

Bangkok Expressway and Metro Public Company Limited
and its subsidiaries
Report and consolidated interim financial statements
For the three-month and nine-month periods ended
30 September 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 30 September 2019, the related consolidated statements of income and comprehensive income for the three-month and nine-month periods then ended, the related consolidated statement of changes in shareholders' equity and cash flows for the nine-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 31.1.11 to the interim financial statements regarding the dispute over a competing road with Udon Rattaya Expressway for the year 1999 - 2000, 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 31 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 31.1.11 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 Rattaya Expressway, together with interest thereon and related expenses that may be incurred in the interim financial statements for the three-month and nine-month periods ended 30 September 2019. My conclusion is not modified in respect of this matter.

Isaraporn Wisutthiyan

Certified Public Accountant (Thailand) No. 7480

EY Office Limited

Bangkok: 12 November 2019

Bangkok Expressway and Metro Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2019

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2019	31 December 2018	30 September 2019	31 December 2018
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents	4	691,825	526,200	537,131	423,687
Current investments	5	1,369,074	1,282,475	1,356,823	1,268,648
Bank deposit for unearned fare box revenue	6	177,795	150,016	177,795	150,016
Trade and other receivables	7	453,428	514,056	452,847	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					
Prepaid expenses		110,635	78,022	104,974	73,598
Withholding tax deducted at source		31,961	-	31,961	-
Others		89,935	16,137	85,416	9,265
Total current assets		4,574,336	4,216,589	4,414,630	4,118,249
Non-current assets					
Long-term loans to and interest receivable					
from related parties, net of current portion	3	-	-	931,496	2,985,996
Receivable under the concession agreement, net of current portion	8	9,623,153	10,860,415	9,623,153	10,860,415
Investments in subsidiaries	9	-	-	633,110	363,870
Investments in associate	10	-	6,368,745	-	4,242,262
Investments in available-for-sale securities	11	17,913,383	6,688,647	17,913,383	6,688,647
Investment properties		120,357	120,357	120,357	120,357
Building and equipment	12	308,300	323,937	264,828	282,541
Rights to operate expressway sectors	13	33,010,358	35,146,020	27,856,311	29,542,189
Rights to use sites for expressway construction	14	144,782	390,198	144,782	390,198
Intangible asset under concession agreement of					
the MRT Blue Line Project	15	40,925,077	35,427,556	40,581,090	35,089,506
Project cost of the MRT Chalong Ratchadham Line	16	650,463	654,691	650,463	654,691
Prepaid project remuneration	3	4,569,122	3,495,195	4,569,122	3,495,195
Other intangible assets	17	72,223	84,778	67,411	80,301
Deferred tax assets		11,340	6,312	-	-
Other non-current assets		454,628	47,469	424,577	18,022
Total non-current assets		107,803,186	99,614,320	103,780,083	94,814,190
Total assets		112,377,522	103,830,909	108,194,713	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 30 September 2019

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	30 September 2019	31 December 2018	30 September 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	2,407,651	2,814,594	2,407,651	2,814,594
Trade and other payables	19	2,529,647	1,683,473	2,489,197	1,658,800
Current portion of long-term loans from financial institutions	20	2,791,760	3,041,760	2,791,760	3,041,760
Current portion of debentures	21	-	5,000,000	-	5,000,000
Unearned fare box revenue	6	197,335	163,117	197,335	163,117
Deposits on stored value ticket		74,848	65,265	74,848	65,265
Income tax payable		17,592	69,746	-	48,142
Provision for compensation for site acquisition cost	22	-	1,546,892	-	1,546,892
Other current liabilities					
Retention guarantees		40,586	27,735	36,137	24,475
Value added tax payable		63,208	76,045	52,368	64,874
Withholding tax deducted at source payable		60,645	90,510	59,122	87,258
Others		57,369	27,702	53,550	25,930
Total current liabilities		8,240,641	14,606,839	8,161,968	14,541,107
Non-current liabilities					
Long-term loans from financial institutions, net of current portion	20	22,622,415	18,373,780	19,622,415	16,773,780
Debentures, net of current portion	21	38,168,891	33,169,822	38,168,891	33,169,822
Derivative financial liabilities		109,606	21,809	109,606	21,809
Unearned revenue from advertising management rights	23	-	-	10,929	11,865
Provision for long-term employee benefits	24	755,866	686,898	733,349	664,554
Deferred tax liabilities		3,122,336	1,353,842	3,123,509	1,353,842
Other non-current liabilities		4,659	5,893	436	1,000
Total non-current liabilities		64,783,773	53,612,044	61,769,135	51,996,672
Total liabilities		73,024,414	68,218,883	69,931,103	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 30 September 2019

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>30 September 2019</u>	<u>31 December 2018</u>	<u>30 September 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	15,285,000	15,285,000	15,285,000	15,285,000
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	14,756,469	12,133,781	7,279,361	7,095,892
Other components of shareholders' equity	2,478,770	1,105,928	8,649,421	2,963,940
Equity attributable to shareholders of the Company	39,313,124	35,498,766	38,263,610	32,394,660
Non-controlling interests of the subsidiaries	39,984	113,260	-	-
Total shareholders' equity	39,353,108	35,612,026	38,263,610	32,394,660
Total liabilities and shareholders' equity	112,377,522	103,830,909	108,194,713	98,932,439

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 30 September 2019**

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
Revenues					
Revenue from expressway business		2,608,585	2,561,453	2,243,365	2,194,046
Revenue from rail business		1,265,652	1,217,928	1,265,652	1,217,928
Revenue from commercial development business	25	198,548	167,132	185,263	98,904
Other income					
Gains on sale of investments	5, 10, 11	24,130	211,414	21,652	197,667
Gain on reclassification of investment	10	-	2,496,266	-	-
Interest income		96,736	111,909	105,139	136,819
Dividend income	3, 10	221,070	-	221,070	230,933
Others		16,049	11,282	58,900	42,297
Total revenues		4,430,770	6,777,384	4,101,041	4,118,594
Expenses					
Cost of expressway business		504,916	461,477	449,145	403,617
Cost of rail business		953,295	880,914	953,295	880,914
Cost of commercial development business		54,481	44,952	112,919	17,534
Amortisation on rights to operate completed expressway sectors and compensation for site acquisition cost	13, 14, 22	1,025,491	957,827	873,154	813,485
Amortisation on intangible asset under concession agreement of the MRT Blue Line Project	15	53,352	48,362	42,086	38,895
Selling expenses		29,157	23,515	16,148	11,792
Administrative expenses		273,562	251,889	252,058	233,406
Total expenses		2,894,254	2,668,936	2,698,805	2,399,643
Profit before share of profit from investments in associates, finance cost and income tax expenses		1,536,516	4,108,448	1,402,236	1,718,951
Share of profit from investments in associates		-	132,730	-	-
Profit before finance cost and income tax expenses		1,536,516	4,241,178	1,402,236	1,718,951
Finance cost		(421,989)	(419,847)	(398,313)	(411,254)
Profit before income tax expenses		1,114,527	3,821,331	1,003,923	1,307,697
Income tax expenses	27	(175,195)	(698,829)	(154,168)	(212,631)
Profit for the period		939,332	3,122,502	849,755	1,095,066
Profit attributable to:					
Equity holders of the Company		936,607	3,119,478	849,755	1,095,066
Non-controlling interests of the subsidiaries		2,725	3,024		
		939,332	3,122,502		
Basic earnings per share (Baht)					
Profit attributable to equity holders of the Company	28	0.06	0.20	0.06	0.07

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 30 September 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>939,332</u>	<u>3,122,502</u>	<u>849,755</u>	<u>1,095,066</u>
Other comprehensive income				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>				
Unrealised gain (loss) from cash flow hedges, net of income tax	(46,773)	1,870	(46,773)	1,870
Unrealised gain (loss) on valuation of available-for-sale securities, net of income tax	(1,630,723)	1,559,810	(1,628,838)	3,428,771
Share of other comprehensive income of associate recognised due to reclassification of investment	-	(37,095)	-	-
Share of other comprehensive income from associates	-	(1,263)	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods, net of income tax	<u>(1,677,496)</u>	<u>1,523,322</u>	<u>(1,675,611)</u>	<u>3,430,641</u>
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>				
Actuarial gain, net of income tax	<u>2,163</u>	-	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods, net of income tax	<u>2,163</u>	-	-	-
Other comprehensive income for the period	<u>(1,675,333)</u>	<u>1,523,322</u>	<u>(1,675,611)</u>	<u>3,430,641</u>
Total comprehensive income for the period	<u>(736,001)</u>	<u>4,645,824</u>	<u>(825,856)</u>	<u>4,525,707</u>
Total comprehensive income attributable to:				
Equity holders of the Company	(738,948)	4,642,800	<u>(825,856)</u>	<u>4,525,707</u>
Non-controlling interests of the subsidiaries	<u>2,947</u>	<u>3,024</u>		
	<u>(736,001)</u>	<u>4,645,824</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**Income statement****For the nine-month period ended 30 September 2019**

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
Revenues					
Revenue from expressway business		7,711,471	7,576,151	6,626,270	6,498,951
Revenue from rail business		3,638,609	3,562,416	3,638,609	3,562,416
Revenue from commercial development business	25	554,899	493,020	520,849	292,311
Other income					
Gains on sale of investments	5, 10, 11	177,251	498,072	265,951	560,300
Gain on reclassification of investment	10	3,408,628	2,496,266	-	-
Interest income		300,894	344,180	341,842	428,755
Dividend income	3, 10	257,869	-	488,802	493,939
Others		49,562	29,005	180,042	127,356
Total revenues		16,099,183	14,999,110	12,062,365	11,964,028
Expenses					
Cost of expressway business		1,474,854	1,349,711	1,309,200	1,186,097
Cost of rail business		2,726,820	2,630,239	2,726,820	2,630,239
Cost of commercial development business		150,461	129,466	332,567	53,944
Amortisation on rights to operate completed expressway sectors and compensation for site acquisition cost	13, 14, 22	3,020,790	2,828,417	2,569,735	2,406,078
Amortisation on intangible asset under concession agreement of the MRT Blue Line Project	15	149,512	139,324	117,393	111,683
Selling expenses		91,087	74,782	55,575	40,252
Administrative expenses		856,259	808,656	792,272	755,392
Total expenses		8,469,783	7,960,595	7,903,562	7,183,685
Profit before share of profit from investments in associates, finance cost and income tax expenses		7,629,400	7,038,515	4,158,803	4,780,343
Share of profit from investments in associates		172,911	338,593	-	-
Profit before finance cost and income tax expenses		7,802,311	7,377,108	4,158,803	4,780,343
Finance cost		(1,246,322)	(1,443,690)	(1,192,157)	(1,423,318)
Profit before income tax expenses		6,555,989	5,933,418	2,966,646	3,357,025
Income tax expenses	27	(1,627,922)	(1,090,941)	(490,427)	(566,696)
Profit for the period		4,928,067	4,842,477	2,476,219	2,790,329
Profit attributable to:					
Equity holders of the Company		4,913,498	4,833,745	2,476,219	2,790,329
Non-controlling interests of the subsidiaries		14,569	8,732		
		4,928,067	4,842,477		
Basic earnings per share (Baht)					
Profit attributable to equity holders of the Company	28	0.32	0.32	0.16	0.18

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 nine-month period ended 30 September 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>4,928,067</u>	<u>4,842,477</u>	<u>2,476,219</u>	<u>2,790,329</u>
Other comprehensive income				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>				
Unrealised gain (loss) from cash flow hedges, net of income tax	(70,238)	17,696	(70,238)	17,696
Unrealised gain on valuation of available-for-sale securities, net of income tax	1,454,029	1,559,810	5,755,719	3,428,771
Share of other comprehensive income of associate recognised due to reclassification of investment	(9,019)	(37,095)	-	-
Share of other comprehensive income from associates	(1,930)	35,130	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods, net of income tax	<u>1,372,842</u>	<u>1,575,541</u>	<u>5,685,481</u>	<u>3,446,467</u>
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>				
Actuarial gain, net of income tax	<u>2,163</u>	-	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods, net of income tax	<u>2,163</u>	-	-	-
Other comprehensive income for the period	<u>1,375,005</u>	<u>1,575,541</u>	<u>5,685,481</u>	<u>3,446,467</u>
Total comprehensive income for the period	<u>6,303,072</u>	<u>6,418,018</u>	<u>8,161,700</u>	<u>6,236,796</u>
Total comprehensive income attributable to:				
Equity holders of the Company	6,288,280	6,409,286	<u>8,161,700</u>	<u>6,236,796</u>
Non-controlling interests of the subsidiaries	<u>14,792</u>	<u>8,732</u>		
	<u>6,303,072</u>	<u>6,418,018</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 nine-month period ended 30 September 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 gain (loss) from cash flow hedges	Surplus on changes in value 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	-	-	-	-	4,833,745	-	-	-	-	4,833,745	8,732	4,842,477
Other comprehensive income for the period	-	-	-	-	-	17,696	1,559,810	(1,965)	1,575,541	1,575,541	-	1,575,541
Total comprehensive income for the period	-	-	-	-	4,833,745	17,696	1,559,810	(1,965)	1,575,541	6,409,286	8,732	6,418,018
Dividend paid (Note 26)	-	-	-	-	(1,987,050)	-	-	-	-	(1,987,050)	-	(1,987,050)
Balance as at 30 September 2018	<u>15,285,000</u>	<u>5,816,938</u>	<u>(32,149)</u>	<u>1,077,490</u>	<u>11,795,176</u>	<u>(24,667)</u>	<u>1,559,810</u>	<u>12,823</u>	<u>1,547,966</u>	<u>35,490,421</u>	<u>119,845</u>	<u>35,610,266</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	-	-	-	-	4,913,498	-	-	-	-	4,913,498	14,569	4,928,067
Other comprehensive income for the period	-	-	-	-	1,940	(70,238)	1,454,029	(10,949)	1,372,842	1,374,782	223	1,375,005
Total comprehensive income for the period	-	-	-	-	4,915,438	(70,238)	1,454,029	(10,949)	1,372,842	6,288,280	14,792	6,303,072
Investment in subsidiary (Note 9)	-	-	(181,172)	-	-	-	-	-	-	(181,172)	(88,068)	(269,240)
Dividend paid (Note 26)	-	-	-	-	(2,292,750)	-	-	-	-	(2,292,750)	-	(2,292,750)
Balance as at 30 September 2019	<u>15,285,000</u>	<u>5,816,938</u>	<u>(256,943)</u>	<u>1,232,890</u>	<u>14,756,469</u>	<u>(87,685)</u>	<u>2,566,455</u>	<u>-</u>	<u>2,478,770</u>	<u>39,313,124</u>	<u>39,984</u>	<u>39,353,108</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 nine-month period ended 30 September 2019

(Unit: Thousand Baht)

	Separate financial statements							
					Other components of shareholders' equity			
					Other comprehensive income		Total other components of shareholders' equity	Total shareholders' equity
					Retained earnings			
	Issued and paid-up share capital	Premium on ordinary shares	Appropriated - statutory reserve	Unappropriated				
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	-	-	-	2,790,329	-	-	-	2,790,329
Other comprehensive income for the period	-	-	-	-	17,696	3,428,771	3,446,467	3,446,467
Total comprehensive income for the period	-	-	-	2,790,329	17,696	3,428,771	3,446,467	6,236,796
Dividend paid (Note 26)	-	-	-	(1,987,050)	-	-	-	(1,987,050)
Balance as at 30 September 2018	15,285,000	5,816,938	1,077,490	6,923,479	(24,667)	3,428,771	3,404,104	32,507,011
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	-	-	-	2,476,219	-	-	-	2,476,219
Other comprehensive income for the period	-	-	-	-	(70,238)	5,755,719	5,685,481	5,685,481
Total comprehensive income for the period	-	-	-	2,476,219	(70,238)	5,755,719	5,685,481	8,161,700
Dividend paid (Note 26)	-	-	-	(2,292,750)	-	-	-	(2,292,750)
Balance as at 30 September 2019	15,285,000	5,816,938	1,232,890	7,279,361	(87,685)	8,737,106	8,649,421	38,263,610

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 nine-month period ended 30 September 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	6,555,989	5,933,418	2,966,646	3,357,025
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Amortisation and depreciation	2,957,877	2,711,025	2,461,812	2,249,472
Reversal of allowance for doubtful debt	(3,830)	(142)	-	-
Revenue recognition of unearned revenue from advertising management rights	-	-	(936)	(936)
Gains on sale of investments	(177,251)	(498,072)	(265,951)	(560,300)
Unrealised gain on change in value of investments	(19,281)	(6,342)	(19,256)	(6,333)
Gain on reclassification of investment	(3,408,628)	(2,496,266)	-	-
Gain on disposal/write off of equipment and intangible asset under concession agreement of the MRT Blue Line Project	(1,203)	(1,353)	(1,203)	(339)
Project remuneration expense	276,786	262,813	276,786	262,813
Compensation for site acquisition cost	297,307	334,732	297,307	334,732
Provision for long-term employee benefits	69,948	71,517	67,071	68,902
Share of profit from investments in associates	(172,911)	(338,593)	-	-
Unrealised gain on exchange	(255)	(582)	(255)	(582)
Interest income	(300,894)	(344,180)	(341,842)	(428,755)
Dividend income	(257,869)	-	(488,802)	(493,939)
Interest expenses	1,203,840	1,262,457	1,152,169	1,246,098
Profit from operating activities before changes in operating assets and liabilities	7,019,625	6,890,432	6,103,546	6,027,858
Operating assets (increase) decrease				
Bank deposit for unearned fare box revenue	(27,779)	-	(27,779)	-
Trade and other receivables	20,457	(6,899)	28,504	33,154
Receivable under the concession agreement	1,237,262	1,237,262	1,237,262	1,237,262
Other current assets	(78,097)	38,800	(79,219)	41,356
Other non-current assets	(13,809)	(4,331)	(6,555)	(868)
Cash paid for project remuneration	(1,260,637)	(990,058)	(1,260,637)	(990,058)
Operating liabilities increase (decrease)				
Trade and other payables	602,804	544,356	587,457	518,806
Unearned farebox revenue	34,218	21,501	34,218	21,501
Deposits on stored value ticket	9,583	8,279	9,583	8,279
Other current liabilities	(184)	19,306	(1,360)	18,036
Other non-current liabilities	(1,234)	1,002	(564)	(565)
Cash paid for long-term employee benefits	(4,293)	(354)	(4,293)	(354)
Cash paid for compensation for site acquisition cost	(1,616,000)	(1,600,000)	(1,616,000)	(1,600,000)
Net Cash flows from operating activities	5,921,916	6,159,296	5,004,163	5,314,407
Cash received from interest income	300,508	344,809	300,156	344,525
Cash paid for income tax	(288,410)	(290,577)	(222,234)	(214,294)
Net cash flows from operating activities	<u>5,934,014</u>	<u>6,213,528</u>	<u>5,082,085</u>	<u>5,444,638</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**Cash flow statement (continued)****For the nine-month period ended 30 September 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	13,156,678	10,009,500	12,002,178	8,871,000
Cash paid for purchase of current investments	(13,217,594)	(9,914,117)	(12,065,023)	(8,775,264)
Cash paid for purchase of investments in subsidiary	(269,240)	-	(269,240)	-
Cash received from sales of investment in associate	398,386	540,352	398,386	540,352
Cash received from sales of investments in available-for-sale securities	73,666	-	73,666	-
Cash received from sales of other long-term investment	-	2,075,443	-	2,075,443
Increase in other long-term investment	-	(107,436)	-	(107,436)
Advance payment for investment project	(400,000)	-	(400,000)	-
Cash received from long-term loans to related parties	-	-	1,702,836	1,126,343
Cash received from sales of equipment and intangible asset under concession agreement of the MRT Blue Line Project	1,523	2,817	1,523	1,723
Purchase of equipment	(28,158)	(16,650)	(15,930)	(10,166)
Advance payment for purchase of equipment	-	(618)	-	-
Cash received from interest income	-	3,982	392,970	320,505
Cash received from dividend income	488,802	493,939	488,802	493,939
Cash paid for the MRT Chalong Ratchadham Line	(4,842)	(391)	(4,842)	(391)
Cash paid for intangible asset under concession agreement of the MRT Blue Line Project	(5,521,846)	(7,931,538)	(5,482,285)	(7,914,518)
Cash paid for expressway construction	(473,231)	(249,132)	(472,682)	(249,132)
Interest expenses capitalised as cost of projects	(338,269)	(142,326)	(338,269)	(142,326)
Increase in other intangible assets	<u>(7,810)</u>	<u>(27,878)</u>	<u>(6,241)</u>	<u>(27,663)</u>
Net cash flows used in investing activities	<u>(6,141,935)</u>	<u>(5,264,053)</u>	<u>(3,994,151)</u>	<u>(3,797,591)</u>
Cash flows from financing activities				
Cash received from short-term loan from financial institutions	3,632,000	10,000,000	3,632,000	10,000,000
Repayment of short-term loans from financial institutions	(4,040,000)	(10,408,000)	(4,040,000)	(10,408,000)
Cash received from long-term loans from financial institutions	5,900,000	2,800,000	4,500,000	2,100,000
Repayment of long-term loans from financial institutions	(1,906,320)	(12,089,570)	(1,906,320)	(12,089,570)
Cash received from debentures	5,000,000	10,000,000	5,000,000	10,000,000
Cash paid for redemption of debentures	(5,000,000)	-	(5,000,000)	-
Cash paid for financial fees	(11,437)	(82,889)	(11,437)	(82,889)
Interest paid	(907,947)	(972,235)	(855,983)	(956,059)
Dividend paid	<u>(2,292,750)</u>	<u>(1,987,050)</u>	<u>(2,292,750)</u>	<u>(1,987,050)</u>
Net cash flows from (used in) financing activities	<u>373,546</u>	<u>(2,739,744)</u>	<u>(974,490)</u>	<u>(3,423,568)</u>
Net increase (decrease) in cash and cash equivalents	<u>165,625</u>	<u>(1,790,269)</u>	<u>113,444</u>	<u>(1,776,521)</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><u>691,825</u></u>	<u><u>836,794</u></u>	<u><u>537,131</u></u>	<u><u>750,415</u></u>
Supplemental cash flows information				
Non-cash items consist of:				
Increase in payable from expressway construction	114,590	11,858	113,868	11,858
Increase (decrease) in accrued interest expenses capitalised as cost of projects	(34,349)	10,167	(34,349)	10,167

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 and nine-month periods ended 30 September 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.

The MRT Blue Line Project

On 29 September 2019, the Company officially commenced operation of the MRT Blue Line Extension Project: Hua Lamphong Station-Lak Song Station.

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:

TFRS 15 Revenue from Contracts with Customers

TFRS 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
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 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 and revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. 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 except the following new standards which 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 have transactions with during the three-month and nine-month periods ended 30 September 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	Related company through common directors of the 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

(Unaudited but reviewed)

Such significant transactions and pricing policy are summarised below.

(Unit: Million Baht)

	For the three-month periods ended 30 September				
	Consolidated		Separate		
	financial statements		financial statements		Pricing policy
	2019	2018	2019	2018	
<u>Transactions with major shareholder</u>					
Cost of rail projects	1,057	2,203	1,057	2,203	Based on contracts
Cost of expressway construction	192	30	192	30	Based on contracts
Expressway and civil works maintenance expenses	154	97	154	97	Based on contracts
Office rental and service expenses	2	2	-	-	Based on contracts
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Commercial development revenue	-	-	1	81	Based on contracts
Interest income from long-term loans	-	-	8	25	Based on contracts
Project management income	-	-	47	38	Based on contract
Commercial development management fee	-	-	90	-	Based on contract
<u>Transaction with associated company</u>					
Dividend income	-	-	-	231	As declared
<u>Transactions with related companies</u>					
Commercial development revenue	2	31	2	11	Based on contracts
Interest income from M&E Systems	94	108	94	108	FDR plus stipulated margin per annum
Dividend income	221	-	221	-	As declared
Cost of commercial development	2	3	-	-	Based on contract
Remuneration from fare box (Inclusive of VAT)	94	89	94	89	Concession agreement
Remuneration from commercial development	5	2	5	2	Concession agreement
Property tax	-	1	-	1	At the rates charged by Bangkok Metropolitan Administration
Utility expenses	1	1	1	1	Based on contract
Financial fee	9	11	8	10	Based on contracts
Interest expenses on long-term loans	83	49	83	49	At FDR plus stipulated margin and 6M THBFX plus a stipulated margin per annum

(Unaudited but reviewed)

(Unit: Million Baht)

	For the nine-month periods ended 30 September				
	Consolidated		Separate		
	financial statements		financial statements		Pricing policy
	2019	2018	2019	2018	
<u>Transactions with major shareholder</u>					
Cost of rail projects	4,421	6,551	4,421	6,551	Based on contracts
Cost of expressway construction	584	217	584	217	Based on contracts
Expressway and civil works maintenance expenses	450	297	450	297	Based on contracts
Office rental and service expenses	6	6	-	-	Based on contracts
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Commercial development revenue	-	-	1	240	Based on contracts
Interest income from long-term loans	-	-	41	85	Based on contracts
Project management income	-	-	140	113	Based on contract
Commercial development management fee	-	-	270	-	Based on contract
<u>Transactions with associated companies</u>					
Dividend income	-	-	231	494	As declared
Sale of other long-term investment	-	2,065	-	2,065	Base on contract
<u>Transactions with related companies</u>					
Commercial development revenue	31	86	31	30	Based on contracts
Interest income from M&E Systems	290	330	290	330	FDR plus stipulated margin per annum
Dividend income	258	-	258	-	As declared
Cost of commercial development	6	10	-	-	Based on contract
Remuneration from fare box (Inclusive of VAT)	264	256	264	256	Concession agreement
Remuneration from commercial development	13	7	13	7	Concession agreement
Property tax	4	3	4	3	At the rates charged by Bangkok Metropolitan Administration
Utility expenses	2	1	2	1	Based on contract
Financial fee	29	62	27	60	Based on contracts
Interest expenses on long-term loans	220	210	220	210	At FDR plus stipulated margin and 6M THBFIX plus a stipulated margin per annum (2018: MLR minus stipulated margin, 6M FDR plus a stipulated margin, FDR plus a stipulated margin and 6M THBFIX plus a stipulated margin per annum)

(Unaudited but reviewed)

As at 30 September 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	
	30 September	31 December	30 September	31 December
	2019	2018	2019	2018
		(Audited)		(Audited)
<u>Trade and other receivables (Note 7)</u>				
<u>Trade receivables</u>				
Bangkok Metro Networks Limited	-	-	3,673	28,893
Mass Rapid Transit Authority of Thailand	333,558	374,324	333,558	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	334,230	389,689	337,903	418,582
<u>Other receivables</u>				
Northern Bangkok Expressway Company Limited	-	-	16,585	13,375
CH. Karnchang Public Company Limited	225	119	225	119
Total	225	119	16,810	13,494
<u>Prepaid expenses</u>				
Krungthai Bank Public Company Limited	32,298	31,096	31,868	28,791
Bangkok Bank Public Company Limited	21,557	22,208	21,557	22,208
Total	53,855	53,304	53,425	50,999
<u>Advance payment under service contract</u>				
CH. Karnchang Public Company Limited	44,948	4,009	44,948	4,009
<u>Long-term loans to and interest receivable</u>				
<u>from related parties</u>				
Northern Bangkok Expressway Company Limited	-	-	817,996	2,858,996
Bangkok Metro Networks Limited	-	-	131,500	145,000
Total	-	-	949,496	3,003,996
Less: current portion	-	-	(18,000)	(18,000)
Long-term loans to and interest receivable from related parties, net of current portion	-	-	931,496	2,985,996
<u>Receivable under the concession agreement (Note 8)</u>				
Mass Rapid Transit Authority of Thailand	11,272,836	12,510,098	11,272,836	12,510,098
<u>Prepaid project remuneration</u>				
Mass Rapid Transit Authority of Thailand	4,569,122	3,495,195	4,569,122	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 financial statements		Separate financial statements	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
		(Audited)		(Audited)
<u>Trade and other payables (Note 19)</u>				
Bangkok Metro Networks Limited	-	-	32,100	32,279
CH. Karnchang Public Company Limited	728,195	725,067	728,083	724,987
Mass Rapid Transit Authority of Thailand	214,758	125,148	214,751	125,146
Krungthai Bank Public Company Limited	752	1,221	686	1,095
Bangkok Bank Public Company Limited	282	656	282	656
Others	323	517	320	320
Total	944,310	852,609	976,222	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	30,166	16,781	30,166	16,781
<u>Guarantees for rental</u>				
Bangkok Metro Networks Limited	-	-	506	-
<u>Unearned revenue from advertising management rights (Note 23)</u>				
Bangkok Metro Networks Limited	-	-	12,178	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)			
	1 January 2019	Increase during the period	Decrease during the period	30 September 2019
Northern Bangkok Expressway Company Limited				
Long-term loan	2,366,692	-	(1,689,336)	677,356
Interest receivable	492,304	37,670	(389,334)	140,640
Total	2,858,996	37,670	(2,078,670)	817,996
Bangkok Metro Networks Limited				
Long-term loan	145,000	-	(13,500)	131,500
Interest receivable	-	3,636	(3,636)	-
Total	145,000	3,636	(17,136)	131,500
Grand total	3,003,996	41,306	(2,095,806)	949,496

(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)

	Consolidated and Separate financial statements			
	1 January	Increase	Decrease	30 September
	2019	during the period	during the period	2019
Krungthai Bank Public Company Limited	5,970,278	1,500,000	(452,006)	7,018,272
Bangkok Bank Public Company Limited	1,400,000	1,500,000	-	2,900,000
Total	7,370,278	3,000,000	(452,006)	9,918,272

Directors and management benefits

During the three-month and nine-month periods ended 30 September 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 30 September			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Short-term employee benefits	24,497	23,308	19,746	19,211
Post-employment benefits	2,367	2,719	2,089	2,458
Total	26,864	26,027	21,835	21,669

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Short-term employee benefits	115,464	107,994	100,145	92,098
Post-employment benefits	7,081	8,157	6,246	7,373
Total	122,545	116,151	106,391	99,471

4. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
		(Audited)		(Audited)
Cash	42,206	34,934	39,609	32,484
Bank deposits	649,619	491,266	497,522	391,203
Total	691,825	526,200	537,131	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 30 September 2019, the balance of the pledged bank account amounted to Baht 1,024 (31 December 2018: Baht 1,022).

5. Current investments

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2019	2018	2019	2018
		(Audited)		(Audited)
Investments in trading securities				
Unit trusts	1,304,031	1,235,602	1,291,787	1,221,781
Add: Unrealised gain on changes in value of investments	65,043	46,873	65,036	46,867
Unit trusts - Fair value	1,369,074	1,282,475	1,356,823	1,268,648
Total current investments	1,369,074	1,282,475	1,356,823	1,268,648

6. Bank deposit for unearned fare box revenue

This bank account is a reserve account set aside in compliance with the Notification of the Bank of Thailand applicable to electronic card businesses. These funds cannot be used for any purpose other than making payment for fare box revenue.

7. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 September	31 December	30 September	31 December
	2019	2018	2019	2018
		(Audited)		(Audited)
<u>Trade receivables</u>				
Trade receivables				
- Related parties (Note 3)	334,230	389,689	337,903	418,582
- Unrelated parties	111,380	116,002	90,101	80,785
Less: Allowance for doubtful debts	(1,080)	(4,910)	-	-
Total trade receivables - net	444,530	500,781	428,004	499,367
<u>Other receivables</u>				
Other receivables				
- Related parties (Note 3)	225	119	16,810	13,494
- Unrelated parties	4,999	2,631	4,670	1,966
Accrued income	3,674	10,525	3,363	10,525
Total other receivables	8,898	13,275	24,843	25,985
Trade and other receivables - net	453,428	514,056	452,847	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 30 September 2019, the outstanding balances of trade receivables in the consolidated financial statements that are one year past due amounted to approximately Baht 3 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 1 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	(1,237,262)
Net book value as at 30 September 2019	11,272,836
Current	1,649,683
Non-current	9,623,153
Total receivable under the concession agreement	11,272,836

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 and nine-month periods ended 30 September 2019 amounted to Baht 94 million and Baht 290 million, respectively (2018: Baht 108 million and Baht 330 million, respectively).

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	
	30 September	31 December	30 September	31 December	30 September	31 December	30 September	31 December
	2019	2018	2019	2018	2019	2018	2019	2018
					(Percent)	(Percent)		(Audited)
Northern Bangkok Expressway	6,000	6,000	5,250	5,250	99.99	99.99	2,604	2,604
Company Limited								
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 associate

(Unit: Million Baht)

Consolidated financial statements								
Company's name	Shareholding percentage		Cost		Carrying amounts based on equity method		Fair value	
	30 September	31 December	30 September	31 December	30 September	31 December	30 September	31 December
	2019	2018	2019	2018	2019	2018	2019	2018
	(Percent)	(Percent)		(Audited)		(Audited)		(Audited)
TTW Public Company Limited ⁽¹⁾	-	19.29	-	6,919	-	6,369	-	9,468
Total			-	6,919	-	6,369	-	9,468

(Unit: Million Baht)

Separate financial statements								
Company's name	Shareholding percentage		Cost		Fair value		Dividend received during the nine-month periods ended	
	30 September	31 December	30 September	31 December	30 September	31 December	30 September	
	2019	2018	2019	2018	2019	2018	2019	2018
	(Percent)	(Percent)		(Audited)		(Audited)		
TTW Public Company Limited ⁽¹⁾	-	19.29	-	4,242	-	9,468	231	231
Total			-	4,242	-	9,468	231	231

⁽¹⁾ Effective on 29 May 2019, the Company reclassified this investment from investment in associated company to investment in available-for-sale securities.

(Unaudited but reviewed)

In March 2019, the Company sold 12 million ordinary shares of TTW Public Company Limited (“TTW”) 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 decreased from 19.29 percent to 18.99 percent.

During the second quarter, the Company sold 21 million ordinary shares of TTW amounting to Baht 253 million, and recorded gain on sale of investment in this associated company of Baht 77 million and Baht 137 million in profit or loss in the consolidated and separate financial statements, respectively. As a result, its equity interest of TTW decreased from 18.99 percent to 18.47 percent.

On 29 May 2019, a meeting of the Company’s Board of Directors passed a resolution to approve the change in the purpose of investing in TTW shares and passed a resolution to approve the reclassification of the investment in TTW from investment in associated company to investment in available-for-sale securities, which was consistent with the approval of the change in the purpose of investing in TTW shares from holding for long-term investment in order to receive returns in the form of interest and dividends to holding to convert to cash when the business opportunity and timing are appropriate.

Subsequently, the Company reclassified the investment in TTW from investment in associated company to investment in available-for-sale securities, which is consistent with the reduction of its interest in that company’s equity and the purpose of holding the investment. The Company recorded a gain of Baht 3,409 million as a result of the reclassification of the investment in profit or loss in the consolidated financial statements in the current period.

11. Investment in available-for-sale securities

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
		(Audited)		(Audited)
CK Power Public Company Limited				
- Ordinary shares	5,178,082	5,178,082	2,813,840	2,813,840
- Warrants	94,912	120,032	117,084	148,073
TTW Public Company Limited ⁽¹⁾				
- Ordinary shares	9,432,320	-	4,061,076	-
Add: Unrealised gain on changes in value of investments	3,208,069	1,390,533	10,921,383	3,726,734
Investment in available-for-sale securities - Net	17,913,383	6,688,647	17,913,383	6,688,647

⁽¹⁾ Effective on 29 May 2019, the Company reclassified this investment from investment in associated company to investment in available-for-sale securities.

12. Building and equipment

A reconciliation of the net book value of the building and equipment during the nine-month period ended 30 September 2019 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2019	323,937	282,541
Acquisitions during the period - at cost	28,158	15,930
Reclassification	1,505	-
Disposals during the period - net book value at disposal date	(320)	(320)
Depreciation for the period	(44,980)	(33,323)
Net book value as at 30 September 2019	<u>308,300</u>	<u>264,828</u>

13. Rights to operate expressway sectors

A reconciliation of the net book value of the rights to operate completed expressway sectors during the nine-month period ended 30 September 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	587,821	586,550
Amortisation for the period	(2,723,483)	(2,272,428)
Net book value as at 30 September 2019	<u>33,010,358</u>	<u>27,856,311</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 nine-month period ended 30 September 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	(245,416)
Net book value as at 30 September 2019	144,782

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 nine-month period ended 30 September 2019 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2019	35,427,556	35,089,506
Increase during the period - at cost	5,344,618	5,305,057
Reclassification	(1,505)	-
Interest cost	303,920	303,920
Amortisation for the period	(149,512)	(117,393)
Net book value as at 30 September 2019	40,925,077	40,581,090

During the nine-month period ended 30 September 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 3.18 percent.

(Unaudited but reviewed)

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 nine-month period ended 30 September 2019 is summarised below.

	(Unit: Thousand Baht)
	Consolidated and Separate financial statements
Net book value as at 1 January 2019	654,691
Increase during the period - at cost	29,307
Decrease during the period	(13,998)
Amortisation for the period	(19,537)
Net book value as at 30 September 2019	650,463

17. Other intangible assets

A reconciliation of the net book value of other intangible assets for the nine-month period ended 30 September 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	7,810	6,241
Amortisation for the period	(20,365)	(19,131)
Net book value as at 30 September 2019	72,223	67,411

18. Short-term loans from financial institutions

		(Unit: Thousand Baht)	
		Consolidated and Separate financial statements	
	Interest rate	30 September 2019	31 December 2018
	(Percent per annum)		(Audited)
Promissory Notes	At the fixed rate	2,408,000	2,816,000
Less: Deferred financial fees		(349)	(1,406)
Total		2,407,651	2,814,594

(Unaudited but reviewed)

19. Trade and other payables

	Consolidated		(Unit: Thousand Baht)	
			Separate	
	financial statements		financial statements	
	30 September 2019	31 December 2018 (Audited)	30 September 2019	31 December 2018 (Audited)
Trade payables - related parties (Note 3)	702,035	779,566	734,013	811,497
Trade payables - unrelated parties	411,123	347,047	368,880	314,246
Accrued interest - related parties (Note 3)	541	1,132	541	1,132
Accrued interest - unrelated parties	450,934	188,799	450,666	188,238
Accrued expense - related parties (Note 3)	241,734	71,911	241,668	71,854
Accrued expense - unrelated parties	698,778	280,845	669,981	260,840
Other payables	24,502	14,173	23,448	10,993
Total trade and other payables	2,529,647	1,683,473	2,489,197	1,658,800

20. Long-term loans from financial institutions

(Unit: Thousand Baht)					
		Consolidated financial statements		Separate financial statements	
Loans	Credit facility	30 September 2019	31 December 2018	30 September 2019	31 December 2018
	(Million Baht)		(Audited)		(Audited)
1. Long-term loan (Fully drew down)	8,000	3,250,000	4,000,000	3,250,000	4,000,000
2. Tranche A (Fully drew down)	13,557	10,487,463	11,638,526	10,487,463	11,638,526
3. Tranche B (Fully drew down)	62	47,897	53,154	47,897	53,154
4. Long-term loan (Available credit facilities to be drawn down: Baht 5,300 million)	14,000	8,700,000	4,200,000	8,700,000	4,200,000
5. Long-term loan (Available credit facilities to be drawn down: Baht 1,265 million)	5,700	3,000,000	1,600,000	-	-
Total	41,319	25,485,360	21,491,680	22,485,360	19,891,680
Less: Current portion of long-term loans		(2,791,760)	(3,041,760)	(2,791,760)	(3,041,760)
Less: Deferred financial fees		(71,185)	(76,140)	(71,185)	(76,140)
Long-term loans - net of current portion		22,622,415	18,373,780	19,622,415	16,773,780

(Unaudited but reviewed)

Movements in the long-term loans account for the nine-month period ended 30 September 2019 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2019	21,491,680	19,891,680
Add: Drawdown during the period	5,900,000	4,500,000
Less: Repayment during the period	(1,906,320)	(1,906,320)
Balance as at 30 September 2019	25,485,360	22,485,360

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 94 million and Baht 290 million on such loans for the three-month and nine-month periods ended 30 September 2019, respectively (2018: Baht 108 million and Baht 330 million, respectively).

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.

21. Debentures

(Unit: Thousand Baht)					
Consolidated and Separate					
financial statements					
Type of debenture	Issuance date	Term	Interest rate	30 September 2019	31 December 2018
		(Years)	(Percent per annum)		(Audited)
1. No. 1/2016	24 June 2016	3 - 12	2.22 - 3.61	9,700,000	14,700,000
2. No. 2/2016	11 August 2016	12	3.61	500,000	500,000
3. No. 3/2016	21 October 2016	4 - 11	2.62 - 3.95	8,000,000	8,000,000
4. No. 1/2017	7 September 2017	5 - 7	2.65 - 3.10	5,000,000	5,000,000
5. No. 1/2018	5 April 2018	3 - 7	2.05 - 3.01	10,000,000	10,000,000
6. No. 1/2019	9 May 2019	3 - 10	2.65 - 3.84	5,000,000	-
Total				38,200,000	38,200,000
Less: Current portion of debenture				-	(5,000,000)
Less: Deferred debenture issuing cost				(31,109)	(30,178)
Debentures - net of current portion				38,168,891	33,169,822

Movements in the debentures account for the nine-month period ended 30 September 2019 is summarised below.

(Unit: Thousand Baht)	
Consolidated and Separate	
financial statements	
Balance as at 1 January 2019	38,200,000
Add: Issuance of debentures during the period	5,000,000
Less: Redemption of debentures during the period	(5,000,000)
Balance as at 30 September 2019	38,200,000

All of the Company's debentures are registered debentures, unsubordinated, and unsecured, without a debenture holders' representative, except for the debenture number 6 which has a 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 nine-month period ended 30 September 2019 is summarised below.

	(Unit: Thousand Baht)
	Consolidated and Separate financial statements
Balance as at 1 January 2019	1,546,892
Interest cost	69,108
Payment during the period	(1,616,000)
Balance as at 30 September 2019	-

23. Unearned revenue from advertising management rights

Movement in unearned revenue from advertising management rights account for the nine-month period ended 30 September 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	(936)
Balance as at 30 September 2019	12,178
Less: Current portion	(1,249)
Unearned revenue from advertising management rights - net of current portion	10,929

24. Provision for long-term employee benefits

Movements in provision for long-term employee benefits account for the nine-month period ended 30 September 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	73,261	73,088
Benefits paid during the period	(4,293)	(4,293)
Balance as at 30 September 2019	755,866	733,349

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 and nine-month periods ended 30 September 2019, consisting of revenue on expressway system amounting to Baht 11 million and Baht 33 million, respectively (2018: Baht 11 million and Baht 32 million, respectively) and revenue on rail system amounting to Baht 174 million and Baht 488 million, respectively (2018: Baht 88 million and Baht 260 million, respectively).

This included revenue from advertising management rights for the three-month and nine-month periods ended 30 September 2019 amounting to Baht 0.3 million and Baht 0.9 million, respectively (2018: Baht 0.3 million and Baht 0.9 million, respectively) (Note 23).

26. Dividend

Dividend declared for the nine-month periods ended 30 September 2019 and 2018 in the consolidated and separate financial statements consisted of the following:

Dividend	Approved by	Total dividend (Million Baht)	Dividend per share (Baht)	Paid on
Dividend for the second half of the year 2018	Annual General Meeting of the shareholders on 26 April 2019	1,376	0.09	22 May 2019
Dividend for the first half of the year 2019	Meeting of the Board of Directors on 9 August 2019	917	0.06	4 September 2019
Total dividend for the nine-month period 30 September 2019		<u>2,293</u>	<u>0.15</u>	
Dividend for the second half of the year 2017	Annual General Meeting of the shareholders on 20 April 2018	1,070	0.07	14 May 2018
Dividend for the first half of the year 2018	Meeting of the Board of Directors on 22 August 2018	917	0.06	19 September 2018
Total dividend for the nine-month period 30 September 2018		<u>1,987</u>	<u>0.13</u>	

27. 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 and nine-month periods ended 30 September 2019 and 2018 are made up as follows:

(Unit: Thousand Baht)				
For the three-month periods ended 30 September				
	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	28,963	128,389	6,438	106,913
Deferred tax:				
Relating to origination and reversal of temporary differences	146,232	570,440	147,730	105,718
Tax expenses reported in the income statement	<u>175,195</u>	<u>698,829</u>	<u>154,168</u>	<u>212,631</u>

(Unit: Thousand Baht)				
For the nine-month periods ended 30 September				
	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	211,003	307,715	142,189	245,830
Adjustment in respect of income tax of previous year	(58)	364	(58)	268
Deferred tax:				
Relating to origination and reversal of temporary differences	1,416,977	782,862	348,296	320,598
Tax expenses reported in the income statement	<u>1,627,922</u>	<u>1,090,941</u>	<u>490,427</u>	<u>566,696</u>

(Unaudited but reviewed)

The amounts of income tax relating to each component of other comprehensive income for the three-month and nine-month periods ended 30 September 2019 and 2018 are as follows:

(Unit: Thousand Baht)				
For the three-month periods ended 30 September				
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Deferred tax related to				
- Unrealised gain/loss from cash flow hedges	(11,693)	466	(11,693)	466
- Unrealised gain/loss on valuation of available-for-sale securities	(407,679)	389,954	(407,209)	857,194
- Actuarial gain/loss	541	-	-	-
Total	<u>(418,831)</u>	<u>390,420</u>	<u>(418,902)</u>	<u>857,660</u>

(Unit: Thousand Baht)				
For the nine-month periods ended 30 September				
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Deferred tax related to				
- Unrealised gain/loss from cash flow hedges	(17,559)	4,423	(17,559)	4,423
- Unrealised gain/loss on valuation of available-for-sale securities	363,507	389,954	1,438,930	857,194
- Actuarial gain/loss	541	-	-	-
Total	<u>346,489</u>	<u>394,377</u>	<u>1,421,371</u>	<u>861,617</u>

28. 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)

29. 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 and nine-month periods ended 30 September 2019 and 2018 are as follows:

(Unit: Million Baht)

	For the three-month periods ended 30 September													
	Expressway		Rail		Commercial		Other		Total		Elimination of			
	business		business		development						inter-segment			
	segment ¹⁾		segment ²⁾		business segment ³⁾		segments ⁴⁾		Segment		revenues		Consolidated	
	<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	2,608	2,561	1,266	1,218	199	167	-	-	4,073	3,946	-	-	4,073	3,946
Inter-segment revenues	-	-	-	-	91	81	47	38	138	119	(138)	(119)	-	-
Total revenues	<u>2,608</u>	<u>2,561</u>	<u>1,266</u>	<u>1,218</u>	<u>290</u>	<u>248</u>	<u>47</u>	<u>38</u>	<u>4,211</u>	<u>4,065</u>	<u>(138)</u>	<u>(119)</u>	<u>4,073</u>	<u>3,946</u>
Segment profit	1,078	1,142	272	299	132	112	-	-	1,482	1,553	-	-	1,482	1,553
Unallocated income and expenses:														
Interest income													97	112
Gain on sale of investments													24	211
Gain on reclassification of investment													-	2,496
Other income													237	11
Share of profit from investments in associates													-	133
Selling expenses													(29)	(24)
Administrative expenses													(274)	(251)
Finance cost													(422)	(420)
Income tax expenses													(175)	(699)
Non-controlling interests of the subsidiaries													(3)	(3)
Profit for the period													937	3,119

(Unaudited but reviewed)

(Unit: Million Baht)

For the nine-month periods ended 30 September

	Expressway business segment ¹⁾		Rail business segment ²⁾		Commercial development business segment ³⁾		Other segments ⁴⁾		Total Segment		Elimination of inter-segment revenues		Consolidated	
	<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	7,711	7,576	3,639	3,562	555	493	-	-	11,905	11,631	-	-	11,905	11,631
Inter-segment revenues	-	-	-	-	271	240	140	113	411	353	(411)	(353)	-	-
Total revenues	<u>7,711</u>	<u>7,576</u>	<u>3,639</u>	<u>3,562</u>	<u>826</u>	<u>733</u>	<u>140</u>	<u>113</u>	<u>12,316</u>	<u>11,984</u>	<u>(411)</u>	<u>(353)</u>	<u>11,905</u>	<u>11,631</u>
Segment profit	3,216	3,398	799	824	368	332	-	-	4,383	4,554	-	-	4,383	4,554
Unallocated income and expenses:														
Interest income													301	344
Gain on sale of investments													177	498
Gain on reclassification of investment													3,409	2,496
Other income													307	30
Share of profit from investments in associates													173	339
Selling expenses													(91)	(75)
Administrative expenses													(856)	(808)
Finance cost													(1,246)	(1,444)
Income tax expenses													(1,629)	(1,091)
Non-controlling interests of the subsidiaries													(15)	(9)
Profit for the period													<u>4,913</u>	<u>4,834</u>

¹⁾ The expressway business segment includes the construction and operation of the expressway.²⁾ The rail business segment includes the operation of the rapid transit system.³⁾ The commercial development business segment includes 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⁾ Other segments are segments where the Company is employed to operate Bang Pa-In - Pak kret expressway project of the subsidiary.

30 Commitments and contingent liabilities

30.1 Capital commitments

The Company and its subsidiaries have capital commitments as follows:

	30 September 2019	31 December 2018
		(Audited)
a) Performance improvement for farebox collection systems	Baht 91 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 3,551 million and EUR 4 million	Baht 8,026 million and EUR 5 million
c) Improvement for civil infrastructure of expressway	Baht 185 million	Baht 3 million
d) Improvement of computerised maintenance management system	Baht 5 million	Baht 28 million
e) Other capital commitments	Baht 25 million	Baht 16 million

30.2 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 September 2017, October 2017, August 2018, December 2018, February 2019 and March 2019 with six companies. These contracts will expire during 2023 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									
	30 September 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	1,464	-	5	-	379	961	-	3	1	380
In over 1 year and up to 5 years	5,656	2	18	1	1,518	4,958	2	20	6	1,518
In over 5 years	4,677	2	20	1	696	4,287	2	22	3	980

30.3 Commitments under various service agreements

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

	(Unit: Million Baht)	
	<u>30 September 2019</u>	<u>31 December 2018</u>
		(Audited)
Payable:		
In up to 1 year	495	372
In over 1 year and up to 5 years	424	269

30.4 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)	
	<u>30 September 2019</u>	<u>31 December 2018</u>
		(Audited)
Payable:		
In up to 1 year	27	17
In over 1 year and up to 5 years	39	18

(Unaudited but reviewed)

30.5 Guarantees

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

	(Unit: Million Baht)	
	30 September 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
b) Issued to the MRTA in accordance with the operation of the MRT Blue Line Project agreement	210	210
c) Issued to the MRTA in accordance with the operation 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) Issued to the Department of Highways as part of the proposal for the Operation and Maintenance for Intercity Motorway Project		
- Bang Pa-In - Nakhon Ratchasima project	700	-
- Bang Yai - Kanchanaburi project	600	-
f) Other guarantees	14	14

30.6 Other commitments

	(Unit: Million Baht)	
	30 September 2019	31 December 2018
		(Audited)
a) Commitments in respect of the uncalled portion of investment in Northern Bangkok Expressway Company Limited	750	750
b) Commitment in respect of Expressway inspection, replacement and improvement agreements (paid within one year)	69	22

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

The Company and the subsidiary had a total of 19 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:

31.1 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

31.1.1 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.

31.1.2 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.

On 19 September 2019, the Central Administrative Court adjudge to revoke the arbitral award and dismiss the Company's petition to enforce the arbitral award. On 18 October 2019, the Company 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.

31.1.3 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.

A) the dispute whereby EXAT requested the revocation of the arbitral award, 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 14 May 2019, the Central Administrative Court delivered the verdict revoke EXAT requested the revocation of the arbitral award. Then, on 12 June 2019, EXAT filed an appeal against the Central Administrative Court to the Supreme Administrative Court.

At present, it is pending the Supreme Administrative Court for consideration.

B) the dispute whereby the Company requested a judgement to enforce of 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.

31.1.4 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.

On 25 January 2019, EXAT submitted a petition to the Central Administrative Court requesting the Court to revoke the arbitral award.

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

31.1.5 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.

31.1.6 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 EXAT will be paid such damage together interest in full to the Company.

On 25 July 2019, 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.

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

31.1.7 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.

31.1.8 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.

31.1.9 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.

31.1.10 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.

31.1.11 Competing road with the Udon Rattaya 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 31 to the interim financial statements. This includes the dispute regarding the Competing road, 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 and nine-month periods ended 30 September 2019.

31.2 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

31.2.1 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.

31.2.2 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 31.1.9, 31.1.10 and 31.1.11 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.

31.2.3 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.

31.3 Disputes submitted by the Company and the subsidiary claiming for damages which was in the Panel proceedings, in 5 disputes, with the total amount to date of submission of the disputes of approximately Baht 78,181.9 million.

31.3.1 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. On 5 July 2019, EXAT and the Company could not reach the amicable settlement in the date of appearance. Therefore, the Panel agreed to terminate the consideration and referred the dispute into the arbitration class.

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

31.3.2 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. On 5 July 2019, EXAT and the Company could not reach the amicable settlement in the date of appearance. Therefore, the Panel agreed to terminate the consideration and referred the dispute into the arbitration class.

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

31.3.3 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. On 5 July 2019, EXAT and the Company could not reach the amicable settlement in the date of appearance. Therefore, the Panel agreed to terminate the consideration and referred the dispute into the arbitration class.

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

31.3.4 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.

31.3.5 Competing road with the Udon Rattaya Expressway for the year 2018

On 29 October 2019, the subsidiary requested the EXAT compensate for the deficit revenue, as mentioned on Notes 31.3.4 to the interim financial statements. From the estimated according to the Appendix VIII attached to the Bang Pa-In Pak Kret Expressway Agreement for the year 2018 for the total of Baht 4,771 million together with the cumulative interest calculated until 29 October 2019 in the total of Baht 278.3 million, and compensate for the interest of the principle amount total Baht 4,771 million calculated from 30 October 2019 until EXAT shall pay the principle amount together with the interest in the amount of Baht 5,049.3 million in full to the subsidiary.

At present, the dispute is pending to the proceeding of the Panel.

32. 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

(Unaudited but reviewed)

As at 30 September 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	-	1,369,074	-	1,369,074
Investment in available-for-sale securities	17,913,383	-	-	17,913,383
Financial liabilities measured at fair value				
Derivative				
Interest rate swap agreement	-	109,606	-	109,606

(Unit: Thousand Baht)

	Separate financial statements			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Current investments				
Unit trusts	-	1,356,823	-	1,356,823
Investment in available-for-sale securities	17,913,383	-	-	17,913,383
Financial liabilities measured at fair value				
Derivative				
Interest rate swap agreement	-	109,606	-	109,606

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.

33. Events after the reporting period

On 21 October 2019, the Company invested 4 million ordinary shares in Eastern High-Speed Rail Linking Three Airports Co., Ltd, at Baht 100 per share for a total of Baht 400 million which is equal to 10 percent of its issued and paid-up share capital.

34. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's authorised directors on 12 November 2019.