to various matters, such as the maintenance of debt service coverage ratio and debt to equity ratio, dividend payment and conditions for mandatory prepayment.

(Unaudited but reviewed)

21. Debentures

(Unit: Thousand Baht)					
Consolidated and Separate					
financial statements					
Type of debenture	Issuance date	Term	Interest rate	31 March 2019	31 December 2018
		(Years)	(Percent per annum)		(Audited)
No. 1/2016	24 June 2016	3 - 12	2.22 - 3.61	14,700,000	14,700,000
No. 2/2016	11 August 2016	12	3.61	500,000	500,000
No. 3/2016	21 October 2016	4 - 11	2.62 - 3.95	8,000,000	8,000,000
No. 1/2017	7 September 2017	5 - 7	2.65 - 3.10	5,000,000	5,000,000
No. 1/2018	5 April 2018	3 - 7	2.05 - 3.01	10,000,000	10,000,000
Total				38,200,000	38,200,000
Less: Current portion of debenture				(5,000,000)	(5,000,000)
Less: Deferred debenture issuing cost				(28,018)	(30,178)
Debentures - net of current portion				33,171,982	33,169,822

There are no movements in the debentures account during the three-month period ended 31 March 2019.

All of the Company's debentures are registered debentures, unsubordinated, and unsecured, without a debenture holders' representative, that pay interest semi-annually. The debentures contain covenants relating to maintenance of interest bearing debt to equity ratio.

22. Provision for compensation for site acquisition cost

Movement in provision for compensation for site acquisition cost account for the three-month period ended 31 March 2019 is summarised below.

(Unit: Thousand Baht)	
Consolidated and Separate	
financial statements	
Balance as at 1 January 2019	1,546,892
Payment during the period	(808,000)
Interest cost	17,397
Balance as at 31 March 2019	756,289

23. Unearned revenue from advertising management rights

Movement in unearned revenue from advertising management rights account for the three-month period ended 31 March 2019 in the separate financial statement is summarised below.

	(Unit: Thousand Baht)
Balance as at 1 January 2019	13,114
Less: Recognise to revenue during the period	(312)
Balance as at 31 March 2019	12,802
Less: Current portion	(1,249)
Unearned revenue from advertising management rights - net of current portion	11,553

24. Provision for long-term employee benefits

Movements in provision for long-term employee benefits account for the three-month period ended 31 March 2019 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2019	686,898	664,554
Increase during the period	25,322	24,363
Benefits paid during the period	(1,848)	(1,848)
Balance as at 31 March 2019	710,372	687,069

25. Revenue from commercial development business

Revenue from commercial development business derived from sources of income in the separate financial statements for the three-month period ended 31 March 2019, consisting of revenue on expressway system amounting to Baht 11 million (2018: Baht 11 million) and revenue on rail system amounting to Baht 156 million (2018: Baht 88 million).

This included revenue from advertising management rights amounting to Baht 0.3 million (Note 23).

26. Income taxes

Interim corporate income tax was calculated on profit before income tax for the period, using the estimated effective tax rate for the year. Income tax expenses for the three-month periods ended 31 March 2019 and 2018 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Current income tax:				
Interim corporate income tax charge	96,077	52,738	72,091	32,069
Deferred tax:				
Relating to origination and reversal of				
temporary differences	99,618	110,018	101,683	110,844
Tax expenses reported in the income statement	<u>195,695</u>	<u>162,756</u>	<u>173,774</u>	<u>142,913</u>

The amounts of income tax relating to each component of other comprehensive income for the three-month periods ended 31 March 2019 and 2018 are as follows:

	(Unit: Thousand Baht)	
	Consolidated and Separate financial statements	
	<u>2019</u>	<u>2018</u>
Deferred tax related to		
- Unrealised loss from cash flow hedges	(881)	(1,923)
- Unrealised loss on valuation of		
available-for-sale securities	(11,848)	-
Total	<u>(12,729)</u>	<u>(1,923)</u>

27. Earnings per share

Basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period.

(Unaudited but reviewed)

28. Segment information

Operating segment information is reported in a manner consistent with the reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assets its performance.

Revenue and profit information segments of the Company and its subsidiaries for the three-month periods ended 31 March 2019 and 2018 are as follows:

(Unit: Million Baht)

	Consolidated financial statements													
	Expressway business segment ¹⁾		Rail business segment ²⁾		Commercial development business segment ³⁾		Other segments ⁴⁾		Total segments		Elimination of inter-segment revenues		Consolidation	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Revenue from external customers	2,581	2,537	1,211	1,182	177	166	-	-	3,969	3,885	-	-	3,969	3,885
Inter-segment revenues	-	-	-	-	90	82	47	38	137	120	(137)	(120)	-	-
Total revenues	<u>2,581</u>	<u>2,537</u>	<u>1,211</u>	<u>1,182</u>	<u>267</u>	<u>248</u>	<u>47</u>	<u>38</u>	<u>4,106</u>	<u>4,005</u>	<u>(137)</u>	<u>(120)</u>	<u>3,969</u>	<u>3,885</u>
Segment profit	1,098	1,137	303	273	117	113	-	-	1,518	1,523	-	-	1,518	1,523
Unallocated income and expenses:														
Interest income													100	119
Gain from sales of investments													47	42
Other income													9	12
Share of profit from investments in associates													106	96
Selling expenses													(28)	(26)
Administrative expenses													(284)	(270)
Finance cost													(404)	(594)
Income tax expense													(196)	(163)
Non-controlling interests of the subsidiaries													(9)	(3)
Profit for the period													859	736

¹⁾ The expressway business segment related to the construction and operation of the expressway.

²⁾ The rail business segment related to the operation of the rapid transit system.

³⁾ The commercial development business segment related to the rental of retail space, and the provision of advertising media services and telecommunication services inside and outside underground train stations and on expressway.

⁴⁾ The other segments are segments where the Company is employed to operate the Bang Pa-In - Pak Kret expressway.

29 Commitments and contingent liabilities

29.1 Capital commitments

The Company and its subsidiaries have capital commitments as follows:

	31 March 2019	31 December 2018
		(Audited)
a) Performance improvement for farebox collection systems	Baht 23 million and USD 3 million	Baht 26 million and USD 3 million
b) Supply, installation and testing of the M&E system of the MRT Blue Line Project	Baht 6,362 million and EUR 4 million	Baht 8,026 million and EUR 5 million
c) Additional for design and construction of the Si Rat - Outer Ring Road Expressway Project	Baht 429 million	Baht 3 million
d) Improvement of computerised maintenance management system	Baht 28 million	Baht 28 million
e) Other capital commitments	Baht 6 million	Baht 16 million

29.2 Long-term service commitments

The Company and its subsidiaries have commitments in respect of the Procurement of M&E equipment contract, and the Maintenance of M&E equipment and trackwork and infrastructure and civil works contracts of the M&E Project which were signed in November 2013, November 2015, September 2017 and October 2017 with four companies. These contracts will expire during 2021 until 2029.

Future minimum service fees payable under these contracts, excluding escalation in accordance with the general consumer price index are as follows:

(Unit: Million)

	Consolidated financial statements									
	31 March 2019					31 December 2018				
						(Audited)				
	<u>Baht</u>	<u>USD</u>	<u>EUR</u>	<u>SGD</u>	<u>YEN</u>	<u>Baht</u>	<u>USD</u>	<u>EUR</u>	<u>SGD</u>	<u>YEN</u>
Payable:										
In up to 1 year	1,092	-	1	1	379	961	-	3	1	380
In over 1 year and up to 5 years	4,968	2	10	6	1,518	4,958	2	20	6	1,518
In over 5 years	4,086	2	12	3	886	4,287	2	22	3	980

29.3 Commitments under various service agreements

The Company and its subsidiaries have commitments under various service agreements as follows:

	(Unit: Million Baht)	
	31 March 2019	31 December 2018
		(Audited)
Payable:		
In up to 1 year	483	372
In over 1 year and up to 5 years	368	269

29.4 Operating lease commitments

The Company and its subsidiaries had entered into several lease agreements in respect of the lease of office building space, equipment and motor vehicles. The terms of the agreements are generally between 2 and 5 years.

Future minimum lease payments required under these operating lease agreements were as follows:

	(Unit: Million Baht)	
	31 March 2019	31 December 2018
		(Audited)
Payable:		
In up to 1 year	16	17
In over 1 year and up to 5 years	17	18

29.5 Guarantees

There were the following outstanding performance bonds and bank guarantees issued by banks on behalf of the Company.

	(Unit: Million Baht)	
	31 March 2019	31 December 2018
		(Audited)
a) Issued to the EXAT in accordance with the operation of the Si Rat - Outer Ring Road Expressway Project agreement	6	6
b) Issued to the MRTA in accordance with the operation of the MRT Blue Line Concession agreement	210	210
c) Issued to the MRTA in accordance with the Agreement for the MRT Chalong Ratchadham Project agreement	200	200
d) Issued to the Metropolitan Electricity Authority to guarantee electricity under rail projects	118	118
e) Other guarantees	14	14

29.6 Other commitments

	(Unit: Million Baht)	
	31 March 2019	31 December 2018
		(Audited)
a) Commitments in respect of the uncalled portion of investments		
Northern Bangkok Expressway Company Limited	750	750
b) Commitment in respect of Expressway inspection, replacement and improvement agreements (paid within one year)	127	22

30. The disputes with Expressway Authority of Thailand (EXAT)

The Company and the subsidiary had a total of 18 disputes with EXAT, which were referred to the Panel and the Arbitral Tribunal in accordance with the dispute settlement procedures under the Agreements and in the Administrative Court. The essence of each dispute was as follows:

30.1 Disputes submitted by the Company and the subsidiary claiming for damages in 11 disputes, with the total amount until the date of submission of the disputes of approximately Baht 54,503.7 million

30.1.1 Priority Component Opening Date under the Second Stage Expressway Agreement

On 9 July 2001, the Company submitted a statement of claim requiring EXAT to compensate for the deficient revenue with interest in the amount of Baht 3,831.4 million, due to different opinions as to which date was the Priority Component Opening Date, which affected the commencement of the toll revenue sharing with the Company under the Agreement, which the Arbitral Tribunal, on 15 December 2008, rendered its arbitral award on the dispute requiring EXAT to pay the toll revenue sharing including interest under the Agreement as required by the Company.

EXAT refused to comply with the arbitral award and submitted a petition to the Central Administrative Court requesting the Court to revoke the arbitral award. Whereas the Company submitted a petition requesting a judgment from the Central Administrative Court to enforce compliance with the arbitral award and calculate the interest up to the date on which the Company submitted the petition to the Court, amounting to Baht 1,189.7 million, with the total disputed amount of Baht 5,021.1 million. On 13 September 2013, the Central Administrative Court then adjudged to dismiss EXAT's petition requesting the Court to revoke the arbitral award and adjudged to enforce the Company's petition.

On 11 October 2013, EXAT lodged an appeal against the Central Administrative Court's judgment with the Supreme Administrative Court.

At present, it is pending the Supreme Administration Court's consideration.

30.1.2 Issuance of variation orders by EXAT

On 9 December 2009, the Company submitted a statement of claim requiring EXAT to compensate the Company for damages caused by EXAT's issuance of additional variation orders for certain construction work of the Si Rat Expressway in the total amount of Baht 209.1 million (excluding interest), which the Arbitral Tribunal, on 20 December 2013, unanimously rendered its arbitral award requiring EXAT to pay the construction costs and expenses as per the Notice of Variation in the total amount of Baht 382.5 million, together with interest under the Agreement.

EXAT refused to comply with such arbitral award and submitted a petition to the Central Administrative Court requesting the Court to revoke the arbitral award. Whereas, the Company submitted a petition to the Central Administrative Court requesting a judgment to enforce compliance with the arbitral award.

At present, it is pending the Central Administrative Court's consideration.

30.1.3 Revision of toll rates of the Chalerm Mahanakorn Expressway and the Si Rat Expressway for the year 2003

On 14 May 2008, the Company submitted a statement of claim requiring EXAT to compensate the Company for damages caused by the revision of toll rates of the Chalerm Mahanakorn Expressway and the Si Rat Expressway for 2003, which was not in accordance with the Agreement, thereby causing the damages, including interest, in the total amount of Baht 4,368 million, which the Arbitral Tribunal, on 12 February 2016, by the majority of votes, rendered its arbitral award requiring EXAT to compensate the Company for damages in the amount of Baht 4,368 million, together with interest under the Agreement.

EXAT refused to comply with such arbitral award and submitted a petition to the Central Administrative Court requesting the Court to revoke the arbitral award.

On 12 February 2019, the Company submitted a petition to the Central Administrative Court requesting a judgment to enforce compliance with the arbitral award.

At present, it is pending the Central Administrative Court's consideration.

30.1.4 Revision of toll rates of the Chalerm Mahanakorn Expressway and the Si Rat Expressway for the year 2008

On 13 June 2013, the Company submitted a statement of claim to the Arbitral Tribunal requiring EXAT to compensate the Company for damages caused by the revision of toll rates (of the Chalerm Mahanakorn Expressway and the Si Rat Expressway) for the year 2008, which was not in accordance with the Agreement, in the total amount of Baht 9,091.8 million, together with interest under the Agreement.

On 24 October 2018, the Arbitral Tribunal rendered the unanimously judgment awarded requiring EXAT to compensate the Company for damages caused by the revision of toll rates (of the Chalerm Mahanakorn Expressway and the Si Rat Expressway) for the year 2008 which was not in accordance with the Agreement together with interest, in the total amount of Baht 9,091.8 million, and interest under the Agreement shall be calculated on the principle of the damages, in the amount of Baht 7,909.6 million from 1 June 2013 until EXAT will make such payment in full and compensation for damages from the difference of toll revenue sharing based on the toll rates under the Ministry of Transport's Announcement dated 15 August 2008 and the toll rates which the Company entitled to receive under the Agreement, by calculating based on the actual number of vehicles in each category using the expressways on a daily basis from 1 June 2013 onwards, including default interest under the Agreement from 1 June 2013 onwards until the EXAT will be paid such damage together interest in full to the Company.

At present, it is pending the Central Administrative Court's consideration.

30.1.5 Revision of toll rates of the Chalerm Mahanakorn Expressway and the Si Rat Expressway for the year 2013

On 16 August 2018, the Company submitted a statement of claim to the Arbitral Tribunal requiring EXAT to compensate the Company for damages caused by the revision of toll rates (the Chalerm Mahanakorn Expressway and the Si Rat Expressway) for the year 2013, which was not in accordance with the Agreement, in the total amount of Baht 14,662.7 million, together with interest under the Agreement.

At present, it is pending the proceedings of the Thai Arbitration Institute.

30.1.6 Revision of toll rates of Sector D of the Si Rat Expressway for the year 2003

On 24 July 2008, the Company submitted a statement of claim requiring EXAT to compensate the Company for damages caused by the revision of toll rates of Sector D of the Si Rat Expressway for the year 2003, which was not in accordance with the Agreement, in the total amount of Baht 1,048.2 million.

On 22 April 2019, the Arbitral Tribunal rendered the judgment awarded requiring EXAT to compensate the Company for damages caused by the revision of toll rates (Sector D of the Si Rat Expressway) for the year 2003 which was not in accordance with the Agreement together with interest, in the total amount of Baht 1,048.2 million, and interest under the Agreement shall be calculated on the principle of the damages, in the amount of Baht 914.3 million from 1 June 2008 until EXAT will make such payment in full and compensation for damages from the difference of toll revenue sharing based on the toll rates under the Ministry of Transport's Announcement dated 29 August 2003 and the toll rates which the Company entitled to receive under the Agreement, by calculating based on the actual number of vehicles in each category using the expressways on a daily basis from 1 June 2008 to 31 August 2008, including default interest under the Agreement from 1 June 2008 onwards until the EXAT will be paid such damage together interest in full to the Company.

At present, the dispute is pending the EXAT to comply with the Arbitral award.

30.1.7 Revision of toll rates of Sector D of the Si Rat Expressway for the year 2008

On 28 June 2013, the Company submitted a statement of claim to the Arbitral Tribunal requiring EXAT to compensate the Company for damages caused by the revision of toll rates of Sector D of the Si Rat Expressway for the year 2008, which was not in accordance with the Agreement, in the total amount of Baht 4,062.8 million, together with interest under the Agreement.

At present, it is pending the proceedings of the Thai Arbitration Institute.

30.1.8 Revision of toll rates of Sector D of the Si Rat Expressway for the year 2013

On 21 August 2018, the Company submitted a statement of claim to the Arbitral Tribunal requiring EXAT to compensate the Company for damages caused by the revision of toll rates of Sector D of the Si Rat Expressway for the year 2013, which was not in accordance with the Agreement, in the total amount of Baht 6,936.4 million, together with interest under the Agreement.

At present, it is pending the proceedings of the Thai Arbitration Institute.

30.1.9 Revision of toll rates of Udon Ratthaya Expressway for the year 2003

On 22 October 2013, the subsidiary submitted a statement of claim to the Arbitral Tribunal requiring EXAT to compensate the subsidiary for damages, caused by the revision of toll rates of the Udon Ratthaya Expressway for the year 2003, which was not in accordance with the Agreement, in the amount of Baht 908.7 million, together with interest under the Agreement.

At present, it is pending the proceedings of the Thai Arbitration Institute.

30.1.10 Revision of toll rates of Udon Ratthaya Expressway for the year 2008 and 2013

On 21 August 2018, the subsidiary submitted a statement of claim to the Arbitral Tribunal requiring EXAT to compensate the subsidiary for damages, caused by the revision of toll rates of the Udon Ratthaya Expressway for the year 2008 and 2013, which was not in accordance with the Agreement, in the amount of Baht 4,724.8 million, together with interest under the Agreement.

At present, it is pending the proceedings of the Thai Arbitration Institute.

30.1.11 Competing road with the Udon Ratthaya Expressway for the year 1999 - 2000

On 20 December 2004, the subsidiary submitted a statement of claim requiring EXAT to compensate for the deficient revenue, based on the ground that the Government granted permission for construction of the Extension of the Don Muang Tollway Project, from the National Memorial to Rangsit Section, which constituted a competing road under the Agreement, and affected the financial position of the subsidiary, thereby rendering such damages until the date of submission of the dispute (excluding interest) to Baht 1,790 million, which the Arbitral Tribunal, on 27 November 2008, rendered its arbitral award on the dispute requiring EXAT to compensate for the deficient revenue with interest as required by the subsidiary.

EXAT refused to comply with such arbitral award and submitted a petition to the Central Administrative Court requesting the Court to revoke the arbitral award. Whereas, the subsidiary submitted a petition to the Central Administrative Court requesting a judgment to enforce compliance with the arbitral award, with the disputed amount of Baht 3,296 million. On 3 May 2013, The Central Administrative Court subsequently adjudged to dismiss EXAT's petition requesting the Court to revoke the arbitral award and issued a judgment to enforce compliance with the arbitral award.

On 31 May 2013, EXAT lodged an appeal against the Central Administrative Court's judgment with the Supreme Administrative Court. On 21 September 2018, the Supreme Administrative Court ruled to affirm the Judgement of the Administrative Court to enforce the arbitral award of the arbitral tribunal to compensate for the deficient revenue from the projection to the subsidiary under the Bang Pa-In - Pak Kret Expressway Agreement in total of Baht 1,790 million which composed of the compensation for the year 1999 in the total of Baht 730.8 million with interest from 14 June 2000 until the payment is paid in full and the compensation for the year 2000 in the total of Baht 1,059.2 million with interest from 22 March 2001 until the payment is paid in full. EXAT shall be required to fully comply with the Judgement within 90 days from the date the Supreme Administrative Court has ruled the Judgement, which will be due on 20 December 2018.

On 2 October 2018, the Council of Ministers' Meeting resolved that in order to alleviate the loss and damage which would occur to the Government and to protect the utmost benefits of the Government sector in the case that the Government agency has the dispute under the Court of Arbitration or is filed a lawsuit with the Administrative Court as one or several cases in the same issue or as connected thereto, for instance, the case under the responsibility of the Ministry of Transport (Expressway Authority of Thailand), on which the Arbitral Tribunal rendered its arbitral award, thereby giving rise to the case proceedings in the Supreme Administrative Court, in which case, the Arbitral Tribunal rendered its arbitral award requiring the Government agency to compensate for the damages or others; as a result, the resolution has been passed to require that such Government agency may conduct a negotiation with its disputing party to alleviate the damage of the Government and to ensure the justice to the people, provided that such negotiation shall be conducted transparently and legitimately by mainly taking into account the benefits of the nation.

Subsequently, EXAT issued a letter dated 31 October 2018 to the subsidiary, informing that the Board of EXAT has appointed a subcommittee to consider determining the guidelines for compliance with the judgment of the Supreme Administrative Court of the dispute in the case of the competing road between EXAT and the subsidiary, so as to consider determining the guidelines for compliance with such judgment of the Supreme Administrative Court, as well as conducting a negotiation with the subsidiary and inviting the subsidiary to attend the negotiation meeting to reach an agreement for such matter.

On 19 December 2018, EXAT and the subsidiary issued their letters to reply the letter of the Bureau of Administrative Case Execution dated 11 October 2018 regarding the compliance with the Supreme Administrative Court's judgement that it is pending on the negotiation process to conclude the Supreme Administrative Court's judgement.

During December 2018, the subcommittee attended the meetings for negotiation with the Company and the subsidiary several times for the dispute settlement of all cases between EXAT and the Company/ the subsidiary under the Second Stage Expressway Agreement (Sector A, Sector B and Sector C), the Agreement for the Extension of the Second Stage Expressway System (Sector D), and the Bang Pa-in - Pak Kret Expressway Agreement. On 21 December 2018, the Company / the subsidiary have reached the agreement with EXAT for the negotiation and dispute settlement for all disputes as mentioned on Note 30 to the interim financial statements. This includes the dispute regarding Competing road with the Udon Ratthaya Expressway, in which the Notice of claim has been issued to require EXAT to comply with the Agreement in an amount of Baht 74,590 million.

The agreement can be summarised as follows;

- A) EXAT and the Company/ the subsidiary have agreed to settle all disputes which already took place or would take place in the future in the same issues in relation with the Concession Agreements.
- B) EXAT and the Company/ the subsidiary have mutually agreed to review and amend the Concession Agreements as follows;
 - B1. The respective periods of time of the Second Stage Expressway Agreement (Sector A, Sector B and Sector C), the Agreement for the Extension of the Second Stage Expressway System (Sector D), and the Bang Pa-in - Pak Kret Expressway Agreement, shall be extended from which would formerly end in 2020, 2027, and 2026 respectively, to end on 21 April 2057;
 - B2. The Company shall provide the O&M Services of the Second Stage Expressway and the subsidiary shall provide the O&M Services of the Bang Pa-in - Pak Kret Expressway, provided that the Company/the subsidiary are entitled to receive toll revenue sharing throughout the respective agreement periods at the rates ranging from 40 to 100 percent according to the rates specified in the Agreements;
 - B3. The revision of toll rates shall be revised to constantly increase every 10 years;

B4. The Company shall have duty to invest, construct and improve the Second Stage Expressway in the total investment amount of approximately Baht 31,500 million to solve the traffic congestion problem.

At present, the results of the negotiation and disputes settlement are pending for the relevant government agency to propose to the Cabinet for an approval in conformity with the Private Investment in State Undertaking Act B.E. 2556, in which there might be the possibilities to be altered from which summarised in A) and B).

Since the agreement to settle the disputes from the negotiation process is pending for the relevant government agencies to propose for approval from the Cabinet. And, should there be an approval, it requires the process of signing the reviewed and amended concession agreements. Thus, there remains uncertainly as to the compensation to be derived by the subsidiary from EXAT, the subsidiary has not yet recorded revenue from compensation under the judgment of the Supreme Administrative Court in relation to the dispute regarding the competing road with the Udon Ratthaya Expressway in the total amount of Baht 1,790 million, together with interest and related expenses to be incurred, in the interim financial statements for the three-month period ended 31 March 2019.

30.2 Disputes submitted by EXAT claiming for damages in 3 disputes, with the total amount until the date of submission of the disputes of approximately Baht 1,589.2 million

30.2.1 Cost of arrangements of the entrance - exit and resolution of complaints

On 11 May 2007, EXAT submitted a statement of claim requiring the Company to be responsible for the cost of arrangements of the entrance - exit claimed by complainants, and the cost of free flow drains, in the total amount of Baht 0.4 million, which the Arbitral Tribunal rendered its arbitral award ruling that EXAT had no right to claim for such costs.

EXAT submitted a petition for revocation of the arbitral award to the Central Administrative Court. The Central Administrative Court subsequently issued the judgment, on 30 August 2017, to revoke the arbitral award only on the second ground part - the cost of free flow drains. The Court rules that the Arbitral Tribunal has illegally received the claim because EXAT submitted the case when the ground part was precluded by prescription.

On 29 September 2017, the Company appealed the Central Administrative Court's judgment to the Supreme Administrative Court.

At present, it is pending the Supreme Administration Court's consideration.

30.2.2 Construction of the Udon Ratthaya Expressway, Phase 2

On 29 January 2016, EXAT submitted a statement of claim to the Arbitral Tribunal requiring the subsidiary to construct the Udon Ratthaya Expressway, Phase 2, in accordance with the conditions of the Bang Pa-In - Pak Kret Expressway Agreement, and compensate for the amount of Baht 1,587.7 million, together with interest under the Agreement. The Agreement states that although the conditions of the Agreement to commence the construction has been fulfilled, the subsidiary shall not yet be obliged to carry out the construction if EXAT breach of the Agreement causing the subsidiary to suffer financial set back materially. EXAT are in breach of the Agreement with the competing road and the revision of toll rates, as mentioned on Notes 30.1.9, 30.1.10 and 30.1.11 to the interim financial statements. Therefore, the subsidiary acquired its rights to not commence the construction and EXAT is not entitled to claim for indemnity.

At present, it is pending the proceedings of the Thai Arbitration Institute.

30.2.3 Cost of utilisation of the Control Center Building (Bang Phun)

On 27 February 2009, EXAT submitted a statement of claim to the Arbitral Tribunal requiring the subsidiary to be responsible for the cost of utilisation of the Control Center Building (Bang Phun) in the amount of Baht 1.1 million, which the subsidiary was of the view that such cost claimed by EXAT was not within its scope of responsibility under the Agreement.

At present, it is pending the proceedings of the Thai Arbitration Institute.

Since the disputes are pending consideration, the Company and the subsidiary therefore did not record such entries in the interim financial statements.

30.3 Disputes submitted by the Company and the subsidiary which was in the Panel proceedings, in 4 disputes, with the total amount to date of submission of the disputes of approximately Baht 73,132.6 million.

30.3.1 Revision of toll rates of the Chalerm Mahanakorn Expressway and the Si Rat Expressway for the year 2018

On 16 November 2018, the Company requested EXAT to compensate for the damages from 1 September 2018 to 31 October 2018, together with the interest, in an amount of Baht 592.9 million, and the interest of the principle damage in an amount of Baht 590.8 million on a daily basis from 1 November 2018 onwards, and compensate for the differences of toll revenue according to the Notification of the Ministry of Transport dated 2 August 2013 from 1 November 2018 onwards together with the default interest under the Agreement.

At present, the dispute is pending to submit to the Thai Arbitration Institute.

30.3.2 Revision of toll rates of the Si Rat Expressway - Sector D for the year 2018

On 16 November 2018, the Company requested EXAT to compensate for the damages from 1 September 2018 to 31 October 2018, together with the interest, in an amount of Baht 289.3 million, and the interest of the principle damage in an amount of Baht 288.3 million on a daily basis from 1 November 2018 onwards, and compensate for the differences of toll revenue according to the Notification of the Ministry of Transport dated 2 August 2013 from 1 November 2018 onwards together with the default interest under the Agreement.

At present, the dispute is pending to submit to the Thai Arbitration Institute.

30.3.3 Revision of toll rates of Udon Ratthaya Expressway for the year 2018

On 16 November 2018, the subsidiary requested EXAT to compensate for the damages from 1 November 2018 to 11 November 2018, together with the interest, in an amount of Baht 24.9 million, and the interest of the principle damage in an amount of Baht 24.9 million on a daily basis from 12 November 2018 onwards, and compensate for the differences of toll revenue according to the Notification of the Ministry of Transport dated 2 August 2013 from 12 November 2018 onwards together with the default interest under the Agreement.

At present, the dispute is pending to submit to the Thai Arbitration Institute.

30.3.4 Competing road with the Udon Ratthaya Expressway for the year 2001 - 2017

As a result of the Government's permission to the construction of the Don Muang Tollway extension project from the National Memorial to Rangsit Section, which the Supreme Administrative Court has ruled in the year 1999 - 2000 case of the same on 17 September 2018 for EXAT to compensate for the deficit revenue to the subsidiary. Therefore, it is clear and settle that the subsidiary affected by the construction of the competing road. On 3 May 2019, the subsidiary requested the EXAT compensate for the deficit revenue from the estimated according to the Appendix VIII attached to the Bang Pa-in Pak Kret Expressway Agreement for the year 2001 - 2017 for the total of Baht 46,300.2 million together with the cumulative interest calculated until 30 April 2019 in the total of Baht 25,925.3 million, and compensate for the interest of the principle amount total Baht 46,300.2 million calculated from 1 May 2019 until EXAT shall pay the principle amount together with the interest in the amount of Baht 72,225.5 million in full to the subsidiary.

At present, the dispute is pending to submit to the Thai Arbitration Institute.

31. Fair value hierarchy

The Company and its subsidiaries use the market approach to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available.

Fair value hierarchy

In applying the above-mentioned valuation techniques, the Company and its subsidiaries endeavor to use relevant observable inputs as much as possible. TFRS 13 Fair Value Measurement establishes a fair value hierarchy categorising such inputs into three levels as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

As at 31 March 2019, the Company and its subsidiary had the following assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Current investments				
Unit trusts	-	1,080,707	-	1,080,707
Investment in available-for-sale securities	6,629,409	-	-	6,629,409
Financial liabilities measured at fair value				
Derivative				
Interest rate swap agreement	-	26,212	-	26,212

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Current investments				
Unit trusts	-	1,066,072	-	1,066,072
Investment in available-for-sale securities	6,629,409	-	-	6,629,409
Financial liabilities measured at fair value				
Derivative				
Interest rate swap agreement	-	26,212	-	26,212

Valuation techniques and inputs to Level 2 valuations

The fair value of investments in unit trust has been determined from their net asset value as announced by Asset Management Company.

The fair value of derivatives has been determined by using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as interest rate yield curves.

32. Events after the reporting period

On 26 April 2019, the 2019 Annual General Meeting of the Company's shareholders passed a resolution to approve a dividend payment of Baht 0.15 per share, totaling Baht 2,293 million. Baht 0.06 per share, or a total of Baht 917 million, was paid as an interim dividend on 19 September 2018, leaving a dividend of Baht 0.09 per share, totaling Baht 1,376 million, which is to be paid on 22 May 2019. This dividend will be recorded in the second quarter of this year.

33. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's authorised directors on 9 May 2019.