

Part 3: Financial Position and Operational Results

13. Financial Highlights

Summary of the Report of the Auditor

EY Office Limited, as the auditor for the Company and its subsidiaries, has audited the consolidated statement of financial position of Bangkok Expressway and Metro Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2015, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year ended 31 December 2015 and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Bangkok Expressway and Metro Public Company Limited as at 31 December 2015 and for the period as from 30 December 2015 to 31 December 2015. The auditor is of the opinion that 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 2015, their operational results and cash for the period as from 30 December 2015 to 31 December 2015, in accordance with Thai Financial Reporting Standards.

13.1 Financial Statements of Bangkok Expressway and Metro Public Company Limited and its subsidiaries

Bangkok Expressway and Metro Public Company Limited (the Company) arose from the Amalgamation between Bangkok Expressway Public Company Limited (BECL) and Bangkok Metro Public Company Limited (BMCL), which registered on December 30, 2015. As a result, the Company's separate financial statement presented its operation only for the period of December 30 to December 31, 2015.

However, as Amalgamation is the business combination under the common control which had no economic substance changes for the group structure, the consolidated financial information for the year ended December 31, 2015 and December 31, 2014 were presented to show its financial position, financial performance and cash flow according to the economic substance under common control. Those financial statements had been audited by the auditor.

The financial position and operational results comprise the operational results from the audited financial statements for the year ended 31 December 2015 in comparison with the operational results from the financial statements for the years ended 31 December 2014 and 2013.

(Unit: Baht)

Statements of Financial Position	2558		2557		2556	
	Amount	Percent	Amount	Percent	Amount	Percent
Assets						
Current assets						
Cash and cash equivalents	4,483,374,825	5.74	2,377,047,712	3.39	3,032,604,787	4.64
Current investments	497,356,702	0.64	2,347,869,300	3.35	774,541,118	1.19
Trade and other receivables	84,628,359	0.11	101,814,657	0.15	82,722,563	0.13
Receivable from sales of investment - due within 1 year	564,014,862	0.72	-	-	-	-
Prepaid expenses	57,426,591	0.07	57,376,433	0.08	61,134,755	0.09
Prepaid interest of long-term loans	-	-	-	-	78,429,452	0.12
Other current assets	182,457,849	0.23	140,888,740	0.21	57,941,343	0.08
Total current assets	5,869,259,188	7.51	5,024,996,842	7.18	4,087,374,018	6.25
Non-current assets						
Receivable from sales of investment - due over 1 year	756,834,379	0.97	-	-	-	-
Investments in associates	9,836,588,559	12.59	8,893,834,811	12.70	9,464,970,540	14.48
Other long-term investment	913,087,490	1.17	699,337,490	1.00	434,231,240	0.66
Investment properties	120,357,493	0.15	120,357,493	0.17	120,357,493	0.18
Building and equipment	154,365,572	0.20	152,078,567	0.22	146,756,553	0.22
Construction in process	19,625,830,369	25.12	10,744,375,635	15.34	2,901,838,672	4.44
Rights to operate completed expressway sectors	20,327,463,226	26.02	23,146,990,149	33.05	25,564,276,311	39.11
Rights to use sites for expressway construction	1,320,193,685	1.69	1,611,877,302	2.30	1,894,676,285	2.90
Intangible asset under concession agreement of the MRTA Initial System						
Project - Chaloem Ratchamongkhon Line	16,987,640,143	21.75	17,245,678,953	24.63	17,554,959,814	26.86
Advance payment under expressway construction contract	398,250,000	0.51	1,235,250,000	1.76	2,031,750,000	3.11
Advance payment for the MRT Purple Line Project	271,396,970	0.35	136,820,680	0.20	330,658,461	0.51
Deferred of project remuneration	942,249,276	1.21	308,832,264	0.44	-	-
Deferred tax assets	474,860,502	0.61	622,207,992	0.89	728,329,896	1.11
Other Intangible assets	36,236,800	0.05	34,591,734	0.05	35,528,516	0.05
Other non-current assets	85,418,857	0.10	48,734,082	0.07	64,908,679	0.12
Total non-current assets	72,250,773,321	92.49	65,000,967,152	92.82	61,273,242,460	93.75
Total assets	78,120,032,509	100.00	70,025,963,994	100.00	65,360,616,478	100.00

(Unit: Baht)

Statements of Financial Position (continued)	2558		2557		2556	
	Amount	Percent	Amount	Percent	Amount	Percent
Liabilities and shareholders' equity						
Current liabilities						
Short-term loan from financial institutions	22,410,000,000	28.69	2,000,000,000	2.86	-	-
Trade and other payables	2,579,553,648	3.30	2,009,237,107	2.87	1,495,095,749	2.29
Payable from purchase of investment - due within 1 year	-	-	313,695,000	0.45	400,000,000	0.61
Unearned fare box revenue	89,973,896	0.12	86,935,236	0.12	77,466,533	0.12
Deposits on stored value ticket	34,738,933	0.04	35,474,683	0.05	32,360,581	0.05
Current portion of long-term loans from financial institutions	118,500,000	0.15	40,500,000	0.06	843,323,512	1.29
Current portion of debentures	-	-	3,000,000,000	4.28	2,700,000,000	4.13
Income tax payable	306,735,926	0.39	308,734,049	0.44	203,546,236	0.31
Current portion of provision for compensation for site acquisition cost	1,500,000,000	1.92	1,500,000,000	2.14	1,200,000,000	1.84
Other current liabilities						
Retention guarantees	161,068,581	0.21	208,666,119	0.30	126,296,914	0.19
Others	114,148,191	0.15	133,895,027	0.19	103,734,914	0.16
Total current liabilities	27,314,719,175	34.97	9,637,137,221	13.76	7,181,824,439	10.99
Non-current liabilities						
Construction payable to related party	-	-	-	-	60,185,781	0.09
Payable from purchase of investment - due over 1 year	-	-	-	-	313,695,000	0.48
Long-term loans, net of current portion	17,354,495,949	22.22	12,089,017,683	17.26	11,076,068,859	16.95
Debentures, net of current portion	-	-	16,384,594,851	23.40	15,386,250,596	23.54
Provision for compensation for site acquisition cost, net of current portion	4,066,671,698	5.21	5,262,381,698	7.51	6,419,521,698	9.82
Provision for long-term employee benefits	237,842,102	0.30	211,263,100	0.30	168,465,057	0.26
Other non-current liabilities						
Accrued interest - net of current portion	-	-	209,707,933	0.30	-	-
Others	16,269,432	0.02	23,274,255	0.04	41,010,292	0.06
Total non-current liabilities	21,675,279,181	27.75	34,180,239,520	48.81	33,465,197,283	51.20
Total liabilities	48,989,998,356	62.72	43,817,376,741	62.57	40,647,021,722	62.19

(Unit: Baht)

Statements of Financial Position (continued)	2558		2557		2556	
	Amount	Percent	Amount	Percent	Amount	Percent
Shareholders' equity						
Share capital						
Registered						
15,285,000,000 ordinary shares of Baht 1 each	15,285,000,000	19.57	28,500,000,000	40.70	28,500,000,000	43.60
Issued and paid-up						
15,285,000,000 ordinary shares of Baht 1 each	15,285,000,000	19.57	28,200,000,000	40.27	28,200,000,000	43.15
Premium on ordinary shares	5,816,938,084	7.45	5,816,938,084	8.31	5,816,938,084	8.90
Investment before amalgamation	-	-	(2,340,328,827)	-3.34	(2,340,328,827)	-3.58
Retained earnings (Deficit)						
Appropriated - statutory reserve	800,490,000	1.02	800,000,000	1.14	800,000,000	1.22
Unappropriated	7,254,261,049	9.29	(6,390,591,344)	-9.13	(7,821,444,677)	-11.97
Other components of shareholders' equity	(113,097,160)	-0.15	(34,442,517)	-0.05	(32,687,712)	-0.05
Equity attributable to shareholders of the Company	29,043,591,973	37.18	26,051,575,396	37.20	24,622,476,868	37.67
Non-controlling interests of the subsidiaries	86,442,180	0.10	157,011,857	0.23	91,117,888	0.14
Total shareholders' equity	29,130,034,153	37.28	26,208,587,253	37.43	24,713,594,756	37.81
Total liabilities and shareholders' equity	78,120,032,509	100.00	70,025,963,994	100.00	65,360,616,478	100.00

(Unit: Baht)

Income statement	2558		2557	
	Amount	Percent	Amount	Percent
Revenues				
Toll revenue	8,814,588,007	67.26	8,485,017,698	71.40
Fare box revenue	2,373,562,621	18.11	2,247,826,551	18.92
Commercial development revenue	549,431,372	4.19	501,051,472	4.22
Other income				
Interest income	57,843,948	0.44	43,267,448	0.36
Gain on investments	1,297,749,105	9.90	536,651,350	4.52
Others	11,636,374	0.10	69,584,458	0.58
Total revenues	13,104,811,42	100.00	11,883,398,97	100.00
Expenses				
Costs of toll	1,239,604,475	9.46	1,101,541,468	9.27
Costs of fare box	1,444,542,770	11.02	1,369,850,563	11.53
Costs of commercial development	210,151,434	1.60	185,867,601	1.56
Amortisation of rights to operate completed expressway and compensation for site acquisition cost	3,422,566,022	26.12	3,326,864,677	28.00
Amortisation on intangible asset under concession agreement of the MRTA Initial System Project - Chaloen Ratchamongkhon Line	777,584,371	5.93	572,317,474	4.82
Selling expenses	79,252,582	0.60	54,459,803	0.46
Administrative expenses	1,035,883,873	7.92	868,993,631	7.30
Total expenses	8,209,585,527	62.65	7,479,895,217	62.94
Profit before share of profit from investments in associates, finance cost and income tax expenses	4,895,225,900	37.35	4,403,503,760	37.06
Share of profit from investments in associates	461,212,789	3.52	546,426,651	4.60
Profit before finance cost and income tax expenses	5,356,438,689	40.87	4,949,930,411	41.65
Finance cost	(1,934,186,129)	-14.76	(1,437,191,010)	-12.09
Profit before income tax expenses	3,422,252,560	26.11	3,512,739,401	29.56
Income tax expenses	(721,234,596)	-5.50	(702,302,531)	-5.92
Profit for the year	2,701,017,964	20.61	2,810,436,870	23.65
Profit attributable to:				
Equity holders of the Company	2,649,736,343	20.22	2,744,542,901	23.10
Non-controlling interests of the Company	51,281,621	0.39	65,893,969	0.55
	2,701,017,964	20.61	2,810,436,870	23.65
Basic earnings per share				
Profit attributable to equity holders of the Company	0.173		0.180	

(Unit: Baht)

Statements of comprehensive income	2558		2557	
	Amount	Percent	Amount	Percent
Profit for the year	2,701,017,964	20.61	2,810,436,870	23.65
Other comprehensive income				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>				
Unrealised loss from cash flow hedges of associate	(46,505,941)	-0.35	(1,754,805)	-0.01
Other comprehensive income to be reclassified to profit or loss in subsequent periods, net of income tax	(46,505,941)	-0.35	(1,754,805)	-0.01
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>				
Actuarial gain (loss)	5,606,050	0.04	(4,689,568)	-0.04
Other comprehensive income not to be reclassified to profit or loss in subsequent periods, net of income tax	5,606,050	0.04	(4,689,568)	-0.04
Other comprehensive income for the year	(40,899,891)	-0.31	(6,444,373)	-0.05
Total comprehensive income for the year	2,660,118,073	20.30	2,803,992,497	23.60
Total comprehensive income attributable to:				
Equity holders of the Company	2,608,836,452	19.91	2,738,098,528	23.04
Non-controlling interests of the subsidiaries	51,281,621	0.39	65,893,969	0.55
	2,660,118,073	20.30	2,803,992,497	23.60

(Unit: Baht)

Statements of Cash Flows	2558	2557
Cash flows from operating activities		
Profit before tax	3,422,252,560	3,512,739,401
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:		
Amortisation and depreciation	2,870,758,517	2,753,725,366
Recognise to revenue from unearned revenue from advertising management rights		
Amortisation on intangible asset under concession agreement of the MRTA Initial System Project - ChaloeM Ratchamongkhon Line	399,898,467	390,649,739
Amortisation of financial fee	64,878,716	21,491,782
Amortisation of prepaid expenses	110,905,485	122,036,260
Withholding tax deducted at source written off	213	37,895
Gain on investments	(1,297,749,105)	(536,651,350)
Gain on disposal/write off of equipment and intangible asset under concession agreement of the MRTA Initial System Project - ChaloeM Ratchamongkhon Line	(3,481,422)	(4,397,582)
Compensation for site acquisition cost	595,973,617	625,658,983
Provision for long-term employee benefits	36,803,472	38,572,363
Share of profit from investments in associates	(461,212,789)	(546,426,651)
Unrealised loss (gain) on exchange rate	552,419	(5,710,436)
Interest income	(57,085,937)	(41,230,197)
Interest expenses	1,330,203,885	1,363,648,694
Income from operating activities before changes in operating assets and liabilities	7,012,698,098	7,694,144,267
Income from operating activities before changes in operating assets and liabilities	21,466,299	(6,252,094)
Operating assets (increase) decrease	(110,915,644)	(118,277,937)
Trade and other receivables	(41,765,247)	(75,978,095)
Deferred of project remuneration	(633,417,011)	(227,082,264)
Other non-current assets	(27,667,640)	(613,591)
Operating liabilities increase (decrease)		
Trade payables and other payables	133,650,482	(233,224,883)
Unearned fare box revenue	3,038,660	9,468,703
Deposits on stored value ticket	(735,750)	3,114,102
Other current liabilities	(75,632,327)	110,347,238
Other non-current liabilities	(12,808,430)	(12,856,850)
Cash paid for compensation for site acquisition cost	(1,500,000,000)	(1,200,000,000)
Net cash flows from operating activities	4,767,911,490	5,942,788,596
Cash received from interest income	4,537,910	20,704,737
Cash paid for interest expenses	(893,784,668)	(457,540,722)
Cash paid for income tax	(585,484,131)	(505,029,424)
Net cash flows from operating activities	3,293,180,601	5,000,923,187

(Unit: Baht)

Statements of Cash Flows (continued)	2558	2557
Cash flows from investing activities		
Decrease (increase) in current investments	1,901,788,886	(1,543,142,652)
Increase of investments in subsidiaries	(154,000,000)	-
Cash paid for purchases of investments in associates	(1,402,165,044)	(400,000,000)
Cash received from sales of investments in associates	42,514,120	1,097,300,894
Cash received from sales of other long-term investment	2,300,000,000	-
Increase in other long-term investment	(213,750,000)	(265,106,250)
Cash received from sales of equipment	3,514,566	4,650,462
Purchase of equipment	(39,352,287)	(49,625,222)
Cash received from interest income	9,339,041	21,897,342
Cash received from dividend income	528,855,465	524,972,500
Decrease (increase) of advance payment for the MRT Purple Line Project	(134,104,815)	181,837,781
Increase in intangible asset under concession agreement of the MRTA Initial System Project - Chaloem Ratchamongkhon Line	(141,867,979)	(81,439,260)
Cash paid for expressway construction	(7,064,315,341)	(6,361,914,211)
Interest expenses recorded as cost of projects	(385,316,949)	(249,509,380)
Increase in intangible assets	(8,680,720)	(7,462,181)
Net cash flows used in investing activities	(4,757,541,057)	(7,127,540,177)
Cash flows from financing activities		
Cash paid for financial fee	(21,495,301)	(14,143,028)
Increase in short-term loan from financial institutions	20,410,000,000	2,000,000,000
Repayment of construction payable to related party	-	(60,185,781)
Cash received from issuance of debentures	-	4,000,000,000
Cash paid for redemption of debentures	(19,400,000,000)	(2,700,000,000)
Cash received from long-term loans	5,356,000,000	2,460,185,781
Repayments of long-term loans	(40,500,000)	(2,259,064,970)
Cash paid for interest expenses	(808,317,130)	(646,732,087)
Dividend paid	(1,925,000,000)	(1,309,000,000)
Net cash flows from financing activities	3,570,687,569	1,471,059,915
Net increase (decrease) in cash and cash equivalents	2,106,327,113	(655,557,075)
Cash and cash equivalents at beginning of year	2,377,047,712	3,032,604,787
Cash and cash equivalents at end of year	4,483,374,825	2,377,047,712

13.2 Financial Ratios of Financial Statements

	Unit	2015	2014
LIQUIDITY RATIO			
1. Liquidity Ratio	Time	0.21	0.52
2. Quick Ratio	Time	0.19	0.50
3. Cash Flow Ratio	Time	0.22	0.53
4. Accounts Receivable Turnover *	Time	N/A	N/A
5. Average Collection Period *	Day	N/A	N/A
6. Accounts Payable Turnover *	Time	N/A	N/A
7. Average Debt Servicing Period *	Day	N/A	N/A
8. Cash Cycle*	Day	N/A	N/A
PROFITABILITY RATIO			
11. Gross Profit Margin	%	39.56	41.64
12. Cash to Profitability Ratio	%	68.24	116.55
13. Net Profit Margin	%	20.22	23.10
14. Return on Equity	%	9.76	11.04
EFFICIENCY RATIO			
17. Return on Total Assets	%	3.65	4.15
18. Return on Fixed Assets	%	15.31	14.21
19. Assets Turnover	Time	0.18	0.18
FINANCIAL POLICY RATIO			
20. Debt to Equity Ratio	Time	1.68	1.67
21. Interest Coverage Ratio	Time	6.03	5.88
22. Obligation Serviceability Ratio (Cash Basis)	Time	1.31	1.21
23. Net Debt to EBITDA	Time	5.49	4.87
Per Share DATA			
24. Book Value per Share	Baht	1.90	1.70
25. Net Earnings per Share	Baht	0.17	0.18
26. Dividend per Share	Baht	0.07	-

Note * These ratios are not appropriated for consideration of the Company's operation according to the amount of accounts receivable and accounts payable which are not significant for the Company's nature of operation.

Report on Responsibilities of the Board of Directors towards the Financial Report

The Company's Board of Directors realizes the significance of its duties and responsibilities in supervising the Company's business to ensure good management in accordance with laws, detailed objectives and the Company's Articles of Association, as well as resolutions of the shareholders' meetings with integrity and prudence. The Board of Directors protects the benefits of the Company, shareholders and general investors by ensuring that the Company's financial report contains accurate and full accounting records that reflect the Company's actual financial status and operational results.

The Company's Board of Directors establishes the Audit Committee comprising independent directors fully qualified in accordance with the requirements of the Stock Exchange of Thailand to review and ensure accuracy and sufficiency of the financial report, including accurate and complete disclosure of connected transactions or transactions with possible conflict of interest, in compliance with the requirements of the Stock Exchange of Thailand and relevant rules and regulations. In this regard, the Audit Committee has already reported its performance to the Company's Board of Directors.

The Company's Board of Directors is of the opinion that the financial statements for 2015 of the Company and the Subsidiaries, which have been reviewed by the Audit Committee in conjunction with the management, and audited by the Company's auditor, reflect accurate financial status and operational results as appropriate in material aspects in accordance with generally accepted accounting principles.

(Dr. Virabongsa Ramangkura)
Chairman of the Board of Directors
25 February 2016

(Mrs. Payao Marittanaporn)
Managing Director
25 February 2016