

Bangkok Expressway and Metro Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2020

Independent Auditor's Report

To the Shareholders of Bangkok Expressway and Metro Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Bangkok Expressway and Metro Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2020, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Bangkok Expressway and Metro Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bangkok Expressway and Metro Public Company Limited and its subsidiaries and of Bangkok Expressway and Metro Public Company Limited as at 31 December 2020, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

I draw attention to the following matters.

- a) As described in Note 46 to the financial statements, on 18 February 2020 the Cabinet passed a resolution to amend the concession agreements in order to settle all disputes between the Group and Expressway Authority of Thailand (EXAT). The Group and EXAT have agreed to settle all disputes and to cancel enforcement in accordance with the judgment of the Supreme Administrative Court described in Note 46.1.11 to the financial statements. On 20 February 2020, the Group and EXAT signed the Second Stage Expressway Agreement (Amendment) and the Bang Pa-In - Pak Kret Expressway Project Agreement (Amendment). In the first quarter of current year, the Group and EXAT reached a settlement of all disputes and filed a petition to cancel enforcement in accordance with the judgment of the Supreme Administrative Court.
- b) As described in Note 1.2 to the financial statements, the Coronavirus disease 2019 pandemic has resulted in an economic slowdown and is adversely impacting various businesses and industries. This situation significantly affects the Group's business activities in terms of commuter numbers on both the expressway and metro systems and this significantly impacts the Group's revenue while opening hours are reduced and organisations are supporting work from home policies. The Group's management has continuously monitored ongoing developments and assessed the financial impact as the situation has changed.

My opinion is not modified in respect of this matters.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond to each matter are described below.

Recognition of toll revenue, toll revenue sharing and fare box revenue

The Group recognises toll revenue, toll revenue sharing and fare box revenue in accordance with the accounting policy disclosed in Note 5.1 to the financial statements. The revenue accounts are the most significant amounts in the statement of income. In addition, the Group's service income is derived from numerous transactions and varies in terms of the toll and fare box rates. I have therefore paid attention to the audit of the measurement of the related transactions recorded by the Group.

I have examined the revenue recognition of the Group by assessing and testing the internal controls relevant to the revenue cycle of the Group, including the related information technology systems, by making inquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls. In addition, I have examined the measurement and completeness of the revenue information that the Group used for accounting purposes by performing live audit testing and traffic volume observation.

On a sampling basis, I examined documents supporting actual revenue transactions occurring during the year. I also performed analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

Capitalisation of project costs under construction

As described in Note 1.1 B.1 to the financial statements, as a result of the concession agreement made with the Mass Rapid Transit Authority of Thailand on 31 March 2017, the Company has a project which is operating under a concession agreement. On 30 March 2020, the project was completed and operation of the Through Operation systems of the MRT Blue Line project commenced. For the year ended 31 December 2020, the Company recorded costs of projects under construction amounting to Baht 1,683 million as "intangible assets under concession agreement of the MRT Blue Line Project", as disclosed in Note 22 to the financial statements. I considered the capitalisation of project costs to assets to be a significant transaction. In addition, management needed to exercise substantial judgment in determining whether the costs were direct costs and could be recognised as costs of acquiring intangible assets, and in deciding to cease capitalisation of borrowing costs when they did not meet the conditions stipulated under financial reporting standards.

I assessed the method used for recognition of project costs under construction during the year by inquiring with management to gain an understanding of the basis applied and judgement exercised by management in capitalising expenses as project costs under construction, including the capitalisation of borrowing costs, and disclosures in the notes to the financial statements. I reviewed the minutes of meetings, contracts and documents related to the project costs under construction. I also selected and checked representative samples of supporting documents for expenses recognised as project costs under construction incurred during the year to determine whether the recognition met the criteria under financial reporting standards. In addition, I tested the calculation and the recording of the borrowing costs capitalised as project costs under construction and reviewed the disclosures in the notes to the financial statements.

Recording and presentation of transactions related to the signing of the Expressway concession agreement (Amendment)

As described in Notes 1.1 A.1 and A.3 to the financial statements, on 20 February 2020 the Group and Expressway Authority of Thailand (EXAT) signed the Second Stage Expressway agreement (Amendment) and the Bang Pa-In - Pak Kret Expressway Project agreement (Amendment), whereby the Group was granted extensions of the terms of the existing agreements to 31 October 2035. Therefore, I have focused on the recording and presentation of the accounting entries related to the signing of the amendments to the concession agreements, and the disclosures made in the notes to financial statements.

I have examined and assessed the recording and the presentation of accounting transactions related to the Second Stage Expressway agreement (Amendment) and the Bang Pa-In - Pak Kret Expressway Project agreement (Amendment), including the disclosures made in the notes to the financial statements, by reading and gaining an understanding of the substance of the transactions, and the conditions and undertakings per the agreements made with the EXAT. I also inquired with the management regarding the basis and judgement management used in recording and presenting these transactions. In addition, I reviewed the disclosures in the notes to financial statements.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.

Isaraporn Wisutthiyan
Certified Public Accountant (Thailand) No. 7480

EY Office Limited
Bangkok: 24 February 2021

Bangkok Expressway and Metro Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Assets					
Current assets					
Cash and cash equivalents	8	1,613,584,108	703,750,307	1,214,091,489	608,705,825
Current investments	4, 9	-	1,157,746,702	-	1,136,558,315
Bank deposit for unearned fare box revenue	10	224,486,696	205,697,086	224,486,696	205,697,086
Trade and other receivables	11	548,903,316	481,786,671	512,750,654	474,295,921
Current portion of long-term loans to related party	7	-	-	-	18,000,000
Current portion of receivable under the concession agreement	12	1,649,683,274	1,649,683,274	1,649,683,274	1,649,683,274
Current tax assets		125,377,096	128,148,743	125,377,096	128,148,743
Other current financial assets	13	761,275,133	-	761,275,133	-
Other current assets					
Prepaid expenses		90,825,229	83,599,640	85,521,468	78,383,203
Advance payment for service contracts		17,783,816	24,639,141	17,783,816	24,639,141
Others		11,835,188	12,526,757	6,176,149	10,349,792
Total current assets		5,043,753,856	4,447,578,321	4,597,145,775	4,334,461,300
Non-current assets					
Long-term loans to related party, net of current portion	7	-	-	-	19,000,000
Receivable under the concession agreement, net of current portion	12	7,561,048,340	9,210,731,614	7,561,048,340	9,210,731,614
Other non-current financial assets	14	15,840,737,472	-	15,840,737,472	-
Investments in subsidiaries	15	-	-	644,580,180	633,109,867
Other long-term investments	4, 17	-	17,096,827,328	-	17,096,827,328
Investment properties	18	120,357,493	120,357,493	120,357,493	120,357,493
Building and equipment	19	379,278,437	311,376,837	346,698,738	269,338,043
Right-of-use assets	30	86,514,411	-	58,433,907	-
Rights to operate expressway sectors	20	31,701,521,503	32,253,366,737	26,965,266,678	27,248,648,130
Rights to use sites for expressway construction	21	-	61,467,080	-	61,467,080
Intangible asset under concession agreement of					
the MRT Blue Line Project	22	44,683,719,344	42,338,899,443	44,376,999,264	41,998,706,257
Project cost of the MRT Chalong Ratchadham Line	23	660,436,487	644,950,810	660,436,487	644,950,810
Prepaid project remuneration	7	7,307,904,942	5,086,367,785	7,307,904,942	5,086,367,785
Other intangible assets	24	63,165,051	74,027,004	58,266,063	69,273,014
Deferred tax assets	39	13,651,112	6,951,994	-	-
Other non-current assets		153,669,851	43,867,537	137,144,714	12,629,280
Total non-current assets		108,572,004,443	107,249,191,662	104,077,874,278	102,471,406,701
Total assets		113,615,758,299	111,696,769,983	108,675,020,053	106,805,868,001

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

Bangkok Expressway and Metro Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	25	3,000,000,000	3,250,000,000	3,000,000,000	3,250,000,000
Trade and other payables	26	1,744,651,781	1,938,481,838	1,749,756,519	1,906,801,351
Current portion of long-term loans from financial institutions	27	3,745,161,069	3,166,120,069	3,091,761,069	2,541,760,069
Current portion of lease liabilities	30	45,512,736	-	25,670,777	-
Current portion of debentures	28	4,615,000,000	2,500,000,000	4,615,000,000	2,500,000,000
Unearned fare box revenue	10	228,290,262	212,234,424	228,290,262	212,234,424
Deposits on stored value ticket		87,727,497	79,946,797	87,727,497	79,946,797
Income tax payable		41,623,582	25,467,515	-	-
Current portion of derivative financial liabilities		11,860,783	-	11,860,783	-
Other current financial liabilities		64,602,760	56,227,880	59,707,336	51,920,211
Other current liabilities					
Value added tax payable		64,913,271	61,238,396	49,916,533	50,202,207
Withholding tax deducted at source payable		59,123,553	99,118,066	56,273,728	95,264,199
Others		25,094,642	40,071,839	23,346,096	36,162,694
Total current liabilities		13,733,561,936	11,428,906,824	12,999,310,600	10,724,291,952
Non-current liabilities					
Long-term loans from financial institutions, net of current portion	27	23,670,054,666	21,745,560,898	21,002,958,324	18,739,920,898
Lease liabilities, net of current portion	30	40,912,590	-	32,841,181	-
Debentures, net of current portion	28	34,057,924,287	35,670,826,818	34,057,924,287	35,670,826,818
Derivative financial liabilities, net of current portion		173,936,021	112,685,174	173,936,021	112,685,174
Unearned revenue from advertising management rights	29	-	-	9,368,683	10,617,042
Provision for long-term employee benefits	31	932,330,697	886,390,430	904,695,538	862,915,385
Deferred tax liabilities	39	2,959,530,701	3,025,459,610	2,959,530,701	3,026,721,050
Other non-current liabilities		13,782,769	3,758,883	10,966,408	247,708
Total non-current liabilities		61,848,471,731	61,444,681,813	59,152,221,143	58,423,934,075
Total liabilities		75,582,033,667	72,873,588,637	72,151,531,743	69,148,226,027

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

Bangkok Expressway and Metro Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Shareholders' equity					
Share capital					
Registered					
15,285,000,000 ordinary shares of Baht 1 each		<u>15,285,000,000</u>	<u>15,285,000,000</u>	<u>15,285,000,000</u>	<u>15,285,000,000</u>
Issued and paid-up					
15,285,000,000 ordinary shares of Baht 1 each		15,285,000,000	15,285,000,000	15,285,000,000	15,285,000,000
Premium on ordinary shares		5,816,938,084	5,816,938,084	5,816,938,084	5,816,938,084
Capital deficit from change in shareholding in subsidiaries		(264,641,165)	(256,942,521)	-	-
Retained earnings					
Appropriated - statutory reserve	32	1,464,000,000	1,379,090,000	1,464,000,000	1,379,090,000
Unappropriated		15,572,592,087	15,052,068,973	7,651,651,354	7,501,046,895
Other components of shareholders' equity		<u>117,510,065</u>	<u>1,504,565,153</u>	<u>6,305,898,872</u>	<u>7,675,566,995</u>
Equity attributable to shareholders of the Company		37,991,399,071	38,780,719,689	36,523,488,310	37,657,641,974
Non-controlling interests of the subsidiaries		<u>42,325,561</u>	<u>42,461,657</u>	-	-
Total shareholders' equity		<u>38,033,724,632</u>	<u>38,823,181,346</u>	<u>36,523,488,310</u>	<u>37,657,641,974</u>
Total liabilities and shareholders' equity		<u>113,615,758,299</u>	<u>111,696,769,983</u>	<u>108,675,020,053</u>	<u>106,805,868,001</u>

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

Directors

Bangkok Expressway and Metro Public Company Limited and its subsidiaries
Income statement
For the year ended 31 December 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Revenues					
Revenue from expressway business		8,144,975,668	10,302,412,750	6,942,076,712	8,852,072,694
Revenue from rail business		4,519,840,374	5,022,100,349	4,519,840,374	5,022,100,349
Revenue from commercial development business	34	824,644,414	782,564,040	723,606,929	719,567,838
Other income					
Gains on sale of investments	13, 14, 16	3,530,367	181,078,813	3,364,485	269,243,228
Gain on reclassification of investment	16	-	3,408,628,533	-	-
Interest income		296,044,829	392,633,384	295,071,557	438,519,210
Dividend income	7, 16	482,715,660	257,868,552	482,715,660	488,801,682
Others		50,809,869	56,312,532	237,817,480	238,547,217
Total revenues		14,322,561,181	20,403,598,953	13,204,493,197	16,028,852,218
Expenses					
Cost of expressway business		1,738,365,018	1,991,458,088	1,524,115,580	1,756,712,478
Cost of rail business		4,713,365,429	3,796,981,929	4,713,365,429	3,796,981,929
Cost of commercial development business		226,069,501	210,292,457	339,672,153	445,115,520
Amortisation on rights to operate completed expressway sectors					
and compensation for site acquisition cost	20, 21	1,389,661,862	4,048,131,964	1,119,832,239	3,444,574,582
Amortisation on intangible asset under concession agreement					
of the MRT Blue Line Project	22	359,429,944	263,394,239	311,417,441	219,560,536
Selling expenses		169,847,473	139,622,388	95,023,623	87,025,129
Administrative expenses		1,176,670,273	1,196,759,191	1,094,579,751	1,113,362,485
Total expenses		9,773,409,500	11,646,640,256	9,198,006,216	10,863,332,659
Profit from operating activities		4,549,151,681	8,756,958,697	4,006,486,981	5,165,519,559
Share of profit from investments in an associate	16	-	172,910,981	-	-
Finance cost	37	(2,112,506,968)	(1,723,062,346)	(2,013,756,901)	(1,643,442,393)
Profit before income tax expenses		2,436,644,713	7,206,807,332	1,992,730,080	3,522,077,166
Income tax expenses	39	(381,919,095)	(1,754,942,103)	(294,796,464)	(598,451,284)
Profit for the year		2,054,725,618	5,451,865,229	1,697,933,616	2,923,625,882
Profit attributable to:					
Equity holders of the Company		2,051,090,045	5,434,819,325	1,697,933,616	2,923,625,882
Non-controlling interests of the subsidiaries		3,635,573	17,045,904		
		2,054,725,618	5,451,865,229		
Basic earnings per share					
Profit attributable to equity holders of the Company	40	0.13	0.36	0.11	0.19

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

Bangkok Expressway and Metro Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Profit for the year		<u>2,054,725,618</u>	<u>5,451,865,229</u>	<u>1,697,933,616</u>	<u>2,923,625,882</u>
Other comprehensive income					
<i>Other comprehensive income to be reclassified</i>					
<i>to profit or loss in subsequent periods:</i>					
Losses from cash flow hedges, net of income tax		(58,489,304)	(72,701,199)	(58,489,304)	(72,701,199)
Gains on valuation of available-for-sale securities, net of income tax		-	482,287,536	-	4,784,328,294
Share of other comprehensive income of associate recognised					
due to reclassification of investment		-	(9,019,502)	-	-
Share of other comprehensive income from an associate	16	-	(1,929,640)	-	-
Other comprehensive income to be reclassified					
to profit or loss in subsequent periods, net of income tax		<u>(58,489,304)</u>	<u>398,637,195</u>	<u>(58,489,304)</u>	<u>4,711,627,095</u>
<i>Other comprehensive income not to be reclassified</i>					
<i>to profit or loss in subsequent periods:</i>					
Losses on investments in equity designated at fair value					
through other comprehensive income, net of income tax		(1,359,788,928)	-	(1,359,788,928)	-
Actuarial gain (loss), net of income tax	31	<u>26,618,808</u>	<u>(77,357,601)</u>	<u>26,618,808</u>	<u>(79,521,070)</u>
Other comprehensive income not to be reclassified					
to profit or loss in subsequent periods, net of income tax		<u>(1,333,170,120)</u>	<u>(77,357,601)</u>	<u>(1,333,170,120)</u>	<u>(79,521,070)</u>
Other comprehensive income for the year		<u>(1,391,659,424)</u>	<u>321,279,594</u>	<u>(1,391,659,424)</u>	<u>4,632,106,025</u>
Total comprehensive income for the year		<u>663,066,194</u>	<u>5,773,144,823</u>	<u>306,274,192</u>	<u>7,555,731,907</u>
Total comprehensive income attributable to:					
Equity holders of the Company		659,430,621	5,755,875,433	<u>306,274,192</u>	<u>7,555,731,907</u>
Non-controlling interests of the subsidiaries		<u>3,635,573</u>	<u>17,269,390</u>		
		<u>663,066,194</u>	<u>5,773,144,823</u>		

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

Bangkok Expressway and Metro Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2020

(Unit: 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		Loss from cash flow hedges	Surplus (deficit) on changes in valuation of financial assets	Share of other comprehensive income from an associate	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
	share capital	ordinary shares	in subsidiaries	statutory reserve	Unappropriated	cash flow hedges	financial assets	an associate	equity	of the Company	the subsidiaries	shareholders' equity
Balance as at 1 January 2019	15,285,000,000	5,816,938,084	(75,770,451)	1,232,890,000	12,133,780,735	(17,446,940)	1,112,425,756	10,949,142	1,105,927,958	35,498,766,326	113,260,197	35,612,026,523
Profit for the year	-	-	-	-	5,434,819,325	-	-	-	-	5,434,819,325	17,045,904	5,451,865,229
Other comprehensive income for the year	-	-	-	-	(77,581,087)	(72,701,199)	482,287,536	(10,949,142)	398,637,195	321,056,108	223,486	321,279,594
Total comprehensive income for the year	-	-	-	-	5,357,238,238	(72,701,199)	482,287,536	(10,949,142)	398,637,195	5,755,875,433	17,269,390	5,773,144,823
Investment in subsidiary (Note 15)	-	-	(181,172,070)	-	-	-	-	-	-	(181,172,070)	(88,067,930)	(269,240,000)
Transferred to statutory reserve (Note 32)	-	-	-	146,200,000	(146,200,000)	-	-	-	-	-	-	-
Dividend paid (Note 41)	-	-	-	-	(2,292,750,000)	-	-	-	-	(2,292,750,000)	-	(2,292,750,000)
Balance as at 31 December 2019	<u>15,285,000,000</u>	<u>5,816,938,084</u>	<u>(256,942,521)</u>	<u>1,379,090,000</u>	<u>15,052,068,973</u>	<u>(90,148,139)</u>	<u>1,594,713,292</u>	<u>-</u>	<u>1,504,565,153</u>	<u>38,780,719,689</u>	<u>42,461,657</u>	<u>38,823,181,346</u>
Balance as at 1 January 2020 - before restated	15,285,000,000	5,816,938,084	(256,942,521)	1,379,090,000	15,052,068,973	(90,148,139)	1,594,713,292	-	1,504,565,153	38,780,719,689	42,461,657	38,823,181,346
Cumulative effect of change in accounting policy (Note 4)	-	-	-	-	(96,625,739)	-	31,223,144	-	31,223,144	(65,402,595)	-	(65,402,595)
Balance as at 1 January 2020 - as restated	15,285,000,000	5,816,938,084	(256,942,521)	1,379,090,000	14,955,443,234	(90,148,139)	1,625,936,436	-	1,535,788,297	38,715,317,094	42,461,657	38,757,778,751
Profit for the year	-	-	-	-	2,051,090,045	-	-	-	-	2,051,090,045	3,635,573	2,054,725,618
Other comprehensive income for the year	-	-	-	-	26,618,808	(58,489,304)	(1,359,788,928)	-	(1,418,278,232)	(1,391,659,424)	-	(1,391,659,424)
Total comprehensive income for the year	-	-	-	-	2,077,708,853	(58,489,304)	(1,359,788,928)	-	(1,418,278,232)	659,430,621	3,635,573	663,066,194
Investment in subsidiary (Note 15)	-	-	(7,698,644)	-	-	-	-	-	-	(7,698,644)	(3,771,669)	(11,470,313)
Transferred to statutory reserve (Note 32)	-	-	-	84,910,000	(84,910,000)	-	-	-	-	-	-	-
Dividend paid (Note 41)	-	-	-	-	(1,375,650,000)	-	-	-	-	(1,375,650,000)	-	(1,375,650,000)
Balance as at 31 December 2020	<u>15,285,000,000</u>	<u>5,816,938,084</u>	<u>(264,641,165)</u>	<u>1,464,000,000</u>	<u>15,572,592,087</u>	<u>(148,637,443)</u>	<u>266,147,508</u>	<u>-</u>	<u>117,510,065</u>	<u>37,991,399,071</u>	<u>42,325,561</u>	<u>38,033,724,632</u>

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

Bangkok Expressway and Metro Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2020

(Unit: Baht)

	Separate financial statements							
					Other components of shareholders' equity			
					Other comprehensive income			
	Retained earnings				Surplus (deficit) on		Total other	
	Issued and paid-up	Premium on	Appropriated -		Loss from	changes in valuation of	components of	Total
	share capital	ordinary shares	statutory reserve	Unappropriated	cash flow hedges	financial assets	shareholders' equity	shareholders' equity
Balance as at 1 January 2019	15,285,000,000	5,816,938,084	1,232,890,000	7,095,892,083	(17,446,940)	2,981,386,840	2,963,939,900	32,394,660,067
Profit for the year	-	-	-	2,923,625,882	-	-	-	2,923,625,882
Other comprehensive income for the year	-	-	-	(79,521,070)	(72,701,199)	4,784,328,294	4,711,627,095	4,632,106,025
Total comprehensive income for the year	-	-	-	2,844,104,812	(72,701,199)	4,784,328,294	4,711,627,095	7,555,731,907
Transferred to statutory reserve (Note 32)	-	-	146,200,000	(146,200,000)	-	-	-	-
Dividend paid (Note 41)	-	-	-	(2,292,750,000)	-	-	-	(2,292,750,000)
Balance as at 31 December 2019	15,285,000,000	5,816,938,084	1,379,090,000	7,501,046,895	(90,148,139)	7,765,715,134	7,675,566,995	37,657,641,974
Balance as at 1 January 2020 - before restated	15,285,000,000	5,816,938,084	1,379,090,000	7,501,046,895	(90,148,139)	7,765,715,134	7,675,566,995	37,657,641,974
Cumulative effect of change in accounting policy (Note 4)	-	-	-	(113,387,965)	-	48,610,109	48,610,109	(64,777,856)
Balance as at 1 January 2020 - as restated	15,285,000,000	5,816,938,084	1,379,090,000	7,387,658,930	(90,148,139)	7,814,325,243	7,724,177,104	37,592,864,118
Profit for the year	-	-	-	1,697,933,616	-	-	-	1,697,933,616
Other comprehensive income for the year	-	-	-	26,618,808	(58,489,304)	(1,359,788,928)	(1,418,278,232)	(1,391,659,424)
Total comprehensive income for the year	-	-	-	1,724,552,424	(58,489,304)	(1,359,788,928)	(1,418,278,232)	306,274,192
Transferred to statutory reserve (Note 32)	-	-	84,910,000	(84,910,000)	-	-	-	-
Dividend paid (Note 41)	-	-	-	(1,375,650,000)	-	-	-	(1,375,650,000)
Balance as at 31 December 2020	15,285,000,000	5,816,938,084	1,464,000,000	7,651,651,354	(148,637,443)	6,454,536,315	6,305,898,872	36,523,488,310

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

Bangkok Expressway and Metro Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from operating activities				
Profit before tax	2,436,644,713	7,206,807,332	1,992,730,080	3,522,077,166
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Amortisation and depreciation	1,857,979,562	4,026,462,692	1,504,206,025	3,362,011,432
Reversal of allowance for doubtful debt	-	(3,971,546)	-	-
Allowance for expected credit losses (reversal)	(548,274)	-	389,846	-
Revenue recognition of unearned revenue from advertising management rights	-	-	(1,248,360)	(1,248,360)
Withholding tax deducted at source written off	605,265	-	-	-
Gain on sale of investments in financial assets	(3,530,367)	(181,078,813)	(3,364,485)	(269,243,228)
Gain on fair value adjustments of financial instruments	(14,508,454)	(24,997,738)	(14,395,453)	(24,962,055)
Gain on reclassification of investment	-	(3,408,628,533)	-	-
Gain on disposals/write-off of equipment, right-of-use assets and intangible asset under concession agreement of the MRT Blue Line Project	(2,876,113)	(1,331,425)	(2,875,367)	(1,328,045)
Project remuneration expense	350,690,055	393,651,735	350,690,055	393,651,735
Compensation for site acquisition cost	61,467,080	397,839,441	61,467,080	397,839,441
Provision for long-term employee benefits	109,639,862	102,201,396	105,479,749	98,366,202
Share of profit from investments in an associate	-	(172,910,981)	-	-
Unrealised loss on exchange rate	22,541	276	22,541	276
Effect of reduction in rental expenses	(19,715)	-	(23,705)	-
Interest income	(296,044,829)	(392,633,384)	(295,071,557)	(438,519,210)
Dividend income	(482,715,660)	(257,868,552)	(482,715,660)	(488,801,682)
Interest expenses	2,080,911,700	1,670,220,735	1,982,968,396	1,593,730,537
Profit from operating activities before changes in operating assets and liabilities	6,097,717,366	9,353,762,635	5,198,259,185	8,143,574,209
Operating assets (increase) decrease				
Bank deposit for unearned fare box revenue	(18,789,610)	(55,680,976)	(18,789,610)	(55,680,976)
Trade and other receivables	(55,567,070)	(7,760,875)	(27,843,277)	7,054,111
Receivable under the concession agreement	1,649,683,274	1,649,683,274	1,649,683,274	1,649,683,274
Other current assets	12,089,492	(11,393,416)	15,659,000	(15,295,741)
Other non-current assets	11,443,912	(3,048,985)	4,267,146	5,392,640
Cash paid for project remuneration	(2,559,221,912)	(1,894,886,245)	(2,559,221,912)	(1,894,886,245)
Operating liabilities increase (decrease)				
Trade payables and other payables	157,100,847	181,841,193	192,259,854	176,731,078
Unearned fare box revenue	16,055,838	49,117,295	16,055,838	49,117,295
Deposits on stored value ticket	7,780,700	14,681,511	7,780,700	14,681,511
Other current liabilities	(41,394,911)	34,359,081	(43,248,315)	30,706,865
Other non-current liabilities	11,563,379	(2,134,042)	10,966,408	(752,001)
Cash paid for long-term employee benefits	(36,876,553)	(11,000,415)	(36,876,553)	(11,000,415)
Cash paid for compensation for site acquisition cost	-	(1,616,000,000)	-	(1,616,000,000)
Net cash flows from operating activities	5,251,584,752	7,681,540,035	4,408,951,738	6,483,325,605
Cash received from interest income	296,045,709	392,634,064	294,675,868	391,818,742
Cash paid for income tax	(196,270,863)	(332,798,583)	(125,377,096)	(259,889,590)
Net cash flows from operating activities	5,351,359,598	7,741,375,516	4,578,250,510	6,615,254,757

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

Bangkok Expressway and Metro Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from investing activities				
Cash received from sales of financial assets designated at FVTPL	3,904,702,827	-	3,554,887,078	-
Cash paid for purchase of financial assets designated at FVTPL	(3,492,504,112)	-	(3,164,155,634)	-
Cash received from sale of financial assets designated at FVOCI	2,310,374	-	2,310,374	-
Cash paid for purchase of financial assets designated at FVOCI	(526,342,927)	-	(526,342,927)	-
Cash received from sales of current investments	-	17,447,889,696	-	15,920,389,696
Cash paid for purchase of current investments	-	(17,290,610,050)	-	(15,756,208,983)
Cash paid for purchase of investments in subsidiary	(11,470,313)	(269,240,000)	(11,470,313)	(269,240,000)
Cash received from sales of investments in an associate	-	398,386,200	-	398,386,200
Cash received from sales of other long-term investments	-	78,219,853	-	78,219,853
Increase in other long-term investment	-	(400,000,000)	-	(400,000,000)
Cash received from long-term loans to related parties	-	-	37,000,000	2,474,692,518
Cash received from sales of equipment, right-of-use assets and intangible asset under concession agreement of the MRT Blue Line Project	5,355,862	1,695,689	5,355,115	1,692,278
Purchase of equipment	(127,506,633)	(46,552,497)	(118,223,608)	(31,665,004)
Cash received from interest income	-	-	396,459	539,004,884
Cash received from dividend income	482,715,660	488,801,682	482,715,660	488,801,682
Cash paid for project cost of the MRT Chalong Ratchadham Line	(39,120,693)	(29,307,405)	(39,120,693)	(29,307,405)
Cash paid for intangible asset under concession agreement of the MRT Blue Line Project	(2,987,424,067)	(6,840,809,764)	(2,972,884,669)	(6,793,327,698)
Cash paid for expressway construction	(827,337,637)	(706,974,948)	(824,517,416)	(704,364,628)
Interest expenses capitalised as cost of projects	(90,275,175)	(378,623,301)	(90,275,175)	(378,623,301)
Increase in other intangible assets	(17,419,060)	(15,722,417)	(15,440,960)	(14,134,917)
Net cash flows used in investing activities	(3,724,315,894)	(7,562,847,262)	(3,679,766,709)	(4,475,684,825)
Cash flows from financing activities				
Cash received form short-term loan from financial institution	9,300,000,000	4,882,000,000	9,300,000,000	4,882,000,000
Repayment of short-term loans from financial institution	(9,550,000,000)	(4,448,000,000)	(9,550,000,000)	(4,448,000,000)
Cash received from long-term loans from financial institutions	5,299,998,000	6,530,000,000	5,299,998,000	4,500,000,000
Repayment of long-term loans from financial institutions	(2,853,940,069)	(3,041,760,069)	(2,541,760,069)	(3,041,760,069)
Cash payment for lease liabilities	(44,427,542)	-	(26,254,320)	-
Cash received from debentures	3,000,000,000	5,000,000,000	3,000,000,000	5,000,000,000
Cash paid for redemption of debentures	(2,500,000,000)	(5,000,000,000)	(2,500,000,000)	(5,000,000,000)
Cash paid for financial fees	(8,815,078)	(11,516,532)	(8,815,078)	(11,516,532)
Interest paid	(1,984,375,214)	(1,618,951,836)	(1,890,616,670)	(1,542,524,603)
Dividend paid	(1,375,650,000)	(2,292,750,000)	(1,375,650,000)	(2,292,750,000)
Net cash flows used in financing activities	(717,209,903)	(978,437)	(293,098,137)	(1,954,551,204)
Net increase in cash and cash equivalents	909,833,801	177,549,817	605,385,664	185,018,728
Cash and cash equivalents at beginning of year	703,750,307	526,200,490	608,705,825	423,687,097
Cash and cash equivalents at end of year	1,613,584,108	703,750,307	1,214,091,489	608,705,825

Supplemental cash flows information

Non-cash items consist of:

Increase in accounts payable from equipment	20,126,650	-	20,126,650	-
Increase in payable from expressway construction	-	50,664,315	-	48,829,935
Increase in accrued interest expenses capitalised as cost of projects	-	17,749,896	-	17,749,896
Increase in right-of-use assets from lease liabilities	38,106,955	-	35,658,330	-

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

Bangkok Expressway and Metro Public Company Limited and its subsidiaries
Notes to consolidated financial statements
For the year ended 31 December 2020

1. General information

1.1 Corporate information

Bangkok Expressway and Metro Public Company Limited (“the Company”) is a public company incorporated from an amalgamation on 30 December 2015 and domiciled in Thailand. The Company’s major shareholder is the CH. Karnchang Public Company Limited, which is a public company incorporated in Thailand. The registered office of the Company is at 587 Sutthisarn Road, Ratchacaphisek Subdistrict, Dindaeng District, Bangkok. The Company has four branches.

The Company is principally engaged in the construction and management of expressways, the operation of metro services and commercial development. Details are as follows:

A. Construction and management of expressways

The Group has been granted concessions by the Expressway Authority of Thailand (“EXAT”) for the construction and management of expressways, as follows:

A.1 The Si Rat Expressway under the Second Stage Expressway agreement (Sector A, Sector B and Sector C) and the Extension of the Second Stage Expressway agreement (Sector D).

The Company, as a concessionaire, invested in the design, construction and management of expressways. These consists of 4 sectors: Sector A (Rama IX-Ratchadapisek), Sector B (Phayathai-Bangkhlo), Sector C (Ratchadapisek-Chaeng Watthana) and Sector D (Rama IX-Srinagarindra). The concession periods are 30 years commencing on 1 March 1990 for Sector A, Sector B and Sector C, and on 17 April 1997 for Sector D. The EXAT has the rights to collect all toll revenues and is to compensate the Company in the form of toll revenue sharing at the rates specified in the concession agreement, throughout the concession period. The Company has the rights to extend the concession for two further periods of 10 years each, depending upon terms and conditions that are to be agreed between the parties.

On 18 February 2020, the Cabinet passed a resolution to amend the concession agreements in order to settle all of the disputes described in Note 46 to the financial statements. On 20 February 2020, the Company and EXAT signed the Second Stage Expressway Agreement (Amendment). The Company was granted extensions to 31 October 2035 of the terms of the existing agreements for both the Second Stage Expressway agreement (Sector A, Sector B and Sector C), which was to end on 29 February 2020, and the Extension of the Second Stage Expressway agreement (Sector D), which was to end on 21 April 2027.

In addition, the Company retains all rights to extend the concessions specified in the existing agreements. The remaining periods of the existing agreements are 4 years and 4 months for the Second Stage Expressway agreement and 11 years and 6 months for the Extension of the Second Stage Expressway agreement (Sector D), commencing from the end of the amended agreements. The toll rates are to be increased every 10 years by fixed amounts specified in the agreements, commencing from 1 September 2018.

- A.2 The Si Rat - Outer Ring Road Expressway Project, under a concession agreement in respect of the investment, design, construction, management, operation and maintenance.

The Company, as concessionaire, invested in the design, construction, management, operation and maintenance of the Si Rat - Outer Ring Road Expressway Project, and is also responsible for expressway operation expenses throughout the concession period, which is for 30 years commencing on 15 December 2012. The Company has the rights to collect all toll revenue and all other related income, and is to compensate the EXAT in the form of toll revenue sharing at the rates specified in the concession agreement, throughout the concession period.

The Si Rat - Outer Ring Road Expressway started operation on 22 August 2016.

- A.3 The Udon Rattaya Expressway Project under the Bang Pa-In - Pak Kret Expressway Agreement in respect of the construction and management of the expressway project of a subsidiary.

The Subsidiary, as concessionaire, invested in the design, construction and management of the expressway, together with related business under a 30-year concession commencing on 27 September 1996. The EXAT has the rights to collect all toll revenue and is to compensate the Subsidiary in the form of revenue sharing at the rates specified in the concession agreement, throughout the concession period. The Subsidiary has the rights to extend the concession for two further periods of 10 years each, depending upon terms and conditions that are to be agreed between the parties.

On 18 February 2020, the Cabinet passed a resolution to amend the concession agreements in order to settle all the disputes described in Note 46 to the financial statements. On 20 February 2020, the subsidiary and EXAT signed the Bang Pa-In - Pak Kret Expressway Project Agreement (Amendment). The Subsidiary received an extension of the term of the existing agreement, which was to end on 26 September 2026, to 31 October 2035. The Subsidiary retains all rights to extend the concession specified in the existing agreement, of which the remaining period is 10 years and 11 months commencing from the end of the amended agreements. The toll rates are to be increased every 10 years by fixed amounts specified in the agreements, commencing from 1 November 2018.

B. Operation of metro services

The Company received concessions from the Mass Rapid Transit Authority of Thailand (“MRTA”) to operate metro services, as follows:

B.1 The MRT Blue Line Project.

The Company, as concessionaire of the MRTA Initial System Project - Chaloem Ratchamongkhon Line (The MRT Blue Line: Hua Lamphong Station - Bang Sue Station) under the MRTA Initial System Project - Chaloem Ratchamongkhon Line, invested in M&E Equipment and is to operate and maintain the MRTA Initial System for a concession period of 25 years, commencing on 2 July 2004.

On 28 March 2017, the Company was selected as concessionaire of the MRT Blue Line Concession Agreement, in accordance with a cabinet resolution. On 31 March 2017, the Company signed the MRT Blue Line Concession Agreement for a concession period of approximately 33 years under the Build, Transfer and Operate basis, with the MRTA. The MRT Blue Line Project consists of the MRTA Initial System Project - Chaloem Ratchamongkhon Line: Hua Lamphong Station-Bang Sue Station and the MRT Blue Line Extension: Hua Lamphong Station-Lak Song Station and Bang Sue Station-Tha Phra Station.

Under the MRT Blue Line Concession Agreement, a concession agreement with the MRTA for the MRTA Initial System Project - Chaloem Ratchamongkhon Line is deemed to be part of the MRT Blue Line Concession Agreement, and only the clauses relating the rights, duties and provisions with respect to fares, fare rates and payment of remuneration to the MRTA will remain in effect until the end of the concession agreement with the MRTA for the MRTA Initial System Project - Chaloem Ratchamongkhon Line.

The Company, as concessionaire of the MRT Blue Line Concession Agreement is responsible for the supply, installation and testing of the M&E Systems of the MRT Blue Line Extension Project (Phase 1 of the concession, which has a terms of 36 months from the commencement date of work by the MRTA) and operation of the Through Operation systems of the MRT Blue Line Project (Phase 2 of the concession, which has a term of 30 years from the commencement date of the revenue-generating service on all sectors). The Company has rights, duties and obligations to claim, collect, and retain all fares, and to generate revenue from commercial development, and is responsible for all investment, payment of operating costs, and payment of remuneration to the MRTA in accordance with the Concession.

The Company is required to gradually commence operation of the MRT Blue Line Extension Project in 3 sectors.

Sector 1: Bang Sue Station-Tao Poon Station within 15 August 2017.

Sector 2: Hua Lamphong Station-Lak Song Station within 30 months.

Sector 3: Tao Poon Station-Tha Phra Station within 36 months.

On 11 August 2017, the Company officially commenced operation of the MRT Blue Line Extension Project: Bang Sue Station-Tao Poon Station.

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

On 30 March 2020, the Company officially commenced commercial operation of the MRT Blue Line Project: Tao Poon Station-Tha Phra Station. As a result, the Company commenced operation and revenue-generating service of the Through Operation systems of the MRT Blue Line Project in accordance with the MRT Blue Line Concession Agreement. The MRT Blue Line Concession Agreement has a term of 30 years from the commencement date of the revenue-generating service on all sectors (30 March 2020).

- B.2 The MRT Chalong Ratchadham Line Project (Bang Yai-Rat Burana, Bang Yai-Bang Sue Section (Klong Bang Phai Station-Tao Poon Station)) (the "MRT Purple Line Project") Contract 4: Concession for Supply of M&E Systems and O&M Services.

The Company, as concessionaire, invested in the M&E Systems and rolling stock. In addition, the Company provides operation and maintenance services. The MRTA has the rights to collect fare box revenues and commercial revenues from the use of all civil infrastructure and the M&E Systems, and is to compensate the Company in the form of M&E Systems equipment costs (Phase I) and operation and maintenance service fees (Phase II). Details are as below:

Phase I: Design and Build

The Company is to design, supply, install and test the M&E Systems within 1,200 days after the agreement date (4 September 2013). In return the Company is to receive remuneration and interest totaling Baht 20,011 million from the MRTA in the form of monthly payments over a period of 10 years, beginning from the date of the Commissioning Certificate.

On 6 August 2016, the Company delivered the M&E Systems and Rolling Stocks under Phase 1 of the concession agreement to the MRTA. The Company has recorded amounts receivable from the MRTA under the account of receivable under the concession agreement, as described in Note 12 to the financial statements.

Phase II: O&M services

The Company is responsible for the operation of metro services, including repair, maintenance and improvement of all equipment and materials related to the civil infrastructure works and M&E Systems from the date specified in the Commissioning Certificate until the end of the concession period. In addition, the Company shall transfer rights of civil infrastructure and M&E Systems to the MRTA when the concession agreement ends. The compensation for Phase II under the agreement, amounting to approximately Baht 57,208 million (excluding escalations for inflation and adjustments to reflect electricity prices), will be paid to the Company on a monthly basis until the expiration of the concession agreement (3 September 2043).

On 6 August 2016, the Company is delivered the operating civil infrastructure and M&E Systems equipment of the MRT Chalong Ratchadham Line from the MRTA.

On that day, the operation of the MRT Chalong Ratchadham Line Project officially started.

- C. Commercial development business, which consists of commercial developments related to the expressways and the operation of metro services.

On 1 October 2018, the Company and Bangkok Metro Network Limited (a subsidiary company) agreed to terminate and replace the amendment to the commercial development rights agreement dated 11 March 2015, and terminate the contract granting commercial development rights to manage advertising services through the Passenger Information Display System (PIDs) dated 1 January 2010. Under the agreements, the Company transferred the commercial development rights to provide services relating to the MRTA Initial System Project - Chaloem Ratchamongkhon Line and to manage advertising services through PIDs in the MRTA Initial System Project - Chaloem Ratchamongkhon Line to the subsidiary. It also had the rights to receive commercial development revenue and share the revenue with the Company at the rates specified in

the agreement. On the same day, the Company and the subsidiary entered into a management agreement for commercial development of the MRT Blue Line Project (the MRTA Initial System Project - Chaloem Ratchamongkhon Line and the MRT Blue Line Extension Project). Under this agreement, the Company authorised the subsidiary to act on its behalf in managing commercial development and advertising services through the Passenger Information Display System (PIDs) for the MRT Blue Line Project. The contract will expire in July 2029, and the Company is to pay a management fee to the subsidiary based on the specified rate. Therefore, for the period from 1 October 2018, the Company has recorded revenue and expenses relating to commercial development of the MRT Blue Line Project in profit or loss of the Company.

1.2 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 pandemic is adversely impacting various businesses and industries. This situation significantly affects the Group's business activities in terms of commuter numbers on both the expressway and metro systems and this significantly impacts the Group's revenue while opening hours are reduced and organisations are supporting work from home policies. The Group's management has continuously monitored ongoing developments and assessed the financial impact as the situation has changed.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

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

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Bangkok Expressway and Metro Public Company Limited (“the Company”) and its subsidiaries (“the subsidiaries”). Details are as follows:

Company's name	Nature of business	Country of incorporation	Proportion of Shareholding	
			<u>2020</u> (Percent)	<u>2019</u> (Percent)
Northern Bangkok Expressway Company Limited	Operation and management of Bang Pa-In - Pak Kret Expressway project	Thailand	99.99	99.99
Bangkok Metro Networks Limited	Management on commercial development of the MRT project	Thailand	90.52	89.67

As described in Note 15 to the financial statements, the Company made an additional investment in 0.85 percent of the issued and fully paid up share capital of Bangkok Metro Network Limited in July 2020.

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

- 2.3 The separate financial statements, which present investment in subsidiaries and an associate presented under the cost method.

3 New financial reporting standards

a) Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised (revised 2019) and new 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. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements. However, the new standard involves changes to key principles, which are summarised below:

Financial reporting standards related to financial instruments

The 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. They also include stipulations regarding the presentation and disclosure of financial instruments.

The adoption of these standards has the impact on the Group's financial statements to result in the following adjustments.

- Classification and measurement of investments in available-for-sale equity securities
- The Group has elected to irrevocably classify these investments as financial assets at fair value through other comprehensive income.

- Classification and measurement of non-listed equity investments - The Group has decided to measure these investments at fair value and classify them as financial assets at fair value through other comprehensive income.
- Recognition of expected credit losses - The Group recognises an allowance for expected credit losses on its financial assets, and it is no longer necessary for a credit-impaired to have occurred.

The Group recognised the cumulative effect of the adoption of these financial reporting standards as an adjustment to retained earnings and other components of shareholders' equity as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 4 to the financial statements.

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.

The Group recognised the cumulative effect of the adoption of this financial reporting standard as an adjustment to retained earnings as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 4 to the financial statements.

Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic. Its objectives are to alleviate some of the impacts of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On 22 April 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between 1 January 2020 and 31 December 2020.

The Group has elected to apply the following temporary relief measures on accounting alternatives:

- Not to take into account forward-looking information when determining expected credit losses, in cases where the Group uses a simplified approach to determine expected credit losses.
- To measure the fair value of unquoted equity investments using the fair value as at 1 January 2020.
- Not to consider the COVID-19 situation as an indication that an asset may be impaired in accordance with TAS 36, Impairment of Assets.

The Group is evaluating the impact on the financial statements and will consider recording the impact after the relief measures expire.

b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2021

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2021. 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 management of the Group is currently evaluating the impact of these standards on the financial statements in the year when they are adopted.

4. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards

As described in Note 3 to the financial statements, during the current year, the Group has adopted the set of financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards was recognised as an adjustment to retained earnings and other components of shareholders' equity as at 1 January 2020 and the comparative information was not restated.

The impacts of changes in accounting policies on the statements of financial position at the beginning of 2020 due to the adoption of these standards are presented as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
		The impacts of		
		Financial reporting standards related		
	31 December	to financial		1 January
	2019	instruments	TFRS 16	2020
Statement of financial position				
Assets				
Current assets				
Current investments	1,157,746	(1,157,746)	-	-
Other current financial assets	-	1,157,746	-	1,157,746
Non-current assets				
Other non-current financial assets	-	17,014,130	-	17,014,130
Other long-term investments	17,096,827	(17,096,827)	-	-
Building and equipment (Note 19)	311,377	-	(4,568)	306,809
Right-of-use assets (Note 30)	-	-	98,439	98,439
Liabilities and shareholders' equity				
Current liabilities				
Current portion of lease liabilities	-	-	44,870	44,870
Other current liabilities	40,072	-	(1,222)	38,850
Non-current liabilities				
Long-term loans from financial institutions, net of current portion	21,745,561	(2,893)	-	21,742,668
Lease liabilities, net of current portion	-	-	51,762	51,762
Debentures, net of current portion	35,670,827	(1,116)	-	35,669,711
Deferred tax liabilities	3,025,460	(13,285)	-	3,012,175
Other non-current liabilities	3,759	-	(1,539)	2,220
Shareholders' equity				
Retained earnings - unappropriated	15,052,069	(96,626)	-	14,955,443
Other components of shareholders' equity	1,504,565	31,223	-	1,535,788

(Unit: Thousand Baht)

	Separate financial statements			
		The impacts of		
		Financial reporting		
		standards related		
	31 December	to financial		1 January
	2019	instruments	TFRS 16	2020
Statement of financial position				
Assets				
Current assets				
Current investments	1,136,558	(1,136,558)	-	-
Other current financial assets	-	1,136,558	-	1,136,558
Non-current assets				
Other non-current financial assets	-	17,014,130	-	17,014,130
Other long-term investments	17,096,827	(17,096,827)	-	-
Building and equipment (Note 19)	269,338	-	(2,255)	267,083
Right-of-use assets (Note 30)	-	-	53,313	53,313
Liabilities and shareholders' equity				
Current liabilities				
Current portion of lease liabilities	-	-	26,309	26,309
Other current liabilities	36,164	-	(752)	35,412
Non-current liabilities				
Long-term loans from financial institutions, net of current portion	18,739,921	(2,097)	-	18,737,824
Lease liabilities, net of current portion	-	-	25,749	25,749
Debentures, net of current portion	35,670,827	(1,116)	-	35,669,711
Deferred tax liabilities	3,026,721	(14,706)	-	3,012,015
Other non-current liabilities	248	-	(248)	-
Shareholders' equity				
Retained earnings - unappropriated	7,501,047	(113,388)	-	7,387,659
Other components of shareholders' equity	7,675,567	48,610	-	7,724,177

4.1 Financial instruments

- a) The Company recognised the classification of derivatives at fair value through profit or loss, which impact on retained earnings as at 1 January 2020 due to the adoption of financial reporting standards related to financial instruments in the consolidated financial statements amounted to Baht 99 million (the separate financial statements: Baht 115 million).

b) As at 1 January 2020, classification and measurement of financial assets required by TFRS 9, in comparison with classification and the former carrying amount, are as follows:

(Unit: Thousand Baht)

Consolidated financial statements					
	The former carrying amount	Classification and measurement in accordance with TFRS 9			
		Fair value through other		Amortised cost	Total
		Fair value through profit or loss	comprehensive income		
Financial assets as at 1 January 2020					
Cash and cash equivalents	703,750	-	-	703,750	703,750
Bank deposit for unearned fare box revenue	205,697	-	-	205,697	205,697
Trade and other receivables	481,787	-	-	481,787	481,787
Other current financial assets	1,157,746	1,157,746	-	-	1,157,746
Receivable under the concession agreement	10,860,415	-	-	10,860,415	10,860,415
Other non-current financial assets	17,014,130	-	17,014,130	-	17,014,130
Total financial assets	30,423,525	1,157,746	17,014,130	12,251,649	30,423,525

(Unit: Thousand Baht)

Separate financial statements					
	The former carrying amount	Classification and measurement in accordance with TFRS 9			
		Fair value through other Fair value through profit or loss		Amortised cost	Total
			comprehensive income		
Financial assets as at 1 January 2020					
Cash and cash equivalents	608,706	-	-	608,706	608,706
Bank deposit for unearned fare box revenue	205,697	-	-	205,697	205,697
Trade and other receivables	474,296	-	-	474,296	474,296
Long-term loans to related party	37,000	-	-	37,000	37,000
Other current financial assets	1,136,558	1,136,558	-	-	1,136,558
Receivable under the concession agreement	10,860,415	-	-	10,860,415	10,860,415
Other non-current financial assets	17,014,130	-	17,014,130	-	17,014,130
Total financial assets	30,336,802	1,136,558	17,014,130	12,186,114	30,336,802

As at 1 January 2020, the Group has not designated any financial liabilities at fair value through profit or loss. However, the Group has derivative liabilities used in hedge accounting with fair value totaling Baht 113 million.

4.2 Lease

On adoption of TFRS 16, the Group recognised lease liabilities in relation to leases that previously classified as operating leases measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rates as of 1 January 2020, of 1 percent to 6 percent per annum. For leases that previously classified as finance leases, the Group recognised the carrying amount of the lease assets and lease liabilities before transition as right-of-use assets and lease liabilities, respectively at the date of initial application.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Operating lease commitments as at 31 December 2019	64,150	44,704
Less: Short-term leases and leases of low-value assets	(17,982)	(17,862)
Add: Others	51,124	26,329
Less: Deferred interest expenses	(3,421)	(2,113)
Increase in lease liabilities due to initial TFRS 16 adoption	93,871	51,058
Liabilities under finance lease agreements as at 31 December 2019	2,761	1,000
Lease liabilities as at 1 January 2020	96,632	52,058
Comprise of:		
Current lease liabilities	44,870	26,309
Non-current lease liabilities	51,762	25,749
	96,632	52,058

5. Significant accounting policies

5.1 Revenue and expense recognition

a) Toll revenue recognition

Toll revenue represent the invoiced value, excluding value added tax, at a point in time upon completion of the service.

b) Toll revenue sharing recognition

Toll revenue sharing represent the invoiced value, excluding value added tax, on accrual basis.

c) Fare box revenue recognition

Smart card and smart token sales are recognised as revenue at a point in time upon completion of the service. Prepaid value in stored value smart cards is recorded as unearned fare box revenue in current liabilities in the statement of financial position.

d) Revenue recognition from provision of operating services

Revenue from provision of operating services is recognised over time when services have been rendered, excluding value added tax. Service rate charged is in accordance with rates stipulated in the agreement.

e) Revenue recognition from commercial development revenue

Commercial development revenue is recognised over time when services have been rendered.

f) Other revenues and expenses recognition

Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

Interest income from receivable under the concession agreement is realised over the installment period using the effective interest rate method. Interest income is recognised when installments come due, regardless of whether collection is made, and is presented under interest income in profit and loss.

Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

Dividends

Dividends are recognised when the rights to receive the dividends is established.

Other expenses

Expenses are recognised on accrual basis.

5.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and cash at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

5.3 Investments in subsidiaries

Investments in subsidiaries are accounted for in the separate financial statements using the cost method.

5.4 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

No depreciation has been provided for land awaiting sales.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

5.5 Building and equipment and depreciation

Building and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of building and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Building and construction improvement	5 years, 20 years
Furniture, fixture and equipment	3 - 5 years
Vehicles	5 - 16 years

Depreciation is included in determining income. No depreciation has been provided for assets under installations.

An item of building and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

5.6 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

5.7 Amortisation of rights to operate expressway sectors and amortisation

Rights to operate expressway sectors represent the cost of construction of the Second Stage Expressway System, the Si Rat - Outer Ring Road Expressway and the Bang Pa-In - Pak Kret Expressway. It is stated at cost less accumulated amortisation and allowance for loss on impairment (if any).

The rights to operate completed expressway sectors are amortised as expenses in income statements with the unit of throughput method over the concession period. The amortisation of rights to operate expressway sectors is charged to profit or loss and calculated as follows:

$$\text{Amortisation for the year} = \text{Net rights to operate expressway sectors} \times \text{Percentage of the number of vehicle volume for the year}$$

$$\begin{aligned} \text{Percentage of the number of vehicles volume} &= \frac{\text{Current year's number of actual vehicle volume}}{(\text{Current year's number of actual vehicle volume} + \\ \text{for the year} &\quad \text{Projected vehicle volume after current year to the} \\ &\quad \text{remaining years of the agreement}) \end{aligned}$$

No amortisation is provided for project costs under construction.

5.8 Rights to use sites for expressway and amortisation

The Company initially recorded the rights to use sites for expressway at cost, equal to the present value of future compensation for site acquisition cost to be paid to the EXAT under the Second Stage Expressway System agreement. Following initial recognition, the rights are carried at cost less accumulated amortisation and allowance for loss on impairment (if any).

The Company amortises the rights to use sites for expressway as an expense in the income statement is proportion to the number of actual vehicle volume. The Company reviews for impairment of the asset whenever there are indications of impairment and reviews the amortisation method at least once per year.

5.9 Intangible assets under concession agreement of the MRT Blue Line Project and amortisation

Intangible assets under concession agreement of the MRT Blue Line Project are stated at cost less accumulated amortisation and allowance for loss on impairment (if any).

The Group capitalised as assets all expenditures related to the MRT Blue Line Project, which including management and consultant fees, design costs, electrical and mechanical works and rolling stock purchased during the concession period, interest and other financing expenses. These will be amortised to expenses over the concession period after the commencement of operations.

Equipment - Metro system

The Company has been adopting the unit of throughput method to amortise such intangible assets, which related to equipment of metro system, over concession period of the MRT Blue Line Project and based on the following methodology:

$$\text{Amortisation for the year} = \text{Net intangible assets under concession agreement of the MRT Blue Line Project} \\ \times \text{Percentage of passengers for the year}$$

$$\text{Percentage of Passengers for the year} = \frac{\text{Current year's actual passengers}}{(\text{Actual passengers for the current year} + \text{Projected passengers during the remaining concession year})}$$

Equipment - Other system

Amortisation of intangible assets under the concession agreement of the MRT Blue Line Project such as rental area improvement, telecommunication equipment at station, advertising equipment etc. is calculated by reference to its cost on the straight-line basis over the following estimated useful lives:

Equipment and rental area at station improvement	5 years and concession period
Telecommunication equipment	5 years and concession period
Advertising equipment	5 - 7 years

Amortisation of intangible assets under concession agreement of the MRT Blue Line Project is included in profit or loss.

No amortisation is provided on assets under installations.

5.10 Project cost of the MRT Chalong Ratchadham Line

Project cost of the MRT Chalong Ratchadham Line is stated at cost less accumulated amortisation and allowance for loss on impairment (if any). The amortisation is calculated on the straight-line basis over the concession period.

The amortisation is included in profit or loss.

5.11 Prepaid project remuneration

The Company records remuneration expense of the MRT Blue Line Project in profit or loss for each year based on the proportion of projected remuneration to projected revenue under the concession agreement over the concession period. Differences between the remuneration that the Company pays to the MRTA and the recognised remuneration expenses are recorded under “prepaid project remuneration” in the statement of financial position.

The proportion of projected remuneration to projected revenue under the concession agreement of the MRT Blue Line Project is reviewed at least once a year.

5.12 Other intangible assets and amortisation

The Group is initially recognised intangible assets at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and allowance for loss on impairment (if any).

Intangible assets with finite useful lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation is include in profit or loss.

The intangible assets with finite useful lives is computer software with 3 years, 5 years and 10 years useful lives.

5.13 Leases

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Accounting policies adopted since 1 January 2020

The Group as a lessee applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Building and construction improvement	3 - 5 years
Vehicles	5 years

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

Accounting policies adopted before 1 January 2020

Leases of equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets or the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases is depreciated over the lease period.

Leases of equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

5.14 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Group, whether directly or indirectly, or which are under common control with the Group.

They also include associated companies, and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Group, key management personnel, directors and officers with authority in the planning and direction of the Group' operations.

5.15 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

5.16 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the building and equipment, right-of-use asset, investment properties and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Group also carries out annual impairment reviews in respect of goodwill. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

5.17 Employee benefits

Short-term employee benefits

The Group will recognise salaries, wages, bonuses and contributions to the social security fund as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Group and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the contributions of the Group is recognised as expenses when incurred.

Defined benefit plans

The Group has obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Group treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

5.18 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

5.19 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

5.20 Financial instruments

Accounting policies adopted since 1 January 2020

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (“EIR”) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets designated at FVOCI (equity instruments)

Upon initial recognition, the Group can elect to irrevocably classify its equity investments which are not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses recognised in other comprehensive income on these financial assets are never recycled to profit or loss.

Dividends are recognised as other income in profit or loss, except when the dividends clearly represent a recovery of part of the cost of the financial asset, in which case, the gains are recognised in other comprehensive income.

Equity instruments designated at FVOCI are not subject to impairment assessment.

Financial assets designated at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Group’s financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Accounting policies adopted before 1 January 2020

Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

Receivable under the concession agreement

Receivable under the concession agreement is stated at the contract value net of unrealised financial revenue.

Investments

- a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.
- b) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income and will be recorded in profit or loss when the securities are sold.
- c) Investments in debt securities, both due within one year and expected to be held to maturity, are recorded at amortised cost. The premium/discount on debt securities is amortised/accreted by the effective interest rate method with the amortised/accreted amount presented as an adjustment to the interest income.
- d) Investments in non-marketable equity securities, which the Group classifies as other investments, are stated at cost net of allowance for impairment loss (if any).

The fair value of marketable securities is based on the latest bid price of the last working day of the year. The fair value of debt instruments is determined based on yield rates quoted by the Thai Bond Market Association. The fair value of unit trusts is determined from their net asset value.

The weighted average method is used for computation of the cost of investments.

In the event the Group reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded in profit or loss or recorded as other components of shareholders' equity, depending on the type of investment that is reclassified.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

5.21 Derivatives and hedge accounting

The Group uses derivative which is an interest rate swaps to hedge its interest rate risks.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in profit or loss unless the derivative is designated and effective as a hedging instrument under cash flow hedge. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivatives are presented as non-current assets or non-current liabilities if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Hedge accounting - Cash flow hedges

At the inception of a hedging relationship, the Group formally designates and documents the hedging relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation, at the inception of the hedge and on an ongoing basis, includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements, including analysis of the sources of hedge ineffectiveness and how the hedge ratio is determined.

A hedging relationship qualifies for hedge accounting if it meets all of the following hedge effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk is not the dominant factor in the value changes that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all of the qualifying criteria for hedge accounting are accounted for cash flow hedges. The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in profit or loss. The cash flow hedge reserve is adjusted to the lower (in absolute amounts) of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The way cash flow hedge reserve accumulated in other comprehensive income are subsequently accounted for, depends on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the reserve accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and is not recognised in other comprehensive income for the period. For any other cash flow hedges, the reserve accumulated in other comprehensive income is subsequently reclassified to profit or loss as a reclassification adjustment in the same period which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the cash flow hedge reserve accumulated in other comprehensive income must remain in equity if the hedged future cash flows are still expected to occur. Otherwise, the reserve will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, the way the reserve remaining in equity is accounted for depends on the nature of the underlying transaction as described above.

5.22 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement 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

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

6. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Leases

Determining the lease term with extension and termination options - The Group as a lessee

In determining the lease term, the management is required to exercise judgement in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Group to exercise either the extension or termination option.

Estimating the incremental borrowing rate - The Group as a lessee

The Group cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Fair value of financial instruments

In determining the fair value of financial instruments that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes credit risks for both bank and counter parties consideration of liquidity, correlation and longer-term volatility of financial instruments. Change in assumption which is related to calculating input, could affect fair value in financial statement and the disclosure of fair value hierarchy.

Impairment of investment in subsidiaries

The Company reviews impairment of investment in subsidiaries, which requires management to prepare projection of the cash flow expected to be generated by the investment in the future, and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Building improvement and equipment/Depreciation

In determining depreciation of building improvement and equipment, the management is required to make estimates of the useful lives and residual values of the Company's building improvement and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review building improvement and equipment for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Amortisation of rights to operate completed expressway sectors and rights to use sites for expressway construction

In determining amortisation of rights to operate completed expressway sectors and rights to use sites for expressway construction, the management has to project vehicle volume after current year for the remaining years of the agreement. Vehicle volume is projected based on the number of vehicles as assessed by an independent appraiser, and adjusted by comparison to actual vehicle volume. However, the actual vehicle volume in the future could differ from the estimate depending upon changes in external factors that may affect toll rates and vehicle volume.

Amortisation of intangible asset under concession agreement of the MRT Blue Line Project

In determining amortisation of intangible asset under the concession agreement of the MRT Blue Line Project, the management has to project the number of passengers after current year for the remaining years of the agreement. Various assumptions needed to project by an accredited independent valuer, such as traffic model, network rail, average cost of fuel, and fare structure.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

7. Related party transactions

During the year, the Group 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 Group and those related parties.

The relationship between the Company and the related parties which have transactions with during the year summarised below.

<u>Name of related parties</u>	<u>Relationship with the Company</u>
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
Bangpa-in Land Development Company Limited	Related company through common directors of the Company

Such significant transactions for the year ended 31 December 2020 and 2019 are summarised below.

(Unit: Million Baht)

	Consolidated		Separate		
	financial statements		financial statements		Pricing policy
	2020	2019	2020	2019	
<u>Transactions with major shareholder</u>					
Cost of rail projects	1,991	5,565	1,991	5,565	Based on contracts
Cost of expressway construction	814	743	814	743	Based on contracts
Expressway and civil works maintenance expenses	585	595	585	595	Based on contracts
Office rental and service expenses	9	8	-	-	Based on contracts
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Commercial development revenue	-	-	3	2	Based on contracts
Interest income from long-term loans	-	-	-	47	Based on contracts
Project management income	-	-	209	186	Based on contract
Commercial development management fee	-	-	276	360	Based on contract
<u>Transactions with associated company</u>					
Dividend income	-	-	-	231	As declared
<u>Transactions with related companies</u>					
Interest income from M&E Systems	277	380	277	380	FDR plus stipulated margin per annum
Dividend income	483	258	483	258	As declared
Cost of commercial development	10	9	-	-	Based on contract
Remuneration from fare box (Inclusive of VAT)	332	376	332	376	Concession agreement
Remuneration from commercial development	19	18	19	18	Concession agreement
Property tax	3	12	2	11	At the rates charged by Bangkok Metropolitan Administration
Utility expenses	2	2	2	2	Based on contract

As at 31 December 2020 and 2019, the balances of the accounts between the Group and related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<u>Trade and other receivables (Note 11)</u>				
<u>Trade receivables</u>				
Bangkok Metro Networks Limited	-	-	1,271	4,226
Mass Rapid Transit Authority of Thailand	349,988	337,040	349,988	337,040
Total	<u>349,988</u>	<u>337,040</u>	<u>351,259</u>	<u>341,266</u>
<u>Other receivables</u>				
Northern Bangkok Expressway Company Limited	-	-	19,795	16,585
Bangkok Metro Networks Limited	-	-	11	-
CH. Karnchang Public Company Limited	-	111	-	111
Total	<u>-</u>	<u>111</u>	<u>19,806</u>	<u>16,696</u>
<u>Guarantees for rental</u>				
CH. Karnchang Public Company Limited	<u>1,914</u>	<u>1,914</u>	<u>-</u>	<u>-</u>
<u>Advance payment under service contract</u>				
CH. Karnchang Public Company Limited	<u>10,829</u>	<u>12,224</u>	<u>10,829</u>	<u>12,224</u>
<u>Long-term loans to related party</u>				
Bangkok Metro Networks Limited	-	-	-	37,000
Less: current portion	-	-	-	(18,000)
Long-term loans to related party, net of current portion	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,000</u>
<u>Receivable under the concession agreement (Note 12)</u>				
Mass Rapid Transit Authority of Thailand	<u>9,210,732</u>	<u>10,860,415</u>	<u>9,210,732</u>	<u>10,860,415</u>
<u>Prepaid project remuneration</u>				
Mass Rapid Transit Authority of Thailand	<u>7,307,905</u>	<u>5,086,368</u>	<u>7,307,905</u>	<u>5,086,368</u>
<u>Trade and other payables (Note 26)</u>				
Bangkok Metro Networks Limited	-	-	123,240	32,603
CH. Karnchang Public Company Limited	401,750	753,448	401,645	753,347
Mass Rapid Transit Authority of Thailand	224,992	213,221	224,992	213,210
Others	<u>320</u>	<u>339</u>	<u>320</u>	<u>320</u>
Total	<u>627,062</u>	<u>967,008</u>	<u>750,197</u>	<u>999,480</u>

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<u>Retention guarantees</u>				
CH. Karnchang Public Company Limited	<u>50,783</u>	<u>44,252</u>	<u>50,783</u>	<u>44,252</u>
<u>Guarantees for rental</u>				
Bangkok Metro Networks Limited	<u>-</u>	<u>-</u>	<u>903</u>	<u>800</u>
<u>Unearned revenue from advertising management rights (Note 29)</u>				
Bangkok Metro Networks Limited	<u>-</u>	<u>-</u>	<u>10,618</u>	<u>11,866</u>

Long-term loans to related party

The balance of long-term loans to and interest receivables between the Company and its subsidiary as at 31 December 2020 and 2019 and the movement in the separate financial statement were as follows:

	(Unit: Thousand Baht)			
	Balance as at	Increase	Decrease	Balance as at
	<u>31 December 2019</u>	<u>during the year</u>	<u>during the year</u>	<u>31 December 2020</u>
Bangkok Metro Networks Limited				
Long-term loan	37,000	-	(37,000)	-
Interest receivable	<u>-</u>	<u>396</u>	<u>(396)</u>	<u>-</u>
Total	<u>37,000</u>	<u>396</u>	<u>(37,396)</u>	<u>-</u>

Directors and management's remuneration

During the year ended 31 December 2020 and 2019, the Group had employee benefit expenses payable to their directors and management as below.

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Short-term employee benefits	157,588	176,380	137,212	158,271
Post-employment benefits	<u>9,694</u>	<u>9,344</u>	<u>8,556</u>	<u>8,225</u>
Total	<u>167,282</u>	<u>185,724</u>	<u>145,768</u>	<u>166,496</u>

8. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Cash	46,566	46,526	43,083	43,609
Bank deposits	1,567,018	657,224	1,171,008	565,097
Total	<u>1,613,584</u>	<u>703,750</u>	<u>1,214,091</u>	<u>608,706</u>

The Company has pledged the bank accounts used to deposit moneys received for work on the MRT Chalong Ratchadham Line Project (Note 12) 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 27 to the financial statements.

As at 31 December 2020, the balance of the pledged bank account amounted to Baht 1,028 (2019: Baht 1,026).

9. Current investments

(Unit: Thousand Baht)

	2019	
	Consolidated financial statements	Separate financial statements
Investments in trading securities		
Unit trusts	1,087,425	1,066,248
Add: Unrealised gain on changes in value of investments	70,321	70,310
Unit trusts - Fair value	<u>1,157,746</u>	<u>1,136,558</u>
Total current investments	<u>1,157,746</u>	<u>1,136,558</u>

10. 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.

11. Trade and other receivables

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<u>Trade receivables</u>				
Trade receivables				
- Related parties (Note 7)	349,988	337,040	351,259	341,266
- Unrelated parties	165,407	137,513	134,225	109,798
Less: Allowance for expected credit losses				
(2019: Allowance for doubtful debts)	(390)	(938)	(390)	-
Total trade receivables - net	515,005	473,615	485,094	451,064
<u>Other receivables</u>				
Other receivables				
- Related parties (Note 7)	-	111	19,795	16,696
- Unrelated parties	29,098	3,308	3,690	2,616
Accrued income				
- Related parties (Note 7)	-	-	11	-
- Unrelated parties	4,800	4,753	4,161	3,920
Total other receivables	33,898	8,172	27,657	23,232
Trade and other receivables - net	548,903	481,787	512,751	474,296

Most of the trade receivables of the Group was within their credit terms or past due up to 3 months. As at 31 December 2020, the outstanding balances of trade receivables in the consolidated financial statements that are one year past due amounted to approximately Baht 0.3 million (2019: Baht 2 million) (Separate financial statements: Nil).

Set out below is the movement in the allowance for expected credit losses of trade and other receivables.

(Unit: Thousand Baht)		
	Consolidated	Separate
	financial statements	financial statements
As at 1 January 2020	938	-
Provision for expected credit losses	390	390
Amount written off	(938)	-
As at 31 December 2020	390	390

12. Receivable under the concession agreement

	(Unit: Thousand Baht)
	Consolidated and Separate financial statements
Net book value as at 1 January 2020	10,860,415
Collection	(1,649,683)
Net book value as at 31 December 2020	9,210,732
Current	1,649,683
Non-current	7,561,049
Total receivable under the concession agreement	9,210,732

Receivable under the concession agreement is a receivable for M&E Systems (Inclusive of VAT) of Phase 1 of the MRT Chalong Ratchadham Line Project as described in Note 1.1 B.2 to the financial statements. 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 Notes 27.2 and 27.3 to the financial statements.

Amounts receivable under the concession agreement that are due in over 5 years amount to approximately Baht 962 million and carry interest rate of FDR plus stipulated margin.

Interest income for M&E Systems for the year end 31 December 2020 amounted to Baht 277 million (2019: Baht 380 million).

13. Other current financial assets

Other current financial assets are the investment in trading securities designated at FVTPL.

14. Other non-current financial assets

	(Unit: Thousand Baht)
	2020
	Consolidated and Separate financial statements
<u>Equity instruments designated at FVOCI</u>	
Equity instruments of listed companies	
- CK Power Public Company Limited	6,376,867
- TTW Public Company Limited	9,063,870
Equity instruments of non-listed company	
- Eastern High-Speed Rail Linking Three Airports Co., Ltd	400,000
Total other non-current financial assets	15,840,737

Equity instruments designated at FVOCI include listed and non-listed equity investments which the Group considers these investments to be strategic in nature.

15. Investments in subsidiaries

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

(Unit: Million Baht)								
Company's name	Registered capital		Paid-up capital		Proportion of investment		Cost	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
					(percent)			
Northern Bangkok Expressway Company Limited	6,000	6,000	5,250	5,250	99.99	99.99	2,604	2,604
Bangkok Metro Networks Limited	254	254	254	254	90.52	89.67	507	495
Total cost							3,111	3,099
Allowance for impairment							(2,466)	(2,466)
Net book value							645	633

In March 2019, the Company purchased 5 million ordinary shares of Bangkok Metro Networks Limited ("BMN") (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 changed from 69.67 percent to 89.67 percent.

In July 2020, the Company purchased 0.2 million ordinary shares (equal to 0.85 percent of its issued and paid-up share capital) from its existing shareholders, for a total of Baht 11 million. As a result of this transaction, its shareholding changed from 89.67 percent to 90.52 percent.

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

(Unit: Thousand Baht)		
	Consolidated financial statements	
	<u>2020</u>	<u>2019</u>
Purchase price of investment in subsidiary	11,471	269,240
Less: Non-controlling interests of subsidiary adjusted	(3,772)	(88,068)
Capital deficit from change in shareholding interest in subsidiary	7,699	181,172

16. Investments in associate

During the year 2019, the Company sold 33 million ordinary shares of TTW Public Company Limited (“TTW”) amounting to Baht 399 million, and recorded gains on sale of investment in this associated company of Baht 122 million and Baht 217 million in profit or loss in the consolidated and separate financial statements, respectively. As a result, its equity interest of TTW decreased 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 for the year ended 31 December 2019.

Share of comprehensive income and dividend received

During the year ended 31 December 2019, the Company has recognised its share of profit/loss from investments in associate in the consolidated financial statements and dividend income in the separate financial statements as follows:

Company's name	Consolidated financial statements		Separate financial statements
	Share of other comprehensive		Dividend received
	Share of profit from	income from investments	
	investments in an associate	in an associate	
TTW Public Company Limited	173	(2)	231

17. Other long-term investments

	(Unit: Thousand Baht)	
	2019	
	Consolidated	Separate
	financial statements	financial statements
Investment in available-for-sale securities		
CK Power Public Company Limited		
- Ordinary shares	5,178,082	2,813,840
- Warrants	93,033	114,767
TTW Public Company Limited		
- Ordinary shares	9,432,320	4,061,076
Add: Unrealised gain on changes in value of investments	1,993,392	9,707,144
Investment in available-for-sale securities - Net	16,696,827	16,696,827
Long-term investment		
Eastern High-Speed Rail Linking		
Three Airports Co., Ltd	400,000	400,000
Total other long-term investments - Net	17,096,827	17,096,827

18. Investment properties

As at 31 December 2020, the Company has investment properties, consisting of land, which is presented in the consolidated and separate financial statements at its fair value of Baht 321 million (2019: Baht 321 million).

The fair value of above investment properties has been determined based on the valuation performance by an accredited independent valuer, using market approach.

19. Building and equipment

(Unit: Thousand Baht)

	Consolidated financial statements				
	Building and construction improvement	Furniture, fixture and office equipment	Vehicles	Asset during installation	Total
Cost:					
1 January 2019	75,779	211,935	460,252	593	748,559
Additions	11,622	13,244	7,887	13,798	46,551
Disposals/Write off	-	(9,688)	(12,147)	-	(21,835)
Reclassification/ Transfer in (out)	2,130	(32)	-	(593)	1,505
31 December 2019	89,531	215,459	455,992	13,798	774,780
Transfers to right-of-use assets					
(Note 4)	-	-	(8,865)	-	(8,865)
Additions	3,274	31,229	44,668	67,396	146,567
Disposals/Write off	-	(3,168)	(24,291)	-	(27,459)
Reclassification/ Transfer in (out)	193	15,116	-	(12,730)	2,579
31 December 2020	92,998	258,636	467,504	68,464	887,602
Accumulated depreciation:					
1 January 2019	45,246	157,904	221,472	-	424,622
Depreciation for the year	9,824	21,848	28,579	-	60,251
Accumulated depreciation on					
disposals/write off	-	(9,638)	(11,832)	-	(21,470)
31 December 2019	55,070	170,114	238,219	-	463,403
Transfers to right-of-use assets					
(Note 4)	-	-	(4,297)	-	(4,297)
Depreciation for the year	10,694	27,910	36,440	-	75,044
Accumulated depreciation on					
disposals/write off	-	(3,137)	(22,689)	-	(25,826)
31 December 2020	65,764	194,887	247,673	-	508,324
Net book value:					
31 December 2019	34,461	45,345	217,773	13,798	311,377
31 December 2020	27,234	63,749	219,831	68,464	379,278
Depreciation for the year					
2019 (Baht 29 million included in cost of services and the balance in selling and administrative expense)					60,251
2020 (Baht 37 million included in cost of services and the balance in selling and administrative expense)					75,044

(Unit: Thousand Baht)

	Separate financial statements				
	Building and construction improvement	Furniture, fixture and office equipment	Vehicles	Asset during installation	Total
Cost:					
1 January 2019	61,336	155,884	448,893	-	666,113
Additions	-	10,253	7,887	13,525	31,665
Disposals/Write off	-	(9,238)	(12,147)	-	(21,385)
31 December 2019	61,336	156,899	444,633	13,525	676,393
Transfers to right-of-use assets					
(Note 4)	-	-	(5,775)	-	(5,775)
Additions	1,100	30,380	43,122	62,681	137,283
Disposals/Write off	-	(3,151)	(24,291)	-	(27,442)
Reclassification/ Transfer in (out)	-	15,036	-	(12,457)	2,579
31 December 2020	62,436	199,164	457,689	63,749	783,038
Accumulated depreciation:					
1 January 2019	38,990	127,085	217,497	-	383,572
Depreciation for the year	6,061	11,479	26,963	-	44,503
Accumulated depreciation on					
disposals/write off	-	(9,188)	(11,832)	-	(21,020)
31 December 2019	45,051	129,376	232,628	-	407,055
Transfers to right-of-use assets					
(Note 4)	-	-	(3,520)	-	(3,520)
Depreciation for the year	5,854	17,379	35,380	-	58,613
Accumulated depreciation on					
disposals/write off	-	(3,120)	(22,689)	-	(25,809)
31 December 2020	50,905	143,635	241,799	-	436,339
Net book value:					
31 December 2019	16,285	27,523	212,005	13,525	269,338
31 December 2020	11,531	55,529	215,890	63,749	346,699
Depreciation for the year					
2019 (Baht 20 million included in cost of services and the balance in selling and administrative expense)					44,503
2020 (Baht 26 million included in cost of services and the balance in selling and administrative expense)					58,613

As at 31 December 2020, the Group have certain items of building improvement and equipment which were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 278 million (2019: Baht 265 million) (The Company only: Baht 266 million, 2019: Baht 255 million).

20. Rights to operate expressway sectors

(Unit: Thousand Baht)

	Consolidated financial statements		
	Rights to operate completed expressway sector	Project costs under construction	Total
Cost:			
1 January 2019	86,121,683	5,608	86,127,291
Additions	320,200	437,439	757,639
Transfer in (out)	5,608	(5,608)	-
31 December 2019	86,447,491	437,439	86,884,930
Additions	86,184	691,283	777,467
Write off	-	(50)	(50)
Reclassification/ Transfer in (out)	436,321	(437,389)	(1,068)
31 December 2020	86,969,996	691,283	87,661,279
Accumulated amortisation:			
1 January 2019	50,981,271	-	50,981,271
Amortisation for the year	3,650,292	-	3,650,292
31 December 2019	54,631,563	-	54,631,563
Amortisation for the year	1,328,195	-	1,328,195
31 December 2020	55,959,758	-	55,959,758
Net book value:			
31 December 2019	31,815,928	437,439	32,253,367
31 December 2020	31,010,238	691,283	31,701,521
Amortisation for the year			
2019			3,650,292
2020			1,328,195

(Unit: Thousand Baht)

	Separate financial statements		
	Rights to operate completed expressway sector	Project costs under construction	Total
Cost:			
1 January 2019	73,277,393	5,608	73,283,001
Additions	320,200	432,994	753,194
Transfer in (out)	5,608	(5,608)	-
31 December 2019	73,603,201	432,994	74,036,195
Additions	85,199	690,903	776,102
Write off	-	(50)	(50)
Reclassification/ Transfer in (out)	431,876	(432,944)	(1,068)
31 December 2020	74,120,276	690,903	74,811,179
Accumulated amortisation:			
1 January 2019	43,740,812	-	43,740,812
Amortisation for the year	3,046,735	-	3,046,735
31 December 2019	46,787,547	-	46,787,547
Amortisation for the year	1,058,365	-	1,058,365
31 December 2020	47,845,912	-	47,845,912
Net book value:			
31 December 2019	26,815,654	432,994	27,248,648
31 December 2020	26,274,364	690,903	26,965,267
Amortisation for the year			
2019			3,046,735
2020			1,058,365

21. Rights to use sites for expressway construction

The net book value of rights to use sites for expressway construction as at 31 December 2020 and 2019 are presented below.

	(Unit: Thousand Baht)	
	Consolidated and Separate financial statements	
	<u>2020</u>	<u>2019</u>
Cost	6,644,790	6,644,790
Less: Accumulated amortisation	(6,644,790)	(6,583,323)
Net book value	-	61,467

A reconciliation of the net book value of the rights to use sites for expressway construction for the years 2020 and 2019 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated and Separate financial statements	
	<u>2020</u>	<u>2019</u>
Net book value at the beginning of the year	61,467	390,198
Amortisation for the year	(61,467)	(328,731)
Net book value at the end of the year	-	61,467

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

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

(Unit: Thousand Baht)

Consolidated financial statements			
	Intangible asset under concession agreement of the MRT Blue Line Project	Project costs under construction	Total
Cost:			
1 January 2019	22,015,349	17,578,869	39,594,218
Additions	752,415	6,062,954	6,815,369
Reclassification	(1,505)	-	(1,505)
Interest cost	28,649	332,224	360,873
Transfer in (out)	11,226,336	(11,226,336)	-
31 December 2019	34,021,244	12,747,711	46,768,955
Additions	2,259,577	385,214	2,644,791
Interest cost	59,569	-	59,569
Write off	-	(110)	(110)
Transfer in (out)	11,620,270	(11,620,270)	-
31 December 2020	47,960,660	1,512,545	49,473,205
Accumulated amortisation:			
1 January 2019	4,166,662	-	4,166,662
Amortisation for the year	263,394	-	263,394
31 December 2019	4,430,056	-	4,430,056
Amortisation for the year	359,430	-	359,430
31 December 2020	4,789,486	-	4,789,486
Net book value:			
31 December 2019	29,591,188	12,747,711	42,338,899
31 December 2020	43,171,174	1,512,545	44,683,719
Amortisation for the year			
2019			263,394
2020			359,430

(Unit: Thousand Baht)

Separate financial statements			
	Intangible asset under concession agreement of the MRT Blue Line Project	Project costs under construction	Total
Cost:			
1 January 2019	21,419,563	17,562,246	38,981,809
Additions	706,726	6,061,162	6,767,888
Interest cost	28,649	332,224	360,873
Transfer in (out)	11,209,713	(11,209,713)	-
31 December 2019	33,364,651	12,745,919	46,110,570
Additions	2,244,984	385,157	2,630,141
Interest cost	59,569	-	59,569
Transfer in (out)	11,619,615	(11,619,615)	-
31 December 2020	47,288,819	1,511,461	48,800,280
Accumulated amortisation:			
1 January 2019	3,892,303	-	3,892,303
Amortisation for the year	219,561	-	219,561
31 December 2019	4,111,864	-	4,111,864
Amortisation for the year	311,417	-	311,417
31 December 2020	4,423,281	-	4,423,281
Net book value:			
31 December 2019	29,252,787	12,745,919	41,998,706
31 December 2020	42,865,538	1,511,461	44,376,999
Amortisation for the year			
2019			219,561
2020			311,417

During the year, the Company has capitalised the borrowing cost as part of 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 2.55 percent (2019: 3.17 percent).

23. Project cost of the MRT Chalong Ratchadham Line

The net book value of project cost of the MRT Chalong Ratchadham Line as at 31 December 2020 and 2019 is presented below.

(Unit: Thousand Baht)		
Consolidated and Separate financial statements		
	<u>2020</u>	<u>2019</u>
Cost	773,360	731,769
Less: Accumulated amortisation	(112,924)	(86,818)
Net book value	<u>660,436</u>	<u>644,951</u>

A reconciliation of the net book value of project cost of the MRT Chalong Ratchadham Line for the years 2020 and 2019 are summarised below.

(Unit: Thousand Baht)		
Consolidated and Separate financial statements		
	<u>2020</u>	<u>2019</u>
Net book value at the beginning of the year	644,951	654,691
Additions	41,591	16,309
Amortisation for the year	(26,106)	(26,049)
Net book value at the end of the year	<u>660,436</u>	<u>644,951</u>

24. Other intangible assets

The net book value of other intangible assets which are computer software as at 31 December 2020 and 2019 is presented below.

(Unit: Thousand Baht)				
Consolidated		Separate		
financial statements		financial statements		
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Cost	227,563	211,655	213,362	199,432
Less: Accumulated amortisation	(164,398)	(137,628)	(155,096)	(130,159)
Net book value	<u>63,165</u>	<u>74,027</u>	<u>58,266</u>	<u>69,273</u>

A reconciliation of the net book value of other intangible assets for the years 2020 and 2019 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Net book value at the beginning of the year	74,027	84,778	69,273	80,301
Acquisition	17,419	15,722	15,441	14,135
Reclassification	(1,511)	-	(1,511)	-
Amortisation for the year	(26,770)	(26,473)	(24,937)	(25,163)
Net book value at the end of the year	<u>63,165</u>	<u>74,027</u>	<u>58,266</u>	<u>69,273</u>

25. Short-term loans from financial institutions

	Interest rate	(Unit: Thousand Baht)	
		Consolidated and Separate	
		financial statements	
	(Percent per annum)	<u>2020</u>	<u>2019</u>
Promissory notes	At the fixed rate	1,500,000	3,250,000
Short-term loan	1M BIBOR plus stipulated margin	1,500,000	-
Total		<u>3,000,000</u>	<u>3,250,000</u>

26. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Trade payables - related parties (Note 7)	518,530	882,909	641,665	915,381
Trade payables - unrelated parties	600,037	432,705	523,602	394,213
Accrued interest - unrelated parties	201,838	205,868	201,386	205,244
Accrued expense - related parties (Note 7)	108,532	84,099	108,532	84,099
Accrued expense - unrelated parties	252,159	304,224	212,307	281,327
Other payables	63,556	28,677	62,265	26,537
Total trade and other payables	<u>1,744,652</u>	<u>1,938,482</u>	<u>1,749,757</u>	<u>1,906,801</u>

27. Long-term loans from financial institutions

					(Unit: Thousand Baht)			
Loans	Credit facility	Objective	Interest rate	Period of repayment	Consolidated financial statements		Separate financial statements	
					2020	2019	2020	2019
	(Million Baht)		(percent)					
27.1 Long-term loan	8,000	Working capital	At the fixed rate	Repayment installments in every six month	1,500,000	2,500,000	1,500,000	2,500,000
(Fully drew down)				commencing May 2017 to May 2021				
27.2 Tranche A	13,557	To invest in the MRT Chalong	Interest rate of FDR plus	Repayment in monthly installments	8,569,024	10,103,776	8,569,024	10,103,776
(Fully drew down)		Ratchadham Line Project	stipulated margins	commencing October 2017 to July 2026				
27.3 Tranche B	62	To invest in the MRT Chalong	Interest rate of FDR plus	Repayment in monthly installments	39,136	46,144	39,136	46,144
(Fully drew down)		Ratchadham Line Project	stipulated margins	commencing October 2017 to July 2026				
27.4 Long-term loan	14,000	To invest in the MRT Blue Line	Interest rate of 6M THBFIX	Repayment in quarterly installments commencing	13,999,998	8,700,000	13,999,998	8,700,000
(Fully drew down)		Extension Project	plus stipulated margins	December 2021 to December 2035				
27.5 Long-term loan	3,630	Repayment for loan obtained from	Interest rate of 6M FDR	Repayment in quarterly installments	3,317,820	3,630,000	-	-
(Fully drew down)		the Company	plus stipulated margins	within September 2024				
Total	39,249				27,425,978	24,979,920	24,108,158	21,349,920
Less: Current portion of long-term loans					(3,745,161)	(3,166,120)	(3,091,761)	(2,541,760)
Less: Deferred financial fees					(10,762)	(68,239)	(13,439)	(68,239)
Long-term loans - net of current portion					23,670,055	21,745,561	21,002,958	18,739,921

Movements in the long-term loans account for the year ended 31 December 2020 and 2019 are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Balance at the beginning of the year	24,979,920	21,491,680	21,349,920	19,891,680
Add: Drawdown during the year	5,299,998	6,530,000	5,299,998	4,500,000
Less: Repayment during the year	(2,853,940)	(3,041,760)	(2,541,760)	(3,041,760)
Balance at the end of the year	<u>27,425,978</u>	<u>24,979,920</u>	<u>24,108,158</u>	<u>21,349,920</u>

For the long-term loan number 27.1

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

Under the loan agreements, 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.

For the long-term loans number 27.2 to 27.3

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 8) and transferred rights to receive payments for such work to the group of lenders (Note 12) as collateral to secure these loans. The Company had interest expenses amounting to Baht 277 million on such loans for the year ended 31 December 2020 (2019: Baht 380 million).

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.

For Long-term loan number 27.4

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.

For Long-term loan number 27.5

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 maintenance of debt service coverage ratio and debt to equity ratio, dividend payment and conditions for mandatory prepayment.

28. Debentures

Debentures as at 31 December 2020 and 2019 have the following details:

					(Unit: Thousand Baht)	
					Consolidated and Separate	
					financial statements	
Type of debenture	Term	Issuance date	Maturity date	Interest rate	2020	2019
					(% per annum)	
1. No. 1/2016						
- Tranche 2	5 years	24 June 2016	24 June 2021	2.52	1,615,000	1,615,000
- Tranche 3	7 years	24 June 2016	24 June 2023	3.00	2,000,000	2,000,000
- Tranche 4	10 years	24 June 2016	24 June 2026	3.30	3,335,000	3,335,000
- Tranche 5	12 years	24 June 2016	24 June 2028	3.61	2,750,000	2,750,000
2. No. 2/2016	12 years	11 August 2016	24 June 2028	3.61	500,000	500,000
3. No. 3/2016						
- Tranche 1	4 years	21 October 2016	21 October 2020	2.62	-	2,500,000
- Tranche 2	9 years	21 October 2016	21 October 2025	3.78	2,500,000	2,500,000
- Tranche 3	11 years	21 October 2016	21 October 2027	3.95	3,000,000	3,000,000
4. No. 1/2017						
- Tranche 1	5 years	7 September 2017	7 September 2022	2.65	2,000,000	2,000,000
- Tranche 2	7 years	7 September 2017	7 September 2024	3.10	3,000,000	3,000,000
5. No. 1/2018						
- Tranche 1	3 years	5 April 2018	5 April 2021	2.05	3,000,000	3,000,000
- Tranche 2	5 years	5 April 2018	5 April 2023	2.46	3,500,000	3,500,000
- Tranche 3	7 years	5 April 2018	5 April 2025	3.01	3,500,000	3,500,000
6. No. 1/2019						
- Tranche 1	3 years	9 May 2019	9 May 2022	2.65	1,000,000	1,000,000
- Tranche 2	5 years	9 May 2019	9 May 2024	3.18	2,000,000	2,000,000
- Tranche 3	7 years	9 May 2019	9 May 2026	3.59	1,000,000	1,000,000
- Tranche 4	10 years	9 May 2019	9 May 2029	3.84	1,000,000	1,000,000
7. No. 1/2020						
- Tranche 1	4 years	10 June 2020	10 June 2024	2.88	1,000,000	-
- Tranche 2	10 years	10 June 2020	10 June 2030	3.50	1,300,000	-
- Tranche 3	12 years	10 June 2020	10 June 2032	3.78	700,000	-
Total					38,700,000	38,200,000
Less: Current portion of debenture					(4,615,000)	(2,500,000)
Less: Deferred debenture issuing cost					(27,076)	(29,173)
Debentures - net of current portion					34,057,924	35,670,827

Movements in the debentures account for the year ended 31 December 2020 and 2019 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated and Separate financial statements	
	<u>2020</u>	<u>2019</u>
Balance at the beginning of the year	38,200,000	38,200,000
Add: Issuance of debentures during the year	3,000,000	5,000,000
Less: Redemption of debentures during the year	<u>(2,500,000)</u>	<u>(5,000,000)</u>
Balance at the end of the year	<u>38,700,000</u>	<u>38,200,000</u>

All of the Company's debentures are registered debentures, unsubordinated, and unsecured, without a debenture holders' representative, except for the debenture number 6 and 7 which have a holders' representative, that pay interest semi-annually. The debentures contain covenants relating to maintenance of interest bearing debt to equity ratio.

29. Unearned revenue from advertising management rights

The Company received remuneration of Baht 35 million from the subsidiary for granting the rights to manage advertising services through the Passenger Information Display System (PIDs), as described in Note 1.1 C. to the financial statements, on the execution date of the agreement (1 January 2010) and this rights will expire in July 2029. The amount is presented under the caption of "Unearned revenue from advertising management rights" and is being amortised to revenue throughout the contract period.

Movements in unearned revenue from advertising management rights account in the separate financial statements are summarised below.

	(Unit: Thousand Baht)
Balance as at 1 January 2019	13,114
Less: Recognise to revenue during the year	<u>(1,248)</u>
Balance as at 31 December 2019	11,866
Less: Recognise to revenue during the year	<u>(1,248)</u>
Balance as at 31 December 2020	10,618
Less: Current portion	<u>(1,249)</u>
Unearned revenue from advertising management rights - net of current portion	<u>9,369</u>

30. Leases

The Group, as a lessee, has lease contracts for various items of equipment used in its operations. Leases generally have lease terms between 3 - 5 years.

a) Right-of-use assets

Movements of right-of-use assets for the year ended 31 December 2020 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements		
	Buildings and Construction improvement	Vehicles	Total
1 January 2020 (Note 4)	54,805	43,634	98,439
Additions	7,889	30,217	38,106
Decrease	-	(847)	(847)
Depreciation for the year	(29,884)	(19,300)	(49,184)
31 December 2020	32,810	53,704	86,514

(Unit: Thousand Baht)

	Separate financial statements		
	Buildings and Construction improvement	Vehicles	Total
1 January 2020 (Note 4)	11,992	41,321	53,313
Additions	7,889	27,769	35,658
Decrease	-	(847)	(847)
Depreciation for the year	(11,586)	(18,104)	(29,690)
31 December 2020	8,295	50,139	58,434

b) Lease liabilities

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Lease payments	90,358	-	61,569	-
Less: Deferred interest expenses	(3,933)	-	(3,057)	-
Total	86,425	-	58,512	-
Less: Portion due within one year	(45,513)	-	(25,671)	-
Lease liabilities - net of current portion	40,912	-	32,841	-

A maturity analysis of lease payments is disclosed in Note 48 to the financial statements under the liquidity risk.

c) Expenses relating to leases that are recognised in profit or loss

	(Unit: Thousand Baht)	
	For the year ended 31 December 2020	
	Consolidated	Separate
	financial statements	financial statements
Depreciation expense of right-of-use assets	49,184	29,690
Interest expense on lease liabilities	2,661	1,777
Expense relating to short-term leases and leases of low-value assets	22,883	22,109

d) Others

The Group had total cash outflows for leases for the year ended 31 December 2020 of Baht 62 million, including the cash outflow related to short-term lease and leases of low-value assets. Moreover, the Group had non-cash additions to right-of-use assets and lease liabilities of Baht 38 million (Separate financial statements: Baht 36 million).

31. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Provision for long-term employee benefits				
at beginning of the year	886,390	686,898	862,915	664,554
Included in profit or loss:				
Current service cost	101,419	100,972	97,808	97,728
Interest cost	14,525	12,823	13,976	12,232
Losses on settlement	146	1,026	146	1,026
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
- Demographic assumptions changes	11,592	617	11,592	600
- Financial assumptions changes	(34,677)	107,476	(34,677)	108,955
- Experience adjustments	(10,188)	(12,422)	(10,188)	(11,180)
Benefits paid during the year	(36,876)	(11,000)	(36,876)	(11,000)
Provision for long-term employee benefits				
at end of the year	<u>932,331</u>	<u>886,390</u>	<u>904,696</u>	<u>862,915</u>

The Group expects to pay Baht 19 million of long-term employee benefits during the next year (Separate financial statements: Baht 19 million) (2019: Baht 43 million, Separate financial statements: Baht 43 million).

As at 31 December 2020, the weighted average duration of the liabilities for long-term employee benefit is 12.49 - 17.55 years (Separate financial statements: 12.68 - 17.55 years) (2019: 12.43 - 17.78 years, Separate financial statements: 12.43 - 17.78 years).

Significant actuarial assumptions are summarised below.

	(Unit: Percent per annum)			
	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Discount rate	1.5, 1.8, 2.3	1.6, 1.7, 2.3	1.5, 1.8	1.6, 1.7
Future salary increase rate	4.6, 5, 5.5	4.6, 5.5	5, 5.5	5.5
Staff turnover rate (depending on age)	1.0 - 7.0	1.0 - 8.0	1.0 - 6.0	1.0 - 8.0

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2020 and 2019 are summarised below.

(Unit: Million Baht)

	2020			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(90)	107	(87)	104
Future salary increase rate	103	(88)	99	(85)
Staff turnover rate	(94)	70	(91)	69

(Unit: Million Baht)

	2019			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(83)	99	(81)	96
Future salary increase rate	94	(81)	91	(79)
Staff turnover rate	(87)	64	(84)	63

32. Statutory reserve

Pursuant to Section 116 of the Public Company Limited Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit, after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

33. Toll revenues

33.1 Under the Construction and Management Contract of the Si Rat Expressway Project (the Second Stage Expressway System) and the Bang Pa-In - Pak Kret Expressway Project and the Concession agreements (Amendment) that granted concession extensions, as described in Note 1.1 A. to the financial statements. The Group and the EXAT agreed to share toll revenues receive as follows:

	The Company	The EXAT
	(Percent)	(Percent)
Urban Network (FES and SES Sector A and Sector B)	40	60
Suburban Network (SES Sector C)	100	Nil
Suburban Network (SES Sector D)	100	Nil
Bang Pa-In - Pak Kret Expressway	100	Nil

33.2 Under a concession agreement of the Si Rat - Outer Ring Road Expressway Project, the Company and the EXAT agreed to share toll revenues receive as follows:

	The Company (Percent)	The EXAT (Percent)
<u>The Si Rat - Outer Ring Road Expressway</u>		
From the construction completion date of relevant Sections		
until end of contract period (14 December 2042)	100	Nil

34. Revenue from commercial development business

Revenue from commercial development business derived from various sources of income, as presented in the separate financial statements for the year ended 31 December 2020, consisted of revenue from expressway system amounting to Baht 17 million (2019: Baht 44 million) and revenue from rail system amounting to Baht 706 million (2019: Baht 675 million). This included revenue from advertising management rights amounting to Baht 1 million (2019: Baht 1 million) (Note 29).

35. Revenue from telecommunications network services and income from provision of space and facilities for the installation of telecommunications equipment

The Company's revenue from telecommunications network services and income from provision of space and facilities for the installation of telecommunications equipment for the year ended 31 December 2020 was as follows:

	(Unit: Thousand Baht)
Telecommunications Business License Type 2	238,108
with its own telecommunication network	
Income from provision of space and facilities for the	11,440
installation of telecommunications equipment	
	249,548

36. Remuneration from fare box revenue and commercial development revenue

36.1 The Concession agreement of the MRTA Initial System Project - Chaloem Ratchamongkhon Line

The Company agrees to apportion revenues derived under the MRTA Initial System Project - Chaloem Ratchamongkhon Line concession agreement to the MRTA. These consist of remuneration from fares, remuneration from commercial development, apportionment of profit in excess of stipulated Return on Equity (ROE) and any benefit derived from the interest rate on a loan being lower the rate specified in the Concession Agreement.

As described in Note 1.1 B.1 to the financial statements, the Company signed the MRT Blue Line Project Concession Agreement on 31 March 2017. Under the MRT Blue Line Concession Agreement, the MRTA Initial System Project - Chaloem Ratchamongkhon Line concession agreement is deemed to be part of the MRT Blue Line Concession Agreement, and only the clauses relating the rights, duties and provisions with respect to fares, fare rates and payment of remuneration to the MRTA will remain in effect until the end of the concession agreement with the MRTA for the MRTA Initial System Project - Chaloem Ratchamongkhon Line.

Remuneration paid to the MRTA under the MRTA Initial System Project - Chaloem Ratchamongkhon Line concession agreement is summarised in Part I of Note 36.2 to the financial statements.

36.2 The MRT Blue Line Concession agreement

Under the MRT Blue Line Project concession agreement dated 31 March 2017, the Company agrees to apportion revenue under the concession agreement to the MRTA, which can be divided into two parts, as follows:

Part I: Remuneration from fares and commercial development revenues of the MRTA Initial System Project - Chaloem Ratchamongkhon Line earned under the related concession agreement until 1 July 2029, with detail as follow:

a) Remuneration from fare revenue

Annual remuneration

The Company has agreed to apportion fare revenue to the MRTA on an annual basis for the period from 2 July 2014 to 1 July 2029. The total amount payable is Baht 43,567 million (inclusive of VAT) divided into annual payments in amounts stipulated in the MRTA Initial System Project - Chaloem Ratchamongkhon Line concession agreement.

As at 31 December 2020, the Company recorded accumulated annual remuneration totaling Baht 9,158 million (2019: Baht 6,778 million).

Percentage remuneration

The Company has agreed to apportion to the MRTA 1 percent to 15 percent of the fare revenue of the MRTA Initial System Project - Chaloem Ratchamongkhon Line (inclusive of VAT) from 2 July 2004 to 1 July 2029, in the form of monthly payments.

b) Remuneration from commercial development revenues

Annual remuneration

The Company has agreed to apportion commercial development revenues to the MRTA on an annual basis for the period from 2 July 2004 to 1 July 2029. The total amount payable is Baht 930 million (inclusive of VAT) divided into annual payments in amounts stipulated in the MRTA Initial System Project - Chaloem Ratchamongkhon Line concession agreement.

As at 31 December 2020, the Company recorded accumulated annual remuneration totaling Baht 505 million (2019: Baht 455 million).

Percentage remuneration

The Company has agreed to apportion to the MRTA 7 percent of commercial development revenues of the MRTA Initial System Project - Chaloem Ratchamongkhon Line (inclusive of VAT) from 2 July 2004 to 1 July 2029, in the form of monthly payments.

Part II: Remuneration from fares and commercial development revenues of the MRT Blue Line Extension Project from 31 March 2017 until end of the MRT Blue Line concession period and remuneration from fares and commercial development revenues of the MRTA Initial System Project - Chaloem Ratchamongkhon Line from 2 July 2029 until end of the MRT Blue Line concession period.

The Company is to pay remuneration to MRTA when the Company earns a return on investment over the rate stipulated in the concession agreement, from its operation of the MRT Blue Line Extension Project, as from 31 March 2017, and from its operation of the MRTA Initial System Project - Chaloem Ratchamongkhon Line, as from 2 July 2029, until the end of the MRT Blue Line concession period. The compensation rates are as stipulated in the MRT Blue Line concession agreement

37. Finance cost

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Interest expense on financial liabilities	1,910,296	1,560,096	1,813,237	1,483,606
Interest expense on lease liabilities	2,661	246	1,777	138
Interest paid from interest rate swaps	175,715	109,987	175,715	109,987
Others financial cost	23,835	52,733	23,028	49,711
Total	<u>2,112,507</u>	<u>1,723,062</u>	<u>2,013,757</u>	<u>1,643,442</u>

38. Expenses by nature

Significant expenses classified by nature are as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Amortisation and depreciation	1,857,980	4,026,463	1,504,205	3,362,011
Salaries, wages and other employee benefits				
for the Group's staff	2,462,306	2,365,977	2,339,201	2,261,593
Salary, wages and other benefits				
for the EXAT's employees	861,823	882,421	704,197	722,169
Repair and maintenance expenses	2,241,023	1,877,830	2,198,276	1,827,233
Compensation for site acquisition cost	61,467	397,839	61,467	397,839
Utilities expenses	793,068	645,492	772,423	624,983
Project remuneration expenses	350,690	393,652	350,690	393,652
Expenses with respect to facilitation and				
safety on expressway and stations	589,930	523,786	554,142	484,509
Insurance expenses	134,018	105,817	127,472	99,738

39. Income tax

Income tax expenses for the years ended 31 December 2020 and 2019 are made up as follows:

	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current income tax:				
Current income tax for the year	94,096	167,079	-	83,657
Adjustment in respect of current income tax				
of previous year	(750)	(58)	(635)	(58)
Deferred tax:				
Relating to origination and reversal of				
temporary differences	288,573	1,587,921	295,431	514,852
Income tax expense reported in				
 the income statement	<u>381,919</u>	<u>1,754,942</u>	<u>294,796</u>	<u>598,451</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2020 and 2019 are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Deferred tax related to				
- Unrealised loss from cash flow hedges	(14,622)	(18,175)	(14,622)	(18,175)
- Unrealised gain on valuation of available-for-sale securities	-	120,572	-	1,196,082
- Loss from the change in value of financial assets measured at FVOCI	(339,947)	-	(339,947)	-
- Actuarial gain (loss)	6,654	(19,340)	6,654	(19,880)
Total	<u>(347,915)</u>	<u>83,057</u>	<u>(347,915)</u>	<u>1,158,027</u>

The reconciliation between accounting profit and income tax expense is shown below.

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Accounting profit before tax	2,436,645	7,206,807	1,992,730	3,522,077
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	487,329	1,441,361	398,546	704,415
Adjustment in respect of income tax of previous year	(750)	(58)	(635)	(58)
Effects of elimination entry on the consolidated financial statements	381	17,718	-	-
Effects of:				
Tax-exempt revenues	(96,543)	(49,601)	(96,543)	(95,788)
Share of profit from investment in an associate	-	(34,582)	-	-
Gain on reclassification of investment	-	392,523	-	-
Non-deductible expenses	2,860	806	2,860	806
Additional expense deductions allowed	(9,058)	(9,596)	(5,641)	(6,134)
Others	(2,300)	(3,629)	(3,791)	(4,790)
Total	<u>(105,041)</u>	<u>295,921</u>	<u>(103,115)</u>	<u>(105,906)</u>
Income tax expenses reported in the income statement	<u>381,919</u>	<u>1,754,942</u>	<u>294,796</u>	<u>598,451</u>

The components of deferred tax assets and deferred tax liabilities as at 31 December 2020 and 2019 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Deferred tax assets (liabilities)				
Accrued bonus	37,451	10,923	30,378	9,283
Others accrued expense	3,515	2,503	3,040	2,074
Allowance for expected credit losses				
(2019: Allowance for doubtful accounts)	78	188	78	-
Provision for long-term employee benefits	186,466	177,278	180,939	172,583
Accumulated amortisation - Rights to operate				
expressway sectors	(514,522)	(443,190)	(514,522)	(443,190)
Rights to use sites for expressway construction	-	(12,293)	-	(12,293)
Prepaid project remuneration	(1,273,213)	(828,889)	(1,273,213)	(828,889)
Leases	165	-	124	-
Deferred financial fees	9,663	-	9,128	-
Unused tax loss	162,523	-	162,523	-
Unrealised gain from revaluation of trading				
securities	-	(14,062)	-	(14,062)
Unrealised gain from revaluation in				
available-for-sale securities	-	(398,678)	-	(1,941,429)
Gain from financial assets designated to FVTPL	(16,887)	-	(16,887)	-
Gain from financial assets designated to FVOCI	(1,578,278)	(1,534,825)	(1,578,278)	6,665
Derivative financial liabilities	37,159	22,537	37,159	22,537
Deferred tax assets (liabilities) - net	<u>(2,945,880)</u>	<u>(3,018,508)</u>	<u>(2,959,531)</u>	<u>(3,026,721)</u>
Presentation in the financial statements				
Deferred tax assets	13,651	6,952	-	-
Deferred tax liabilities	<u>(2,959,531)</u>	<u>(3,025,460)</u>	<u>(2,959,531)</u>	<u>(3,026,721)</u>
	<u>(2,945,880)</u>	<u>(3,018,508)</u>	<u>(2,959,531)</u>	<u>(3,026,721)</u>

40. Earnings per share

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

41. Dividends

Dividends declared for the year ended 31 December 2020 and 2019 in the consolidated and separate financial statements consisted of the following:

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)	Paid on
<u>For the year ended 31 December 2020</u>				
Dividend for the second half of the year 2019	Meeting of the Board of Directors on 9 April 2020	1,376	0.09	8 May 2020
<u>For the year ended 31 December 2019</u>				
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 year ended 31 December 2019		2,293	0.15	

42. Promotional privileges

The Company has received promotional privileges from the Board of Investment for the investment of the MRT Blue Line Project, pursuant to the investment promotion certificate No. 60-1074-1-00-1-0 issued on 27 July 2017. Subject to certain imposed conditions, the privileges include an exemption from corporate income tax for a period of 8 years from the date the promoted operations begin generating revenues (11 August 2017).

The Company's operating revenues for the years ended 31 December 2020 and 2019, divided between promoted and non-promoted operations, are summarised below.

	Promoted operations		Non-promoted operations		Total	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenue from expressway business	-	-	6,942,077	8,852,073	6,942,077	8,852,073
Revenue from rail business	2,613,002	3,139,915	1,906,838	1,882,185	4,519,840	5,022,100
Revenue from commercial development business	-	-	723,607	719,568	723,607	719,568
Other income	408	2,205	1,018,561	1,432,906	1,018,969	1,435,111
Total revenues	<u>2,613,410</u>	<u>3,142,120</u>	<u>10,591,083</u>	<u>12,886,732</u>	<u>13,204,493</u>	<u>16,028,852</u>

(Unit: Thousand Baht)

43. Segment information

Operating segment information is reported in a manner consistent with the internal 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 assess its performance.

For management purposes, the Group is organised into business units based on its products and services and have four reportable segments as follows:

- 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 Udon Ratthaya Expressway project of the subsidiary.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue and profit and total assets information regarding the Group's operating segments for the year ended 31 December 2020 and 2019.

(Unit: Million Baht)

	Expressway business segment		Rail business segment		Commercial development business segment		Other segments		Total segments		Elimination of inter-segment revenues		Consolidation	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenue from external customers	8,145	10,302	4,520	5,022	825	783	-	-	13,490	16,107	-	-	13,490	16,107
Inter-segment revenues	-	-	-	-	279	363	209	186	488	549	(488)	(549)	-	-
Total revenues	<u>8,145</u>	<u>10,302</u>	<u>4,520</u>	<u>5,022</u>	<u>1,104</u>	<u>1,146</u>	<u>209</u>	<u>186</u>	<u>13,978</u>	<u>16,656</u>	<u>(488)</u>	<u>(549)</u>	<u>13,490</u>	<u>16,107</u>
Segment profit (loss)	5,017	4,262	(489)	1,014	536	520	-	-	5,064	5,796	-	-	5,064	5,796
Unallocated income and expenses:														
Interest income													296	393
Gain on sale of investments													4	181
Gain on reclassification of investment													-	3,409
Other income													533	314
Share of profit from investments in an associate													-	173
Selling expenses													(170)	(139)
Administrative expenses													(1,177)	(1,197)
Finance cost													(2,113)	(1,723)
Income tax expenses													(382)	(1,755)
Non-controlling interests of the subsidiaries													(4)	(17)
Profit for the year													<u>2,051</u>	<u>5,435</u>
Rights to operate expressway sectors	31,702	32,253	-	-	-	-	-	-	31,702	32,253	-	-	31,702	32,253
Asset the under concession agreement														
- The MRT Blue Line Project	-	-	43,254	41,070	1,430	1,269	-	-	44,684	42,339	-	-	44,684	42,339
- The MRT Chalong Ratchaham Line	-	-	660	645	-	-	-	-	660	645	-	-	660	645
Receivable under the concession agreement	-	-	9,211	10,860	-	-	-	-	9,211	10,860	-	-	9,211	10,860
Prepaid project remuneration	-	-	7,058	4,904	250	182	-	-	7,308	5,086	-	-	7,308	5,086
Unallocated assets	-	-	-	-	-	-	20,848	21,244	20,848	21,244	(797)	(730)	20,051	20,514
Total assets													<u>113,616</u>	<u>111,697</u>

Transfer prices between business segments are as set out in Note 7 to the financial statements.

Geographic information

The Group operates in Thailand only. As a result, all the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

Major customers

For the years 2020 and 2019, the Group has no major customer with revenue of 10 percent or more of an entity's revenues.

44. Provident fund

The Group and its employees have participated in TISCO Ruamtun 2 Registered Provident Fund as approved by Ministry of Finance in accordance with the Provident Fund Act B.E. 2530. Employees, the Group contributed to the fund monthly at the rates of 3 - 10 percent of basic salary. The fund, which is managed by TISCO Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year 2020, the Group recognised the contribution of Baht 113 million in the consolidated financial statements (2019: Baht 95 million) as expenses and recognised the contribution of Baht 110 million in the separate financial statements (2019: Baht 92 million).

45. Commitments and contingent liabilities

45.1 Capital commitments

The Group has capital commitments as follows:

	As at 31 December	
	2020	2019
a) Performance improvement for farebox collection systems	Baht 15 million and USD 2 million	Baht 105 million and USD 2 million
b) Acquisition of equipment	Baht 44 million	Baht 23 million
c) Supply, installation and testing of the M&E Systems of the MRT Blue Line Project	Baht 852 million and EUR 3 million	Baht 2,483 million and EUR 4 million
d) Improvement for civil infrastructure of expressway	Baht 959 million	Baht 50 million
e) Improvement of computerised maintenance management system	-	Baht 3 million
f) Other capital commitments	Baht 4 million	Baht 6 million

45.2 Long-term service commitments

The Group has 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. These contracts will expire between 2023 and 2029.

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

(Unit: Million)

	As at 31 December									
	2020					2019				
	<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	1,565	-	5	-	380	1,712	-	5	-	379
In over 1 year and up to 5 years	5,176	2	17	1	1,518	5,559	2	18	1	1,518
In over 5 years	3,210	2	15	1	221	4,383	2	19	1	601

45.3 Commitments under various service agreements

The Group has commitments under various service agreements as follows:

(Unit: Million Baht)

	As at 31 December	
	2020	2019
Payable:		
In up 1 year	518	497
In over 1 year and up to 5 years	122	362

45.4 Guarantees

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

(Unit: Million Baht)		
As at 31 December		
	2020	2019
a) Issued to the MRTA as guarantee for a bid for the operation of the MRT Orange Line Project - Bang Khun Non - Min Buri (Suwinthawong)	2,000	-
b) Issued to the MRTA in accordance with the operation of		
- The MRT Blue Line Concession agreement	210	210
- The MRT Chalong Ratchadham Project agreement	200	200
c) Issued to the Metropolitan Electricity Authority to guarantee electricity under rail projects	118	118
d) Other guarantees	11	14

45.5 Other commitments

(Unit: Million Baht)		
As at 31 December		
	2020	2019
a) Commitments in respect of the uncalled portion of investments		
Northern Bangkok Expressway Company Limited	750	750
b) Commitment in respect of Expressway inspection, replacement and improvement agreements (paid within one year)	128	27

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

On 21 September 2018, the Supreme Administrative Court ruled to affirm the Judgement of the Administrative Court regarding the dispute over a competing road with Udon Ratthaya Expressway (Note 46.1.11), which enforced the award made by an arbitral tribunal whereby EXAT was to compensate a subsidiary for deficits in revenue compared to projections under the Bang Pa-In - Pak Kret Expressway Agreement for the years 1999 and 2000, totaling Baht 1,790 million, together with interest from 22 March 2001 until payment is made in full. On 2 October 2018, the Council of Ministers' Meeting resolved that in order to alleviate the loss and damages which would occur to the Government and to protect the utmost benefits of the government sector in cases where a government agency has disputes under the Court of Arbitration or is sued in the Administrative Court in one or several cases related to the same or connected issues, the government agency may conduct a negotiation with its disputing party to alleviate the damage to the Government and to ensure justice to the people. As a result, the Group and EXAT entered into a process to negotiate the settlement of all disputes. On 6 January 2020, EXAT and the Group reached agreements to settle all disputes, subject to the approval of the Cabinet. The substance of the agreements was as follows:

- 1) EXAT and the Group agreed to settle all existing disputes and potential future disputes over the same issues in relation to the Concession Agreements, as described in Notes 46.1 to 46.3 to the financial statements.
- 2) The disputes were settled by extending the concessions without requiring investment in and improvement of the Second Stage Expressway, and construction of the Double Deck, with the terms of all three agreements extended until 31 October 2035, as described in Note 1.1 A. to the financial statements.
- 3) The Group retains all rights to extend the concessions specified in the existing agreements. The remaining periods of the existing agreements are 4 years and 4 months for the Second Stage Expressway agreement, 11 years and 6 months for the Extension of the Second Stage Expressway agreement (Sector D) and 10 years and 11 months for the Bang Pa-In - Pak Kret Expressway Project agreement, commencing from the end of the amended agreements.
- 4) The toll rates are to be increased every 10 years by fixed amounts as specified in the agreements.

Subsequently, on 18 February 2020, the Cabinet passed a resolution to amend the concession agreements in order to settle all disputes for both the Second Stage Expressway Project (The Si Rat Expressway including Sector D) and the Bang Pa-In - Pak Kret Expressway Project (the Udon Ratthaya Expressway). On 20 February 2020, the Group and EXAT signed the Second Stage Expressway Agreement (Amendment) and the Bang Pa-In - Pak Kret Expressway Project Agreement (Amendment), as described in Note 1.1 A. to the financial statements.

The Group and EXAT completed settlement of all disputes, as described in Notes 46.1 to 46.3 to the financial statements, and the subsidiary cancelled enforcement in accordance with the judgement of the Supreme Administrative Court (Note 46.1.11) in the first quarter of the current year. As a result of the above events, the Second Stage Expressway Agreement (Amendment) of the Company and EXAT and the Bang Pa-In - Pak Kret Expressway Project Agreement (Amendment) of a subsidiary and EXAT became effective.

A total of 19 disputes were referred to Panels and Arbitral Tribunals in accordance with the dispute settlement procedures under the relevant agreements and of the Administrative Court. The substance of each dispute was as follows:

46.1 11 disputes submitted by the Group claiming damages totaling approximately Baht 54,503.7 million as of the date of submission of the disputes

- 46.1.1 The Company submitted a statement of claim requiring EXAT to compensate for a deficit in revenue with interest in an amount of Baht 5,021.1 million, due to different opinions as to which date was the Priority Component Opening Date.
- 46.1.2 The Company submitted a statement of claim requiring EXAT to compensate for damages caused by EXAT's issuance of additional variation orders for certain construction work of the Si Rat Expressway in a total amount of Baht 382.5 million.
- 46.1.3 The Company submitted a statement of claim requiring EXAT to compensate for damages totaling Baht 4,368 million 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.
- 46.1.4 The Company submitted a statement of claim requiring EXAT to compensate for damages totaling Baht 9,091.8 million 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 under the agreement.
- 46.1.5 The Company submitted a statement of claim requiring EXAT to compensate for damages totaling Baht 14,662.7 million caused by the revision of toll rates of the Chalerm Mahanakorn Expressway and the Si Rat Expressway for the year 2013, which was not in accordance with the agreement, together with interest under the agreement.
- 46.1.6 The Company submitted a statement of claim requiring EXAT to compensate for damages totaling Baht 1,048.2 million 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.

- 46.1.7 The Company submitted a statement of claim requiring EXAT to compensate for damages totaling Baht 4,062.8 million 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, together with interest under the agreement.
- 46.1.8 The Company submitted a statement of claim requiring EXAT to compensate for damages totaling Baht 6,936.4 million 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, together with interest under the agreement.
- 46.1.9 The subsidiary submitted a statement of claim requiring EXAT to compensate for damages totaling Baht 908.7 million caused by the revision of toll rates of the Udon Ratthaya Expressway for the year 2003, which was not in accordance with the agreement, together with interest under the agreement.
- 46.1.10 The subsidiary submitted a statement of claim requiring EXAT to compensate for damages totaling Baht 4,724.8 million caused by the revision of toll rates of the Udon Ratthaya Expressway for the years 2008 and 2013, which was not in accordance with the agreement, together with interest under the agreement.
- 46.1.11 The subsidiary submitted a statement of claim requiring EXAT to compensate for deficits in revenue of the years 1999 and 2000, on the grounds 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. Up to the date of submission of the dispute (excluding interest) this amounted to Baht 1,790 million.

On 27 November 2008, the Arbitral Tribunal rendered its arbitral award on the dispute requiring EXAT to compensate for the deficient revenue with interest as required by the subsidiary.

On 3 May 2013, The Central Administrative Court issued a judgment to enforce compliance with the arbitral award.

On 21 September 2018, the Supreme Administrative Court ruled to affirm the Judgement of the Administrative Court to enforce the award of the arbitral tribunal to compensate the subsidiary for deficient revenue compared to projections under the Bang Pa-In - Pak Kret Expressway Agreement for the years 1999 and 2000, totaling Baht 1,790 million, which was composed of compensation for the year 1999 of Baht 730.8 million and compensation for the year 2000 of Baht 1,059.2 million, together with interest from 14 June 2000 and 22 March 2001, respectively, until the payment is made in full. EXAT was required to fully comply with the Judgement within 90 days from the date it was issued by the Supreme Administrative Court, which was on 20 December 2018.

46.2 3 disputes submitted by EXAT claiming damages totaling approximately Baht 1,589.2 million up to the date of submission of the disputes

- 46.2.1 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 a total amount of Baht 0.4 million.
- 46.2.2 EXAT submitted a statement of claim 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 an amount of Baht 1,587.7 million, together with interest under the Agreement.
- 46.2.3 EXAT submitted a statement of claim requiring the subsidiary to be responsible for costs of utilisation of the Control Center Building (Bang Phun) in an amount of Baht 1.1 million.

46.3 5 disputes submitted by the Group claiming damages under Panel proceedings, with the total amounts of approximately Baht 78,181.9 million up to the date of submission of the disputes

- 46.3.1 The Company submitted a statement of claim requiring EXAT to compensate for damages totaling Baht 592.9 million caused by the revision of toll rates of the Chalerm Mahanakorn Expressway and the Si Rat Expressway for the year 2018, which was not in accordance with the agreement, together with interest under the agreement.
- 46.3.2 The Company submitted a statement of claim requiring EXAT to compensate for damages totaling Baht 289.3 million caused by the revision of toll rates of Sector D of the Si Rat Expressway for the year 2018, which was not in accordance with the agreement.
- 46.3.3 The subsidiary submitted a statement of claim requiring EXAT to compensate for damages totaling Baht 24.9 million caused by the revision of toll rates of the Udon Ratthaya Expressway for the year 2018, which was not in accordance with the agreement, together with interest under the agreement.
- 46.3.4 The subsidiary requested EXAT compensate for the deficits in revenue compared to projections under the Bang Pa-In - Pak Kret Expressway Agreement due to a competing road for the years 2001 - 2017, totaling Baht 46,300.2 million, together with accumulated interest calculated up to 30 April 2019 totaling Baht 25,925.3 million, and interest on principal totaling Baht 46,300.2 million calculated from 1 May 2019 until EXAT pays the principal together with the interest in the amount of Baht 72,225.5 million in full to the subsidiary.

46.3.5 The subsidiary requested EXAT compensate Baht 4,771 million for the deficit in revenue compared to projections due to the competing road for the year 2018, together with accumulated interest calculated until 29 October 2019 totaling Baht 278.3 million, and interest on the principal amount of Baht 4,771 million calculated from 30 October 2019 until EXAT pays the principal together with the interest in the amount of Baht 5,049.3 million in full to the subsidiary.

47. Fair value hierarchy

As at 31 December 2020 and 2019, the Group had the assets and liabilities that were measured or disclosed at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	2020			
	Consolidated and Separate financial statements			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Financial assets measured at FVTPL				
- Unit trusts	-	761	-	761
Financial assets measured at FVOCI				
- Listed equity	15,441	-	-	15,441
- Non-listed equity	-	-	400	400
Liabilities measured at fair value				
Derivative				
Interest rate swap contracts	-	186	-	186
Assets for which fair value are disclosed				
Investment properties	-	-	321	321
Liabilities for which fair value are disclosed				
Debentures	-	38,673	-	38,673

(Unit: Million Baht)

	2019							
	Consolidated financial statements				Separated financial statements			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Asset measured at fair value								
Current investment								
Unit trusts	-	1,158	-	1,158	-	1,137	-	1,137
Investment in available-for-sale securities	16,697	-	-	16,697	16,697	-	-	16,697
Liabilities measured at fair value								
Derivative								
Interest rate swap contracts	-	113	-	113	-	113	-	113
Asset for which fair value are disclosed								
Investment properties	-	-	321	321	-	-	321	321

48. Financial instruments

48.1 Derivatives and hedge accounting in cash flow hedges

The Company designated an interest rate swap contract as a hedging instrument used to hedge cash flows on a variable rate loan. This risk hedging is defined as an interest hedge.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the interest rate swap match the terms of the variable rate loan (i.e., notional amount, maturity, payment and reset dates). The Group has established a hedge ratio of 1:1 as the underlying risk of the interest rate swap is identical to the hedged risk component. To test the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

Hedge ineffectiveness can arise from:

- Differences in the interest rate curves applied to discount the hedged item and hedging instrument
- Differences in how the counterparties' credit risk impacts the fair value movements of the hedging instrument and hedged item

The ineffectiveness recognised in profit or loss was immaterial.

48.2 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, bank deposit for unearned fare box revenue, trade and other receivables, receivable under the concession agreement, short-term loans from financial institution, trade and other payable, lease liabilities, long-term loans from financial institution and debentures. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risk primarily with respect to trade and other receivables, receivable under the concession agreement, deposits with banks and financial institutions and other financial instruments. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position. The Group's maximum exposure relating to derivatives is noted in the liquidity risk topic.

Trade receivables and receivable under the concession agreement

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables and receivable under the concession agreement are regularly monitored.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The Group classifies customer segments by customer type. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Financial instruments and cash deposits

The Group manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The credit risk on debt instruments and derivatives is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Market risk

There are two types of market risk comprising interest rate risk and currency risk.

Foreign currency risk

The Company has a significant foreign currency risk in respect of construction payable. As at 31 December 2020, the Company has outstanding financial liabilities denominated in foreign currency amounting to JPY 101 million, USD 0.1 million and SGD 0.1 million (2019: JPY 102 million, EUR 0.6 million, USD 0.3 million and SGD 0.1 million) which have not yet been hedged against foreign exchange risk (the majority of these liabilities are repayable within 1 year).

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its short-term loans, long-term loans and debentures. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

The Group manages its interest rate risk by entering to interest rate swaps for some of long-term loans, in which it agrees to exchange, at specified intervals, between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

As at 31 December 2020 and 2019, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

	Consolidated financial statements						
	2020						
	Fixed interest rates			Floating	Non-interest	Total	Effective
	Within 1 year	1 - 5 years	Over 5 years	interest rate	bearing		interest rate
							(% p.a.)
Financial assets							
Cash and cash equivalents	-	-	-	1,536	78	1,614	0.25 - 1.30
Bank deposit for unearned fare box revenue	-	-	-	224	-	224	0.05 - 2.00
Trade and other receivables	-	-	-	-	549	549	-
Receivable under the concession agreement	-	-	-	9,211	-	9,211	Note 12
Other financial assets	-	-	-	-	16,602	16,602	-
	-	-	-	10,971	17,229	28,200	

(Unit: Million Baht)

Consolidated financial statements

	2020					
	Fixed interest rates			Floating	Non-interest	Effective
	Within 1 year	1 - 5 years	Over 5 years	interest rate	bearing	Total
						interest rate
Financial liabilities						
Short-term loans from financial institution	1,500	-	-	1,500	-	3,000
Trade and other payables	-	-	-	-	1,745	1,745
Long-term loans from financial institution	1,499	-	-	25,916	-	27,415
Lease liabilities	45	41	-	-	-	86
Debentures	4,615	20,500	13,558	-	-	38,673
Other financial liabilities	-	-	-	-	65	65
	7,659	20,541	13,558	27,416	1,810	70,984

(Unit: Million Baht)

Consolidated financial statements

	2019					
	Fixed interest rates			Floating	Non-interest	Effective
	Within 1 year	1 - 5 years	Over 5 years	interest rate	bearing	Total
						interest rate
						(% p.a.)
Financial assets						
Cash and cash equivalents	-	-	-	520	184	704
Current investments	-	-	-	-	1,158	1,158
Bank deposit for unearned fare box revenue	-	-	-	206	-	206
Trade and other receivables	-	-	-	-	482	482
Receivable under the concession agreement	-	-	-	10,860	-	10,860
Other long-term investments	-	-	-	-	17,097	17,097
	-	-	-	11,586	18,921	30,507
Financial liabilities						
Short-term loans from financial institution	3,250	-	-	-	-	3,250
Trade and other payables	-	-	-	-	1,938	1,938
Long-term loans from financial institution	1,000	1,494	-	22,418	-	24,912
Debentures	2,500	18,115	17,556	-	-	38,171
	6,750	19,609	17,556	22,418	1,938	68,271

(Unit: Million Baht)

Separated financial statements							
2020							
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
	Within 1 year	1 - 5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	-	-	-	1,143	71	1,214	0.25 - 1.30
Bank deposit for unearned fare box revenue	-	-	-	224	-	224	0.05 - 2.00
Trade and other receivables	-	-	-	-	513	513	-
Receivable under the concession agreement	-	-	-	9,211	-	9,211	Note 12
Other financial assets	-	-	-	-	16,602	16,602	-
	-	-	-	10,578	17,186	27,764	
Financial liabilities							
Short-term loans from financial institution	1,500	-	-	1,500	-	3,000	Note 25
Trade and other payables	-	-	-	-	1,750	1,750	-
Long-term loans from financial institution	1,499	-	-	22,596	-	24,095	Note 27
Lease liabilities	26	32	-	-	-	58	Note 30
Debentures	4,615	20,500	13,558	-	-	38,673	Note 28
Other financial liabilities	-	-	-	-	60	60	-
	7,640	20,532	13,558	24,096	1,810	67,636	

(Unit: Million Baht)

Separated financial statements							
2019							
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate (% p.a.)
	Within 1 year	1 - 5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	-	-	-	446	163	609	0.35 - 1.50
Current investments	-	-	-	-	1,137	1,137	-
Bank deposit for unearned fare box revenue	-	-	-	206	-	206	1.50 - 2.00
Trade and other receivables	-	-	-	-	474	474	-
Long-term loans to related party	-	-	-	37	-	37	Note 7
Receivable under the concession agreement	-	-	-	10,860	-	10,860	Note 12
Other long-term investments	-	-	-	-	17,097	17,097	-
	-	-	-	11,549	18,871	30,420	
Financial liabilities							
Short-term loans from financial institution	3,250	-	-	-	-	3,250	2.02 - 2.50
Trade and other payables	-	-	-	-	1,907	1,907	-
Long-term loans from financial institution	1,000	1,494	-	18,788	-	21,282	Note 27
Debentures	2,500	18,115	17,556	-	-	38,171	Note 28
	6,750	19,609	17,556	18,788	1,907	64,610	

Interest rate sensitivity

The following table demonstrates the sensitivity of the Group's profit before tax and equity to a reasonably possible change in interest rates on that portion of the floating rate loans affected as at 31 December 2020.

Currency	Increase/decrease	Effect on profit before tax	Effect on other components of shareholder's equity
	(%)	(Thousand Baht)	(Thousand Baht)
Baht	+ 0.25	57,600	35,757
	- 0.25	(57,643)	(35,757)

The above analysis has been prepared assuming that the amounts of the floating rate loans and all other variables remain constant over one year. Moreover, the floating legs of these loans are assumed to not yet have set interest rates. As a result, a change in interest rates affects interest payable for the full 12-month period of the sensitivity calculation.

Liquidity risk

As at 31 December 2020, approximately 16.4 percent of the Group's debt will mature in less than one year (2019: 13.4 percent) (the Company only: 16.3 percent, 2019: 13.2 percent) based on the carrying value of borrowings reflected in the financial statements. The Group has assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities and derivative financial instruments as at 31 December 2020 based on contractual undiscounted cash flows:

(Unit: Million Baht)

	Consolidated financial statements				
	On demand	Less than 1 year	1 to 5 years	Over 5 years	Total
Non-derivatives					
Short-term loans from financial institutions	-	3,000	-	-	3,000
Trade and other payables	-	1,745	-	-	1,745
Lease liabilities	-	46	44	-	90
Long-term loans from financial institutions	-	3,745	9,632	14,049	27,426
Debentures	-	4,615	20,500	13,585	38,700
Total non-derivatives	-	13,151	30,176	27,634	70,961
Derivatives					
Derivative liabilities: net settled	-	12	-	174	186
Total	-	12	-	174	186

(Unit: Million Baht)

	Separate financial statements				
	On demand	Less than 1 year	1 to 5 years	Over 5 years	Total
Non-derivatives					
Short-term loans from financial institutions	-	3,000	-	-	3,000
Trade and other payables	-	1,750	-	-	1,750
Lease liabilities	-	26	36	-	62
Long-term loans from financial institutions	-	3,092	6,967	14,049	24,108
Debentures	-	4,615	20,500	13,585	38,700
Total non-derivatives	-	12,483	27,503	27,634	67,620
Derivatives					
Derivative liabilities: net settled	-	12	-	174	186
Total	-	12	-	174	186

48.3 Fair values of financial instruments

Since the majority of the financial instruments of the Group are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statements of financial position. However, the Company has long-term liabilities in the form of debentures of which carrying value is different from the fair value. As at 31 December 2020, the book value of the Company's debentures was Baht 38,700 million, whereas the fair value was Baht 39,866 million (2019: book value of the Company's debentures was Baht 38,171 million, whereas the fair value was Baht 39,829 million).

The methods and assumptions used by the Group in estimating the fair value of financial instruments are as follows:

- a) For financial assets and liabilities which have short-term maturities, including cash and cash equivalents, bank deposit for unearned fare box revenue, trade and other receivables, receivable under the concession agreement, short-term loans from financial institutions and trade and other payables the carrying amounts in the statement of financial position approximate their fair value.
- b) The fair value of debt securities is generally derived from quoted market prices or by using the yield curve announced by the Thai Bond Market Association. The fair value of unit trusts is determined from their net asset value.
- c) The fair value of equity securities is generally derived from quoted market prices, or based on generally accepted pricing models when no market price is available.
- d) The fair value of fixed rate debentures and long-term loans is estimated by discounting expected future cash flow by the current market interest rate of loans with similar terms and conditions.
- e) The carrying amounts of long-term loans carrying interest at rates approximating the market rate, in the statement of financial position approximates their fair value.
- f) The fair value of derivatives has been determined 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. The Group considers to counterparty credit risk when determining the fair value of derivatives.

During the current year, there were no transfers within the fair value hierarchy.

48.4 Reconciliation of recurring fair value measurements of assets, categorised within Level 3 of the fair value hierarchy

There are no movements in the financial assets categorised within Level 3 of the fair value hierarchy during the year ended 31 December 2020.

49. Capital management

The primary objective of the Company's capital management is to ensure that it has an appropriate financial structure to preserve the ability to continue its business as a going concern and maximise shareholder value.

The Company manages its capital position with reference to its debt-to-equity ratio in order to comply with a condition in the long-term loan agreements, which requires the Company to maintain a debt-to-equity ratio of not more than 2.5:1

50. Events after the reporting period

On 24 February 2021, a meeting of the Board of Directors passed a resolution to propose a dividend payment for the year 2020 at a rate of Baht 0.10 per share to the Annual General Meeting of the shareholders for approval. This dividend payment is subject to the approval of the Annual General Meeting of the shareholders.

51. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 24 February 2021.