

BTS Group Holdings Public Company Limited  
and its subsidiaries  
Report and consolidated interim financial statements  
For the three-month and nine-month periods ended  
31 December 2011

## **Review report of Independent Auditor**

To the Shareholders of BTS Group Holdings Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of BTS Group Holdings Public Company Limited and its subsidiaries as at 31 December 2011, the related consolidated statements of comprehensive income for the three-month and nine-month periods ended 31 December 2011, and the consolidated statements of changes in shareholders' equity, and cash flows for the nine-month period ended 31 December 2011, and the separate financial statements of BTS Group Holdings Public Company Limited for the same periods. These financial statements are the responsibility of the Company's management as to their correctness and the completeness of the presentation. My responsibility is to issue a report on these financial statements based on my review.

I conducted my review in accordance with the auditing standard applicable to review engagements. This standard requires that I plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of the Company's and its subsidiaries' personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. I have not performed an audit and, accordingly, I do not express an audit opinion.

Based on my review, nothing has come to my attention that causes me to believe that the accompanying financial statements are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

Without qualifying my review report on the financial statements referred to above, I draw attention to the Company's compliance with the rehabilitation plan, which the Central Bankruptcy Court ordered the termination on 14 November 2006. However, there are still undue debts and debts pending final court judgment or comptroller's orders and mandatory terms and conditions stipulated in the rehabilitation plan with which the Company needs to comply, as discussed in Notes 10, 11, 12 and 23 to the interim financial statements.

The consolidated financial statement of BTS Group Holdings Public Company Limited and its subsidiaries and the separate financial statements of BTS Group Holdings Public Company Limited for the year ended 31 March 2011 were audited in accordance with generally accepted auditing standards by another auditor of our firm who expressed an unqualified opinion and drew attention to the matters of the same nature as those discussed in the preceding paragraphs on those statements, under his report dated 27 May 2011. The consolidated and separate statements of financial position as at 31 March 2011, as presented herein for comparative purposes, formed an integral part of the financial statements which that auditor audited and reported on. In addition, as described in Note 1.4 and Note 2 to the interim financial statements, during the current period, the Company adopted the revised and new accounting standards issued by the Federation of Accounting Professions, and applied them in its preparation and presentation of the interim financial statements. The Company has restated the year ended 31 March 2011 financial statements to reflect the changes in accounting policies resulting from the adoption of these new accounting standards. In my opinion, the adjustments made for the preparation of the restated statements are appropriate and have been properly applied.

The consolidated statements of comprehensive income for the three-month and nine-month periods ended 31 December 2010, and the statements of changes in shareholders' equity and cash flows for the nine-month period ended 31 December 2010 of BTS Group Holdings Public Company Limited and its subsidiaries and the separate financial statements of BTS Group Holdings Public Company Limited for the same periods, as presented herein for comparative purposes, formed an integral part of the interim financial statements which were reviewed by the aforementioned auditor who reported, under his report dated 11 February 2011, that nothing had come to his attention that caused him to believe that those financial statements were not presented fairly, in all material respects, in accordance with generally accepted accounting principles and drew attention to the matters of the same nature as those discussed in the preceding paragraphs. In addition, as described in Note 1.4 and Note 2 to the interim financial statements, during the current period, the Company adopted the revised and new accounting standards issued by the Federation of Accounting Professions, and applied them in its preparation and presentation of the interim financial statements. The Company has restated the three-month and nine-month periods ended 31 December 2010 financial statements to reflect the changes in accounting policies resulting from the adoption of these new accounting standards. In my opinion, the adjustments made for the preparation of the restated statements are appropriate and have been properly applied.

Siraporn Ouaanunkun  
Certified Public Accountant (Thailand) No. 3844

Ernst & Young Office Limited  
Bangkok: 11 February 2012

**BTS Group Holdings Public Company Limited and its subsidiaries**

**Statements of financial position**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 December 2011 (Unaudited but reviewed)	31 March 2011 (Audited) (Restated)	31 December 2011 (Unaudited but reviewed)	31 March 2011 (Audited) (Restated)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	5	1,374,645	1,825,422	123,750	302,785
Trade accounts receivable					
Related parties	4,6	-	-	73,695	125,356
Unrelated parties		986,297	579,252	-	-
Less: Allowance for doubtful accounts		(7,321)	(7,318)	-	-
Trade accounts receivable - net	6	978,976	571,934	73,695	125,356
Unbilled receivables					
Related party	4	-	-	279,710	431,841
Unrelated parties		23,726	31,934	23,726	31,934
Total unbilled receivables	7	23,726	31,934	303,436	463,775
Short-term loans and advances to related parties - net	4	4,387	5,583	14,360	303
Spare parts - elevated train system - net	8	177,250	86,841	-	-
Real estate development costs - net	9	3,242,710	2,947,739	845,699	949,645
Assets awaiting transfer under rehabilitation plan - net	11	73,043	73,925	68,343	69,225
Investments in subsidiary awaiting transfer under rehabilitation plan - net	12	224,343	224,343	197,438	197,438
Other current assets					
Other receivables - net	6	17,860	21,686	17,860	21,686
Advance to contractor - related party	4	-	-	69,863	-
Accrued income	15	1,234,559	14,294	-	-
Others		431,841	489,637	79,916	188,355
<b>Total current assets</b>		<b>7,783,340</b>	<b>6,293,338</b>	<b>1,794,360</b>	<b>2,318,568</b>

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

**BTS Group Holdings Public Company Limited and its subsidiaries**

**Statements of financial position (continued)**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 December 2011 (Unaudited but reviewed)	31 March 2011 (Audited) (Restated)	31 December 2011 (Unaudited but reviewed)	31 March 2011 (Audited) (Restated)
<b>Non-current assets</b>					
Restricted deposits	11, 22, 26	323,881	323,935	321,549	321,469
Cash deposited as collateral for debt settlement	10	232,658	232,658	232,658	232,658
Loans to related parties - net	4	-	-	3,540,839	2,519,642
Investments in subsidiaries - net	13	-	-	41,367,404	40,183,815
Investments in associates - net	14	7,229	7,193	4,000	4,000
Other long-term investments - net		148,571	144,217	148,571	144,217
Elevated rail project costs - net	15	45,447,478	44,443,000	-	-
Spare parts - maintenance contract		292,771	292,771	-	-
Land and projects awaiting development - net	16	2,825,887	2,692,916	-	-
Investment properties - net	17	2,316,406	2,345,500	945,801	961,197
Property, plant and equipment - net	18	5,938,535	5,337,527	2,384,453	2,411,424
Leasehold rights - net	19	92,159	87,896	11,672	3,600
Intangible assets - net	20	28,301	21,559	1,750	2,456
Retention receivables					
Related party	4	-	-	86,728	46,395
Unrelated parties		5,147	9,299	5,147	9,299
Loans to other companies - net	21	-	-	-	-
Other non-current assets					
Goodwill		78,656	78,656	-	-
Advance payment for investment in subsidiary		250,000	250,000	250,000	250,000
Advances for asset acquisitions		498,647	1,190,218	-	-
Advances to contractors					
Related party	4	-	-	-	174,604
Unrelated parties - net		90,903	30,958	-	160
Rights of claim from acquisition of debts per rehabilitation plan	11	741,502	-	-	-
Others		69,194	44,556	12,802	8,638
<b>Total non-current assets</b>		<b>59,387,925</b>	<b>57,532,859</b>	<b>49,313,374</b>	<b>47,273,574</b>
<b>Total assets</b>		<b>67,171,265</b>	<b>63,826,197</b>	<b>51,107,734</b>	<b>49,592,142</b>

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

**BTS Group Holdings Public Company Limited and its subsidiaries**

**Statements of financial position (continued)**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 December 2011 (Unaudited but reviewed)	31 March 2011 (Audited) (Restated)	31 December 2011 (Unaudited but reviewed)	31 March 2011 (Audited) (Restated)
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Bank overdraft and short-term loans from financial institution	22	941,502	500,000	741,502	-
Trade accounts payable					
Related parties	4	684	319	25,995	139,746
Unrelated parties		381,430	267,161	-	422
Accrued costs of construction					
Related party	4	-	-	143,666	299,292
Unrelated parties		420,263	387,940	27,784	18,135
Short-term loans from related parties	4	-	-	99,401	-
Deposit payable		95,000	95,000	95,000	95,000
Current portion of creditors per rehabilitation plan	23	745,356	745,356	745,356	745,356
Current portion of long-term loans	24	583,400	151,750	-	-
Current portion of long-term debentures	25	2,493,231	-	-	-
Other current liabilities					
Advance received from employer - related party	4	-	-	59,730	168,300
Unearned income		241,871	257,760	-	-
Accrued expenses		589,810	444,179	8,543	43,700
Other payable					
Related parties	4	11	120	22,442	2,174
Unrelated parties		120,711	110,800	3,716	4,178
Deposits on stored value ticket		18,386	17,720	-	-
Accrued interest		162,134	104,384	51,498	21,833
Retention payable		185,448	162,768	5,912	5,194
Others		563,580	416,473	43,633	113,930
<b>Total current liabilities</b>		<b>7,542,817</b>	<b>3,661,730</b>	<b>2,074,178</b>	<b>1,657,260</b>
<b>Non-current liabilities</b>					
Creditors per rehabilitation plan - net of current portion	23	52,623	52,623	52,623	52,623
Long-term loans - net of current portion	24	2,907,823	1,785,273	-	-
Long-term debentures - net of current portion	25	9,438,083	11,906,557	-	-
Convertible debentures - liability component	26	8,709,173	8,486,843	8,709,173	8,486,843
Retention payable					
Related party	4	-	-	86,853	50,095
Unrelated parties		117,857	67,415	10,763	12,395
Provision for long-term employee benefits		388,998	349,754	25,187	22,789
Other non-current liabilities		9,560	6,532	-	-
<b>Total non-current liabilities</b>		<b>21,624,117</b>	<b>22,654,997</b>	<b>8,884,599</b>	<b>8,624,745</b>
<b>Total liabilities</b>		<b>29,166,934</b>	<b>26,316,727</b>	<b>10,958,777</b>	<b>10,282,005</b>

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

**BTS Group Holdings Public Company Limited and its subsidiaries**

**Statements of financial position (continued)**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 December 2011 (Unaudited but reviewed)	31 March 2011 (Audited) (Restated)	31 December 2011 (Unaudited but reviewed)	31 March 2011 (Audited) (Restated)
<b>Shareholders' equity</b>					
Share capital	27				
Registered					
74,815,275,124 ordinary shares of Baht 0.64 each (31 March 2011: 77,219,144,170 ordinary shares of Baht 0.64 each)		47,881,776	49,420,252	47,881,776	49,420,252
Issued and fully paid					
57,188,274,676 ordinary shares of Baht 0.64 each (31 March 2011: 55,889,275,885 ordinary shares of Baht 0.64 each)		36,600,496	35,769,137	36,600,496	35,769,137
Share premium	27	350,730	-	350,730	-
Retained earnings					
Appropriated - statutory reserve		1,303,890	1,303,890	203,890	203,890
Retained earning (Deficit)		(2,327,330)	(2,779,682)	2,655,203	3,006,884
Other components of shareholders' equity		368,194	481,725	338,638	330,226
Equity attributable to owners of the Company		36,295,980	34,775,070	40,148,957	39,310,137
Non-controlling interests of the subsidiaries		1,708,351	2,734,400	-	-
<b>Total shareholders' equity</b>		<b>38,004,331</b>	<b>37,509,470</b>	<b>40,148,957</b>	<b>39,310,137</b>
<b>Total liabilities and shareholders' equity</b>		<b>67,171,265</b>	<b>63,826,197</b>	<b>51,107,734</b>	<b>49,592,142</b>
		-	-	-	-

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

Directors

**BTS Group Holdings Public Company Limited and its subsidiaries**  
**Statements of comprehensive income**  
**For the three-month periods ended 31 December 2011 and 2010**

(Unit: Thousand Baht, except earnings per share expressed in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010 (Restated)	2011	2010 (Restated)
<b>Profit or loss:</b>					
<b>Revenues</b>					
Revenues from sales of real estate		65,790	53,013	65,790	53,013
Revenues from construction services		-	95,067	117,260	340,971
Fare box revenues - net		1,075,880	959,535	-	-
Service income	29	915,683	531,591	24,057	20,813
<b>Other income</b>					
Gain on debt settlement		-	14,833	-	14,833
Management income		-	-	10,140	18,666
Interest income		9,769	9,591	32,560	3,944
Revenue from court-ordered compensation		11,479	-	-	-
Gain on exchange		41,424	-	-	-
Others		11,131	37,296	2,420	25,303
<b>Total revenues</b>		<b>2,131,156</b>	<b>1,700,926</b>	<b>252,227</b>	<b>477,543</b>
<b>Expenses</b>					
Cost of sales of real estate		40,080	50,167	49,020	50,167
Cost of construction services		847	94,241	101,263	328,954
Cost of fare box		641,732	570,326	-	-
Cost of services		368,067	212,591	17,794	18,050
Selling and servicing expenses		41,538	61,223	8,719	11,458
Administrative expenses		296,490	298,037	52,316	72,116
Loss on exchange		-	11,430	-	-
<b>Total expenses</b>		<b>1,388,754</b>	<b>1,298,015</b>	<b>229,112</b>	<b>480,745</b>
<b>Profit (loss) before share of income from investments in associates, finance cost and corporate income tax</b>					
		742,402	402,911	23,115	(3,202)
Share of income from investments in associates		371	469	-	-
<b>Profit (loss) before finance cost and corporate income tax</b>		<b>742,773</b>	<b>403,380</b>	<b>23,115</b>	<b>(3,202)</b>
Finance cost	30	(357,357)	(343,827)	(149,900)	(132,277)
<b>Profit (loss) before corporate income tax</b>		<b>385,416</b>	<b>59,553</b>	<b>(126,785)</b>	<b>(135,479)</b>
Corporate income tax	31	(37,316)	(34,622)	-	-
<b>Profit (loss) for the period</b>		<b>348,100</b>	<b>24,931</b>	<b>(126,785)</b>	<b>(135,479)</b>
<b>Other comprehensive income:</b>					
Exchange differences on translation of financial statements in foreign currency					
		316	(2,790)	-	-
Gain (loss) on changes in value of available-for-sale investments		(2,622)	1,417	(2,622)	1,417
<b>Other comprehensive income for the period</b>		<b>(2,306)</b>	<b>(1,373)</b>	<b>(2,622)</b>	<b>1,417</b>
<b>Total comprehensive income for the period</b>		<b>345,794</b>	<b>23,558</b>	<b>(129,407)</b>	<b>(134,062)</b>

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



**BTS Group Holdings Public Company Limited and its subsidiaries****Statements of comprehensive income (continued)**

For the three-month periods ended 31 December 2011 and 2010

(Unit: Thousand Baht, except earnings per share expressed in Baht)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2011</u>	<u>2010</u> (Restated)	<u>2011</u>	<u>2010</u> (Restated)
<b>Profit (loss) attributable to:</b>					
Equity holders of the Company		328,764	11,467	<u>(126,785)</u>	<u>(135,479)</u>
Non-controlling interests of the subsidiaries		<u>19,336</u>	<u>13,464</u>		
		<u>348,100</u>	<u>24,931</u>		
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		326,458	10,094	<u>(129,407)</u>	<u>(134,062)</u>
Non-controlling interests of the subsidiaries		<u>19,336</u>	<u>13,464</u>		
		<u>345,794</u>	<u>23,558</u>		
<b>Earnings per share</b>					
32					
Basic earnings per share					
Profit (loss) attributable to equity holders of the Company		<u>0.00575</u>	<u>0.00021</u>	<u>(0.00222)</u>	<u>(0.00242)</u>
Diluted earnings per share					
Profit attributable to equity holders of the Company			<u>0.00020</u>		

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

(Unaudited but reviewed)

**BTS Group Holdings Public Company Limited and its subsidiaries**  
**Statements of comprehensive income**  
**For the nine-month periods ended 31 December 2011 and 2010**

(Unit: Thousand Baht, except earnings per share expressed in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010 (Restated)	2011	2010 (Restated)
<b>Profit or loss:</b>					
<b>Revenues</b>					
Revenues from sales of real estate		220,576	117,214	220,576	117,214
Revenues from construction services		74,360	191,350	613,140	676,364
Fare box revenues - net		3,119,910	2,586,153	-	-
Service income	29	2,410,591	1,446,256	72,364	56,979
<b>Other income</b>					
Gain on debt settlement		-	14,833	-	14,833
Gain on deposit of assets as guarantee for debt settlement		-	708,535	-	859,000
Management income		-	-	29,880	51,333
Dividend income		410	-	1,317,456	608,405
Interest income		31,202	19,666	74,769	6,157
Reversal of allowance for diminution in value of civil works awaiting transfer	15	705,248	-	-	-
Revenue from court-ordered compensation	15	355,677	-	-	-
Gain on exchange		29,528	-	-	-
Others		38,036	54,887	6,889	31,269
<b>Total revenues</b>		<b>6,985,538</b>	<b>5,138,894</b>	<b>2,335,074</b>	<b>2,421,554</b>
<b>Expenses</b>					
Cost of sales of real estate		145,002	176,363	162,666	176,363
Cost of construction services		85,884	189,547	550,316	652,487
Cost of fare box		1,748,338	1,517,041	-	-
Cost of services		970,457	598,943	51,431	50,184
Selling and servicing expenses		136,001	193,432	20,518	23,684
Administrative expenses		857,071	757,074	173,933	176,266
Expenses relating to business combination under common control		-	111,926	-	111,926
Loss on exchange		-	9,684	-	-
<b>Total expenses</b>		<b>3,942,753</b>	<b>3,554,010</b>	<b>958,864</b>	<b>1,190,910</b>
<b>Profit before share of loss from investments</b>					
<b>in associates, finance cost and corporate income tax</b>		<b>3,042,785</b>	<b>1,584,884</b>	<b>1,376,210</b>	<b>1,230,644</b>
Share of loss from investments in associates		(2,121)	(85)	-	-
<b>Profit before finance cost and corporate income tax</b>		<b>3,040,664</b>	<b>1,584,799</b>	<b>1,376,210</b>	<b>1,230,644</b>
Finance cost	30	(1,066,357)	(1,128,406)	(433,559)	(558,602)
<b>Profit before corporate income tax</b>		<b>1,974,307</b>	<b>456,393</b>	<b>942,651</b>	<b>672,042</b>
Corporate income tax	31	(131,821)	(82,944)	-	-
<b>Profit for the period</b>		<b>1,842,486</b>	<b>373,449</b>	<b>942,651</b>	<b>672,042</b>
<b>Other comprehensive income:</b>					
Exchange differences on translation of financial statements in foreign currency		1,187	(3,924)	-	-
Gain on changes in value of available-for-sale investments		3,984	1,605	3,984	1,605
<b>Other comprehensive income for the period</b>		<b>5,171</b>	<b>(2,319)</b>	<b>3,984</b>	<b>1,605</b>
<b>Total comprehensive income for the period</b>		<b>1,847,657</b>	<b>371,130</b>	<b>946,635</b>	<b>673,647</b>

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

**BTS Group Holdings Public Company Limited and its subsidiaries****Statements of comprehensive income (continued)**

For the nine-month periods ended 31 December 2011 and 2010

(Unit: Thousand Baht, except earnings per share expressed in Baht)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2011</u>	<u>2010</u> (Restated)	<u>2011</u>	<u>2010</u> (Restated)
<b>Profit attributable to:</b>					
Equity holders of the Company		1,746,684	337,129	942,651	672,042
Non-controlling interests of the subsidiaries		95,802	36,320		
		<u>1,842,486</u>	<u>373,449</u>		
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		1,751,855	334,810	946,635	673,647
Non-controlling interests of the subsidiaries		95,802	36,320		
		<u>1,847,657</u>	<u>371,130</u>		
<b>Earnings per share</b>					
32					
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>0.03071</u>	<u>0.00665</u>	<u>0.01657</u>	<u>0.01325</u>
Diluted earnings per share					
Profit attributable to equity holders of the Company			<u>0.00663</u>		<u>0.01322</u>

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

**BTS Group Holdings Public Company Limited and its subsidiaries****Cash flow statements**

For the nine-month periods ended 31 December 2011 and 2010

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2011</u>	<u>2010</u> (Restated)	<u>2011</u>	<u>2010</u> (Restated)
<b>Cash flows from operating activities</b>				
Profit before tax	1,974,307	456,393	942,651	672,042
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	213,435	190,048	56,061	47,395
Spare parts and elevated project costs amortisation	880,362	670,146	-	-
Unrealised loss (gain) on exchange	33,825	(16,067)	-	-
Share of loss from investments in associates	2,121	85	-	-
Expenses relating to business combination under common control	-	111,926	-	111,926
Amortisation of deferred debenture issuing costs	24,757	25,212	-	-
Provision for long-term employee benefits	40,964	26,634	2,398	2,200
Amortisation of liability component of convertible debentures	222,330	-	222,330	-
Amortisation of letter of credit fee for convertible debentures	113,501	-	113,501	-
Loss on allowance for loss on diminution in value of projects	14,411	66,194	-	66,194
Unearned income recognition	-	-	-	(21,783)
Reversal of allowance for diminution in value of investment	-	(23,863)	-	(23,863)
Gain on debt settlement	-	(14,833)	-	(14,833)
Gain on deposit of assets as guarantee for debt settlement	-	(708,535)	-	(859,000)
Reversal of allowance for diminution in value of civil works awaiting transfer	(705,248)	-	-	-
Revenue from court-ordered compensation	(355,677)	-	-	-
Dividend income	(410)	-	(1,317,456)	(608,405)
Share-based payment transaction	4,428	-	504	-
Interest income	(31,202)	(19,666)	(74,769)	(6,157)
Interest expenses	705,769	1,103,194	97,728	558,602
Profit (loss) from operating activities before changes in operating assets and liabilities	3,137,673	1,866,868	42,948	(75,682)

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

(Unaudited but reviewed)

**BTS Group Holdings Public Company Limited and its subsidiaries****Cash flow statements (continued)**

For the nine-month periods ended 31 December 2011 and 2010

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2011</u>	<u>2010</u> (Restated)	<u>2011</u>	<u>2010</u> (Restated)
Decrease (increase) in operating assets				
Trade accounts receivable	(407,044)	(15,611)	51,661	99,530
Unbilled receivables	8,208	(12,374)	160,339	(9,011)
Spare parts - Automatic Fare Collection system	(97,485)	(12,171)	-	-
Real estate development costs	(389,140)	7,298	103,947	38,437
Advances to contractors	(59,945)	36,548	104,901	4,228
Other receivables	2,801	1,969	145	2,087
Accrued income	(159,339)	-	-	-
Other current assets	(34,265)	(70,489)	22,899	(7,700)
Other non-current assets	(5,801)	(4,361)	(41,966)	(37,625)
Increase (decrease) in operating liabilities				
Trade accounts payable	(64,408)	26,410	(114,173)	473
Accrued costs of construction	32,322	(24,974)	(145,976)	(26,976)
Advances received from employers	-	-	(108,570)	(65,654)
Accrued expenses	(29,271)	(56,966)	(39,334)	(20,757)
Retention payable	75,149	47,673	35,845	29,562
Unearned income	-	-	-	(55,000)
Other payable	13,469	17,194	30,083	(1,049)
Unearned fare box revenues	(15,889)	43,081	-	-
Deposits on stored value ticket	-	(5,304)	-	-
Other current liabilities	44,757	100,563	(77,686)	12,362
Cash from (used in) operating activities	2,051,792	1,945,354	25,063	(112,775)
Cash paid for interest expenses	(664,040)	(1,006,286)	(66,661)	(482,404)
Cash paid for corporate income tax	(115,239)	(124,605)	(24,961)	(20,860)
Cash received for corporate income tax	9,431	-	-	-
Cash received for interest income	10,111	8,079	5,610	5,764
<b>Net cash from (used in) operating activities</b>	<b>1,292,055</b>	<b>822,542</b>	<b>(60,949)</b>	<b>(610,275)</b>

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

**BTS Group Holdings Public Company Limited and its subsidiaries****Cash flow statements (continued)**

For the nine-month periods ended 31 December 2011 and 2010

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2011</u>	<u>2010</u> (Restated)	<u>2011</u>	<u>2010</u> (Restated)
<b>Cash flows from investing activities</b>				
Decrease in current investments - deposits at financial institution	-	10,140	-	-
Decrease (increase) in restricted deposits	54	109,194	(80)	(230,767)
Cash received from sale of rights of claim	-	180,515	-	180,515
Decrease (increase) in short-term loans and advances to related parties	-	321	(11,197)	96
Increase in loans to related parties	-	(10)	(955,168)	(27,086)
Rights of claim from acquisition of debts per rehabilitation plan	(741,502)	-	-	-
Interest income	18,217	12,469	52	127
Cash paid for purchases of investments in subsidiaries	-	(20,655,712)	(1,500)	(20,655,712)
Decrease in investments in subsidiaries	-	20,000	-	2,028
Dividend received	-	-	1,317,088	608,405
Cash received from non-controlling interest of subsidiary for investment in a subsidiary	-	20,000	-	-
Cash paid for expenses relating to business combination under common control	-	(111,926)	-	(111,926)
Increase in elevated rail project costs	(360,021)	(1,232,595)	-	-
Increase in advances for asset acquisitions	(467,506)	(939,770)	-	-
Cash paid for purchases of land and projects awaiting development	(38,802)	(37,086)	-	-
Cash paid for purchases of investment properties	(1,960)	(2,550)	(1,248)	(2,550)
Cash received from sales of investment properties	5,674	5,230	5,667	5,230
Cash paid for purchases of property, plant and equipment	(790,414)	(1,060,482)	(14,530)	(111,097)
Cash received from sales of property, plant and equipment	1,643	2,359	-	419
Cash paid for purchases of intangible assets	(14,549)	(3,245)	(714)	(148)
Cash paid for purchases of leasehold rights	(9,274)	-	(9,274)	-
<b>Net cash from (used in) investing activities</b>	<b>(2,398,440)</b>	<b>(23,683,148)</b>	<b>329,096</b>	<b>(20,342,466)</b>
<b>Cash flows from financing activities</b>				
Decrease in cash deposited as collateral for debt settlement	-	14,833	-	14,833
Increase in short-term loan from financial institution	741,502	-	741,502	-
Cash paid for short-term loan from financial institution	(300,000)	(100,000)	-	(100,000)
Increase in deposit payable	-	15,000	-	15,000
Increase in long-term loans	1,560,100	22,338,329	-	20,753,712
Cash paid for long-term loans	(5,900)	(12,005,400)	-	(12,000,000)
Increase in short-term loans from related parties	-	-	98,000	-
Cash paid for short-term loan and advance from related party	-	-	-	(65,559)
Cash received from issuance of ordinary shares	-	12,837,537	-	12,837,537
Dividend paid	(1,286,684)	-	(1,286,684)	-
Dividend paid of a subsidiary to non-controlling interest of subsidiaries	(54,598)	(39,753)	-	-
Cash received from sale of company's shares held by subsidiaries	-	24,415	-	-
Cash paid for creditors per rehabilitation plan	-	(32,539)	-	(32,810)
<b>Net cash from (used in) financing activities</b>	<b>654,420</b>	<b>23,052,422</b>	<b>(447,182)</b>	<b>21,422,713</b>
Increase (decrease) in translation adjustment	1,188	(3,924)	-	-
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(450,777)</b>	<b>187,892</b>	<b>(179,035)</b>	<b>469,972</b>
Cash and cash equivalents at beginning of the period	1,825,422	2,477,749	302,785	63,546
<b>Cash and cash equivalents at end of the period</b>	<b>1,374,645</b>	<b>2,665,641</b>	<b>123,750</b>	<b>533,518</b>
	-	-	-	-

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

**BTS Group Holdings Public Company Limited and its subsidiaries****Cash flow statements (continued)**

For the nine-month periods ended 31 December 2011 and 2010

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2011</u>	<u>2010</u> (Restated)	<u>2011</u>	<u>2010</u> (Restated)
<b>Supplemental cash flow information</b>				
Non-cash transactions				
Issuance of ordinary shares to acquire BTSC's ordinary shares	1,182,089	19,378,813	1,182,089	19,378,813
Issuance of BTSC's ordinary shares to settle account payable from subsidiaries' acquisition	-	500,000	-	-
Deposit assets awaiting transfer under rehabilitation plan as guarantee for debt settlement	-	150,465	-	-
Transfer land and projects awaiting development to property, plant and equipment	-	58,587	-	-
Transfer real estate development costs to land and projects awaiting development	94,168	-	-	-
Transfer advances for asset acquisitions to elevated rail project costs	1,124,734	606,067	-	-
Transfer advances for asset acquisitions to property, plant and equipment	-	38,339	-	-
Settle creditor per rehabilitation plan with cash deposited as collateral for debt settlement	-	48,151	-	48,151

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

(Unaudited but reviewed)

## BTS Group Holdings Public Company Limited and its subsidiaries

## Statements of changes in shareholders' equity

For the nine-month periods ended 31 December 2011 and 2010

(Unit: Thousand Baht)

Consolidated financial statements																
Equity attributable to the Company shareholders																
	Other components of equity															
	Other comprehensive income					Ordinary shares			Share premium			Total other components of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity	
	Issued and paid-up share capital	Share discount	Retained earnings		Translation adjustment	Revaluation surplus on assets	Revaluation surplus (deficit) on changes in value of investments	to be issued for business combination under common control	Surplus on business combination under common control	Capital reserve on consolidation	shares held by subsidiaries					Company's shares held by subsidiaries
<b>Balance as at 31 March 2010 - as previously reported</b>	7,614,392	(735,085)	-	(3,929,810)	(134,061)	2,038,770	(383)	-	-	2,685	-	(15,889)	1,891,122	4,840,619	14,970	4,855,589
Accumulated adjustment of surplus on business combination under common control	-	-	1,100,000	(1,206,249)	-	581,034	-	19,378,813	(3,371,978)	-	-	-	16,587,869	16,481,620	2,483,346	18,964,966
Cumulative effect of change in accounting policy for employee benefits (Note 2)	-	-	-	(297,744)	-	-	-	-	-	-	-	-	-	(297,744)	(16,914)	(314,658)
<b>Balance as at 31 March 2010 - as restated</b>	7,614,392	(735,085)	1,100,000	(5,433,803)	(134,061)	2,619,804	(383)	19,378,813	(3,371,978)	2,685	-	(15,889)	18,478,991	21,024,495	2,481,402	23,505,897
Issued ordinary shares of the subsidiary to settle account payable from subsidiaries' acquisition	-	-	-	-	-	-	-	-	-	-	-	-	-	-	500,000	500,000
Disposal of investment in subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20,000	20,000
Issuance additional ordinary shares of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20,000	20,000
Disposal of company's shares held by subsidiaries	-	-	-	-	-	-	-	-	-	-	8,526	15,889	24,415	24,415	-	24,415
Issuance of ordinary shares	48,274,884	(16,058,533)	-	-	-	-	-	(19,378,813)	-	-	-	-	(19,378,813)	12,837,538	-	12,837,538
Dividend paid of a subsidiaries to non-controlling interest of subsidiaries (restated)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(42,314)	(42,314)
Total comprehensive income for the period (restated)	-	-	-	337,129	(3,924)	-	1,605	-	-	-	-	-	(2,319)	334,810	36,320	371,130
<b>Balance as at 31 December 2010</b>	<b>55,889,276</b>	<b>(16,793,618)</b>	<b>1,100,000</b>	<b>(5,096,674)</b>	<b>(137,985)</b>	<b>2,619,804</b>	<b>1,222</b>	<b>-</b>	<b>(3,371,978)</b>	<b>2,685</b>	<b>8,526</b>	<b>-</b>	<b>(877,726)</b>	<b>34,221,258</b>	<b>3,015,408</b>	<b>37,236,666</b>

The accompanying notes are an integral part of financial statements.



(Unaudited but reviewed)

BTS Group Holdings Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity (continued)

For the nine-month periods ended 31 December 2011 and 2010

(Unit: Thousand Baht)

Consolidated financial statements																	
Equity attributable to the Company shareholders																	
Other components of equity																	
Excess of investment in																	
Other comprehensive income																	
Surplus on additional purchase of investment																	
Share premium																	
Revaluation surplus on convertible - business in the subsidiary at a price higher than the net book value of																	
Capital reserve on sales of company's share-based payment																	
Total other components of equity																	
Total equity attributable to owners of the Company																	
Equity attributable to non-controlling interests of subsidiaries																	
Total equity																	
Issued and paid-up	Share premium	Retained earnings		Translation adjustment	Revaluation surplus on assets	Revaluation surplus on value of investments	Convertible securities component	Surplus on business combination under common control	in the subsidiary at the acquisition date	Capital reserve on consolidation	shares held by subsidiaries	share-based payment transaction	shareholders' equity	owners of the Company	interests of the subsidiaries	Total equity	
share capital	premium	Appropriated	Deficit	adjustment	on assets	value of investments	equity component	common control	the subsidiary at the acquisition date	on consolidation	subsidiaries	transaction	equity	the Company	the subsidiaries	equity	
<b>Balance as at 31 March 2011 - as previously reported</b>	#####	-	1,303,890	#####	(134,774)	2,619,804	865	1,356,597	(3,371,978)	-	2,685	8,526	-	481,725	34,760,199	3,099,025	37,859,224
Adjustment of dividend paid of a subsidiaries to non-controlling interest of subsidiaries	-	-	-	345,306	-	-	-	-	-	-	-	-	-	-	345,306	(345,306)	-
	#####	-	1,303,890	#####	(134,774)	2,619,804	865	1,356,597	(3,371,978)	-	2,685	8,526	-	481,725	35,105,505	2,753,719	37,859,224
Cumulative effect of change in accounting policy for employee benefits (Note 2)	-	-	-	(330,435)	-	-	-	-	-	-	-	-	-	-	(330,435)	(19,319)	(349,754)
<b>Balance as at 31 March 2011 - as restated</b>	#####	-	1,303,890	#####	(134,774)	2,619,804	865	1,356,597	(3,371,978)	-	2,685	8,526	-	481,725	34,775,070	2,734,400	37,509,470
Issuance of ordinary shares for acquisition of subsidiary (Note 1)	831,359	#####	-	-	-	-	-	-	(123,130)	-	-	-	-	(123,130)	1,058,959	(1,058,959)	-
Dividend paid (Note 33)	-	-	-	#####	-	-	-	-	-	-	-	-	-	-	(1,294,332)	-	(1,294,332)
Dividend paid of subsidiaries to non-controlling interest of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(62,892)	(62,892)
Share-based payment transaction (Note 28)	-	-	-	-	-	-	-	-	-	-	-	4,428	4,428	4,428	-	4,428	
Total comprehensive income for the period	-	-	-	1,746,684	1,187	-	3,984	-	-	-	-	-	-	5,171	1,751,855	95,802	1,847,657
<b>Balance as at 31 December 2011</b>	#####	#####	1,303,890	#####	(133,587)	2,619,804	4,849	1,356,597	(3,371,978)	(123,130)	2,685	8,526	4,428	368,194	36,295,980	1,708,351	38,004,331

The accompanying notes are an integral part of financial statements.

(Unaudited but reviewed)

BTS Group Holdings Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity (continued)

For the nine-month periods ended 31 December 2011 and 2010

(Unit: Thousand Baht)

	Separate financial statements								
				Other components of equity					
				Other comprehensive income					
	Issued and paid-up	Share		Revaluation	Revaluation surplus	Ordinary shares to be	Surplus on	Total other	Total
share capital	discount	Deficit	on assets	(deficit) on	issued for business	business	components of	shareholders'	
			value of investments	changes in	combination under	combination under	equity	shareholders'	equity
			common control	common control	common control	common control	equity	equity	equity
<b>Balance as at 31 March 2010 - as previously reported</b>	7,614,392	(735,085)	(4,211,935)	2,019,677	(383)	-	-	2,019,294	4,686,666
Accumulated adjustment of surplus on business									
combination under common control	-	-	-	-	-	19,378,813	(3,371,978)	16,006,835	16,006,835
Cumulative effect of change in accounting policy for									
employee benefits (Note 2)	-	-	(19,855)	-	-	-	-	-	(19,855)
<b>Balance as at 31 March 2010 - as restated</b>	7,614,392	(735,085)	(4,231,790)	2,019,677	(383)	19,378,813	(3,371,978)	18,026,129	20,673,646
Issuance of ordinary shares	48,274,884	(16,058,533)	-	-	-	(19,378,813)	-	(19,378,813)	12,837,538
Total comprehensive income for the period (restated)	-	-	672,042	-	1,605	-	-	1,605	673,647
<b>Balance as at 31 December 2010</b>	<u>55,889,276</u>	<u>(16,793,618)</u>	<u>(3,559,748)</u>	<u>2,019,677</u>	<u>1,222</u>	<u>-</u>	<u>(3,371,978)</u>	<u>(1,351,079)</u>	<u>34,184,831</u>

The accompanying notes are an integral part of financial statements.

(Unaudited but reviewed)

BTS Group Holdings Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity (continued)

For the nine-month periods ended 31 December 2011 and 2010

(Unit: Thousand Baht)

Separate financial statements												
				Other components of equity								
				Other comprehensive income								
				Revaluation	Revaluation	Convertible	Surplus on swap	Surplus on	Capital reserve for	Total other	Total	
Issued and paid-up	Share	Retained earnings		surplus	surplus on	debentures -	of investment in	business	share-based	components of	shareholders'	
share capital	premium	Appropriated	Unappropriated	on assets	changes in	equity component	subsidiary under	combination under	payment	shareholders'	shareholders'	
				on assets	value of investments		common control	common control	transaction	equity	equity	
<b>Balance as at 31 March 2011 - as previously reported</b>	35,769,137	-	203,890	3,029,673	2,019,677	865	1,356,597	325,065	(3,371,978)	-	330,226	39,332,926
Cumulative effect of change in accounting policy for employee benefits (Note 2)	-	-	-	(22,789)	-	-	-	-	-	-	-	(22,789)
<b>Balance as at 31 March 2011 - as restated</b>	35,769,137	-	203,890	3,006,884	2,019,677	865	1,356,597	325,065	(3,371,978)	-	330,226	39,310,137
Issuance of ordinary shares for acquisition of subsidiary (Note 13)	831,359	350,730	-	-	-	-	-	-	-	-	-	1,182,089
Dividend paid (Note 33)	-	-	-	(1,294,332)	-	-	-	-	-	-	-	(1,294,332)
Share-based payment transaction (Note 28)	-	-	-	-	-	-	-	-	-	4,428	4,428	4,428
Total comprehensive income for the period	-	-	-	942,651	-	3,984	-	-	-	-	3,984	946,635
<b>Balance as at 31 December 2011</b>	<b>36,600,496</b>	<b>350,730</b>	<b>203,890</b>	<b>2,655,203</b>	<b>2,019,677</b>	<b>4,849</b>	<b>1,356,597</b>	<b>325,065</b>	<b>(3,371,978)</b>	<b>4,428</b>	<b>338,638</b>	<b>40,148,957</b>

The accompanying notes are an integral part of financial statements.

**BTS Group Holdings Public Company Limited and its subsidiaries**

**Notes to consolidated interim financial statements**

**For the three-month and nine-month periods ended 31 December 2011**

**1. General information**

**1.1 Corporate information**

BTS Group Holdings Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its major shareholder is the group of Keeree Kanjanapas. The group is principally engaged in the mass transit business, property business, media business and service business. The Company’s registered address is 21 Soi Choei Phuang, Viphavadi-Rangsit Road, Jompol, Jatujak, Bangkok.

**1.2 Basis for preparation of interim financial statements**

These interim financial statements are prepared in accordance with Accounting Standard No. 34 (revised 2009) "Interim Financial Reporting", with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

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

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

**1.3 Basis of consolidation**

These consolidated financial statements included the financial statements of BTS Group Holdings Public Company Limited and its subsidiaries (“the Group”) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 March 2011. However, there is a change in the shareholding structure as detailed below.

Bangkok Mass Transit System Public Company Limited (“BTSC”)

On 6 June 2011, the Company offered an additional 1,289,987,791 ordinary shares with a par value of Baht 0.64 each to BTSC’s existing shareholders, excluding the Company, and received 472,827,433 ordinary shares of BTSC at a value of Baht 2.50 each in payment, resulting in an increase in the Company’s shareholding in BTSC from 93.50% to 96.44%.

#### 1.4 Application of new accounting standards during the period

During the current period, the Company adopted a number of revised and new accounting standards, issued by the Federation of Accounting Professions, as listed below.

Accounting standards:

TAS 1 (revised 2009)	Presentation of Financial Statements
TAS 2 (revised 2009)	Inventories
TAS 7 (revised 2009)	Statement of Cash Flows
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2009)	Events after the Reporting Period
TAS 11 (revised 2009)	Construction Contracts
TAS 16 (revised 2009)	Property, Plant and Equipment
TAS 17 (revised 2009)	Leases
TAS 18 (revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (revised 2009)	Borrowing Costs
TAS 24 (revised 2009)	Related Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (revised 2009)	Interests in Joint Ventures
TAS 33 (revised 2009)	Earnings per Share
TAS 34 (revised 2009)	Interim Financial Reporting
TAS 36 (revised 2009)	Impairment of Assets
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2009)	Intangible Assets
TAS 40 (revised 2009)	Investment Property

Financial reporting standards:

TFRS 2	Share-Based Payment
TFRS 3 (revised 2009)	Business Combinations
TFRS 5 (revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources

Financial Reporting Standard Interpretations:

TFRIC 15                      Agreements for the Construction of Real Estate

Accounting Standard Interpretations:

SIC 31                      Revenue-Barter Transactions Involving Advertising Services

These accounting standards do not have any significant impact on the financial statements for the current period, except for the following accounting standards.

**TAS 19 Employee Benefits**

This accounting standard requires employee benefits to be recognised as expense in the period in which the service is performed by the employee. In particular, an entity has to evaluate and make a provision for post-employment benefits using actuarial techniques. The Company and its subsidiaries previously accounted for such employee benefits when they were incurred.

The Company and its subsidiaries have changed this accounting policy in the current year and recognise the liability in the transition period retrospectively as though the Company and its subsidiaries initially recorded these employee benefit expenses. The change has the effect of decreasing the profit of the Company and its subsidiaries for the three-month and nine-month periods ended 31 December 2011 by Baht 13.7 million, or Baht 0.00022 per share and Baht 40.9 million, or Baht 0.00067 per share, respectively (Separate financial statements: increasing loss by Baht 0.8 million, or Baht 0.00001 per share and decreasing profit by Baht 2.4 million, or Baht 0.00004 per share, respectively). The cumulative effect of the changes in the accounting policy has been presented in Note 2 to the interim financial statements.

**TAS 40 (revised 2009) Investment Property**

This accounting standard requires entities to choose to recognise investment property either under the cost model (with disclosure of fair value in the notes to financial statements) or the fair value model, whereby changes in fair value are to be recognised in profit or loss. Investment property was previously recognised under the caption of Property, plant and equipment, and Land and projects awaiting development, which are measured using the cost model. In adopting the new accounting policy, the Company and its subsidiaries separately present Investment property and measure it using the cost model. The cumulative effect of the changes in the accounting policy has been presented in Note 2 to the interim financial statements.

## 1.5 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 March 2011, except for the changes in the following accounting policies due to the adoption of revised and new accounting standards.

### ***Employee benefits***

#### Defined contribution plans

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

#### Defined benefit plans

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company 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.

For the first-time adoption of TAS 19 Employee Benefits, the Company elected to recognise the transitional liability, which exceeds the liability that would have been recognised at the same date under the previous accounting policy, retrospectively as though the Company and its subsidiaries initially recorded these employee benefit expenses.

### ***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.

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 5 years and period of lease. Depreciation of the investment properties is included in determining income.

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.

**Equity-settled share-based payment transactions**

The Company and its subsidiaries recognize the share-based payment transactions at the date on which the options are granted, based on the fair value of the share options. They are recorded as expenses over the expected life of the share options, and a capital reserve for share-based payment transactions is presented in shareholders' equity.

Estimating fair value for share-based payment transactions requires determination relating to appropriate assumptions, including the expected life of the share options, share price volatility and dividend yield.

**2. Cumulative effect of changes in accounting policies due to the adoption of new accounting standards**

During the current period, the Company made the changes to its significant accounting policies described in Note 1.5 to the interim financial statements, as a result of the adoption of revised and new accounting standards. The cumulative effect of changes in accounting policies has been separately presented in the statements of changes in shareholders' equity.

The amounts of adjustments affecting the statements of financial position as at 31 December 2011 and 31 March 2011 and the comprehensive income statements for the three-month and nine-month periods ended 31 December 2011 and 2010 are summarised below.

	(Unit: Thousand Baht)	
	31 December 2011	
	Consolidated financial statements	Separate financial statements
<b>Statements of financial position</b>		
Increase in investment properties	2,316,406	945,481
Decrease in land and projects awaiting development	(2,102,485)	(731,880)
Decrease in property, plant and equipment	(12,300)	(12,300)
Decrease in condominiums and fixtures for lease	(201,621)	(201,621)
Increase in provision for long-term employee benefits	390,717	25,187
Decrease in non-controlling interests of the subsidiaries	(22,140)	-
Decrease in unappropriated retained earnings	(368,577)	(25,187)



(Unaudited but reviewed)

(Unit: Thousand Baht)

31 March 2011

	Consolidated financial statements	Separate financial statements
<b>Statements of financial position</b>		
Increase in investment properties	2,345,500	961,197
Decrease in land and projects awaiting development	(2,121,212)	(736,909)
Decrease in property, plant and equipment	(12,300)	(12,300)
Decrease in condominiums and fixtures for lease	(211,988)	(211,988)
Increase in provision for long-term employee benefits	349,754	22,789
Decrease in non-controlling interests of the subsidiaries	(19,319)	-
Decrease in unappropriated retained earnings	(330,435)	(22,789)

(Unit: Thousand Baht)

For three-month periods ended

31 December 2011

	Consolidated financial statements	Separate financial statements
<b>Comprehensive income statements</b>		
Increase in employee expenses	13,655	799
Decrease in profit attributable to equity holders of the Company	(12,714)	(799)
Decrease in non-controlling interests of the subsidiaries	(941)	-
Decrease in basic earnings per share (Baht)	(0.00022)	(0.00001)

(Unaudited but reviewed)

(Unit: Thousand Baht)

For three-month periods ended  
31 December 2010

	Consolidated financial statements	Separate financial statements
<b>Comprehensive income statements</b>		
Increase in employee expenses	1,656	733
Decrease in profit attributable to equity holders of the Company	(879)	(733)
Decrease in non-controlling interests of the subsidiaries	(777)	-
Decrease in basic earnings per share (Baht)	(0.00002)	(0.00001)
Decrease in diluted earnings per share (Baht)	(0.00002)	-

(Unit: Thousand Baht)

For nine-month periods ended  
31 December 2011

	Consolidated financial statements	Separate financial statements
<b>Comprehensive income statements</b>		
Increase in employee expenses	40,964	2,398
Decrease in profit attributable to equity holders of the Company	(38,142)	(2,398)
Decrease in non-controlling interests of the subsidiaries	(2,822)	-
Decrease in basic earnings per share (Baht)	(0.00067)	(0.00004)

(Unit: Thousand Baht)

For nine-month periods ended  
31 December 2010

	Consolidated financial statements	Separate financial statements
<b>Comprehensive income statements</b>		
Increase in employee expenses	26,634	2,200
Decrease in profit attributable to equity holders of the Company	(24,302)	(2,200)
Decrease in non-controlling interests of the subsidiaries	(2,332)	-
Decrease in basic earnings per share (Baht)	(0.00048)	(0.00004)
Decrease in diluted earnings per share (Baht)	(0.00048)	(0.00004)

### 3. New accounting standards issued during the period not yet effective

The Federation of Accounting Professions issued the following new/revised accounting standards that are effective for fiscal years beginning on or after 1 January 2013.

Accounting standards:

TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates

Accounting Standard Interpretations:

SIC 10	Government Assistance - No Specific Relation to Operating Activities
SIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
SIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

### 4. Related party transactions

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

(Unit: Million Baht)

	For the three-month periods ended 31 December				Pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	
	(Restated)		(Restated)		
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Interest income	-	-	43	18	At cost of funds
Management income	-	-	10	18	Contract price
Revenues from construction services	-	-	117	246	Contract price
Cost of construction services	-	-	97	233	Contract price
Rental income	-	-	9	8	Contract price
Cost of construction of fixed assets	-	-	-	31	Contract price
Cost of construction of condominium	-	-	3	23	Contract price
Management fee	-	-	2	4	Contract price
<u>Transactions with associates</u>					
Interest income	-	2	-	2	At cost of funds
Management fee	7	4	4	4	Contract price
Cost of construction of fixed assets	-	1	-	-	Contract price
<u>Transactions with related parties</u>					
Cost of construction services	5	-	-	-	Contract price

(Unaudited but reviewed)

(Unit: Million Baht)

	For the nine-month periods ended 31 December				Pricing policy
	Consolidated		Separate		
	financial statements		financial statements		
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	
	(Restated)		(Restated)		
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Interest income	-	-	100	61	At cost of funds
Management income	-	-	30	51	Contract price
Revenues from construction services	-	-	539	485	Contract price
Cost of construction services	-	-	449	455	Contract price
Rental income	-	-	30	17	Contract price
Cost of construction of fixed assets	-	-	2	71	Contract price
Cost of construction of condominium	-	-	43	55	Contract price
Dividend income	-	-	1,317	608	Approved by the meeting of Board of Directors
Interest expenses	-	-	1	1	Contract price
Rental expenses	-	-	-	1	Contract price
Management fee	-	-	10	4	Contract price
<u>Transactions with associates</u>					
Interest income	1	7	1	7	At cost of funds
Management fee	18	12	12	12	Contract price
Cost of construction of fixed assets	2	4	-	-	Contract price
<u>Transactions with related parties</u>					
Cost of construction services	14	9	-	-	Contract price
Cost of rental	-	1	-	-	Contract price
Rental expenses	-	2	-	-	Contract price
Acquisition of ordinary shares of BTSC	-	-	-	40,035	Contract price
Administration expenses	1	2	-	-	Contract price

(Unaudited but reviewed)

The Company recorded allowance for doubtful accounts for the full amount of interest income receivable for the three-month and nine-month periods ended 31 December 2011 and 2010 (except for Muangthong Assets Co., Ltd., BTS Assets Co., Ltd., Tanayong Hong Kong Ltd., Nuvo Line Agency Co., Ltd., BTS Land Co., Ltd., Carrot Rewards Co., Ltd. (formerly known as “Bangkok Smartcard Technology Co., Ltd.”) and Tanayong Food and Beverage Co., Ltd.).

As at 31 December 2011 and 31 March 2011, the balance of the accounts between the Company and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 December 2011	31 March 2011	31 December 2011	31 March 2011
		(Audited) (Restated)		(Audited) (Restated)
<b><u>Trade accounts receivable</u></b>				
<u>Subsidiaries</u>				
BTS Assets Co., Ltd.	-	-	71,980	122,877
Thana City Golf & Sports Club Co., Ltd.	-	-	1,715	2,479
<b>Total</b>	<b>-</b>	<b>-</b>	<b>73,695</b>	<b>125,356</b>
<b><u>Unbilled receivable</u></b>				
<u>Subsidiary</u>				
BTS Assets Co., Ltd.	-	-	279,710	431,841
<b>Total</b>	<b>-</b>	<b>-</b>	<b>279,710</b>	<b>431,841</b>
<b><u>Short-term loans and advances to related parties</u></b>				
<u>Subsidiaries</u>				
HHT Construction Co., Ltd. (formerly known as “Hip Hing Construction Co., Ltd.”)	-	-	-	303
Muangthong Assets Co., Ltd.	-	-	770	-
Carrot Rewards Co., Ltd.	-	-	11,578	-
Tanayong Property Management Co., Ltd.	-	-	2,012	-
	-	-	14,360	303
<u>Associate</u>				
Absolute Hotel Services Co., Ltd.	4,387	5,583	-	-
	4,387	5,583	-	-
<u>Related company</u>				
EGV Ltd.	11,234	11,138	11,234	11,138
Less: Allowance for doubtful debts	(11,234)	(11,138)	(11,234)	(11,138)
	-	-	-	-
<b>Net</b>	<b>4,387</b>	<b>5,583</b>	<b>14,360</b>	<b>303</b>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 December	31 March	31 December	31 March
	2011	2011	2011	2011
		(Audited)		(Audited)
		(Restated)		(Restated)
<b><u>Advance to contractor</u></b>				
<u>Subsidiary</u>				
HHT Construction Co., Ltd.	-	-	69,863	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>69,863</b>	<b>-</b>
<b><u>Loans to related parties</u></b>				
<u>Subsidiaries</u>				
Sampaopetch Co., Ltd.	-	-	2,395,308	2,373,865
Tanayong International Ltd.	-	-	1,365,979	1,347,307
Muangthong Assets Co., Ltd.	-	-	45,642	41,613
Siam Paging and Communication Co., Ltd.	-	-	43,189	42,410
Tanayong Food and Beverage Co., Ltd.	-	-	790,369	40,652
BTS Assets Co., Ltd.	-	-	2,485,438	2,025,946
Tanayong Hong Kong Ltd.	-	-	1,239	1,210
Nuvo Line Agency Co., Ltd.	-	-	113,354	306,268
BTS Land Co., Ltd.	-	-	73,892	72,173
Total	-	-	7,314,410	6,251,444
Less: Allowance for doubtful debts	-	-	(3,773,571)	(3,731,802)
	-	-	3,540,839	2,519,642
<u>Associate</u>				
Saraburi Property Co., Ltd.	-	501,225	-	501,225
Less: Allowance for doubtful debt	-	(501,225)	-	(501,225)
	-	-	-	-
<u>Related companies</u>				
Time Station Co., Ltd. <sup>(1)</sup>	291,356	291,356	291,356	291,356
Hwa Kay Thai (Thailand) Co., Ltd.	54,496	54,129	-	-
Total	346,052	345,485	291,356	291,356
Less: Allowance for doubtful debts	(346,052)	(345,485)	(291,356)	(291,356)
	-	-	-	-
<b>Net</b>	<b>-</b>	<b>-</b>	<b>3,540,839</b>	<b>2,519,642</b>
<b><u>Retention receivable</u></b>				
<u>Subsidiary</u>				
BTS Assets Co., Ltd.	-	-	86,728	46,395
<b>Total</b>	<b>-</b>	<b>-</b>	<b>86,728</b>	<b>46,395</b>

<sup>(1)</sup> The Company is in the process of transferring shares of this company to creditors per rehabilitation plan.

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 December	31 March	31 December	31 March
	2011	2011	2011	2011
		(Audited)		(Audited)
		(Restated)		(Restated)
<b><u>Advance to contractor</u></b>				
<u>Subsidiary</u>				
HHT Construction Co., Ltd.	-	-	-	174,604
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>174,604</b>
<b><u>Trade accounts payable</u></b>				
<u>Subsidiaries</u>				
HHT Construction Co., Ltd.	-	-	25,995	134,190
BTS Assets Co., Ltd.	-	-	-	4,345
BTS Land Co., Ltd.	-	-	-	1,200
	-	-	25,995	139,746
<u>Related companies</u>				
Absolute Golf Services Co., Ltd.	637	-	-	-
Hwa Kay Thai (Thailand) Co., Ltd.	11	319	-	-
	684	319	-	-
<b>Total</b>	<b>684</b>	<b>319</b>	<b>25,995</b>	<b>139,746</b>
<b><u>Accrued cost of construction</u></b>				
<u>Subsidiary</u>				
HHT Construction Co., Ltd.	-	-	143,666	299,292
<b>Total</b>	<b>-</b>	<b>-</b>	<b>143,666</b>	<b>299,292</b>
<b><u>Short-term loans from related parties</u></b>				
<u>Subsidiaries</u>				
Dnal Co., Ltd.	-	-	40,526	-
PrannaKiri Assets Co., Ltd.	-	-	58,875	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>99,401</b>	<b>-</b>
<b><u>Advance received from employer</u></b>				
<u>Subsidiary</u>				
BTS Assets Co., Ltd.	-	-	59,730	168,300
<b>Total</b>	<b>-</b>	<b>-</b>	<b>59,730</b>	<b>168,300</b>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 December	31 March	31 December	31 March
	2011	2011	2011	2011
		(Audited)		(Audited)
		(Restated)		(Restated)
<b>Other Payable</b>				
<u>Subsidiaries</u>				
HHT Construction Co., Ltd.	-	-	641	2,174
Bangkok Mass Transit System Public Co., Ltd.	-	-	13,522	-
Tanayong Property Management Co., Ltd.	-	-	902	-
VGI Global Media Co., Ltd.	-	-	2,545	-
BTS Assets Co., Ltd.	-	-	3,769	-
Thana City Golf & Sports Club Co., Ltd.	-	-	197	-
Bangkok Smartcard System Co., Ltd.	-	-	866	-
	-	-	22,442	2,174
<u>Related company</u>				
Hwa Kay Thai (Thailand) Co., Ltd.	11	120	-	-
	11	120	-	-
<b>Total</b>	<b>11</b>	<b>120</b>	<b>22,442</b>	<b>2,174</b>
<b>Retention payable</b>				
<u>Subsidiary</u>				
HHT Construction Co., Ltd.	-	-	86,853	50,095
<b>Total</b>	<b>-</b>	<b>-</b>	<b>86,853</b>	<b>50,095</b>

The relationship between the Group and most of related companies is under common shareholders or management.

During the nine-month period ended 31 December 2011, movements of loan to related parties (excluding interest and before deducting allowance for doubtful debts) were as follows:

Company's name	Balance as at 1 April 2011	During the period		Balance as at 31 December 2011
		Increase	Decrease	
<b>Short-term loan to related party</b>				
<u>Subsidiary</u>				
Carrot Rewards Co., Ltd.	-	11,500	-	11,500
<b>Long-term loans to related parties</b>				
<u>Subsidiaries</u>				
Muangthong Assets Co., Ltd.	41,000	3,000	-	44,000
Tanayong Food and Beverage Co., Ltd.	36,606	741,502	-	778,108
BTS Assets Co., Ltd.	2,019,100	408,000	(100)	2,427,000
Nuvo Line Agency Co., Ltd.	305,234	-	(197,234)	108,000



(Unaudited but reviewed)

During the nine-month period ended 31 December 2011, movements of loan from related parties (excluding interest) were as follows:

(Unit: Thousand Baht )

Company's name	Balance as at	During the period		Balance as at
	1 April 2011	Increase	Decrease	31 December 2011
Dnal Co., Ltd.	-	40,000	-	40,000
PrannaKiri Assets Co., Ltd.	-	58,000	-	58,000

#### Management benefit expenses

During the three-month and nine-month periods ended 31 December 2011, the Company and its subsidiaries had salaries, meeting allowances and gratuities of their directors and management recognised as expenses totaling Baht 33.2 million and Baht 119.7 million, respectively (2010: Baht 34.2 million and Baht 93.6 million, respectively) (Separate financial statements: Baht 12.0 million and Baht 41.5 million, respectively (2010: Baht 9.5 million and Baht 31.8 million, respectively)).

#### Guarantee obligation with related party

The Company has an outstanding guarantee obligation with its subsidiary, as described in Note 35.6 a) to the interim financial statements.

### 5. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 December	31 March	31 December	31 March
	2011	2011	2011	2011
		(Audited)		(Audited)
		(Restated)		(Restated)
Cash	33,462	19,746	118	155
Current deposits and saving deposits	375,292	729,329	23,469	152,626
Fixed deposits with maturity date due not more than 3 months	200,023	621	4	4
Bills of exchange	465,971	350,694	80,159	-
BOT bonds with maturity date due not more than 3 months	299,897	629,839	20,000	150,000
Government bonds	-	95,193	-	-
Total	1,374,645	1,825,422	123,750	302,785

## 6. Trade accounts receivable/Other receivables

### Trade accounts receivable

The outstanding balances of trade accounts receivable are aged, based on due date, as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate financial statements	
	31 December 2011	31 March 2011	31 December 2011	31 March 2011
		(Audited) (Restated)		(Audited) (Restated)
<b><u>Related parties</u></b>				
Not yet due	-	-	71,980	122,877
Past due				
Up to 3 months	-	-	1,715	2,479
Total	-	-	73,695	125,356
<b><u>Unrelated parties</u></b>				
Not yet due	618,006	304,790	-	-
Past due				
Up to 3 months	272,000	171,362	-	-
3 - 6 months	40,570	53,418	-	-
6 - 12 months	10,116	31,759	-	-
Over 12 months	40,104	8,990	-	-
Total	980,796	570,319	-	-
Posted date cheques	5,501	8,933	-	-
Less: Allowance for doubtful debts	(7,321)	(7,318)	-	-
Net	978,976	571,934	73,695	125,356

(Unaudited but reviewed)

### **Other receivables**

The outstanding balances of other receivables are aged, based on due date, as follows:

(Unit: Thousand Baht)

Consolidated and separate  
financial statements

	31 December 2011	31 March 2011
		(Audited)
		(Restated)
<b><u>Unrelated parties</u></b>		
Past due		
Up to 3 months	16,103	15,123
3 - 6 months	7	4,771
6 - 12 months	2,242	654
Over 12 months	23,230	23,961
Total	41,582	44,509
Less: Allowance for doubtful debts	(23,722)	(22,823)
Net	17,860	21,686

### **7. Unbilled receivables (Construction contracts)**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 December	31 March	31 December	31 March
	2011	2011	2011	2011
		(Audited)		(Audited)
		(Restated)		(Restated)
<b><u>Unbilled receivables</u></b>				
Project value as per contracts	1,521,806	1,521,065	3,721,806	3,721,065
Accumulated amounts recognised as				
revenue on percentage of completion basis	1,521,806	1,447,446	3,556,586	2,943,446
Less: Value of total billed	(1,498,080)	(1,415,512)	(3,253,150)	(2,479,671)
Unbilled receivables	23,726	31,934	303,436	463,775

(Unaudited but reviewed)

## 8. Spare parts - elevated train system

As at the date of the statement of financial position, the balances of spare parts - elevated train system were comprised as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	31 December	31 March	31 December	31 March
	2011	2011	2011	2011
		(Audited)		(Audited)
		(Restated)		(Restated)
Consumable spare parts	92,027	33,941	-	-
Reusable spare parts	95,000	60,962	-	-
Less: Accumulated amortisation on reusable spare parts	(9,777)	(8,062)	-	-
Reusable spare parts - net	85,223	52,900	-	-
Total spare parts - elevated trains system - net	177,250	86,841	-	-

For the three-month and nine-month periods ended 31 December 2011, a subsidiary (BTSC) consumed and charged of consumable spare parts and also recorded an amortisation of reusable spare parts totaling to Baht 2.2 million and Baht 7.1 million, respectively (2010: Baht 2.2 million and Baht 4.8 million, respectively), as a part of cost of fare box in the comprehensive income statements.

## 9. Real estate development costs

	Consolidated		Separate	
	financial statements		financial statements	
	31 December	31 March	31 December	31 March
	2011	2011	2011	2011
		(Audited)		(Audited)
		(Restated)		(Restated)
Land	421,320	421,320	421,320	421,320
Townhouses	15,921	25,244	15,921	25,244
Condominiums	364,816	423,967	364,816	423,967
Construction in progress	2,525,390	2,186,376	128,379	188,282
	3,327,447	3,056,907	930,436	1,058,813
Less: Allowance for loss on diminution in value of projects	(84,737)	(109,168)	(84,737)	(109,168)
Real estate development costs - net	3,242,710	2,947,739	845,699	949,645

(Unaudited but reviewed)

Movements of the allowance for loss on diminution in value of projects during the nine-month period ended 31 December 2011 are summarised below.

	(Unit: Thousand Baht)
	Consolidated and separate financial statements
Balance as at 1 April 2011 - restated	109,168
Less: Allowance reversed during the period upon revenue recognition	(24,431)
Balance as at 31 December 2011	<u>84,737</u>

During the nine-month period ended 31 December 2011, a subsidiary (Kamkoong Property Co.,Ltd.) transferred real estate development costs to land and projects awaiting development amounting to Baht 94.2 million.

As at 31 December 2011, land with construction thereon of the Company and its subsidiary (Nuvo Line Agency Co., Ltd.) amounting to approximately Baht 2,534.5 million (Separate financial statement: Nil) (31 March 2011: Baht 2,025.0 million (Separate financial statements: Baht 25.0 million)) had been mortgaged as collateral for credit facilities from a financial institution as discussed in Note 22 to the interim financial statements.

#### **10. Cash deposited as collateral for debt settlement**

As at 31 December 2011, the Company had the outstanding balances of cash deposited with the Central Bankruptcy Court as guarantees of settlement of unsecured and secured creditors, amounting to Baht 192.0 million and Baht 40.7 million, respectively (31 March 2011: Baht 192.0 million and Baht 40.7 million, respectively), due to the debts pending final court judgment or comptroller's orders. Such amounts of cash deposited are still lower than the maximum amount of debt that may arise on a proportional basis of unsecured and secured creditors by Baht 95.6 million and Baht 416.5 million, respectively. The Company is obliged to pay or transfer assets to settle such debts as stipulated in the rehabilitation plan. However, the Company completely recorded such debts in its accounts and the secured creditors are provided guarantees by the mortgage of the Company's assets in full.

**11. Assets awaiting transfer under rehabilitation plan**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 December	31 March	31 December	31 March
	2011	2011	2011	2011
		(Audited)		(Audited)
		(Restated)		(Restated)
Real estate development costs - net	33,015	33,015	28,315	28,315
Land and projects awaiting development - net	39,921	39,921	39,921	39,921
Property, plant and equipment - net	107	989	107	989
Total	73,043	73,925	68,343	69,225

The Company held an open auction of five assets awaiting transfer under the rehabilitation plan and on 14 May 2009, a company successfully bid to purchase the assets at a price of Baht 1,200 million (appraisal value of Baht 3,089 million). The Company was to transfer ownerships of the assets to this company within 29 July 2009, or the date set by order of the Central Bankruptcy Court. The successful bidder had made payment amounting to Baht 120 million to the Company as a guarantee and the Company recorded this transaction under the heading of "Restricted deposits" in the statement of financial position. The Company signed an agreement to purchase and to sell the assets on 10 July 2009.

On 1 July 2009, the Company entered into an agreement to acquire the rights to purchase certain auctioned assets (4 items), at a price of Baht 800 million, from such company. The Company paid an advance amounting to Baht 40 million to such company in accordance with a memorandum between the Company and such company. On 29 September 2010, the Company amended the agreement to acquire the rights to purchase certain of the assets that were auctioned to that company, so that from covering assets valued at Baht 800 million (4 items) it covered assets valued at Baht 500 million (3 items). The Company received the return of guarantee money amounting to Baht 15 million from that company.

The Company and the purchaser are in the process of complying with the terms and conditions stipulated in the agreements. However, a creditor of the Company submitted a petition to cancel the auction to the Central Bankruptcy Court. The Central Bankruptcy Court dismissed the petition and the creditor appealed the decision. However, the Supreme Court has also dismissed the petition.

In addition, the Company has deposited two assets awaiting transfer under the rehabilitation plan (not included in the agreement to acquire the rights to purchase auctioned assets) with the Central Bankruptcy Court as collateral for debt settlement.

However, on 11 November 2011, a meeting of the Company's Board of Directors passed a resolution to approve and/or ratify a subsidiary executing a contract to purchase rights of claim from a group of creditors for a total consideration not exceeding Baht 1,200 million. The purchase of these claims relates to an open auction of assets awaiting transfer (5 items) by the Company under its rehabilitation plan, at which a company successfully bid to purchase the assets at a price of Baht 1,200 million as detailed above. The Company and the subsidiary are in the process of complying with the terms and conditions stipulated in the agreement between them. Moreover, the subsidiary entered into agreements with creditors to acquire rights of claim and other rights in accordance with the Company rehabilitation plan. As at 31 December 2011, the subsidiary has made payment of approximately Baht 741.5 million for these rights and the subsidiary recorded this transaction under the heading of "Rights of claim from acquisition of debts per rehabilitation plan" in the statement of financial position.

## **12. Investments in subsidiary awaiting transfer under rehabilitation plan**

The remaining balance consists of 72,000,000 ordinary shares of BTSC which will be transferred to the creditors per rehabilitation plan. However, these shares are not yet transferred to the creditors since some of the Company's debts are pending final court judgment.

### 13. Investments in subsidiaries

(Unit: Thousand Baht)

Company's name	Separate financial statements						
	Paid-up capital		Percentage owned by the Company		Cost		Dividend income
	31 December	31 March	31 December	31 March	31 December	31 March	31 December
	2011	2011	2011	2011	2011	2011	2011
		(Audited)		(Audited)		(Audited)	
		(Restated)		(Restated)		(Restated)	
Bangkok Mass Transit System Public Co., Ltd.	16,067,134	16,067,134	96.44	93.50	41,216,615	40,034,526	1,301,594
Dnal Co., Ltd.	50,000	50,000	100	100	680,609	680,609	-
Muangthong Assets Co., Ltd.	125,000	125,000	100	100	503,695	503,695	-
PrannaKiri Assets Co., Ltd.	311,000	311,000	100	100	310,010	310,010	-
Yong Su Co., Ltd.	234,000	234,000	100	100	236,570	236,570	-
Tanayong Food and Beverage Co., Ltd.	1,000	1,000	100	100	1,000	1,000	-
Thana City Golf & Sports Club Co., Ltd.	20,000	20,000	100	100	77,472	77,472	-
Siam Paging and Communication Co., Ltd.	5,000	5,000	100	100	5,000	5,000	-
Sampaopetch Co., Ltd.	1,000	1,000	100	100	1,000	1,000	-
Tanayong Property Management Co., Ltd.	1,000	1,000	100	100	1,000	1,000	-
Tanayong International Ltd.	25	25	100	100	25	25	-
HHT Construction Co., Ltd.	25,000	25,000	51	51	12,750	12,750	15,453
Tanayong Hong Kong Limited	42	42	100	100	42	42	-
Carrot Rewards Co. Ltd.	2,000	500	100	100	2,000	500	-
BTS Assets Co., Ltd.	800,000	800,000	100	100	1,424,078	1,424,078	-
BTS Land Co., Ltd.	10,000	10,000	100	100	10,000	10,000	-
Nuvo Line Agency Co., Ltd.	2,001,000	2,001,000	80	80	1,637,915	1,637,915	-
Total					46,119,781	44,936,192	
Less: Surplus on business combination under common control					(3,371,978)	(3,371,978)	
					42,747,803	41,564,214	
Less: Provision for loss on diminution in value					(1,380,399)	(1,380,399)	
Net					41,367,404	40,183,815	

#### Bangkok Mass Transit System Public Company Limited ("BTSC")

On 6 June 2011, the Company offered an additional 1,289,987,791 ordinary shares with a par value of Baht 0.64 each to BTSC's existing shareholders, excluding the Company, and received 472,827,433 ordinary shares of BTSC at a value of Baht 2.50 each in payment, resulting in an increase in the Company's shareholding in BTSC from 93.50% to 96.44%. The excess of the acquisition price over the attributable net book value of this subsidiary at the acquisition date, amounting to Baht 123.1 million, was therefore recorded in other components of equity under the caption of "Excess of on investment in subsidiary arising as a result of additional purchase of investment in the subsidiary at a price higher than the net book value of the subsidiary at the acquisition date".



Some of BTSC's ordinary shares have been pledged with a financial institution as collateral for letters of credit facility for the convertible debentures issued by the Company and short-term loan.

On 12 July 2011, the Annual General Meeting of BTSC's shareholders passed a resolution to pay dividends of Baht 6,009.1 million (at a rate of Baht 0.374 per share) in respect of the BTSC's past operating results and approved the setting aside of retained earnings of Baht 708.9 million to the statutory reserve. BTSC already paid a part of that dividend in the form of an interim dividend amounting to approximately Baht 4,659.5 million (at a rate of Baht 0.29 per share), which was approved by the meeting of Board of Directors of BTSC held on 7 February 2011. Therefore, BTSC had a remaining dividend of Baht 1,349.6 million (the Company's share is Baht 1,301.6 million) (at a rate of Baht 0.084 per share) and paid the dividend on 25 July 2011.

#### Carrot Rewards Company Limited

On 11 May 2011, Bangkok Smartcard Technology Company Limited registered a change of its name to "Carrot Rewards Company Limited".

On 13 June 2011, a subsidiary called up the remaining uncalled portion of its share capital of Baht 1.5 million (20,000 ordinary shares with a value of Baht 75 each).

#### HHT Construction Company Limited

On 30 November 2011, Hip Hing construction (Thailand) Company Limited registered a change of its name to "HHT Construction Company Limited".

On 29 July 2011, the Annual General Meeting of HHT Construction Co., Ltd.'s shareholders passed a resolution to pay dividend of Baht 30.3 million (the Company's share is Baht 15.5 million) from its profit for the year ended 31 March 2011, and to approve the transfer of Baht 1.5 million of retained earnings to the statutory reserve when the dividend payment is made.

The Extraordinary General Meeting of HHT Construction Co., Ltd.'s shareholders held on 15 August 2011 passed the following resolutions:

- a) Approved the change of the par value of the ordinary shares from Baht 10 per share (registered share capital of Baht 100 million divided into 10 million ordinary shares with a par value of Baht 10 each) to Baht 5 per share (registered share capital of Baht 100 million divided into 20 million ordinary shares with a par value of Baht 5 each)
- b) Approved the reduction of the registered capital by Baht 75 million by cancelling 15 million ordinary shares with a par value of Baht 5 each, resulting in a remaining registered share capital of Baht 25 million divided into 5 million ordinary shares with a par value of Baht 5 each)

(Unaudited but reviewed)

The subsidiary registered the corresponding change and decrease in its registered share capital with the Ministry of Commerce on 25 August 2011 and 30 September 2011, respectively.

#### VGI Advertising China Company Limited

On 5 October 2011, a meeting of the subsidiary's Board of Directors (VGI Global Media Company Limited) passed a resolution to increase the registered share capital of VGI Advertising China Company Limited in amount of USD 1.1 million, from USD 0.9 million to USD 2.0 million within 2 years.

#### **14. Investments in associates**

Company's name	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	Equity method		Cost method	
	31 December	31 March	31 December	31 March
	2011	2011	2011	2011
		(Audited)		(Audited)
		(Restated)		(Restated)
Saraburi Property Co., Ltd.	-	-	7,500	7,500
Absolute Hotel Services Co., Ltd.	7,229	7,193	4,000	4,000
Absolute Hotel Services Hong Kong Ltd.	-	-	-	-
Total	7,229	7,193	11,500	11,500
Less: Provision for loss on diminution in value	-	-	(7,500)	(7,500)
Net	7,229	7,193	4,000	4,000

On 1 April 2011, Absolute Hotel Services Hong Kong Ltd. registered the additional uncalled portion of its share capital of HKD 1.1 million (1.1 million ordinary shares with a value of HKD 1 each).

On 12 November 2010, a meeting of the Company's Board of Directors passed a resolution to approve the filing of a bankruptcy suit against Saraburi Property Company Limited. The Company submitted the plaint to the Central Bankruptcy Court on 8 April 2011. On 29 June 2011, the Central Bankruptcy Court issued an absolute receivership order.

**15. Elevated rail project costs**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 December	31 March	31 December	31 March
	2011	2011	2011	2011
		(Audited)		(Audited)
		(Restated)		(Restated)
Project costs	53,961,644	50,131,107	-	-
Less: Accumulated amortisation on project costs	(9,233,089)	(8,359,803)	-	-
Allowance for diminution in value of project costs	(1,146,982)	(1,146,982)	-	-
Net project costs	43,581,573	40,624,322	-	-
Cost of civil works awaiting transfer	-	705,248	-	-
Less: Allowance for diminution in value of civil works awaiting transfer	-	(705,248)	-	-
Cost of civil works awaiting transfer - net	-	-	-	-
Work under construction	1,807,031	3,803,473	-	-
Capitalised interest	58,874	15,205	-	-
Total project costs - net	45,447,478	44,443,000	-	-

A subsidiary (BTSC) recorded an amortisation of elevated rail project costs for the three-month and nine-month periods ended 31 December 2011, amounting to Baht 305.2 million and Baht 870.1 million, respectively (2010: Baht 248.4 million and Baht 663.2 million, respectively), as a part of cost of fare box in the comprehensive income statements.

During the three-month and nine-month periods ended 31 December 2011, BTSC has capitalised the borrowing costs approximately Baht 15.6 million and Baht 43.7 million, respectively, as a part of elevated rail project costs.

On 15 September 2011, BTSC received an announcement of the verdict of the Supreme Administrative Court. The court ordered the government agency owning the land grants to compensate BTSC for all costs of civil works awaiting transfer incurred plus interest at the rate of 7.5% per annum within 60 days from the date on which the case is final. However, as of 31 December 2011, BTSC has not received such compensation and interest from the government agency. BTSC calculated the compensation to be received from the government agency from the date the announcement of the verdict was received to 31 December 2011 to be approximately Baht 1,061 million, and recorded this in "Accrued income". In addition, BTSC recorded the reversal of allowance for diminution in value of civil works awaiting transfer of approximately of Baht 705 million, presenting it as a separate item in the statements of comprehensive income for the nine-month period ended 31 December 2011. BTSC calculated the accrued interest as ordered by the court and separately presented as "The court-ordered compensation" in the statements of comprehensive income for the three-month and nine-month periods ended 31 December 2011, in amounts of approximately Baht 11 million and Baht 356 million, respectively.

#### 16. Land and projects awaiting development

During the nine-month period ended 31 December 2011, a subsidiary (Kamkoong Property Co., Ltd.) transferred real estate development costs to land and projects awaiting development amounting to Baht 94.2 million.

A subsidiary (BTS Assets Co., Ltd.) has mortgaged certain plots of land and projects awaiting development thereon with net book value as at 31 December 2011 of Baht 1,096.2 million (31 March 2011: Baht 1,068.9 million) as collateral for credit facilities from a financial institution as discussed in Note 22 to the interim financial statements.

#### 17. Investment properties

Movements of the investment property account during the nine-month period ended 31 December 2011 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
<b>Net book value as at 1 April 2011 - restated</b>	2,345,500	961,197
Additions during the period - at cost	1,960	1,248
Disposal during the period - net book value of disposal date	(4,448)	(4,448)
Depreciation for the period	(15,113)	(15,113)
Recorded allowance for impairment during the period	(14,410)	-
Reversal of allowance for impairment during the period	2,917	2,917
<b>Net book value as at 31 December 2011</b>	<u>2,316,406</u>	<u>945,801</u>

(Unaudited but reviewed)

## 18. Property, plant and equipment

Movements of the property, plant and equipment account during the nine-month period ended 31 December 2011 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
<b>Net book value as at 1 April 2011 - restated</b>	5,337,527	2,411,424
Additions during the period - at cost	790,414	14,530
Disposal during the period - net book value of disposal date	(1,867)	(1,138)
Depreciation for the period	(194,209)	(47,033)
Reversal of allowance for impairment during the period	6,670	6,670
<b>Net book value as at 31 December 2011</b>	<u>5,938,535</u>	<u>2,384,453</u>

The Company and its subsidiary (BTS Assets Co., Ltd.) have mortgaged land and construction thereon with net book value as at 31 December 2011 of Baht 5,246.0 million (31 March 2011: Baht 4,639.0 million) (Separate financial statements: Baht 2,317.0 million (31 March 2011: Baht 2,341.4 million)) as collateral for a credit facility and a guarantee facility from a financial institution.

## 19. Leasehold rights

Movements of the leasehold rights account during the nine-month period ended 31 December 2011 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
<b>Net book value as at 1 April 2011 - restated</b>	87,896	3,600
Additions during the period - at cost	9,274	9,274
Amortisation for the period	(5,011)	(1,202)
<b>Net book value as at 31 December 2011</b>	<u>92,159</u>	<u>11,672</u>

## 20. Intangible assets

Movements of the intangible assets account during the nine-month period ended 31 December 2011 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
<b>Net book value as at 1 April 2011 - restated</b>	21,559	2,456
Additions during the period - at cost	14,549	714
Amortisation for the period	(7,807)	(1,420)
<b>Net book value as at 31 December 2011</b>	<u>28,301</u>	<u>1,750</u>

**21. Loans to other companies**

(Unit: Thousand Baht)

Company's name	Consolidated and separate financial statements	
	31 December 2011	31 March 2011
		(Audited) (Restated)
Chula Land Development Co., Ltd.	-	1,200,490
Rachada Inter Development Co., Ltd.	-	813,207
Total	-	2,013,697
Less: Allowance for doubtful debts	-	(2,013,697)
Net	-	-

On 20 July 2011 and 29 August 2011, the Central Bankruptcy Court issued an absolute receivership orders for Rachada Inter Development Co., Ltd. and Chula Land Development Co., Ltd., respectively. The Company therefore wrote off such loans from its account.

**22. Bank overdraft and short-term loans from financial institution**

The Company and its subsidiaries (Nuvo Line Agency Company Limited and BTS Assets Company Limited) have bank overdraft facilities from a financial institution amounting to Baht 40 million (31 March 2011: Baht 50 million) (Separate financial statements: Nil (31 March 2011: Baht 10 million)), which are subject to interest at a rate tied to the Minimum Overdraft Rate (MOR) and are secured by the mortgage of a plot of land with construction thereon that is included in real estate development cost of the Company and its subsidiary (Nuvo Line Agency Company Limited) and property plant and equipment of its subsidiary (BTS Assets Company Limited), as discussed in Notes 9 and 18 to the interim financial statements. As at 31 December 2011, there is no outstanding balance of this loan.

The Company and a subsidiary (BTS Assets Company Limited) has a credit facility of short-term loans from a financial institution amounting to Baht 941.5 million (31 March 2011: Baht 500 million) (Separate financial statements: Baht 741.5 million (31 March 2011: Nil)), which is subject to interest at a rate tied to the Minimum Loan Rate (MLR) and is secured by the Company's bank account and some of BTSC's ordinary shares and the mortgage of some plots of land and projects awaiting development of the subsidiary (BTS Assets Company Limited) as discussed in Notes 13 and 16 to the interim financial statements.

**23. Creditors per rehabilitation plan**

The Company has been unable to transfer the Company's 245,825,783 ordinary shares temporarily registered in the name of a subsidiary, part of which are deposited with the Central Bankruptcy Court as guarantee of debt settlement, to creditors since there are still undue debts and debts pending final court judgment or comptroller's orders. As a result, the number of shares allocated to each creditor is still uncertain as the debt ratio might be altered to accord with final court judgment or comptroller's orders. However, the creditors will still receive total numbers of ordinary shares as stipulated in the rehabilitation plan and the Company adjusted issuance of ordinary shares for debt settlement to settle the Company's debts during the year ended 31 March 2007.

**24. Long-term loans**

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate financial statements	
	31 December 2011	31 March 2011	31 December 2011	31 March 2011
		(Audited) (Restated)		(Audited) (Restated)
Long-term loans	3,491,223	1,937,023	-	-
Less: Current portion	(583,400)	(151,750)	-	-
Long-term loans - net of current portion	<u>2,907,823</u>	<u>1,785,273</u>	<u>-</u>	<u>-</u>

Movements of the long-term loans account during the nine-month period ended 31 December 2011 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 April 2011- restated	1,937,023	-
Add: Additional borrowings	1,560,100	-
Less: Repayment	(5,900)	-
Balance as at 31 December 2011	<u>3,491,223</u>	<u>-</u>

Details of the long-term loans are as follows:

**The Company**

A facility of Baht 150.0 million, subject to interest at a rate tied to the Minimum Loan Rate (MLR), is secured by the mortgage of a plot of the Company's land with construction thereon, as discussed in Note 18 to the interim financial statements. Interest is to be paid monthly and principal is to be repaid within 120 months from the drawdown date. As at 31 December 2011, the Company has not drawn down such loan.

**BTSC**

A facility of Baht 2,300 million, subject to interest at a rate tied to the Minimum Loan Rate (MLR), has no collateral. It is to be repaid principal in installments every 3 months as from March 2012 to December 2015. As at 31 December 2011, the outstanding balance of this loan was approximately Baht 1,030.0 million.

**BTS Assets Company Limited**

A facility of Baht 1,800 million, subject to interest at a rate tied to the Minimum Loan Rate (MLR), is secured by the mortgage of the subsidiary's land and construction as discussed in Note 18 to the interim financial statements. It is to be repaid principal in installments every 3 months as from March 2014 to December 2017. As at 31 December 2011, the outstanding balance of this loan was approximately Baht 1,609.3 million.

**Muangthong Assets Company Limited**

A facility of Baht 65 million, subject to interest at a rate tied to the Minimum Loan Rate (MLR), is secured by the Company. Repayment of principal is to be made in 84 installments of at least Baht 600,000 each, with the first installment due in August 2009 and full settlement to be made within July 2016. As at 31 December 2011, the outstanding balance of this loan was approximately Baht 47.1 million.

**Nuvo Line Agency Company Limited**

A facility of Baht 2,500 million, to construct the building and parking area of a real estate development project, subject to interest at a rate tied to the Minimum Loan Rate (MLR), is secured by the mortgage of the subsidiary's land and construction thereon that is included in real estate development cost, as discussed in Note 9 to the interim financial statements. Interest is to be paid monthly and principal is to be repaid within 36 months from the drawdown date. As at 31 December 2011, the outstanding balance of this loan was approximately Baht 704.8 million.

A facility of Baht 900 million, to construct the building of a real estate development project, subject to interest at a rate tied to the Minimum Loan Rate (MLR), is secured by the mortgage of the subsidiary's land and construction thereon that is included in real estate development cost, as discussed in Note 9 to the interim financial statements. Interest is to be paid monthly and principal is to be repaid within 30 months from the drawdown date. As at 31 December 2011, the subsidiary has not drawn down such loan.



**Bangkok Smartcard System company Limited**

A facility of Baht 300 million, subject to interest at a rate tied to the Minimum Loan Rate (MLR). The principal is to be repaid in monthly installments, from November 2014 to October 2021. As at 31 December 2011, the outstanding balances of this loan was approximately Baht 100.0 million.

Loan agreements contain covenants specified in the agreement pertaining to, among other things; the maintenance of a certain debt service coverage ratio, the incurrence of additional indebtedness, and the maintenance of direct shareholding by the Company in the subsidiary of not less than 55% of its issued share capital or not less than 25% of its registered share capital in the case that the subsidiary has the other investor who has specific qualification as stipulated on the contract.

**25. Long-term debentures**

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	31 December 2011	31 March 2011	31 December 2011	31 March 2011
		(Audited) (Restated)		(Audited) (Restated)
Long-term debentures	11,931,314	11,906,557	-	-
Less: Current portion	(2,493,231)	-	-	-
Long-term debentures - net of current portion	<u>9,438,083</u>	<u>11,906,557</u>	<u>-</u>	<u>-</u>

Movement of the long-term debenture account during the nine-month period ended 31 December 2011 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 April 2011 - restated	11,906,557	-
Add: Amortisation of deferred debenture issuing costs	24,757	-
Balance as at 31 December 2011	<u>11,931,314</u>	<u>-</u>

The debenture agreement includes certain restrictive covenants pertaining to, among other things, limitations on creation of indebtedness, compliance with the concession agreement, and the maintenance of financial ratios.

(Unaudited but reviewed)

A subsidiary (BTSC) has interest rate risk associated with the long-term debentures carrying fixed interest rates, therefore, BTSC has used financial instrument to manage this risk by entering into an interest rate swap agreement to swap fixed interest rate to floating interest rate only for the debentures - Tranche 3, amounting to Baht 3,000 million. The amount of interest expenses depends on the interest rate and conditions stipulated in the agreement with a maximum rate of interest payment at 8.85% per annum. The agreement has scheduled for interest settlement every six months and the last settlement will be in February 2013. As at 31 December 2011, the fair value of the debentures contracted under the agreement was Baht 3,136.5 million.

## 26. Convertible debentures

Movement of the convertible debenture account during the nine-month period ended 31 December 2011 are summarised below.

	(Unit: Thousand Baht)
	Consolidated and separate financial statements
Balance as at 1 April 2011 - restated	8,486,843
Add: Amortisation of liability component of convertible debentures	222,330
Balance as at 31 December 2011	<u>8,709,173</u>

As stipulated in the letter of credit facility agreement with a local bank, the Company must open a bank account as a guarantee of interest payment on the convertible debentures. The Company recorded this transaction under the heading of "Restricted deposits" in the statement of financial position.

The letter of credit facility agreement is secured by some of BTSC's ordinary shares as discussed in Note 13 to the interim financial statements.

The letter of credit facility agreement contains covenants that, among other things, require the Company to maintain certain debt to equity and debt service coverage ratios (calculated from the separate financial statements), and require BTSC to pay dividends at least twice a year.

The Company adjusted the conversion price of the convertible debentures from Baht 0.91 per share to Baht 0.88 per share, effective from 5 July 2011. Subsequently, the Company adjusted the conversion price to 0.85 per share, effective from 31 January 2012 onwards. This is in line with the terms and conditions of the convertible debentures in cases when a dividend is paid, as discussed in Notes 33 and 38 to the interim financial statements.

## **27. Share capital/Share premium**

The Annual General Meeting of the Company's shareholders held on 26 July 2011 passed the following resolutions:

- a) Approved the reduction of the registered share capital from Baht 49,420,252,268.80 (77,219,144,170 ordinary shares with a par value of Baht 0.64 each) to Baht 47,817,776,079.36 (74,715,275,124 ordinary shares with a par value of Baht 0.64 each) by canceling the 2,503,869,046 unissued shares with a par value of Baht 0.64 each remaining from the offering to BTSC's existing shareholders, excluding the Company, as discussed in Note 13 to the interim financial statements.
- b) Approved an increase in the registered share capital from Baht 47,817,776,079.36 (74,715,275,124 ordinary shares with a par value of Baht 0.64 each) to Baht 47,881,776,079.36 (74,815,275,124 ordinary shares with a par value of Baht 0.64 each) by issuing 100 million ordinary shares with a par value of Baht 0.64 each to reserve for the exercise of the warrants to purchase new ordinary shares of the Company issued to the employees of the Company and its subsidiaries (BTS-WA) as discussed in Note 28 to the interim financial statements.

The Company registered the corresponding decrease and increase in its paid-up capital with the Ministry of Commerce on 28 July 2011 and 29 July 2011, respectively.

As at 31 December 2011, the Company's issued and fully paid share capital has increased from Baht 35,769,136,566.40 (55,889,275,885 ordinary shares with a par value of Baht 0.64 each) to Baht 36,600,495,792.64 (57,188,274,676 ordinary shares with a par value of Baht 0.64 each) as a result of the issuance of Baht 831,359,226.24 of ordinary shares (1,298,987,791 ordinary shares with a par value of Baht 0.64 each) to BTSC's existing shareholders, as discussed in Note 13 to the interim financial statements, resulting in a share premium of Baht 350,729,673.57.

The Company registered the corresponding increase in its paid-up capital with the Ministry of Commerce on 6 June 2011.

**28. Warrants**Warrants to purchase new ordinary shares of the Company issued to the Company's existing shareholders (BTS-W2)

On 29 April 2010, the Extraordinary General Meeting No. 1/2010 of the Company's shareholders passed a resolution to issue the warrants to purchase new ordinary shares of the Company issued to the Company's existing shareholders (BTS-W2) in a ratio of 1 warrant for every 4 existing ordinary shares, without specifying the offer price. Details are as follows:

Date of grant	23 November 2010
Number granted (Units)	5,027,000,448
Contractual lives	3 years from the issue date
Exercisable	Last business day of each quarter, after completion of a 2-year period from the issue date
Exercise price per 1 ordinary share (Baht)	0.70
Exercise ratio (warrant to ordinary share)	1:1

Warrants to purchase new ordinary shares of the Company issued to the employees of the Company and its subsidiaries (BTS-WA)

On 26 July 2011, the Annual General Meeting of the Company's shareholders passed a resolution to approve the issue of registered and non-transferable warrants to purchase new ordinary shares of the Company issued to the employees of the Company and its subsidiaries (BTS-WA), at no cost. Details of the warrants are below.

Date of grant	18 August 2011
Number granted (Units)	87,470,000
Contractual lives	5 years from the issue date
Exercisable	Last business day of each quarter, after completion of a 2-year period from the issue date
Exercise price per 1 ordinary share (Baht)	0.70
Exercise ratio (warrant to ordinary shares)	1:1

The estimated fair value of each warrant granted is Baht 0.27. This was calculated by applying the Black-Scholes-Merton formula. The model inputs were the share price at price determination date of Baht 0.68, exercise price of Baht 0.70, expected volatility of 60%, expected dividend yield of 3%, contractual life of five years, and a risk-free interest rate of 3.48%.

**29. Service income**

Details of service income are as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
		(Restated)	(Restated)	
Advertising income	419,283	294,236	-	-
Revenue from provision of operating services	269,603	79,354	-	-
Revenue from provision of spaces	60,628	42,124	-	-
Other service income	166,169	115,877	24,057	20,813
<b>Total</b>	<b>915,683</b>	<b>531,591</b>	<b>24,057</b>	<b>20,813</b>

(Unit: Thousand Baht)

	For the nine-month periods ended 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
		(Restated)	(Restated)	
Advertising income	1,249,450	791,874	-	-
Revenue from provision of operating services	589,124	236,586	-	-
Revenue from provision of spaces	167,488	121,413	-	-
Other service income	404,529	296,383	72,364	56,979
<b>Total</b>	<b>2,410,591</b>	<b>1,446,256</b>	<b>72,364</b>	<b>56,979</b>

**30. Finance cost**

Details of finance cost are as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Interest expenses and other fees	236,767	335,064	37,568	132,277
Amortisation of deferred debenture issuing costs	8,258	8,763	-	-
Amortisation of liability component of convertible debentures	74,598	-	74,598	-
Amortisation of letter of credit fee for convertible debentures	37,734	-	37,734	-
<b>Total</b>	<b>357,357</b>	<b>343,827</b>	<b>149,900</b>	<b>132,277</b>

	(Unit: Thousand Baht)			
	For the nine-month periods ended 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Interest expenses and other fees	705,769	1,103,194	97,728	558,602
Amortisation of deferred debenture issuing costs	24,757	25,212	-	-
Amortisation of liability component of convertible debentures	222,330	-	222,330	-
Amortisation of letter of credit fee for convertible debentures	113,501	-	113,501	-
<b>Total</b>	<b>1,066,357</b>	<b>1,128,406</b>	<b>433,559</b>	<b>558,602</b>

**31. Corporate income tax**

The Company and a subsidiary (BTSC) had no interim corporate income tax payable for the three-month and nine-month periods ended 31 December 2011 and 2010 since their tax loss brought forward exceeds its estimated profit for the year.

Interim corporate income tax of other subsidiaries was calculated on profit before income tax for the period, after adding back expenses and deducting income which are disallowable for tax computation purposes, using the estimated effective tax rate for the year.

## **32. Basic earnings per share**

### Consolidated financial statements

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

Diluted earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period net of the number of the Company's shares held by subsidiaries plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that such conversion took place either at the beginning of the period or on the date the potential ordinary shares were issued.

### Separate financial statements

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

Diluted earnings per share is calculated by dividing profit (loss) for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that such conversion took place either at the beginning of the period or on the date the potential ordinary shares were issued.

(Unaudited but reviewed)

Details of calculation of earnings per share for the three-month and nine-month periods ended 31 December 2011 and 2010 are as below.

Consolidated financial statements					
For the three-month periods ended 31 December					
Profit		Weighted average number of ordinary shares		Earnings per share	
<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht
	(Restated)		(Restated)		(Restated)
<b>Basic earnings per share</b>					
Profit attributable to equity holders of the parent	<u>328,764</u>	<u>11,467</u>	<u>57,188,275</u>	<u>55,889,276</u>	0.00575 0.00021
<b>Effect of dilutive potential ordinary shares</b>					
Warrants (BTS-W2) of 5,027,000,448 units (2010: 5,027,000,448 units)	-	251,697			
<b>Diluted earnings per share</b>					
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>11,467</u>	<u>56,140,973</u>			0.00020
Separate financial statements					
For the three-month periods ended 31 December					
Loss		Weighted average number of ordinary shares		Loss per share	
<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht
	(Restated)		(Restated)		(Restated)
<b>Basic loss per share</b>					
Loss attributable to equity holders of the Company	<u>(126,785)</u>	<u>(135,479)</u>	<u>57,188,275</u>	<u>55,889,276</u>	(0.00222) (0.00242)



(Unaudited but reviewed)

Consolidated financial statements					
For the nine-month periods ended 31 December					
Profit		Weighted average number of ordinary shares		Earnings per share	
<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht
	(Restated)		(Restated)		(Restated)
<b>Basic earnings per share</b>					
Profit attributable to equity holders of the parent	<u>1,746,684</u>	<u>337,129</u>	<u>56,876,515</u>	<u>50,719,589</u>	0.03071 0.00665
<b>Effect of dilutive potential ordinary shares</b>					
Warrants (BTS-W2) of 5,027,000,448 units (2010: 5,027,000,448 units)		-	118,820		
<b>Diluted earnings per share</b>					
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares		<u>337,129</u>	<u>50,838,409</u>		0.00663
Separate financial statements					
For the nine-month periods ended 31 December					
Profit		Weighted average number of ordinary shares		Earnings per share	
<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht
	(Restated)		(Restated)		(Restated)
<b>Basic earnings per share</b>					
Profit attributable to equity holders of the Company	<u>942,651</u>	<u>672,042</u>	<u>56,876,515</u>	<u>50,729,296</u>	0.01657 0.01325
<b>Effect of dilutive potential ordinary shares</b>					
Warrants (BTS-W2) of 5,027,000,448 units (2010: 5,027,000,448 units)		-	118,820		
<b>Diluted earnings per share</b>					
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares		<u>672,042</u>	<u>50,848,116</u>		0.01322

The conversion to ordinary shares of warrants representing rights to purchase ordinary shares of the Company (BTS-W2) would increase earnings per share for the three-month period ended 31 December 2010 in the consolidated financial statements and for three-month and nine-month periods ended 31 December 2011 in the consolidated and separate financial statements. Therefore, the Company has not assumed conversion of the warrants in the calculation of diluted earnings per share.

In addition, the exercise prices (including fair value of services yet to be rendered per warrant) of the warrants to purchase the ordinary shares of the Company (BTS-WA) issued to the employees of the Company and its subsidiaries are higher than the average market price of the Company's shares for the three-month and nine-month periods ended 31 December 2011 and convertible debentures would increase earnings per share for the three-month and nine-month periods ended 31 December 2011 in the consolidated and separate financial statements. Therefore, the Company has not assumed conversion of the warrants and convertible debentures in the calculation of diluted earnings per share.

### **33. Dividends**

The Annual General Meeting of the Company's shareholders held on 26 July 2011 passed a resolution to approve the payment of dividends of Baht 2,015.5 million (at a rate of Baht 0.03554 per share) in respect of the Company's past operating results and approved the setting aside of retained earnings of Baht 203.9 million to the statutory reserve. The Company already paid a part of that dividend in the form of an interim dividend amounting to Baht 720.7 million (at a rate of Baht 0.0129 per share), which was approved by the meeting of Board of Directors of the Company held on 25 February 2011. Subsequently on 5 August 2011, the Company paid the remaining dividend of Baht 1,294.3 million (at a rate of Baht 0.02264 per share).

**34. Foreign currency assets/liabilities**

As at 31 December 2011, subsidiaries had assets and liabilities in foreign currency which were not hedged against foreign exchange rate risk as follows:

Consolidated financial statements					
Foreign currency	31 December 2011		31 March 2011		Average exchange rate as at 31 December 2011
	Financial assets	Financial liabilities	Financial assets	Financial liabilities	
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 Foreign currency unit)
USD	0.6	0.5	1.3	0.3	31.6912
EUR	13.8	1.2	25.0	1.2	41.0274
SGD	-	3.4	0.1	4.4	24.3854
RMB	2.8	0.2	0.3	1.8	5.0328
HKD	-	-	-	0.4	4.0795

**35. Commitments and contingent liabilities****35.1 Capital commitments**

As at 31 December 2011, the Company and its subsidiaries had capital commitments as detailed below.

- a) The Company had outstanding commitments of approximately Baht 608.3 million in respect of the construction contracts of low-cost residential housing projects of which the Company had already entered into agreements with contractors.
- b) The Company and its subsidiaries (HHT Construction Company Limited, Muangthong Assets Company Limited, Nuvo Line Agency Company Limited, Kampoo Property Company Limited and Kamkoong Property Company Limited) had outstanding commitments of approximately Baht 939.1 million in respect of agreements of consultation, design and construction projects.
- c) The Company had outstanding commitments of approximately Baht 87.1 million in respect of a construction project with its subsidiaries (HHT Construction Company Limited and Carrot Rewards Company Limited).
- d) The Company had outstanding commitments approximately Baht 2.5 million in respect of renovation and development of golf course.
- e) The Company had outstanding commitments with its subsidiary (BTS Land Co., Ltd.) in respect of the royalty fee of the project. The Company is to pay at a rate as specified in the agreement when the ownership of each unit is transferred.

- f) The Company had outstanding commitments with its subsidiary (BTSC) in respect of the train ticket for project. The Company is to pay at a rate as specified in the agreement when the ownership of each unit is transferred.
- g) The Company entered into agreements with the Ministry of Finance to lease land for building construction, which the Company must completed in no more than 3 years. During the construction, the Company is to pay rental of Baht 0.1 million per month for land usage, and after handing over the building, the Company is committed to pay an annual rental for 30 years. The rental charge is Baht 0.8 million per year and will be increased by 15% every 5 years of the lease period.
- h) A subsidiary (HHT Construction Company Limited) had outstanding commitments not exceeding HKD 5.3 million in respect of an agreement of project consultation with a related company.
- i) A subsidiary (BTSC) had capital commitments of Baht 47.1 million in respect of a change and improvement of signaling system for elevated train operation.
- j) A subsidiary (BTSC) had capital commitments of EUR 15.7 million, USD 1.9 million and Baht 30.7 million in respect of an acquisition of 35 elevated train carriages for extension of the existing carriages of the subsidiary and their transportation fees.
- k) A subsidiary (BTSC) had capital commitments of EUR 0.6 million, SGD 0.3 million and Baht 3.2 million in respect of radio upgrade project for the signaling system for elevated train operation.
- l) A subsidiary (BTSC) entered into a contract for acquisition of 5 four-car elevated trains (4 cars per each) with an unrelated foreign company for providing services in the mass transit system - Silom expansion stations (Wongwian Yai - Bang Wa). Under the contract, the Company has committed to pay approximately amounting to EUR 2.9 million and RMB 110.3 million.
- m) A subsidiary (BTS Assets Company Limited) had an outstanding commitment of Baht 385.2 million relating to pay construction costs under a turnkey construction contract to the Company.
- n) A subsidiary (BTS Assets Company Limited) had an outstanding commitment of Baht 29.2 million relating to the purchase and installment of hotel equipment.
- o) A subsidiary (BTS Assets Company Limited) had an outstanding commitment of Baht 14.7 million relating to building design services for the hotel, which is currently in the process of preparing for construction.

(Unaudited but reviewed)

- p) A subsidiary (Bangkok Smartcard System Company Limited) had outstanding commitments of SGD 1.0 million and RMB 5.6 million relating to development costs for common ticketing system.
- q) A subsidiary (Bangkok Smartcard System Company Limited) entered into a contract for development of the Central Clearing House relating to its common ticketing system with unrelated company. Under the contract, the subsidiary has committed to pay a service fee in the future approximately amounting to Baht 32.3 million.
- r) A subsidiary (Carrot Rewards Company Limited) entered into a contract for implementation and management of the common ticketing system with an unrelated company. Under the contract, the subsidiary is committed to pay a service fee in the future and comply with certain conditions as specified in the agreement.

### **35.2 Operating lease commitments**

- a) The Company entered into leasehold agreements for the period of 30 years, as from 1 July 1997 and 1 December 1997. The monthly rental charges are Baht 200,000 and Baht 500,000, respectively and will be increased by 5% each year of the lease period.
- b) A subsidiary (Muangthong Assets Company Limited) had an outstanding commitment of approximately Baht 5.4 million in respect of a 21-year land and building lease agreement.

### **35.3 Commitments under maintenance contract**

On 30 December 2004, a subsidiary (BTSC) entered into a 10-year maintenance contract executed after the termination of the previous contracts for spare parts of an elevated mass transit system with the same contractor. Under the contract, the subsidiary has capital commitments in respect of the cost of maintenance and spare supply service fees in relation to the project over a period of 10 years. The amount to be paid for the first year is approximately Baht 195.7 million and EUR 1.7 million, and in the future years, the amount to be paid will be adjusted upwards with reference to the consumer price index. During the three-month and nine-month periods ended 31 December 2011, the subsidiary paid the cost of maintenance and spare supply service fees amounting to Baht 51.8 million and EUR 0.5 million and Baht 154.0 million and EUR 1.5 million, respectively.

#### 35.4 Service commitments

- a) In 2008, the Company entered into a service agreement with an associate (Absolute Hotel Services Company Limited), which is to furnish the Company and its subsidiary with consultation and hotel business management-related services. Under the conditions of the agreement, the Company is to pay service fees of Baht 1.4 million per month. The fees for the three-month and nine-month periods ended 31 December 2011 amounted to approximately Baht 4.1 million and Baht 12.2 million, respectively.
- b) In 2010, the Company entered into a management agreement with a subsidiary (Tanayong Property Management Company Limited), which is to furnish the Company with systems management services. Under the conditions of the agreement, the Company is to pay service fees at the rate specified in the agreement. During the three-month and nine-month periods ended 31 December 2011, the Company paid management fee amounted to Baht 2.6 million and 7.9 million, respectively.
- c) In 2008, a subsidiary (BTS Assets Company Limited) entered into a hotel management agreement with an oversea company in which it committed to pay fees based on hotel operating revenues at certain percentage and comply with certain conditions as specified in the agreements. The agreement is for a period of 15 years and the hotel is currently in the construction process.
- d) In 2009, a subsidiary (BTS Assets Company Limited) entered into a hotel management agreement with an oversea company in which it committed to pay fees based on hotel operating revenues at certain percentage and comply with certain conditions as specified in the agreements. The agreement is for a period of 20 years with an option to renew for a further 10 years. The hotel is currently in the preparation process for its construction.
- e) In 2010, a subsidiary (BTSC) entered into a contract to be an operator and a provider of buses for the Bus Rapid Transit (BRT) project - Chong Nonsi to Sa-pan Krung Thep Line (Chong Nonsi - Ratchaphruek) for 7 years with The Krungthep Thanakom Company Limited. As at 31 December 2011, the subsidiary had commitments relating to its operations in the project of Baht 158.3 million.
- f) The subsidiaries (Muangthong Assets Company Limited and BTS Assets Co.,Ltd.) entered into service agreements with an associate (Absolute Hotel Services Company Limited), which is to furnish the subsidiary with royalty and hotel business management - related services. The subsidiary is to pay service fees at a rate as stipulated in the agreements. The fees for the three-month and nine-month period ended 31 December 2011 amounted to approximately Baht 1.9 million and Baht 2.7 million, respectively.

- g) The subsidiaries has committed to pay fees of USD 0.2 million, EUR 0.5 million, HKD 2.8 million, RMB 14.3 million and Baht 1,636.1 million relating to other rental, service and concession agreements.

### **35.5 Commitments under the concessions**

- a) In 2004, a subsidiary (VGI Advertising Media Company Limited) entered into a concession with Ek-Chai Distribution System Company Limited for obtaining the rights to manage advertising spaces in department stores for a period of 5 years with an option to renew for a further 5 years. Subsequently, on 23 May 2008, the subsidiary and Ek-Chai Distribution System Company Limited amended the existing concession by adding the rights to provide of commercial broadcast through LCD screens in the department stores. Subsequently, on 29 June 2009, the subsidiary and Ek-Chai Distribution System Company Limited amended the existing concession again by adding the rights to manage advertising spaces in the area of in-store front main cash registers. Under the concession and the amendments, the subsidiary is to pay concession fees for managing the spaces, to pay some expenses of such broadcast, and to share its revenue from broadcasting revenues at the rate and conditions stipulated in the agreement. Subsequently, on 31 March 2010, the subsidiary entered into a concession with Ek-Chai Distribution System Company Limited for audio broadcasting in the department stores for a period of 4 years and 8 months. Under the concession, the subsidiary is to pay some expenses of such broadcast and has to share its revenue from broadcasting at the certain percentage in accordance with the agreement.

Subsequently, on 8 December 2010, the subsidiary entered into a 4-year concession with Ek-Chai Distribution System Company Limited for obtaining the rights to manage and provide advertising spaces in sales floor Acreage in department stores from 1 March 2011 to 28 February 2015. Under the concession, the subsidiary is to pay a concession fee for managing and providing the spaces at the rate and conditions stipulated in the agreement.

- b) In 2009, a subsidiary (888 Media Company Limited) entered into a concession with CenCar Limited for managing and providing the advertising spaces in the department stores for a period of 5 years with an option to renew for a further 5 years. Under the concession, the subsidiary is to pay a concession fee for managing and providing the spaces at the certain rates and conditions stipulated in the agreement.
- c) In 2011, a subsidiary (VGI Global Media Company Limited) entered into a concession with Big C Supercenter Public Company Limited for managing and providing the advertising spaces in the department stores for a period of 3 years and 6 months with an option to renew for a further 2 years. Under the concession, the subsidiary is to pay a concession fee for managing and providing the spaces at the certain rates and conditions stipulated in the agreement.

- d) In 2011, a subsidiary (VGI Advertising China Company Limited) entered into a concession with Shanghai Lotus Supermarket Store Company Limited for obtaining the rights to audio broadcast in the department stores located in the People's Republic of China for a period of 5 years with an option to renew for a further 3 years. Under the concession, the subsidiary is to pay concession fees for such broadcasting at the certain rates stipulated in the agreement.
- e) In 2011, a subsidiary (VGI Global Media Company Limited) entered into a concession with Big C Supercenter Public Company Limited for obtaining the rights to manage and provide advertising spaces in the area of sales floor acreage in the department stores for a period of 3 years and 2 months with an option to renew for a further 2 years. Under the concession, the subsidiary is to pay a concession fee for managing and providing the spaces at the rate and conditions stipulated in the agreement.

### **35.6 Guarantees**

- a) The Company has guaranteed a bank credit facility of its subsidiary (Muangthong Assets Company Limited) amounting to Baht 65 million.
- b) As at 31 December 2011, there were bank guarantees totaling Baht 169.0 million issued by a bank on behalf of the Company to the National Housing Authority for the low-cost residential housing projects.
- c) As at 31 December 2011, a letter of guarantee for Baht 17.3 million was issued to the Ministry of Finance by a bank on behalf of the Company, for construction of a building on state-owned land.
- d) As at 31 December 2011, a subsidiary (BTSC) had an outstanding bank guarantees of Baht 37.5 million to the BMA in respect of certain performance bonds as required under the concession agreement, of Baht 25.2 million to the Metropolitan Electricity Authority to guarantee electricity use, of Baht 200 million to Mass Rapid Transit Authority of Thailand in respect of bidding and of Baht 232.5 million as required in the subsidiary's operations issued by a bank on behalf of the subsidiary.

In addition, as at 31 December 2011, the Company and its subsidiary (BTSC) had Letters of Credit facilities from a local commercial bank of Baht 10,062.5 million in respect of collateral for the convertible debentures issued by the Company and EUR 13.0 million in respect of elevated train's acquisition for the subsidiary's operation.



### 35.7 Litigations

As at 31 December 2011, the litigations involving the Company and its subsidiaries are as detailed below.

- a) The Company and two subsidiaries (Yong Su Company Limited and Dnal Company Limited), as mortgagors of the assets placed as security for the Company's bonds, were sued by a local bank, for payment of the secured bonds, together with interest charges and other related expenses, totaling approximately Baht 4,250.8 million. The Court of First Instance ordered the two subsidiaries to make payment of such amount. The two subsidiaries appealed the decision and the Appeals Court found in accordance with the Court of First Instance. However, the bank has submitted settlement claims under the Company's rehabilitation plan and the Company held an open auction of such assets in order to make payment to the bank, as discussed in Note 11 to the interim financial statements. Therefore, the subsidiaries have not set aside provision for the contingent liability in their accounts.
- b) A subsidiary (Sampaopetch Company Limited) has been sued, together with the Company and its subsidiary's directors, by a creditor claiming land costs of approximately Baht 436.8 million because of the breach of a condition of a contract to purchase and to sell the land. The Court of First Instance ordered a subsidiary to make payment amounting to Baht 38.0 million and interest. Currently, the case is in the process of being appealed by the subsidiary and the subsidiary believes that it will suffer no significant loss as a result of this litigation.
- c) A subsidiary (Muangthong Assets Company Limited) has been sued by an individual for payment for loss of property amounting to approximately Baht 6.0 million. Currently, the lawsuit is being in the court of appeals process. However, the subsidiary believes that it will suffer no significant loss as a result of this litigation.
- d) On 11 February 2002, a subsidiary (BTSC) was sued for damages as the second defendant in a tort case, whereby a company alleged that the subsidiary's contractor caused damage to a section of underground fuel pipeline in the area of a train station and claimed compensation of approximately Baht 108 million. At present, the case is under consideration of the courts. However, the subsidiary has not recorded any allowance for the damage in its accounts since the subsidiary believes that, as an employer, it is, in any case, not liable to third parties for damages caused by its contractor, and that the case will therefore have no significant impact on the subsidiary.

**35.8 Contingent liabilities**

As at 31 December 2011, a subsidiary (BTSC) had interest rate swap agreement with a financial institution as detailed below. The amount of interest expenses depends on the interest rate and conditions stipulated in the agreement with a maximum rate of interest payment of 8.85% per annum. The agreement has scheduled for interest settlement every six months and the last settlement will be in February 2013.

<b>Principal amount</b>	<b>Interest revenue rate in the agreement</b>	<b>Interest expense rate in the agreement</b>	<b>Fair value as at 31 December 2011</b>
Baht 3,000 million	Fixed rate of 5.75% per annum	Floating rates of 0 to 8.85% per annum set with reference to DB Pulse Index plus strike rate stipulated in agreement	Baht 3,136.5 million

**36. Segment information**

The Company's and its subsidiaries' financial information of real estate business, construction service business, elevated mass transit system business and service business in the consolidated financial statements for the three-month and nine-month periods ended 31 December 2011 and 2010 are as follows:

(Unit: Million Baht)

	For the three-month periods ended 31 December											
	Real estate		Construction		Elevated		Service business		Elimination		Total	
	business		service business		mass transit		system business					
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Revenues from external customers	66	53	-	95	1,076	960	916	532	-	-	2,058	1,640
Inter-segment revenues	-	-	218	540	-	-	134	87	(352)	(627)	-	-
<b>Total revenues</b>	<b>66</b>	<b>53</b>	<b>218</b>	<b>635</b>	<b>1,076</b>	<b>960</b>	<b>1,050</b>	<b>619</b>	<b>(352)</b>	<b>(627)</b>	<b>2,058</b>	<b>1,640</b>
Segment operating profit (loss)	26	3	(1)	1	434	390	548	319			1,007	713
Unallocated income and expenses:												
Gain on debt settlement											-	15
Interest income											10	9
Revenue from court-ordered compensation											11	-
Gain on exchange											41	-
Other income											11	37
Selling and servicing expenses											(41)	(61)
Administrative expenses											(297)	(298)
Loss on exchange											-	(11)
Finance cost											(357)	(344)
Corporate income tax											(37)	(35)
<b>Profit for the period</b>											<b>348</b>	<b>25</b>
Profit attributable to non-controlling interests of subsidiaries											(19)	(13)
<b>Profit attributable to equity holders of the Company</b>											<b>329</b>	<b>12</b>

(Unaudited but reviewed)

(Unit: Million Baht)

For the nine-month periods ended 31 December

	Real estate business		Construction service business		Elevated mass transit system business		Service business		Elimination		Total	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
	Revenues from external customers	221	117	74	191	3,120	2,586	2,411	1,446	-	-	5,826
Inter-segment revenues	-	-	1,024	1,090	-	-	461	374	(1,485)	(1,464)	-	-
Total revenues	<u>221</u>	<u>117</u>	<u>1,098</u>	<u>1,281</u>	<u>3,120</u>	<u>2,586</u>	<u>2,872</u>	<u>1,820</u>	<u>(1,485)</u>	<u>(1,464)</u>	<u>5,826</u>	<u>4,340</u>
Segment operating profit (loss)	76	(59)	(12)	2	1,372	1,069	1,440	847			2,876	1,859
Unallocated profit and expenses:												
Gain on debt settlement											-	15
Gain on deposit of assets as guarantee for debt settlement											-	709
Interest income											31	19
Reversal of allowance for diminution in value of civil works awaiting transfer											705	-
Revenue from court-ordered compensation											356	-
Gain on exchange											30	-
Other income											38	55
Selling and servicing expenses											(136)	(194)
Administrative expenses											(857)	(757)
Expenses relating to business combination under common control											-	(112)
Loss on exchange											-	(10)
Share of loss from investments in associates											(2)	-
Finance cost											(1,066)	(1,128)
Corporate income tax											(132)	(83)
Profit for the period											1,843	373
Profit attributable to non-controlling interests of subsidiaries											(96)	(36)
Profit attributable to equity holders of the Company											<u>1,747</u>	<u>337</u>

**37. Reclassification**

Except the adjustments in financial statements as mentioned in Notes 1.4 and 2 to the interim financial statements, certain amounts in the consolidated financial statements for the three month and nine-month periods ended 31 December 2010 have been reclassified to conform to the current period's classification but with no effect to previously reported profit or shareholders' equity.

The reclassifications are as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 31 December 2010		For the nine-month periods ended 31 December 2010	
	As reclassified	As previously reported	As reclassified	As previously reported
Service income	531,591	-	1,446,256	-
Service income from train operating management	-	79,354	-	236,586
Rental and advertising services	-	370,401	-	1,015,371
Rental and service income	-	68,290	-	166,103
Other income	37,296	50,842	54,887	83,083
Cost of services	212,591	-	598,943	-
Cost of train operating management	-	45,918	-	129,595
Cost of rental and advertising services	-	125,383	-	350,372
Cost of rentals and services	-	37,974	-	109,935
Selling and servicing expenses	61,223	58,762	193,432	187,856
Administrative expenses	298,037	267,986	757,074	651,451
Management benefit expenses	-	34,172	-	93,606

### **38. Subsequent events**

Significant subsequent events are detailed below.

- a) On 13 January 2012, a meeting of the Board of Directors of the Company passed a resolution to pay a dividend of Baht 1,368.5 million (at a rate of Baht 0.02393 per share) from the Company's retained earnings and profit for the six-month period ended 30 September 2011. The dividend will be paid on 10 February 2012.
- b) On 5 January 2012, the meeting of Board of Director of a subsidiary (BTSC) passed a resolution to pay interim dividend of Baht 1,687 million (at a rate of Baht 0.105 per share) from operating results of BTSC for the year ending 31 March 2012.
- c) On 31 January 2012, a subsidiary (BTSC) issued a promissory note of Baht 870 million to a local commercial bank to fund the normal operations of the subsidiary. The promissory note was payable within 3 months, not collateralised and carries interest at the rate of 4.1% per annum.

### **39. Approval of interim financial statements**

These interim financial statements were authorised for issue by the Company's Board of Directors on 11 February 2012.