

BTS Group Holdings Public Company Limited
and its subsidiaries
Report and consolidated interim financial statements
For the three-month periods ended 30 June 2012 and 2011

Independent Auditor's Report on Review of Interim Financial Information

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 30 June 2012, the related consolidated statements of comprehensive income, changes in shareholders' equity, and cash flows for the three-month periods ended 30 June 2012 and 2011, as well as the condensed notes to the consolidated financial statements, and have also reviewed the separate financial information of BTS Group Holdings Public Company Limited for the same periods. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my reviews.

Scope of review

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

Conclusion

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

Emphasis of matter

Without expressing a qualified conclusion on the aforementioned interim financial information, I draw attention to Notes 9, 10, 11 and 22 to the interim financial statements regarding 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.

Statement of financial position as at 31 March 2012 for comparative purposes

I have previously audited the consolidated financial statements 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 2012 in accordance with Thai Standards on Auditing, and expressed an unqualified opinion on those statements, and drew attention to the same nature as those discussed in the preceding paragraph and the adoption of revised and new accounting standards, under my report dated 28 May 2012. The consolidated and separate statements of financial position as at 31 March 2012, as presented herein for comparative purposes, formed an integral part of those financial statements. I have not performed any other audit procedures subsequent to the date of the above report.

Siraporn Ouaanunkun
Certified Public Accountant (Thailand) No.3844

Ernst & Young Office Limited
Bangkok: 10 August 2012

BTS Group Holdings Public Company Limited and its subsidiaries

Statements of financial position

(Unit: Thousand Baht)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>30 June 2012</u> (Unaudited but reviewed)	<u>31 March 2012</u> (Audited)	<u>30 June 2012</u> (Unaudited but reviewed)	<u>31 March 2012</u> (Audited)
Assets					
Current assets					
Cash and cash equivalents	4	1,064,760	1,333,240	67,267	453,132
Trade and other receivables	5	1,467,107	1,106,681	295,429	276,157
Unbilled receivable - related party	3, 6	-	-	327,781	284,441
Consumable spare parts - elevated train system	7	92,396	92,956	-	-
Advances to contractors					
Related party	3	-	-	10,917	27,055
Unrelated parties		9,911	13,818	-	-
Short-term loans to related parties	3	-	-	64,500	18,500
Real estate development costs	8	3,544,842	3,349,068	730,986	778,395
Assets awaiting transfer under rehabilitation plan	10	73,022	73,027	68,322	68,327
Investments in subsidiaries awaiting transfer under rehabilitation plan	11	224,343	224,343	197,438	197,438
Accrued income	14	1,218,763	1,202,548	-	-
Prepaid expenses		122,699	127,991	5,827	7,440
Other current assets		379,378	343,995	42,677	37,075
Total current assets		8,197,221	7,867,667	1,811,144	2,147,960

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)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Note</u>	<u>30 June 2012</u> (Unaudited but reviewed)	<u>31 March 2012</u> (Audited)	<u>30 June 2012</u> (Unaudited but reviewed)	<u>31 March 2012</u> (Audited)
Non-current assets					
Restricted deposits	10, 25	323,946	323,834	321,607	321,493
Cash deposited as collateral for debt settlement	9	232,658	232,658	232,658	232,658
Loans to related parties	3	-	-	3,279,053	2,931,324
Investments in subsidiaries	12	-	-	42,777,904	42,777,904
Investments in associates	13	7,009	7,033	4,000	4,000
Other long-term investments		153,340	148,827	153,340	148,827
Elevated train project costs	14	44,841,004	45,144,218	-	-
Reusable spare parts - elevated train system	7	81,992	81,231	-	-
Spare parts - maintenance contract		292,771	292,771	-	-
Land and projects awaiting development	15	2,676,340	2,676,340	-	-
Investment properties	16	2,451,280	2,461,013	1,207,059	1,226,078
Property, plant and equipment	17	6,163,649	6,039,193	74,649	67,877
Leasehold rights	18	87,904	90,025	9,927	10,800
Intangible assets	19	28,129	26,697	1,161	1,452
Retention receivables					
Related party	3	-	-	87,754	87,754
Unrelated parties		2,145	2,145	2,145	2,145
Goodwill		78,656	78,656	-	-
Advances for asset acquisitions		473,570	496,939	-	-
Advances to contractors		55,101	79,586	-	-
Rights of claim from acquisition of debts per rehabilitation plan	10	816,131	741,502	-	-
Other non-current assets		312,725	98,542	12,457	10,200
Total non-current assets		59,078,350	59,021,210	48,163,714	47,822,512
Total assets		67,275,571	66,888,877	49,974,858	49,970,472

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)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>30 June 2012</u> (Unaudited but reviewed)	<u>31 March 2012</u> (Audited)	<u>30 June 2012</u> (Unaudited but reviewed)	<u>31 March 2012</u> (Audited)
Liabilities and shareholders' equity					
Current liabilities					
Bank overdraft and short-term loans from financial institution	20	1,583,130	1,941,502	813,130	741,502
Trade and other payables	21	1,416,143	1,452,442	282,585	274,949
Accrued costs of construction					
Related party	3	-	-	44,029	90,415
Unrelated parties		390,110	351,908	10,505	10,768
Deposit from sale of investment in a subsidiary	12	80,000	-	-	-
Short-term loans from related parties	3	-	-	98,000	98,000
Current portion of creditors per rehabilitation plan	22	745,356	745,356	745,356	745,356
Current portion of long-term loans	23	583,400	583,400	-	-
Current portion of long-term debentures	24	2,498,306	2,495,767	-	-
Advance received from employer - related party	3	-	-	41,745	41,745
Unearned income		276,271	297,884	-	-
Income tax payable		99,628	55,842	-	-
Other current liabilities		503,932	413,908	30,935	27,941
Total current liabilities		8,176,276	8,338,009	2,066,285	2,030,676
Non-current liabilities					
Creditors per rehabilitation plan - net of current portion	22	52,074	52,074	52,074	52,074
Long-term loans - net of current portion	23	3,019,123	2,933,973	-	-
Long-term debentures - net of current portion	24	9,449,543	9,443,811	-	-
Convertible debentures - liability component	25	8,706,659	8,648,338	8,706,659	8,648,338
Retention payable					
Related party	3	-	-	96,951	92,392
Unrelated parties		131,720	127,515	5,801	6,093
Provision for long-term employee benefits	26	407,174	400,178	19,917	25,987
Other non-current liabilities		11,873	12,728	-	-
Total non-current liabilities		21,778,166	21,618,617	8,881,402	8,824,884
Total liabilities		29,954,442	29,956,626	10,947,687	10,855,560

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	
		30 June 2012 (Unaudited but reviewed)	31 March 2012 (Audited)	30 June 2012 (Unaudited but reviewed)	31 March 2012 (Audited)
Shareholders' equity					
Share capital	27				
Registered					
74,815,275,124 ordinary shares of Baht 0.64 each		<u>47,881,776</u>	<u>47,881,776</u>	<u>47,881,776</u>	<u>47,881,776</u>
Issued and fully paid					
57,252,980,553 ordinary shares of Baht 0.64 each (31 March 2012: 57,188,274,676 ordinary shares of Baht 0.64 each)		36,641,908	36,600,496	36,641,908	36,600,496
Share premium	27	364,318	350,730	364,318	350,730
Retained earnings					
Appropriated - statutory reserve		1,476,048	1,476,048	376,048	376,048
Retained earnings (Deficit)		(3,199,325)	(3,508,627)	3,465,262	3,615,469
Other components of shareholders' equity		<u>378,933</u>	<u>371,152</u>	<u>(1,820,365)</u>	<u>(1,827,831)</u>
Equity attributable to owners of the Company		35,661,882	35,289,799	39,027,171	39,114,912
Non-controlling interest of the subsidiaries		<u>1,659,247</u>	<u>1,642,452</u>	-	-
Total shareholders' equity		<u>37,321,129</u>	<u>36,932,251</u>	<u>39,027,171</u>	<u>39,114,912</u>
Total liabilities and shareholders' equity		<u>67,275,571</u>	<u>66,888,877</u>	<u>49,974,858</u>	<u>49,970,472</u>
		-	-	-	-

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

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Directors
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(Unaudited but reviewed)

BTS Group Holdings Public Company Limited and its subsidiaries**Statements of comprehensive income****For the three-month periods ended 30 June 2012 and 2011**

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

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Profit or loss:					
Revenues					
Fare box revenues - net		1,135,330	955,907	-	-
Service income	29	1,011,579	640,675	23,549	24,196
Revenues from sales of real estate		62,199	87,102	62,199	87,102
Revenues from construction services		361	31,790	43,340	222,090
Other income					
Management income		-	-	11,940	9,600
Interest income		7,588	11,897	22,501	19,656
Gain on exchange		-	28,892	-	-
Others		18,646	10,523	12,627	2,497
Total revenues		2,235,703	1,766,786	176,156	365,141
Expenses					
Cost of fare box		575,429	511,471	-	-
Cost of services		490,478	295,014	18,545	17,876
Costs of sales of real estate		47,621	59,070	48,886	63,858
Costs of construction services		291	34,189	37,428	198,528
Selling and servicing expenses		55,331	45,267	6,619	5,141
Administrative expenses		297,563	266,085	59,282	52,345
Loss on exchange		14,306	-	-	-
Total expenses		1,481,019	1,211,096	170,760	337,748
Profit before share of loss from investments					
in associates, finance cost and corporate income tax		754,684	555,690	5,396	27,393
Share of loss from investments in associates		(24)	(2,728)	-	-
Profit before finance cost and corporate income tax		754,660	552,962	5,396	27,393
Finance cost	30	(372,895)	(353,451)	(155,603)	(141,817)
Profit (loss) before corporate income tax		381,765	199,511	(150,207)	(114,424)
Corporate income tax	31	(55,668)	(42,532)	-	-
Profit (loss) for the period		326,097	156,979	(150,207)	(114,424)
Other comprehensive income:					
Exchange differences on translation of financial statements					
in foreign currency		315	(4,787)	-	-
Gain on changes in value of available-for-sale investments		4,514	10,122	4,514	10,122
Other comprehensive income for the period		4,829	5,335	4,514	10,122
Total comprehensive income for the period		330,926	162,314	(145,693)	(104,302)

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 (continued)

For the three-month periods ended 30 June 2012 and 2011

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

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
<u>Note</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Profit (loss) attributable to:				
Equity holders of the Company	309,302	136,349	<u>(150,207)</u>	<u>(114,424)</u>
Non-controlling interests of the subsidiaries	<u>16,795</u>	<u>20,630</u>		
	<u>326,097</u>	<u>156,979</u>		
Total comprehensive income attributable to:				
Equity holders of the Company	314,131	141,684	<u>(145,693)</u>	<u>(104,302)</u>
Non-controlling interests of the subsidiaries	<u>16,795</u>	<u>20,630</u>		
	<u>330,926</u>	<u>162,314</u>		
Earnings per share	32			
Basic earnings per share				
Profit (loss) attributable to equity holders of the Company	<u>0.00541</u>	<u>0.00242</u>	<u>(0.00263)</u>	<u>(0.00203)</u>
Diluted earnings per share				
Profit attributable to equity holders of the Company	<u>0.00535</u>	<u>0.00241</u>		

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****For the three-month periods ended 30 June 2012 and 2011**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Cash flows from operating activities				
Profit (loss) before tax	381,765	199,511	(150,207)	(114,424)
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	80,460	69,911	17,503	18,541
Spare parts and elevated train project costs amortisation	319,939	250,587	-	-
Unrealised loss (gain) on exchange	14,244	(29,564)	-	-
Share of loss from investments in associates	24	2,728	-	-
Amortisation of deferred debenture issuing costs	8,271	8,246	-	-
Provision for long-term employee benefits	14,850	13,655	860	799
Amortisation of liability component of convertible debentures	75,586	73,623	75,586	73,623
Amortisation of letter of credit fee for convertible debentures	37,735	38,032	37,735	38,032
Allowance for impairment of assets	-	14,411	-	-
Allowance for doubtful debts	1,105	878	6,835	878
Dividend income	(420)	(409)	(420)	(409)
Share-based payment	2,952	-	336	-
Interest income	(7,588)	(11,897)	(22,501)	(19,656)
Interest expenses	251,303	232,665	42,282	28,662
Profit from operating activities before changes in operating assets and liabilities	1,180,226	862,377	8,009	26,046
Decrease (increase) in operating assets				
Trade and other receivables	(361,531)	(156,877)	(1,033)	45,243
Unbilled receivable	-	8,699	(43,340)	(18,141)
Spare parts - Automatic Fare Collection system	(810)	(35,325)	-	-
Real estate development costs	(180,384)	(3,270)	47,408	31,191
Advances to contractors	28,392	(84,668)	16,138	21,862
Other current assets	(63,273)	(3,988)	(2,410)	5,024
Other non-current assets	(216,324)	(13,814)	(1,751)	(13,187)
Increase (decrease) in operating liabilities				
Trade and other payables	42,505	78,011	(25,190)	(30,430)
Accrued costs of construction	38,202	15,146	(46,649)	(39,683)
Advances received from employer	-	-	-	(25,674)
Retention payable	5,466	20,072	4,268	11,962
Unearned fare box revenues	(21,613)	10,949	-	-
Provision for long-term employee benefits	(7,854)	-	(6,930)	-
Other current liabilities	89,101	(28,250)	2,994	(70,189)
Cash from (used in) operating activities	532,103	669,062	(48,486)	(55,976)
Cash paid for interest expenses	(297,061)	(199,800)	(12,071)	-
Cash paid for corporate income tax	(21,413)	(23,129)	(1,579)	(8,050)
Returning of withholding tax	26,497	9,431	-	-
Cash received for interest income	7,588	4,665	1,857	2,916
Net cash from (used in) operating activities	247,714	460,229	(60,279)	(61,110)

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 three-month periods ended 30 June 2012 and 2011**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Cash flows from investing activities				
Increase in restricted deposits	(113)	(46)	(114)	(40)
Decrease (increase) in short-term loans to related parties	-	586	(46,000)	(3,197)
Increase in loans to related parties	-	-	(353,459)	(1,400)
Increase in rights of claim from acquisition of debts per rehabilitation plan	(74,629)	-	-	-
Interest income	-	7,233	301	-
Dividend income	420	409	420	409
Increase in investments in subsidiaries	-	-	-	(1,500)
Increase in elevated rail project costs	(16,789)	(26,103)	-	-
Increase (decrease) in advances for assets acquisitions	5,744	(204,938)	-	-
Increase in deposit from sale of investment in subsidiary	80,000	-	-	-
Cash paid for purchases of property, plant and equipment	(240,340)	(317,574)	(4,253)	(5,055)
Cash received from sales of property, plant and equipment	306	330	-	-
Cash paid for purchase of land and projects awaiting development	-	(25,800)	-	-
Cash paid for purchases of investments properties	(11)	-	(11)	(2,267)
Cash received from sales of investments properties	5,902	-	5,902	-
Cash paid for purchases of intangible assets	(3,776)	(1,797)	-	(506)
Net cash used in investing activities	(243,286)	(567,700)	(397,214)	(13,556)
Cash flows from financing activities				
Increase in short-term loans from financial institution	71,628	-	71,628	-
Cash paid for short-term loans from financial institution	(430,000)	-	-	-
Increase in long-term loans	231,000	391,700	-	-
Cash paid for long-term loans	(145,850)	(1,800)	-	-
Net cash from (used in) financing activities	(273,222)	389,900	71,628	-
Increase (decrease) in translation adjustment	314	(4,787)	-	-
Net increase (decrease) in cash and cash equivalents	(268,480)	277,642	(385,865)	(74,666)
Cash and cash equivalents at beginning of the period	1,333,240	1,825,422	453,132	302,785
Cash and cash equivalents at end of the period	1,064,760	2,103,064	67,267	228,119
	-	-	-	-
Supplemental cash flow information				
Non-cash transactions				
Debenture conversion to ordinary shares	55,000	-	55,000	-
Issuance of ordinary shares to acquire BTSC's ordinary shares	-	1,182,089	-	1,182,089
Transfer real estate development costs to land and projects awaiting development	-	94,168	-	-
Transfer advances for asset acquisitions to elevated rail project costs	2,493	39,715	-	-
Net increase (decrease) in liability of purchase of equipment	(67,451)	-	5,230	-
Net decrease in liability of investment in elevated train project costs	(11,673)	-	-	-

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

(Unaudited)

BTS Group Holdings Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity

For the three-month periods ended 30 June 2012 and 2011

(Unit:)

Consolidated financial statements																	
Equity attributable to owners of the Company																	
Other components of equity																	
	Issued and paid-up share capital	Share premium	Retained earnings			Other comprehensive income		Convertible debentures - equity component	Surplus on debenture conversion	Surplus on business combination under common control	Surplus on the subsidiary at a price higher than the net book value of the subsidiary at the acquisition date	Share premium on sales of company's shares held by subsidiaries	Capital reserve for share-based payment transaction	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	
			Appropriated	Deficit	Translation adjustment	Revaluation surplus on assets	Revaluation surplus on changes in value of investments										
Balance as at 31 March 2011	#####	-	1,303,890	(3,124,988)	(134,774)	#####	865	1,356,597	-	(3,371,978)	-	2,685	8,526	-	481,725	34,429,764	3,079,706
Issuance of ordinary shares for acquisition of investment in subsidiary	831,359	350,730	-	-	-	-	-	-	-	-	(123,130)	-	-	-	(123,130)	1,058,959	(1,058,959)
Total comprehensive income for the period	-	-	-	136,349	(4,787)	-	10,122	-	-	-	-	-	-	-	5,335	141,684	20,630
Balance as at 30 June 2011	#####	350,730	1,303,890	(2,988,639)	(139,561)	#####	10,987	1,356,597	-	(3,371,978)	(123,130)	2,685	8,526	-	363,930	35,630,407	2,041,377
Balance as at 31 March 2012	#####	350,730	1,476,048	(3,508,627)	(133,838)	#####	5,105	1,356,597	-	(3,371,978)	(123,129)	2,685	8,526	7,380	371,152	35,289,799	1,642,452
Debenture conversion to ordinary shares (Note 27)	41,412	13,588	-	-	-	-	-	-	-	-	-	-	-	-	-	55,000	-
Surplus on debenture conversion (Note 25)	-	-	-	-	-	-	-	(7,461)	7,461	-	-	-	-	-	-	-	-
Share-based payment	-	-	-	-	-	-	-	-	-	-	-	-	-	2,952	2,952	2,952	-
Total comprehensive income for the period	-	-	-	309,302	315	-	4,514	-	-	-	-	-	-	-	4,829	314,131	16,795
Balance as at 30 June 2012	#####	364,318	1,476,048	(3,199,325)	(133,523)	#####	9,619	1,349,136	7,461	(3,371,978)	(123,129)	2,685	8,526	10,332	378,933	35,661,882	1,659,247

The accompanying notes are an integral part of financial statements.

ted but reviewed)

Thousand Baht)

Total
shareholders'
equity

37,509,470

-

162,314

37,671,784

36,932,251
55,000
-
2,952

330,926

37,321,129
-

(Unaudited but reviewed)

BTS Group Holdings Public Company Limited and its subsidiaries

Statements of changes in shareholders' equity (continued)

For the three-month periods ended 30 June 2012 and 2011

(Unit: Thousand Baht)

Separate financial statements												
<u>Other comprehensive income</u>												
	Issued and paid-up share capital	Share premium	Retained earnings		Revaluation	Convertible debentures - equity component	Surplus on debenture conversion	Surplus on swap of investment in subsidiary under common control	Surplus on business combination under common control	Capital reserve for share-based payment transaction	Total other components of shareholders' equity	Total shareholders' equity
			Appropriated	Unappropriated	surplus on changes in value of investments							
Balance as at 31 March 2011	35,769,137	-	203,890	3,006,884	865	1,356,597	-	325,065	(3,371,978)	-	(1,689,451)	37,290,460
Issuance of ordinary shares for acquisition of investment in subsidiary	831,359	350,730	-	-	-	-	-	-	-	-	-	1,182,089
Total comprehensive income for the period	-	-	-	(114,424)	10,122	-	-	-	-	-	10,122	(104,302)
Balance as at 30 June 2011	<u>36,600,496</u>	<u>350,730</u>	<u>203,890</u>	<u>2,892,460</u>	<u>10,987</u>	<u>1,356,597</u>	<u>-</u>	<u>325,065</u>	<u>(3,371,978)</u>	<u>-</u>	<u>(1,679,329)</u>	<u>38,368,247</u>
Balance as at 31 March 2012	36,600,496	350,730	376,048	3,615,469	5,105	1,356,597	-	175,065	(3,371,978)	7,380	(1,827,831)	39,114,912
Debenture conversion to ordinary shares (Note 27)	41,412	13,588	-	-	-	-	-	-	-	-	-	55,000
Surplus on debenture conversion (Note 25)	-	-	-	-	-	(7,461)	7,461	-	-	-	-	-
Share-based payment	-	-	-	-	-	-	-	-	-	2,952	2,952	2,952
Total comprehensive income for the period	-	-	-	(150,207)	4,514	-	-	-	-	-	4,514	(145,693)
Balance as at 30 June 2012	<u>36,641,908</u>	<u>364,318</u>	<u>376,048</u>	<u>3,465,262</u>	<u>9,619</u>	<u>1,349,136</u>	<u>7,461</u>	<u>175,065</u>	<u>(3,371,978)</u>	<u>10,332</u>	<u>(1,820,365)</u>	<u>39,027,171</u>

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 periods ended 30 June 2012 and 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 registered office of the Company is at 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 Thai 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 and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 March 2012.

1.4 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 2012.

2. New accounting standard issued during the period and not yet effective

During the period, the Federation of Accounting Professions issued the financial reporting standard TFRS 8: Operating Segments, which is effective for fiscal years beginning on or after 1 January 2013.

The Company's management believes that this financial reporting standard will not have any significant impact on the financial statements when it is initially applied.

3. 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 30 June				Pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Interest income	-	-	20	17	At cost of funds
Management income	-	-	12	10	Contract price
Revenues from construction services	-	-	43	190	Contract price
Utility income	-	-	1	-	Contract price
Cost of construction services	-	-	36	159	Contract price
Rental income	-	-	10	10	Contract price
Cost of construction of fixed assets	-	-	5	1	Contract price
Cost of construction of condominiums	-	-	-	26	Contract price
Interest expenses	-	-	1	-	At cost of funds
Management fee	-	-	3	4	Contract price
Rental expenses	-	-	1	-	Contract price
<u>Transactions with associates</u>					
Interest income	-	1	-	1	At cost of funds
Management fee	7	6	4	4	Contract price
<u>Transactions with related parties</u>					
Cost of construction services	6	4	-	-	Contract price

(Unaudited but reviewed)

As at 30 June 2012 and 31 March 2012, the balances of the accounts between the Company and those related parties are as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate financial statements	
	30 June 2012	31 March 2012	30 June 2012	31 March 2012
		(Audited)		(Audited)
<u>Trade and other receivables - related parties (Note 5)</u>				
Trade receivables - subsidiary companies	-	-	156,781	157,433
Trade receivable - associated company	42	32	-	-
Other receivables - subsidiary companies	-	-	3,474	31
Other receivable - associated company	128	4,387	64	-
Accrued interest income - subsidiary companies	-	-	107,197	87,852
Total trade and other receivables - related parties	<u>170</u>	<u>4,419</u>	<u>267,516</u>	<u>245,316</u>
<u>Unbilled receivable - related party</u>				
Subsidiary company	-	-	327,781	284,441
Total unbilled receivable - related party	<u>-</u>	<u>-</u>	<u>327,781</u>	<u>284,441</u>
<u>Advance to contractor - related party</u>				
Subsidiary company	-	-	10,917	27,055
Total advance to contractor - related party	<u>-</u>	<u>-</u>	<u>10,917</u>	<u>27,055</u>
<u>Retention receivable - related party</u>				
Subsidiary company	-	-	87,754	87,754
Total retention receivable - related party	<u>-</u>	<u>-</u>	<u>87,754</u>	<u>87,754</u>
<u>Trade and other payables - related parties (Note 21)</u>				
Trade payables - subsidiary companies	-	-	72,316	81,278
Trade payable - related company	68	66	-	-
Other payables - subsidiary companies	-	-	19,871	17,626
Other payables - related companies	651	356	-	-
Accrued interest expenses - subsidiary companies	-	-	2,987	2,200
Total trade and other payables - related parties	<u>719</u>	<u>422</u>	<u>95,174</u>	<u>101,104</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 March	30 June	31 March
	2012	2012	2012	2012
	(Audited)		(Audited)	
<u>Accrued cost of construction - related party</u>				
Subsidiary company	-	-	44,029	90,415
Total accrued cost of construction - related party	-	-	44,029	90,415
<u>Advance received from employer - related party</u>				
Subsidiary company	-	-	41,745	41,745
Total advance received from employer - related party	-	-	41,745	41,745
<u>Retention payable - related party</u>				
Subsidiary company	-	-	96,951	92,392
Total retention payable - related party	-	-	96,951	92,392

Loans to related parties and loans from related parties

As at 30 June 2012 and 31 March 2012, the balances of loans between the Company and those related companies and the movement are as follows:

(Unit: Thousand Baht)

		Separate financial statements			
Short-term loans to related parties	Related by	Balance as at	Increase	Decrease	Balance as at
		31 March 2012	during the period	during the period	30 June 2012
Carrot Rewards Co. Ltd.	Subsidiary company	18,500	46,000	-	64,500
E.G.V. Co., Ltd.	Related company	4,018	-	-	4,018
		22,518	46,000	-	68,518
Less: Allowance for doubtful debts		(4,018)	-	-	(4,018)
Total		18,500	46,000	-	64,500

(Unit: Thousand Baht)

		Consolidated financial statements			
Long-term loans to related parties	Related by	Balance as at	Increase	Decrease	Balance as at
		31 March 2012	during the period	during the period	30 June 2012
Hwa Kay Thai (Thailand) Co., Ltd.	Related company	24,500	-	-	24,500
Less: Allowance for doubtful debts		(24,500)	-	-	(24,500)
Total		-	-	-	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

		Separate financial statements			
		Balance as at	Increase	Decrease	Balance as at
Long-term loans to related parties	Related by	31 March 2012	during the period	during the period	30 June 2012
Yongsu Co., Ltd.	Subsidiary company	-	5,700	-	5,700
Tanayong Food and Beverage Co., Ltd.	Subsidiary company	778,108	74,629	-	852,737
Muangthong Assets Co., Ltd.	Subsidiary company	44,000	-	-	44,000
Tanayong International Ltd.	Subsidiary company	433,445	2,035	-	435,480
Tanayong Hong Kong Limited	Subsidiary company	1,271	-	-	1,271
Nuvo Line Agency Co., Ltd.	Subsidiary company	108,000	-	-	108,000
Bangkok Mass Transit System					
Public Co., Ltd.	Subsidiary company	990,000	-	(40,000)	950,000
Siam Paging and Communication					
Co., Ltd.	Subsidiary company	32,600	-	-	32,600
Sampaopetch Co., Ltd.	Subsidiary company	897,296	30	-	897,326
Kampoo Property Co., Ltd.	Subsidiary company	37,033	-	-	37,033
Kamkoong Property Co., Ltd.	Subsidiary company	148,768	-	-	148,768
BTS Asset Co., Ltd.	Subsidiary company	765,199	313,100	-	1,078,299
BTS Land Co., Ltd.	Subsidiary company	71,929	-	-	71,929
		4,307,649	395,494	(40,000)	4,663,143
Less: Allowance for doubtful debts		(1,376,325)	(7,765)	-	(1,384,090)
Total		2,931,324	387,729	(40,000)	3,279,053

(Unit: Thousand Baht)

		Separate financial statements			
		Balance as at	Increase	Decrease	Balance as at
Short-term loans from related parties	Related by	31 March 2012	during the period	during the period	30 June 2012
Dnal Co., Ltd.	Subsidiary company	40,000	-	-	40,000
PrannaKiri Assets Co., Ltd.	Subsidiary company	58,000	-	-	58,000
Total		98,000	-	-	98,000

Directors' and management's benefits

During the three-month periods ended 30 June 2012 and 2011, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Short-term employee benefits	45	30	17	9
Post-employment benefits	4	4	1	1
Share-based payment	1	-	-	-
Total	50	34	18	10

Guarantee obligation with related party

The Company has an outstanding guarantee obligation with its related party, as described in Note 35.7 a) to the interim financial statements.

4. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 March	30 June	31 March
	<u>2012</u>	<u>2012</u>	<u>2012</u>	<u>2012</u>
		(Audited)		(Audited)
Cash	40,645	39,356	122	135
Current deposits and saving deposits	344,937	454,222	12,141	22,979
Fixed deposits with maturity date				
due not more than 3 months	23	23	4	4
Bills of exchange	434,172	274,647	55,000	100,014
BOT bonds with maturity date due				
not more than 3 months	244,983	564,992	-	330,000
Total	1,064,760	1,333,240	67,267	453,132

5. Trade and other receivables

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2012	31 March 2012 (Audited)	30 June 2012	31 March 2012 (Audited)
<u>Trade receivables - related parties</u>				
Not yet due	14	27	-	-
Past due				
Up to 3 months	28	5	-	103,933
3 - 6 months	-	-	103,281	53,500
6 - 12 months	-	-	53,500	-
Total trade receivables - related parties	42	32	156,781	157,433
<u>Trade receivables - unrelated parties</u>				
Not yet due	545,542	578,150	-	-
Past due				
Up to 3 months	531,484	280,126	-	-
3 - 6 months	162,362	158,099	-	-
6 - 12 months	153,080	6,395	-	-
Over 12 months	45,188	43,329	-	-
Total	1,437,656	1,066,099	-	-
Posted date cheques	13,928	18,161	-	-
Less: Allowance for doubtful debts	(16,711)	(16,893)	-	-
Total trade receivables - unrelated parties, net	1,434,873	1,067,367	-	-
Total trade receivables - net	1,434,915	1,067,399	156,781	157,433
<u>Other receivables</u>				
Advances	2,552	1,761	-	-
Interest receivables - related parties	-	-	107,197	87,852
Interest receivable	33	368	8	-
Retention receivable	9,871	10,371	9,871	10,371
Other receivables - related parties	128	4,387	3,538	31
Other receivables	19,608	22,395	18,034	20,470
Total other receivables - net	32,192	39,282	138,648	118,724
Trade and other receivables - net	1,467,107	1,106,681	295,429	276,157

(Unaudited but reviewed)

6. Unbilled receivable (Construction contracts)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 March	30 June	31 March
	2012	2012	2012	2012
		(Audited)		(Audited)
<u>Unbilled receivable</u>				
Project value as per contracts	-	1,521,065	2,200,000	3,721,065
Accumulated amounts recognised as revenue				
on percentage of completion basis	-	1,521,065	2,197,360	3,675,086
Less: Value of total billed	-	(1,521,065)	(1,869,579)	(3,390,645)
Unbilled receivable	-	-	327,781	284,441

7. 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:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 March	30 June	31 March
	2012	2012	2012	2012
		(Audited)		(Audited)
Consumable spare parts	92,396	92,956	-	-
Reusable spare parts	93,016	91,999	-	-
Less: Accumulated amortisation on reusable spare parts	(11,024)	(10,768)	-	-
Reusable spare parts - net	81,992	81,231	-	-

For the three-month period ended 30 June 2012, BTSC consumed and charged of consumable spare parts and also recorded an amortisation of reusable spare parts totally amounting to Baht 3 million. BTSC recorded by Baht 2 million as a part of costs of fare box and the remaining of Baht 1 million was included as costs of services in the comprehensive income statements (2011: Baht 2 million as a part of costs of fare box).

(Unaudited but reviewed)

8. Real estate development costs

	Consolidated		(Unit: Thousand Baht) Separate	
	financial statements		financial statements	
	30 June	31 March	30 June	31 March
	2012	2012	2012	2012
		(Audited)		(Audited)
Land	421,320	421,320	421,320	421,320
Townhouses	14,793	14,793	14,793	14,793
Condominiums	311,728	366,033	322,352	377,923
Construction in progress	2,825,968	2,582,563	1,488	-
	3,573,809	3,384,709	759,953	814,036
Less: Reduce cost to net realisable value	(28,967)	(35,641)	(28,967)	(35,641)
Real estate development costs - net	<u>3,544,842</u>	<u>3,349,068</u>	<u>730,986</u>	<u>778,395</u>

Movements of the allowance for loss on diminution in value of projects during the three-month period ended 30 June 2012 are summarised below.

	(Unit: Thousand Baht) Consolidated and separate financial statements
Balance as at 1 April 2012	35,641
Less: Allowance reversed during the period upon revenue recognition	(6,674)
Balance as at 30 June 2012	<u>28,967</u>

As at 30 June 2012, land with construction thereon of a subsidiary (Nuvo Line Agency Co., Ltd.) amounting to approximately Baht 2,982 million (31 March 2012: Baht 2,731 million) had been mortgaged as collateral for credit facilities from a financial institution as discussed in Notes 20 and 23 to the interim financial statements.

During the three-month period ended 30 June 2012, a subsidiary (Nuvo Line Agency Company Limited) included borrowing costs of Baht 15 million as cost of "Real estate development costs" (31 March 2012: Baht 35 million). Interest is charged at a rate of 6.125% per annum.

9. Cash deposited as collateral for debt settlement

As at 30 June 2012, 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 2012: 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.

10. Assets awaiting transfer under rehabilitation plan

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 March	30 June	31 March
	2012	2012	2012	2012
	(Audited)		(Audited)	
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	86	91	86	91
Total	<u>73,022</u>	<u>73,027</u>	<u>68,322</u>	<u>68,327</u>

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 purchaser 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 30 June 2012, the subsidiary has made payment of approximately Baht 816.1 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.

11. Investments in subsidiary awaiting transfer under rehabilitation plan

The remaining balance consists of 72 million 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.

(Unaudited but reviewed)

12. Investments in subsidiaries

(Unit: Thousand Baht)

Company's name	Paid-up capital		Percentage owned by the Company		Cost	
	30 June	31 March	30 June	31 March	30 June	31 March
	2012	2012	2012	2012	2012	2012
		(Audited)		(Audited)		(Audited)
Bangkok Mass Transit System Public Co., Ltd.	16,067,134	16,067,134	96.44	96.44	41,216,615	41,216,615
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
Tanayong Hong Kong Limited	42	42	100	100	42	42
Carrot Rewards Co. Ltd.	2,000	2,000	100	100	2,000	2,000
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
Kampoo Property Co., Ltd.	1,075,000	1,075,000	100	100	1,075,000	1,075,000
Kamkoong Property Co., Ltd.	375,000	375,000	100	100	375,000	375,000
Total					47,569,781	47,569,781
Less: Surplus on business combination under common control					(3,371,978)	(3,371,978)
					44,197,803	44,197,803
Less: Provision for loss on diminution in value					(1,419,899)	(1,419,899)
Net					42,777,904	42,777,904

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

On 3 May 2012, BTSC and The Krungthep Thanakom Co., Ltd. entered into the operation and maintenance contract of a mass transit system in Bangkok. The contract period is 30 years, starting 8 May 2012 to 2 May 2042. The total price of the contract for 30 years is not exceeding of Baht 187,000 million (VAT inclusive). The aforementioned contract does not amend or revise the existing concession contract.

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.

Subsidiaries indirectly owned by the Company

VGI Global Media Public Company Limited (“VGI”)

On 2 April 2012, VGI registered the change of its status, the change in the par value of the ordinary shares from Baht 10 each to Baht 1 each. As a result, VGI registered and paid-up share capital is Baht 100 million (100 million ordinary shares of Baht 1 each). VGI also registered the increase in the registered share capital from Baht 100 million (100 million ordinary shares of Baht 1 each) to Baht 400 million (400 million ordinary shares of Baht 1 each) in accordance with the approval from the Extraordinary General Meeting of the subsidiary’s shareholders No. 2/2012 on 30 March 2012.

In addition, on 11 May 2012, BTSC had acquired the newly issued 174 million ordinary shares of VGI for the price of Baht 1 per share in the existing portion of the shareholder.

Bangkok Smartcard System Company Limited (“Bangkok Smartcard”)

On 28 March 2012, the meeting of Board of Directors of Bangkok Smartcard No.3/2012 approved Bangkok Smartcard to register an increase in 30 branches with the Ministry of Commerce. Bangkok Smartcard registered the increase with the Ministry of Commerce on 3 April 2012.

Kamala Beach Resort & Hotel Management Co., Ltd.(“Kamala”)

On 12 June 2012, BTSC entered into the share sale and purchase agreement relating to sale of all the shares of Kamala with two companies for a total price of Baht 1,600 million. On the date of agreement, BTSC received the deposit for sale of the investment in Kamala of Baht 80 million while the remaining amount of Baht 1,520 million will be received on the date of transferring ownership in the Kamala’s shares. As stipulated on the agreement, BTSC has to transfer the ownership in the Kamala’s shares within 90 days after the date of agreement (12 September 2012).

13. Investments in associates

Company's name	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	Equity method		Cost method	
	30 June	31 March	30 June	31 March
	2012	2012	2012	2012
		(Audited)		(Audited)
Absolute Hotel Services Co., Ltd.	7,009	7,033	4,000	4,000
Absolute Hotel Services Hong Kong Ltd. ⁽¹⁾	-	-	-	-
Total	7,009	7,033	4,000	4,000

⁽¹⁾ held by Tanayong Hong Kong Limited

14. Elevated train project costs

Movements of the elevated train project cost account during the three-month period ended 30 June 2012 were as follows:

	(Unit: Thousand Baht)
	Consolidated
	financial statements
Costs	
Balance as at 31 March 2012	53,983,997
Balance as at 30 June 2012	53,983,997
Accumulated amortisation	
Balance as at 31 March 2012	(9,564,964)
Amortisation for the period	(319,329)
Balance as at 30 June 2012	(9,884,293)
Allowance for diminution in value of project costs	
Balance as at 31 March 2012	(1,146,982)
Balance as at 30 June 2012	(1,146,982)
Works under construction	
Balance as at 31 March 2012	1,872,167
Increase in works under construction during the period	7,607
Transfer out to equipment	(2,240)
Capitalised interest	10,748
Balance as at 30 June 2012	1,888,282
Net Book Value	
31 March 2012	45,144,218
30 June 2012	44,841,004

BTSC recorded an amortisation of elevated train project costs for the three-month period ended 30 June 2012, amounting to Baht 311 million as a part of costs of fare box, Baht 6 million as a part of costs of services, and the remaining of Baht 2 million was included in administrative expenses (2011: Baht 248 million as a part of costs of fare box and Baht 1 million included in administrative expenses).

During the three-month period ended 30 June 2012, BTSC has capitalised the borrowing costs approximately Baht 11 million as a part of elevated rail project costs.

In 2002, BTSC invested an additional Baht 705 million for the construction of the maintenance dock base. BTSC will be compensated for the investment by the land developer to whom the government agency which owns the land grants the right to develop the area above the maintenance dock. BTSC therefore recorded the above costs as a cost of civil works awaiting transfer, which is a part of the elevated train project costs. However, there has been no progress with bidding for the project to construct the extension and the outcome of the government agency's scheme to develop the land above the maintenance dock remains unclear. For conservative purposes, BTSC has recorded an allowance for diminution in the value of civil works awaiting transfer in full in the comprehensive income statement for the year ended 31 March 2007.

Subsequently, on 15 September 2011, BTSC received an announcement of the verdict of the Supreme Administrative Court regarding BTSC's plaint seeking compensation. The court ordered the government agency owning the land to compensate BTSC for all costs of civil works awaiting transfer plus interest at the rate of 7.5% per annum within 60 days from the date on which the case is final. Therefore, BTSC recorded the reversal of allowance for diminution in value of civil works awaiting transfer and calculated the compensation to be received from the government agency totaling amount approximately of Baht 1,072 million, recorded this in "Accrued income" in the statement of financial position as of 30 June 2012. At present, BTSC has not received such compensation and interests from the government agency.

15. Land and projects awaiting development

A subsidiary (BTS Assets Co., Ltd.) has mortgaged certain plots of land and projects awaiting development thereon with net book value as at 30 June 2012 of Baht 918 million (31 March 2012: Baht 918 million) as collateral for credit facilities from a financial institution as discussed in Note 20 to the interim financial statements.

16. Investment properties

Movements of the investment property account during the three-month period ended 30 June 2012 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 April 2012	2,461,013	1,226,078
Additions during the period - at cost	11	11
Disposal during the period - net book value of disposal date	(5,406)	(5,406)
Depreciation for the period	(4,338)	(13,624)
Net book value as at 30 June 2012	<u>2,451,280</u>	<u>1,207,059</u>

The Company and its subsidiary (BTS Assets Company Limited) have pledged investment properties amounting to approximately Baht 155 million (31 March 2012: Baht 155 million) (Separate financial statement: Baht 281 million (31 March 2012: Baht 291 million)) as collateral against credit and guarantee facilities received from a financial institution as discussed in Notes 20, 23 and 35.7 b) to the interim financial statements.

17. Property, plant and equipment

Movements of the property, plant and equipment account during the three-month period ended 30 June 2012 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 April 2012	6,039,193	67,877
Additions during the period - at cost	172,889	9,483
Capitalised interest	19,620	-
Disposal during the period - net book value of disposal date	(306)	-
Transfer from other assets	5,064	773
Depreciation for the period	(72,811)	(3,484)
Net book value as at 30 June 2012	<u>6,163,649</u>	<u>74,649</u>

The Company and a subsidiary (BTS Assets Co., Ltd.) have mortgaged land and construction thereon with net book value as at 30 June 2012 of Baht 5,411 million (31 March 2012: Baht 5,356 million) as collateral for credit and guarantee facilities from a financial institution, as discussed in Notes 20, 23 and 35.7 b) to the interim financial statements.

During the three-month period ended 30 June 2012, the subsidiaries included borrowing costs of Baht 20 million as cost of "Property, plant and equipment". Interest is charged at a rate of 6.125% per annum.

18. Leasehold rights

Movements of the leasehold right account during the three-month period ended 30 June 2012 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 April 2012	90,025	10,800
Transfer to property, plant and equipment	(773)	(773)
Amortisation for the period	(1,348)	(100)
Net book value as at 30 June 2012	<u>87,904</u>	<u>9,927</u>

19. Intangible assets

Movements of the intangible asset account during the three-month period ended 30 June 2012 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 April 2012	26,697	1,452
Additions during the period - at cost	3,776	-
Transfer to other assets	(386)	-
Amortisation for the period	(1,958)	(291)
Net book value as at 30 June 2012	<u>28,129</u>	<u>1,161</u>

20. Bank overdraft and short-term loans from financial institution

Details of the bank overdraft and short-term loans from financial institution are as follows:

The Company

A facility of Baht 1,200 million 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. As at 30 June 2012, the outstanding balance of short-term loans was Baht 813 million (31 March 2012: Baht 742 million).

BTS Assets Company Limited

A facility of Baht 15 million is subject to interest at a rate tied to the Minimum Overdraft Rate (MOR) and is secured by the mortgage of a plot of property plant and equipment of the subsidiary as discussed in Note 17 to the interim financial statements. As at 30 June 2012, there is no outstanding balance of this bank overdraft (31 March 2012: Nil).

A facility of Baht 500 million is subject to interest at a rate tied to the Minimum Loan Rate (MLR) and is secured by the mortgage of land and projects awaiting development and investment properties of the subsidiary as discussed in Notes 15 and 16 to the interim financial statements. As at 30 June 2012, there is no outstanding balance of this loan (31 March 2012: Baht 200 million).

Nuvo Line Agency Company Limited

A facility of Baht 25 million is subject to interest at a rate tied to the Minimum Overdraft Rate (MOR) and is secured by the mortgage of a plot of land with construction included in real estate development cost of the subsidiary as discussed in Note 8 to the interim financial statements. As at 30 June 2012, there is no outstanding balance of this bank overdraft (31 March 2012: Nil).

BTSC

A facility of Baht 1,000 million is subject to interest at a rate of 4.10% per annum and is not collateralised. As at 30 June 2012, the outstanding balance of short-term loans was Baht 770 million (31 March 2012: Baht 1,000 million).

21. Trade and other payables

	Consolidated		(Unit: Thousand Baht) Separate	
	financial statements		financial statements	
	30 June	31 March	30 June	31 March
	2012	2012	2012	2012
		(Audited)		(Audited)
Trade payables - related parties	68	66	72,316	81,278
Trade payables	151,133	208,635	-	144
Other payables - related parties	651	356	19,871	17,626
Other payables	369,713	144,796	3,556	3,595
Accrued interest expenses - related parties	-	-	2,987	2,200
Accrued interest expenses	163,979	107,438	51,381	21,957
Retention payable	196,964	197,446	9,540	9,381
Deposit payable	95,000	95,000	95,000	95,000
Accrued expenses	357,859	617,880	9,545	25,309
Dividend payable	80,776	80,825	18,389	18,459
Total trade and other payables	1,416,143	1,452,442	282,585	274,949

22. 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.

23. Long-term loans

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2012	31 March 2012	30 June 2012	31 March 2012
		(Audited)		(Audited)
Long-term loans	3,602,523	3,517,373	-	-
Less: Current portion	(583,400)	(583,400)	-	-
Long-term loans - net of current portion	<u>3,019,123</u>	<u>2,933,973</u>	<u>-</u>	<u>-</u>

Movements of the long-term loan account during the three-month period ended 30 June 2012 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 April 2012	3,517,373	-
Add: Additional borrowings	231,000	-
Less: Repayment	(145,850)	-
Balance as at 30 June 2012	<u>3,602,523</u>	<u>-</u>

Details of the long-term loans are as follows:

The Company

A facility of Baht 150 million is subject to interest at a rate tied to the Minimum Loan Rate (MLR) and is secured by the mortgage of a plot of the Company's investment properties thereon, as discussed in Note 16 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 30 June 2012, the Company has not drawn down such loan.

BTSC

A facility of Baht 2,300 million is subject to interest at a rate tied to the Minimum Loan Rate (MLR) and is not collateralised. It is to be repaid principal in installments every 3 months as from March 2012 to December 2015. As at 30 June 2012, the outstanding balance of this loan was approximately Baht 743 million (31 March 2012: Baht 886 million).

Subsequently, on 2 April 2012, a subsidiary entered into a long-term loan agreement with a local commercial bank for total credit facility of Baht 1,165 million, for acquisition of 5 elevated trains. The loan has no collateral and carries interest at the Minimum Loan Rate (MLR). As at 30 June 2012, the subsidiary has not yet drawn down of this loan.

BTS Assets Company Limited

A facility of Baht 1,800 million is subject to interest at a rate tied to the Minimum Loan Rate (MLR) and is secured by the mortgage of the subsidiary's land and construction as discussed in Note 17 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 30 June 2012, the outstanding balance of this loan was approximately Baht 1,609 million (31 March 2012: Baht 1,609 million).

Muangthong Assets Company Limited

A facility of Baht 65 million is subject to interest at a rate tied to the Minimum Loan Rate (MLR) and 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 30 June 2012, the outstanding balance of this loan was approximately Baht 43 million (31 March 2012: Baht 45 million).

Nuvo Line Agency Company Limited

A facility of Baht 2,400 million, to construct the building and parking area of a real estate development project, is subject to interest at a rate tied to the Minimum Loan Rate (MLR) and is secured by the mortgage of the subsidiary's land and construction included in real estate development cost, as discussed in Note 8 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 30 June 2012, the outstanding balance of this loan was approximately Baht 1,058 million (31 March 2012: Baht 877 million).

A facility of Baht 900 million, to construct the building of a real estate development project, is 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 included in real estate development cost, as discussed in Note 8 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 30 June 2012, the subsidiary has not drawn down such loan.

Bangkok Smartcard System company Limited

A facility of Baht 300 million is 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 30 June 2012, the outstanding balance of this loan was approximately Baht 150 million (31 March 2012: Baht 100 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 BTSC 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.

24. Long-term debentures

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate financial statements	
	30 June 2012	31 March 2012	30 June 2012	31 March 2012
		(Audited)		(Audited)
Long-term debentures	11,947,849	11,939,578	-	-
Less: Current portion	(2,498,306)	(2,495,767)	-	-
Long-term debentures - net of current portion	<u>9,449,543</u>	<u>9,443,811</u>	<u>-</u>	<u>-</u>

(Unaudited but reviewed)

Movement of the long-term debenture account during the three-month period ended 30 June 2012 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
Balance as at 1 April 2012	11,939,578	-
Add: Amortisation of deferred debenture issuing costs	8,271	-
Balance as at 30 June 2012	<u>11,947,849</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.

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 30 June 2012, the fair value of the debentures contracted under the agreement was Baht 3,092 million.

25. Convertible debentures

Movement of the convertible debenture account during the three-month period ended 30 June 2012 are summarised below.

	(Unit: Thousand Baht)
	<u>Consolidated and separate</u>
	<u>financial statements</u>
Balance as at 1 April 2012	8,648,338
Add: Amortisation of liability component of convertible debentures	75,586
Amortisation of letter of credit fee for convertible debentures	37,735
Less: Debenture conversion to ordinary shares	(55,000)
Balance as at 30 June 2012	<u>8,706,659</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 12 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.

In May 2012, six holders of the convertible bonds exercised their rights to convert Baht 55,000,000 of bonds at the prevailing conversion price of Baht 0.85 per share. Such convertible bonds were thus converted to 64,705,877 ordinary shares of the Company with a par value of Baht 0.64 per share.

The Company adjusted the conversion price of the convertible debentures from Baht 0.85 per share to Baht 0.82 per share, effective from 29 June 2012. This is in line with the terms and conditions of the convertible debentures in cases when a dividend is paid, as discussed in Note 33 to the interim financial statements. After the change in the number and par value of the shares of the Company as discussed in Note 27.2) to the interim financial statements, the conversion price of the convertible debentures will be adjusted from Baht 0.82 per share to Baht 5.12 per share.

26. Provision for long-term employee benefits

Movements in the provision for long-term employee benefit account during the three-month period ended 30 June 2012 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 April 2012	400,178	25,987
Current service cost	10,679	587
Interest cost	4,171	273
Paid for employee benefits	(7,854)	(6,930)
Balance as at 30 June 2012	<u>407,174</u>	<u>19,917</u>

Long-term employee benefit expenses included in the profit or loss for three-month period ended 30 June 2012 amounted to Baht 15 million (Separate financial statements: Baht 1 million).

27. Share capital / Share premium

On 13 June 2012, a meeting of the Company's Board of Directors passed the following significant resolutions:

27.1 Approved an increase in the registered share capital from Baht 47,817,776,079.36 (74,815,275,124 ordinary shares with a par value of Baht 0.64 each) to Baht 47,817,776,096 (74,815,275,150 ordinary shares with a par value of Baht 0.64 each) by issuing 26 new ordinary shares at a par value of Baht 0.64 each to ensure that the calculation of the change in the number of shares as a result of the change in par value of the Company's shares in 27.2 will not cause a fraction of shares by allocating as follows:

- a) Allocating 2 newly issued ordinary shares at a par value of Baht 0.64 per share to accommodate the exercise of the warrants to purchase the newly issued ordinary shares of the Company No. 2 (BTS-W2).
- b) Allocating up to 24 newly issued ordinary shares at a par value of Baht 0.64 per share to accommodate the exercise of the conversion right of the convertible debentures.

In this regard, If there are shares remaining from the allocation pursuant to b) above, to allocate such remaining shares to an employee of the Company and is not a connected person of the Company, at an offering price of Baht 1 per share.

27.2 Approved the change in the par value of shares of the Company from Baht 0.64 per share to Baht 4 per share, which will cause the number of the Company's shares to decrease by 62,844,831,126 shares, from the existing 74,815,275,150 shares at the par value of Baht 0.64 per share to 11,970,444,024 shares at the par value of Baht 4 per share. Such change in the number and par value of shares of the Company will cause the number of shares held by each shareholder to be reduced at the rate of 25 existing shares to 4 new shares (or equivalent to 6.25 existing shares for 1 new share).

27.3 Approved to propose to the 2012 Annual General Meeting of Shareholders to consider and approve the amendment of Agenda 11.1 and Agenda 11.2 of the resolution of the Extraordinary General Meeting of Shareholders No. 2/2010 held on 16 November 2010, and Agenda 14 of the resolution of the 2011 Annual General Meeting of Shareholders held on 26 July 2011, in order to be in line with the change in the number and par value of shares of the Company, as follows:

- a) To amend the number of shares issued to accommodate the exercise of the warrants to purchase the ordinary shares of the Company No. 2 (BTS-W2) and the par value of the Company's shares, including the additional shares to be further allocated to accommodate such warrants by replacing "To allocate up to 5,027,000,450 newly issued ordinary shares of the Company at the par value of Baht 0.64 per share" with "To allocate up to 804,320,072 newly issued ordinary shares of the Company at the par value of Baht 4 per share".
- b) To amend the number of shares issued to accommodate the exercise of conversion right of the convertible debentures of the Company and the par value of the Company's shares, including the additional shares to be further allocated to accommodate such convertible debentures by replacing "To allocate up to 12,500,000,000 newly issued ordinary shares at the par value of Baht 0.64 per share in order to accommodate the exercise of conversion right at the aggregate value of up to Baht 10,000,000,000" with "To allocate up to 2,000,000,000 newly issued ordinary shares at the par value of Baht 4 per share in order to accommodate the exercise of conversion right at the aggregate value of up to Baht 10,000,000,000".
- c) To amend the number of shares issued to accommodate the exercise of the warrants to purchase the newly issued ordinary shares of the Company issued to employees of the Company and its subsidiaries under the BTS Group ESOP 2011 (BTS-WA) and the par value of the Company's shares by replacing "To allocate up to 100,000,000 newly issued ordinary shares of the Company at the par value of Baht 0.64 per share" with "To allocate up to 16,000,000 newly issued ordinary shares of the Company at the par value of Baht 4 per share".

27.4 Approved the increase of the registered capital of the Company by Baht 64,000,000, from the existing registered capital of Baht 47,881,776,096 to Baht 47,945,776,096 by issuing 16,000,000 new ordinary shares at the par value of Baht 4 per share in order to accommodate the exercise of the warrants to be issued and offered to the employees of the Company and its subsidiaries No. 2 under the BTS Group ESOP 2012 Scheme (BTS - WB).

27.5 Allocated up to 16,000,000 newly issued ordinary shares at the par value of Baht 4 per share to accommodate the exercise of the warrants to purchase the ordinary shares of the Company, in the amount of up to 16,000,000 units, issued to the employees of the Company and its subsidiaries No. 2 under the BTS Group ESOP 2012 Scheme (BTS-WB).

In this regard, the Company's Board of Directors agreed that these resolutions should be proposed to the Annual General Meeting of shareholders for approval on 26 July 2012 (Note 37).

As at 30 June 2012, the Company's issued and fully paid share capital has increased from Baht 36,600,495,792.64 (57,188,274,676 ordinary shares with a par value of Baht 0.64 each) to Baht 36,641,907,553.92 (57,252,980,553 ordinary shares with a par value of Baht 0.64 each) as a result of the conversion of convertible debentures to Baht 41,411,761.28 of ordinary shares (64,705,877 ordinary shares with a par value of Baht 0.64 each), as discussed in Note 25 to the interim financial statements, resulting in an increase in total share premium to Baht 364,317,912.29.

The Company registered the corresponding increase in its paid-up capital with the Ministry of Commerce on 10 and 18 May 2012.

28. Warrants

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

After the change in the number and par value of the shares of the Company as discussed in Note 27.2 to the interim financial statements, the exercise price of the warrants will be from Baht 0.70 per share to Baht 4.375 per share and the exercise ratio will be adjusted from 1 unit : 1 share to 1 unit : 0.16 share.

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

During the current period, the Company issued 12,530,000 warrants to purchase new ordinary shares of the Company issued to the employees of the Company and its subsidiaries (BTS-WA), resulting in that warrants for a total of 100,000,000 warrants.

After the change in the number and par value of the shares of the Company as discussed in Note 27.2 to the interim financial statements, the exercise price of the warrants will be from Baht 0.70 per share to Baht 4.375 per share and the exercise ratio will be adjusted from 1 unit : 1 share to 1 unit : 0.16 share.

(Unaudited but reviewed)

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

On 13 June 2012, a meeting of the Company's Board of Directors passed a resolution to approve the issue of warrants to employees of the Company and its subsidiaries No. 2 under the BTS Group ESOP 2012 Scheme (BTS-WB), at no cost. Details of the warrants are below.

Date of original grant	To be determined by the Board of Executive Directors (within 1 year from the date of the Annual General Meeting)
No. of warrants granted (Units)	Up to 16,000,000
Life of warrants	5 years from the issue date
Exercisable	Last business day of each quarter, after completion of 2 to 4 year periods from the issued date
Exercise price per 1 ordinary share (Baht)	5.01
Exercise ratio (warrant to ordinary shares)	1:1
Allocation method	Direct allocation as stipulated in the details

However, the Company's management is authorised to stipulate, amend and add details and conditions of the issue of the warrants.

In this regard, the Company's Board of Directors agreed that these resolutions should be proposed to the Annual General Meeting of shareholders for approval on 26 July 2012 (Note 37).

29. Service income

Details of service income are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Advertising income	539,071	388,743	-	-
Revenues from providing of operating services	258,301	81,975	-	-
Revenues from servicing of spaces	56,091	51,650	-	-
Other service income	<u>158,116</u>	<u>118,307</u>	<u>23,549</u>	<u>24,196</u>
Total	<u>1,011,579</u>	<u>640,675</u>	<u>23,549</u>	<u>24,196</u>

30. Finance cost

Details of finance cost are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Interest expenses and other fees	251,303	233,550	42,282	30,162
Amortisation of deferred debenture issuing costs	8,271	8,246	-	-
Amortisation of liability component of convertible debentures	75,586	73,623	75,586	73,623
Amortisation of letter of credit fee for convertible debentures	37,735	38,032	37,735	38,032
Total	<u>372,895</u>	<u>353,451</u>	<u>155,603</u>	<u>141,817</u>

31. Corporate income tax

Subsidiaries had no interim corporate income tax payable for the three-month periods ended 30 June 2012 and 2011 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 shareConsolidated 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.

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 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)

Separate financial statements

Basic loss per share is calculated by dividing 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.

Details of calculation of earnings per share for the three-month periods ended 30 June 2012 and 2011 are as below.

Consolidated financial statements						
For the three-month periods ended 30 June						
Profit		Weighted average number of ordinary shares		Earnings per share		
<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	
Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht	
Basic earnings per share						
Profit attributable to equity holders of the Company	309,302	136,349	57,221,630	56,246,144	<u>0.00541</u>	<u>0.00242</u>
Effect of dilutive potential ordinary shares						
Warrants (BTS-W2) of 5,027,000,448 units (2011: 5,027,000,448)						
-	-	641,039	271,730			
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares						
<u>309,302</u>	<u>136,349</u>	<u>57,862,669</u>	<u>56,517,874</u>	<u>0.00535</u>	<u>0.00241</u>	
Separate financial statements						
For the three-month periods ended 30 June						
Loss		Weighted average number of ordinary shares		Loss per share		
<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	
Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht	
Basic loss per share						
Loss attributable to equity holders of the Company	<u>(150,207)</u>	<u>(114,424)</u>	<u>57,221,630</u>	<u>56,246,144</u>	<u>(0.00263)</u>	<u>(0.00203)</u>

The conversion to ordinary shares of warrants representing rights to purchase ordinary shares of the Company (BTS-W2) would decrease loss per share for the three-month periods ended 30 June 2012 and 2011 in the separate financial statements. Therefore, the Company has not assumed conversion of the warrants in the calculation of diluted earnings per share.

(Unaudited but reviewed)

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 period ended 30 June 2012 and convertible debentures would increase earnings per share for the three-month periods ended 30 June 2012 and 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

On 13 June 2012, a meeting of the Company's Board of Directors passed a resolution to propose the payment of dividends of Baht 2,747.9 million (at a rate of Baht 0.04803 per share) in respect of the Company's operating results for the year ended 31 March 2012. The Company already paid a part of that dividend in the form of an interim dividend amounting to Baht 1,368.1 million (at a rate of Baht 0.02393 per share). Therefore, the Company has the remaining dividend of Baht 1,379.8 million (at a rate of Baht 0.02410 per share). The dividend will be paid on 9 August 2012.

In this regard, the Company's Board of Directors agreed that these resolutions should be proposed to the Annual General Meeting of shareholders for approval on 26 July 2012 (Note 37).

34. Foreign currency assets/liabilities

As at 30 June 2012 and 31 March 2012, subsidiaries had assets and liabilities in foreign currency which were not hedged against foreign exchange rate risk as follows:

Consolidated financial statements					
Foreign currency	30 June 2012		31 March 2012		Average exchange rate as at 30 June 2012 (Baht per 1 Foreign currency unit)
	Financial assets	Financial liabilities	Financial assets	Financial liabilities	
	(Million)	Million)	(Million)	(Million)	
EUR	11	1	11	1	39.8333
SGD	-	3	-	2	24.9533
RMB	4	4	3	3	5.0108

35. Commitments and contingent liabilities

As at 30 June 2012, the Company and its subsidiaries had commitments as follows:

35.1 Capital commitments

- a) The Company had outstanding commitments of approximately Baht 608 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 658 million in respect of agreements of consultation, design and construction projects.
- c) The Company had outstanding commitments approximately Baht 1 million in respect of renovation and development of golf course.
- d) 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.
- e) A subsidiary (HHT Construction Company Limited) had outstanding commitments not exceeding HKD 2 million in respect of an agreement of project consultation with a related company.
- f) A subsidiary (BTSC) had capital commitments of Baht 60 million in respect of a change and improvement of signaling system for elevated train operation.
- g) A subsidiary (BTSC) had capital commitments of EUR 16 million, USD 2 million and Baht 55 million in respect of an acquisition of 35 elevated train carriages for extension of the existing carriages of the subsidiary and their transportation fees.
- h) A subsidiary (BTSC) had capital commitments of EUR 1 million and Baht 3 million in respect of radio upgrade project for the signaling system for elevated train operation.
- i) 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 4 million, RMB 110 million and Baht 27 million.

- j) A subsidiary (BTSC) has capital commitments of AUD 1 million in respect of the acquisition of spareparts for Automotic Farebox system.
- k) A subsidiary (BTS Assets Company Limited) had an outstanding commitment of Baht 11 million relating to the purchase and installment of hotel equipment.
- l) A subsidiary (BTS Assets Company Limited) had an outstanding commitment of Baht 15 million relating to building design services for the hotel.
- m) A subsidiary (Bangkok Smartcard System Company Limited) had outstanding commitments of RMB 6 million relating to development costs for common ticketing system.
- n) A subsidiary (Carrot Rewards Company Limited) entered into a contract for implementation and management of the common ticketing system and installation of related equipment. 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 million in respect of a 16-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 with a 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 period ended 30 June 2012, the subsidiary paid the cost of maintenance and spare supply service fees amounting to Baht 48 million and EUR 0.5 million.

35.4 Service / long-term contract 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 period ended 30 June 2012 amounted to approximately Baht 4 million.
- 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 period ended 30 June 2012, the Company paid management fee amounted to Baht 3 million.
- c) In 2009, a subsidiary (BTS Assets Company Limited) entered into the project awaiting development 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.
- d) A subsidiary (BTSC) had commitments of approximately Baht 237 million relating to its operations in the project under the agreements of the Bus Rapid Transit (BRT) project - Chong Nonsi to Sapan Krung Thep Line (Chong Nonsi - Ratchaphruek).
- e) On 3 May 2012, a subsidiary (BTSC) and The Krungthep Thanakom Co., Ltd. entered into an operation and maintenance contract for a mass transit system in Bangkok. The contract period is 30 years, running from 8 May 2012 to 2 May 2042. The total contract value over its 30-year term is not more than Baht 187,000 million (inclusive of VAT). As at 30 June 2012, BTSC had commitments relating to its operations under this contract of USD 4 million and Baht 34 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 period ended 30 June 2012 amounted to approximately Baht 3 million.
- g) The subsidiaries has committed to pay fees of HKD 1 million and Baht 226 million relating to other rental and service.

35.5 Commitments under the concessions

The subsidiaries had outstanding commitments under the concession agreement with respect to the managing and providing advertising services in department stores, and other related concession agreements. Concession fees payable within 1 year under these agreements amount to approximately Baht 580 million and RMB 2 million, while approximately Baht 1,051 million and RMB 12 million is payable in between 1 and 5 years.

35.6 Other commitments

- a) 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.
- b) 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.

35.7 Guarantees

- a) The Company has guaranteed a bank credit facility of its subsidiary (Muangthong Assets Company Limited) amounting to Baht 65 million.
- b) There were bank guarantees of Baht 97 million issued by a bank on behalf of the Company to the National Housing Authority for the low-cost residential housing projects and Baht 17 million issued by a bank on behalf of the Company, for construction of a building on state-owned land.

- c) A subsidiary (BTSC) had outstanding bank guarantees issued by a bank on behalf of the subsidiary of Baht 38 million to the BMA in respect of certain performance bonds as required under the concession agreement, of Baht 29 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 200 million to The Krungthep Thanakom Co., Ltd. to guarantee a deposit received under the operation and maintenance contract for a mass transit system in Bangkok agreement. In addition, as at 30 June 2012, the subsidiary had Letter of Credit facilities from a local commercial bank of EUR 16 million and RMB 110 million in respect of acquisitions of elevated trains and elevated train carriages for its operation.

In addition, there were bank guarantees of Baht 235 million issued by a bank on behalf of subsidiaries in the normal courses of business.

35.8 Litigations

As at 30 June 2012, 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 4,251 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 10 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 437 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 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.

(Unaudited but reviewed)

- c) A subsidiary (Muangthong Assets Company Limited) has been sued by an individual for payment for loss of property amounting to approximately Baht 6 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.

35.9 Contingent liabilities

As at 30 June 2012, 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.

<u>Principal amount</u>	<u>Interest revenue rate in the agreement</u>	<u>Interest expense rate in the agreement</u>	<u>Fair value as at 30 June 2012</u>
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 3,092 million

36. Segment information

The Company's and its subsidiaries' financial information of elevated mass transit system business, service business, real estate business and construction service business in the consolidated financial statements for the three-month periods ended 30 June 2012 and 2011 are as follows:

(Unit: Million Baht)

	For the three-month periods ended 30 June											
	Elevated mass transit system business		Service business		Real estate business		Construction service business		Elimination		Total	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Revenues from external customers	1,135	956	1,012	641	62	87	-	32	-	-	2,209	1,716
Inter-segment revenues	-	-	127	148	-	-	85	369	(212)	(517)	-	-
Total revenues	<u>1,135</u>	<u>956</u>	<u>1,139</u>	<u>789</u>	<u>62</u>	<u>87</u>	<u>85</u>	<u>401</u>	<u>(212)</u>	<u>(517)</u>	<u>2,209</u>	<u>1,716</u>
Segment operating profit (loss)	560	444	521	346	15	28	-	(2)			1,096	816
Unallocated income and expenses:												
Interest income											7	12
Other income											19	10
Selling and servicing expenses											(55)	(45)
Administrative expenses											(298)	(266)
Gain (loss) on exchange											(14)	29
Share of loss from investments in associates											-	(3)
Finance cost											(373)	(353)
Corporate income tax											(56)	(43)
Profit for the period											326	157
Non-controlling interest of the subsidiaries											(17)	(21)
Profit attributable to equity holders of the Company											<u>309</u>	<u>136</u>

37. Subsequent events

Significant subsequent events are detailed below.

- 1) The Annual General Meeting of the Company's shareholders held on 26 July 2012 passed the following resolutions:
 - a) Approved the payment of dividends in respect of the Company's operating results for the year ended 31 March 2012 as discussed in Note 33 to the interim financial statements.
 - b) Approved an increase in the registered share capital and allocation of additional ordinary shares, as discussed in Note 27.1 to the interim financial statements.
 - c) Approved the change in the par value of shares of the Company, as discussed in Note 27.2 to the interim financial statements.
 - d) Approved the amendment of Agenda 11.1 and Agenda 11.2 of the resolution of the Extraordinary General Meeting of Shareholders No. 2/2010 held on 16 November 2010, and Agenda 14 of the resolution of the 2011 Annual General Meeting of Shareholders held on 26 July 2011, in order to be in line with the change in the number and par value of shares of the Company as discussed in Note 27.3 to the interim financial statements.
 - e) Approved the issue of warrants to employees of the Company and its subsidiaries No. 2 under the BTS Group ESOP 2012 Scheme (BTS-WB) as discussed in Note 28 to the interim financial statements.
 - f) Approved an increase in the registered share capital and allocation of additional ordinary shares to accommodate the exercise of the warrants to be issued and offered to the employees of the Company and its subsidiaries under the BTS Group ESOP 2012 Scheme (BTS-WB), as discussed in Note 27.4 and 27.5 to the interim financial statements.
- 2) On 12 July 2012, the Annual General Meeting of BTSC's shareholders passed resolutions to pay a dividend of Baht 3,454 million (at a rate of Baht 0.215 per share) in respect of BTSC past operating results. BTSC has paid an interim dividend totaling approximately Baht 2,812 million (at a rate of Baht 0.175 per share), as approved by a meeting of BTSC's Board of Directors held on 6 March 2012 and on 5 January 2012. BTSC has the outstanding dividend of Baht 642 million (at a rate of Baht 0.04 per share) to be paid to the shareholders. The outstanding dividend will be paid and recorded in the next quarter.

38. Reclassification

Certain amounts in the comprehensive income statements for the three-month period ended 30 June 2011 have been reclassified to conform to the current period's classification, without any effect to the previously reported profit or shareholder's equity.

The reclassifications were as follows;

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	As reclassified	As previously reported	As reclassified	As previously reported
Service income	640,675	-	24,196	-
Service income from train operating management	-	81,975	-	-
Rental and advertising service business	-	466,989	-	-
Rental and service income	-	68,904	-	24,196
Other income	10,523	33,330	2,497	2,497
Cost of fare box	511,471	514,603	-	-
Cost of services	295,014	-	17,876	-
Cost of train operating management	-	45,951	-	-
Cost of rental and advertising business	-	173,839	-	-
Cost of rentals and services	-	47,212	-	17,876
Selling and servicing expenses	45,267	42,117	5,141	1,633
Administrative expenses	266,085	294,115	52,345	55,853

39. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 10 August 2012.