

BTS Group Holdings Public Company Limited  
and its subsidiaries  
Report and consolidated financial statements  
31 March 2013

## **Independent Auditor's Report**

To the Shareholders of BTS Group Holdings Public Company Limited

I have audited the accompanying consolidated financial statements of BTS Group Holdings Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 March 2013, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of BTS Group Holdings Public Company Limited for the same period.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of BTS Group Holdings Public Company Limited and its subsidiaries as at 31 March 2013, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

### **Emphasis of matters**

I draw attention the following matters:

- a) As discussed in Notes 14, 15, 16 and 30 to the financial statements regarding the Company's compliance with the rehabilitation plan, although the Central Bankruptcy Court issued an order terminating the plan on 14 November 2006, 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.
- b) As discussed in Note 49 to the financial statements, regarding the Infrastructure Fund transaction.

My opinion is not qualified in respect of these matters.

Siraporn Ouaanunkun  
Certified Public Accountant (Thailand) No. 3844

Ernst & Young Office Limited  
Bangkok: 27 May 2013

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

**Statement of financial position**

**As at 31 March 2013**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at 31 March 2013	As at 31 March 2012	As at 31 March 2013	As at 31 March 2012
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	3,513,281,951	1,333,240,137	1,628,917,898	453,132,248
Current investment	8	993,849,166	-	993,849,166	-
Cash received in advance from cardholders	9	78,881,627	1,142,006	-	-
Trade and other receivables	10	945,646,126	1,106,681,106	194,489,057	276,156,542
Unbilled receivables - related party	6, 11	-	-	-	284,440,564
Consumable spare parts	12	29,153,286	92,956,330	-	-
Advances to contractors					
Related party	6	-	-	34,648,509	27,055,252
Unrelated parties		25,565,132	13,818,246	-	-
Short-term loans to related parties	6	-	-	111,500,000	18,500,000
Real estate development costs	13	3,510,307,262	3,349,068,113	670,895,620	778,394,620
Assets awaiting transfer under rehabilitation plan	15	73,008,516	73,026,618	68,308,516	68,326,618
Investments in subsidiaries awaiting transfer under rehabilitation plan	16	224,342,586	224,342,586	197,438,333	197,438,333
Accrued income	20	247,768,779	1,202,547,505	-	-
Prepaid expenses		100,582,369	127,991,280	7,168,125	7,440,020
Other current assets		315,913,680	342,853,416	44,608,614	37,075,374
		10,058,300,480	7,867,667,343	3,951,823,838	2,147,959,571
Non-current assets classified as held for sale	27	42,172,034,381	-	-	-
<b>Total current assets</b>		<b>52,230,334,861</b>	<b>7,867,667,343</b>	<b>3,951,823,838</b>	<b>2,147,959,571</b>

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

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

**Statement of financial position (continued)**

As at 31 March 2013

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at 31 March 2013	As at 31 March 2012	As at 31 March 2013	As at 31 March 2012
<b>Non-current assets</b>					
Restricted deposits	15	88,527,047	323,833,601	81,644,467	321,492,842
Cash deposited as collateral for debt settlement	14	232,657,728	232,657,728	232,657,728	232,657,728
Loans to related parties	6	-	-	2,986,836,748	2,931,324,091
Investments in subsidiaries	17	-	-	42,442,849,862	42,777,903,572
Investments in associates	18	10,026,474	7,033,070	4,000,000	4,000,000
Other long-term investments	19	367,522,165	148,826,514	267,522,165	148,826,514
Elevated rail project costs	20	-	45,144,217,633	-	-
Reusable spare parts - elevated train system	12	22,402,665	81,230,587	-	-
Spare parts - maintenance contract	21	-	292,771,346	-	-
Land and projects awaiting development	22	-	2,676,340,050	-	-
Investment properties	23	2,867,628,616	2,461,013,308	1,139,353,748	1,226,078,312
Property, plant and equipment	24	9,590,801,393	6,039,192,913	244,589,940	67,877,076
Leasehold rights	25	81,473,401	90,025,135	7,308,253	10,799,626
Intangible assets	26	50,215,370	26,696,704	493,075	1,452,161
Retention receivable					
Related party	6	-	-	105,558,500	87,753,520
Unrelated parties		2,045,000	2,145,000	2,045,000	2,145,000
Goodwill		78,656,476	78,656,476	-	-
Deposit and advances for asset acquisitions		469,737,050	496,939,338	-	-
Advances to contractors		208,650	79,586,010	-	-
Rights of claim from acquisition of debts per rehabilitation plan	15	545,087,021	741,501,854	-	-
Other non-current assets		393,761,473	98,542,150	10,258,344	10,201,257
<b>Total non-current assets</b>		<b>14,800,750,529</b>	<b>59,021,209,417</b>	<b>47,525,117,830</b>	<b>47,822,511,699</b>
<b>Total assets</b>		<b>67,031,085,390</b>	<b>66,888,876,760</b>	<b>51,476,941,668</b>	<b>49,970,471,270</b>

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

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

**Statement of financial position (continued)**

As at 31 March 2013

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
		31 March 2013	31 March 2012	31 March 2013	31 March 2012
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Bank overdraft and short-term loans from financial institutions	28	1,117,000,000	1,941,501,854	-	741,501,854
Trade and other payables	29	1,862,063,110	1,452,442,165	140,532,472	274,949,264
Advances received from cardholders		77,746,794	1,102,377	-	-
Accrued costs of construction					
Related party	6	-	-	6,957,441	90,414,726
Unrelated parties		152,322,301	351,908,026	4,706,053	10,767,640
Short-term loans from related parties	6	-	-	-	98,000,000
Current portion of creditors per rehabilitation plan	30	745,356,001	745,356,001	745,356,001	745,356,001
Current portion of long-term loans	31	1,967,221,105	583,400,000	-	-
Current portion of long-term debentures	32	2,078,656,425	2,495,767,044	-	-
Advance received from employer - related party	6	-	-	-	41,745,000
Liability awaiting final court order	15	80,830,972	-	80,830,972	-
Unearned income		565,433,178	297,883,880	-	-
Income tax payable		148,015,777	55,842,452	-	-
Other current liabilities		227,232,827	412,805,528	30,129,891	27,941,216
<b>Total current liabilities</b>		<b>9,021,878,490</b>	<b>8,338,009,327</b>	<b>1,008,512,830</b>	<b>2,030,675,701</b>
<b>Non-current liabilities</b>					
Creditors per rehabilitation plan - net of current portion	30	51,852,561	52,074,344	51,852,561	52,074,344
Long-term loans - net of current portion	31	396,747,178	2,933,972,800	-	-
Long-term debentures - net of current portion	32	6,400,979,526	9,443,811,417	-	-
Convertible debentures - liability component	33	-	8,648,338,304	-	8,648,338,304
Retention payable					
Related party	6	-	-	51,627,179	92,391,777
Unrelated parties		68,019,430	127,514,613	6,010,908	6,092,464
Provision for long-term employee benefits	34	481,713,903	400,178,249	21,296,395	25,986,847
Other non-current liabilities		7,180,668	12,727,283	-	-
<b>Total non-current liabilities</b>		<b>7,406,493,266</b>	<b>21,618,617,010</b>	<b>130,787,043</b>	<b>8,824,883,736</b>
<b>Total liabilities</b>		<b>16,428,371,756</b>	<b>29,956,626,337</b>	<b>1,139,299,873</b>	<b>10,855,559,437</b>

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

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

**Statement of financial position (continued)**

As at 31 March 2013

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	As at	As at	As at	As at	
	<u>Note</u>	<u>31 March 2013</u>	<u>31 March 2012</u>	<u>31 March 2013</u>	<u>31 March 2012</u>
<b>Shareholders' equity</b>					
Share capital	35				
Registered					
11,986,444,024 ordinary shares of Baht 4 each (2012: 74,815,275,124 ordinary shares of Baht 0.64 each)		<u>47,945,776,096</u>	<u>47,881,776,079</u>	<u>47,945,776,096</u>	<u>47,881,776,079</u>
Issued and fully paid					
11,106,634,594 ordinary shares of Baht 4 each (2012: 57,188,274,676 ordinary shares of Baht 0.64 each)		44,426,538,376	36,600,495,793	44,426,538,376	36,600,495,793
Share premium		1,486,058,428	350,729,674	1,486,058,428	350,729,674
Share subscriptions received in advance		1,295,600,058	-	1,295,600,058	-
Deficit on business combination under common control		(3,371,978,137)	(3,371,978,137)	(4,812,208,580)	(3,371,978,137)
Surplus on swap of investment in subsidiary under common control		-	-	250,065,107	175,065,107
Surplus (deficit) from the changes in the ownership interests in subsidiaries		3,357,495,014	(123,129,489)	-	-
Retained earnings					
Appropriated - statutory reserve	38	1,750,522,658	1,476,047,924	649,537,658	376,047,924
Retained earnings (deficit)		(4,506,401,872)	(3,508,626,402)	5,639,715,572	3,615,469,179
Other components of shareholders's equity		<u>4,262,430,375</u>	<u>3,866,259,352</u>	<u>1,402,335,176</u>	<u>1,369,082,293</u>
Equity attributable to owners of the Company		48,700,264,900	35,289,798,715	50,337,641,795	39,114,911,833
Non-controlling interest of the subsidiaries		<u>1,902,448,734</u>	<u>1,642,451,708</u>	-	-
<b>Total shareholders' equity</b>		<u>50,602,713,634</u>	<u>36,932,250,423</u>	<u>50,337,641,795</u>	<u>39,114,911,833</u>
<b>Total liabilities and shareholders' equity</b>		<u>67,031,085,390</u>	<u>66,888,876,760</u>	<u>51,476,941,668</u>	<u>49,970,471,270</u>
		-	-	-	-

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

Directors

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

**Statement of comprehensive income**

**For the year ended 31 March 2013**

(Unit: Baht)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<b>Continued operation</b>					
<b>Revenues</b>					
Service income	39	4,787,610,589	3,281,174,423	108,930,940	109,490,010
Revenues from sales of real estate		787,913,864	325,466,705	159,873,208	325,466,705
Revenues from construction services (reversal)		9,188,325	72,833,901	(42,850,000)	730,853,901
<b>Other income</b>					
Management income		-	-	49,135,000	40,020,000
Dividend income	17	1,847,330	409,486	4,631,508,053	4,029,109,814
Interest income		58,948,999	39,705,461	106,559,617	87,822,471
Reversal of allowance for diminution in value of civil works awaiting transfer	20	-	705,248,291	-	-
Revenue from court-ordered compensation	20	7,272,461	367,031,292	-	-
Gain from sales of investments in subsidiaries	17	999,710,660	-	1,453,532,152	-
Gain on exchange		-	36,928,974	-	-
Others		61,024,747	126,232,494	27,325,601	60,387,676
<b>Total revenues</b>		<b>6,713,516,975</b>	<b>4,955,031,027</b>	<b>6,494,014,571</b>	<b>5,383,150,577</b>
<b>Expenses</b>					
Cost of services		2,346,798,631	1,586,099,844	85,562,694	84,533,153
Cost of sales of real estate		527,307,957	226,791,064	117,449,751	234,548,188
Cost of construction services		8,367,252	83,427,473	10,961,391	651,679,612
Selling and servicing expenses		223,076,877	132,122,715	29,523,061	38,010,356
Administrative expenses		1,048,014,003	740,062,052	344,887,276	343,070,033
Loss on exchange		34,468,680	-	-	-
<b>Total expenses</b>		<b>4,188,033,400</b>	<b>2,768,503,148</b>	<b>588,384,173</b>	<b>1,351,841,342</b>
<b>Profit before share of income (loss) from investments in associates, finance cost and income tax expenses</b>					
		2,525,483,575	2,186,527,879	5,905,630,398	4,031,309,235
Share of income (loss) from investments in associates	18	2,993,214	(2,316,967)	-	-
<b>Profit before finance cost and income tax expenses</b>		<b>2,528,476,789</b>	<b>2,184,210,912</b>	<b>5,905,630,398</b>	<b>4,031,309,235</b>
Finance cost	41	(1,247,834,600)	(1,431,942,291)	(435,835,711)	(588,154,194)
<b>Profit before income tax expenses</b>		<b>1,280,642,189</b>	<b>752,268,621</b>	<b>5,469,794,687</b>	<b>3,443,155,041</b>
Income tax expenses	42	(439,177,997)	(172,641,874)	-	-
<b>Profit from continued operation for the year</b>		<b>841,464,192</b>	<b>579,626,747</b>	<b>5,469,794,687</b>	<b>3,443,155,041</b>
<b>Discontinued operation</b>					
Profit from discontinued operation for the year	27	1,894,670,596	1,655,996,829	-	-
<b>Profit for the year</b>		<b>2,736,134,788</b>	<b>2,235,623,576</b>	<b>5,469,794,687</b>	<b>3,443,155,041</b>

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



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

**Statement of comprehensive income (continued)**

**For the year ended 31 March 2013**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
<b>Other comprehensive income:</b>					
Actuarial gains (losses)	34	(39,086,076)	-	1,199,421	-
Exchange differences on translation of financial statements in foreign currency		11,861,533	936,442	-	-
Gain on revaluation of assets		351,056,606	-	-	-
Gain on changes in value of available-for-sale investments		18,695,651	4,240,483	18,695,650	4,240,483
<b>Other comprehensive income for the year</b>		<u>342,527,714</u>	<u>5,176,925</u>	<u>19,895,071</u>	<u>4,240,483</u>
<b>Total comprehensive income for the year</b>		<u>3,078,662,502</u>	<u>2,240,800,501</u>	<u>5,489,689,758</u>	<u>3,447,395,524</u>
<b>Profit attributable to:</b>					
Equity holders of the Company					
Profit from continued operation		624,934,049	509,499,026	5,469,794,687	3,443,155,041
Profit from discontinued operation		1,863,368,646	1,596,126,964	-	-
		<u>2,488,302,695</u>	<u>2,105,625,990</u>	<u>5,469,794,687</u>	<u>3,443,155,041</u>
Non-controlling interests of the subsidiaries					
Profit from continued operation		216,530,143	70,127,721		
Profit from discontinued operation		31,301,950	59,869,865		
		<u>247,832,093</u>	<u>129,997,586</u>		
		<u>2,736,134,788</u>	<u>2,235,623,576</u>		
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company					
Profit from continued operation		968,202,389	514,675,951	5,489,689,758	3,447,395,524
Profit from discontinued operation		1,863,368,646	1,596,126,964	-	-
		<u>2,831,571,035</u>	<u>2,110,802,915</u>	<u>5,489,689,758</u>	<u>3,447,395,524</u>
Non-controlling interests of the subsidiaries					
Profit from continued operation		215,789,517	70,127,721		
Profit from discontinued operation		31,301,950	59,869,865		
		<u>247,091,467</u>	<u>129,997,586</u>		
		<u>3,078,662,502</u>	<u>2,240,800,501</u>		
<b>Earning per share</b>					
43					
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>0.24904</u>	<u>0.23107</u>	<u>0.54745</u>	<u>0.37784</u>
Diluted earnings per share					
Profit attributable to equity holders of the Company		<u>0.23729</u>		<u>0.49940</u>	<u>0.36706</u>
<b>Earning per share from continued operation</b>					
43					
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>0.06255</u>	<u>0.05591</u>	<u>0.54745</u>	<u>0.37784</u>
Diluted earnings per share					
Profit attributable to equity holders of the Company		<u>0.06077</u>		<u>0.49940</u>	<u>0.36706</u>

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

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

**Cash flow statement**

**For the year ended 31 March 2013**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<b>Cash flows from operating activities</b>				
Profit before tax from continue operation	1,280,642,189	752,268,621	5,469,794,687	3,443,155,041
<u>Plus</u> Profit before tax from discountinue operation	<u>1,894,670,596</u>	<u>1,655,996,829</u>	-	-
Profit before tax	3,175,312,785	2,408,265,450	5,469,794,687	3,443,155,041
Adjustments to reconcile profit before tax to				
net cash provided by (paid from) operating activities:				
Depreciation and amortisation	409,208,485	284,154,337	69,402,718	74,702,109
Spare part and elevated rail project cost amortisation	1,353,863,792	1,219,242,934	-	-
Share of loss (income) from investments in associates	(2,993,214)	2,316,967	-	-
Allowance for doubtful debts	19,090,710	6,414,056	46,038,986	43,162,208
Allowance for loss on diminution in value of assets (reversal)	-	5,348,211	-	(32,062,867)
Withholding tax written-off	-	27,522,580	-	26,809,299
Penalty expense	-	15,476,728	-	13,180
Allowance for loss on diminution in value of investments	-	-	-	39,500,000
Loss (gain) on disposal of property, plant and equipment/ write off of assets	18,071,428	(2,325,187)	21,651,245	(113,127)
Gain on debt settlement	(221,783)	(548,318)	(221,783)	(548,318)
Unrealised loss on exchange	25,609,105	30,598,530	-	-
Provision for long-term employee benefits	60,887,697	55,074,036	3,438,969	3,197,616
Amortisation of deferred debenture issuing costs	26,757,643	33,021,333	-	-
Amortisation of liability component of convertible debentures	170,826,182	297,420,651	170,826,182	297,420,651
Amortisation of letter of credit fee for convertible debentures	135,924,929	151,235,412	135,924,929	151,235,412
Reversal of revenue from construction	-	-	42,850,000	-
Reversal of allowance for diminution in value of civil works awaiting transfer	-	(705,248,291)	-	-
Revenue from court-ordered compensation	(7,272,461)	(367,031,292)	-	-
Dividend income	(1,847,330)	(409,486)	(4,631,508,053)	(4,029,109,814)
Share-based payment transaction	14,557,233	7,380,290	2,034,610	839,531
Gain from receiving the return of advance payment for investment in subsidiary	-	(43,999,700)	-	(43,999,700)
Gain on sales of investments in subsidiaries	(999,710,660)	-	(1,453,532,152)	-
Interest income	(58,948,999)	(39,705,461)	(106,559,617)	(87,822,471)
Interest expenses	<u>902,816,196</u>	<u>940,634,416</u>	<u>129,084,599</u>	<u>139,498,130</u>
Profit (loss) from operating activities before changes in operating assets and liabilities	5,241,931,738	4,324,838,196	(100,774,680)	25,876,880

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

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

**Cash flow statement (continued)**

**For the year ended 31 March 2013**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Decrease (increase) in operating assets				
Cash received in advance from cardholders	(77,739,621)	-	-	-
Trade and other receivables	144,416,790	(507,524,899)	155,692,312	(31,035,513)
Unbilled receivables	-	31,933,603	241,590,564	179,334,144
Spare parts - Automatic Fare Collection system	(7,280,282)	(101,427,849)	-	-
Real estate development costs	(108,418,418)	(463,512,910)	107,499,000	172,991,280
Advances to contractors	67,630,474	(62,446,123)	(7,593,256)	147,709,727
Accrued income	962,051,187	(115,973,570)	-	-
Other current assets	12,805,839	(115,636,299)	9,215,086	12,439,047
Other non-current assets	(291,805,840)	(48,579,719)	(18,516,405)	(35,972,606)
Increase (decrease) in operating liabilities				
Trade and other payables	217,729,624	(3,610,398)	(127,446,776)	(51,559,455)
Advances received from cardholders	76,644,418	-	-	-
Accrued costs of construction	(199,585,725)	(36,032,364)	(89,518,872)	(216,244,506)
Advances received from employers	-	-	(41,745,000)	(126,555,000)
Retention payable	(50,677,296)	61,926,214	(40,846,154)	35,994,865
Unearned fare box revenues	267,549,298	40,123,829	-	-
Provision for long-term employee benefits	(18,438,119)	(4,649,588)	(6,930,000)	-
Other current liabilities	<u>(195,990,224)</u>	<u>(772,400)</u>	<u>2,188,697</u>	<u>(80,654,392)</u>
Cash from operating activities	6,040,823,843	2,998,655,723	82,814,516	32,324,471
Cash paid for interest expenses	(1,064,096,963)	(1,108,929,108)	(95,959,121)	(137,173,775)
Cash paid for corporate income tax	(371,110,511)	(208,871,401)	(16,476,431)	(28,097,982)
Returning of withholding tax	26,506,042	35,052,696	-	-
Cash received for interest income	<u>50,958,322</u>	<u>39,899,202</u>	<u>18,053,155</u>	<u>11,301,804</u>
<b>Net cash from (used in) operating activities</b>	<b>4,683,080,733</b>	<b>1,755,807,112</b>	<b>(11,567,881)</b>	<b>(121,645,482)</b>

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

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

**Cash flow statement (continued)**

**For the year ended 31 March 2013**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<b>Cash flows from investing activities</b>				
Increase in short-term investments	(993,849,166)	-	(993,849,166)	-
Decrease (increase) in restricted deposits	235,306,554	101,347	239,848,375	(23,878)
Increase in short-term loans to related parties	-	-	(93,000,000)	(18,500,000)
Increase in loans to related parties	-	-	(278,671,497)	(2,069,233,854)
Decrease (increase) in rights of claim from acquisition of debts per rehabilitation	196,414,833	(741,501,854)	-	-
Interest income	-	-	12,798,848	197,486
Cash received from sales of investments in subsidiaries	6,628,102,638	-	2,991,942,284	-
Cash paid for purchases of investments in subsidiaries	(465,176,733)	-	(723,780,096)	(1,500,000)
Cash received from issuance of ordinary shares of the subsidiary	882,125,385	-	-	-
Cash paid for purchases of other long-term investments	(200,000,000)	-	(100,000,000)	-
Cash received from the return of advance payment for investment in subsidiary	-	293,999,700	-	293,999,700
Dividend income	1,847,330	40,950	2,908,975,731	4,028,741,277
Increase in deposit and advances for asset acquisitions	(39,255,620)	(472,866,820)	-	-
Increase in elevated rail project costs	(20,274,631)	(577,648,408)	-	-
Increase in land and projects awaiting development	-	(16,619,656)	-	-
Cash paid for purchases of property, plant and equipment	(1,180,167,818)	(805,004,181)	(171,638,963)	(17,091,392)
Cash received from sales of property, plant and equipment	13,565,257	9,109,288	119,000	113,493
Cash paid for purchase of investment properties	(71,587,638)	(27,860,773)	(20,932)	(6,927,330)
Cash received from sales of investment properties	10,561,699	43,349,731	10,561,699	43,366,655
Cash paid for purchases of intangible assets	(17,813,907)	(15,352,545)	(13,856)	(752,656)
Cash paid for purchases of leasehold rights	-	(9,274,120)	-	(9,274,120)
<b>Net cash from (used in) investing activities</b>	<b>4,979,798,183</b>	<b>(2,319,527,341)</b>	<b>3,803,271,427</b>	<b>2,243,115,381</b>

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

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

**Cash flow statement (continued)**

**For the year ended 31 March 2013**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<b>Cash flows from financing activities</b>				
Increase (decrease) in short-term loans from financial institutions	(824,501,854)	1,441,501,854	(741,501,854)	741,501,854
Increase (decrease) in short-term loans from a related party	-	-	(98,000,000)	98,000,000
Increase in long-term loans	-	1,732,100,000	-	-
Cash paid for long-term loans	(1,153,404,517)	(151,750,000)	-	-
Cash received from exercised warrants	6,281,900	-	6,281,900	-
Cash paid for letter of credit fee for convertible debentures	-	(163,515,625)	-	(163,515,625)
Dividend paid	(3,159,128,972)	(2,647,109,209)	(3,159,128,972)	(2,647,109,209)
Cash paid for long-term debentures	(3,486,700,154)	-	-	-
Dividend paid of a subsidiary to non-controlling interest of subsidiary	(253,676,068)	(140,625,200)	-	-
Increase in debts pending final court judgment	80,830,972	-	80,830,972	-
Increase in share subscriptions received in advance	1,295,600,058	-	1,295,600,058	-
<b>Net cash from (used in) financing activities</b>	<u>(7,494,698,635)</u>	<u>70,601,820</u>	<u>(2,615,917,896)</u>	<u>(1,971,122,980)</u>
Increase in translation adjustment	11,861,533	936,442	-	-
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>2,180,041,814</u>	<u>(492,181,967)</u>	<u>1,175,785,650</u>	<u>150,346,919</u>
Cash and cash equivalents at beginning of the year	<u>1,333,240,137</u>	<u>1,825,422,104</u>	<u>453,132,248</u>	<u>302,785,329</u>
<b>Cash and cash equivalents at end of the year</b>	<u><u>3,513,281,951</u></u>	<u><u>1,333,240,137</u></u>	<u><u>1,628,917,898</u></u>	<u><u>453,132,248</u></u>
	-	-	-	-

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

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

**Cash flow statement (continued)**

**For the year ended 31 March 2013**

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<b>Supplemental cash flow information</b>				
Non-cash transactions				
Issuance of ordinary shares to acquire BTSC's ordinary shares	-	1,182,088,901	-	1,182,088,901
Conversion of debentures to ordinary shares	8,955,089,415	-	8,955,089,415	-
Transfer property, plant and equipment to intangible assets	21,502,404	-	-	-
Transfer leasehold to property, plant and equipment	3,091,373	-	3,091,373	-
Transfer advances for asset acquisitions to elevated project costs	13,707,583	1,133,489,174	-	-
Transfer advances for asset acquisitions to property, plant and equipment	2,171,588,495	-	-	-
Transfer land and projects awaiting development to investment properties	1,440,405,737	-	-	-
Increase in liability from acquisitions of elevated rail project costs - net	-	137,996,178	-	-
Increase in liability from acquisition of property, plant and equipment - net	242,791,301	95,559,803	15,580,652	-
Record settlement of investments in subsidiaries with loan to related parties	-	-	-	1,600,000,000
Record settlement of dividend received with inter-company loans and liability from purchase of investment in subsidiary	-	-	1,722,532,323	-

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

BTS Group Holdings Public Company Limited and its subsidiaries  
Statement of changes in shareholders' equity  
For the year ended 31 March 2013

(Unit Baht)

Consolidated financial statements																					
Equity attributable to owners of the Company																					
	Other components of equity													Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity					
	Issued and paid-up share capital	Share premium	Share subscriptions received in advance	Deficit on business combination under common control	Surplus (deficit) from the changes in the ownership interests in subsidiaries	Retained earnings (deficit)		Other comprehensive income			Convertible debentures - equity component	Surplus on debenture conversion	Share premium				Total other components of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity	
						Appropriated	Unappropriated	Translation adjustment	Revaluation surplus on assets	Revaluation surplus on changes in value of investments			Capital reserve on consolidation								on sales of company's shares held by subsidiaries
<b>Balance as at 1 April 2011</b>	35,769,136,566	-	-	(3,371,978,137)	-	1,303,890,172	(2,779,682,694)	(134,774,019)	2,619,803,941	864,565	1,356,596,955	-	2,685,013	8,525,682	-	3,853,702,137	34,775,068,044	2,734,400,903	37,509,468,947		
Issuance of ordinary shares for acquisition of subsidiary (Note 17)	831,359,227	350,729,674	-	-	(123,129,489)	-	-	-	-	-	-	-	-	-	-	-	-	1,058,959,412	(1,058,959,412)	-	
Dividend paid (Note 44)	-	-	-	-	-	-	(2,662,411,946)	-	-	-	-	-	-	-	-	-	-	(2,662,411,946)	-	(2,662,411,946)	
Dividend paid of subsidiaries to non-controlling interest of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(162,987,369)	(162,987,369)	
Share-based payment transaction (Note 36)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,380,290	7,380,290	7,380,290	-	7,380,290		
Retained earnings transferred to statutory reserve	-	-	-	-	-	172,157,752	(172,157,752)	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total comprehensive income for the year	-	-	-	-	-	-	2,105,625,990	936,442	4,240,483	-	-	-	-	-	-	-	5,176,925	2,110,802,915	129,997,586	2,240,800,501	
<b>Balance as at 31 March 2012</b>	36,600,495,793	350,729,674	-	(3,371,978,137)	(123,129,489)	1,476,047,924	(3,508,626,402)	(133,837,577)	2,619,803,941	5,105,048	1,356,596,955	-	2,685,013	8,525,682	7,380,290	3,866,259,352	35,289,798,715	1,642,451,708	36,932,250,423		
<b>Balance as at 1 April 2012</b>	36,600,495,793	350,729,674	-	(3,371,978,137)	(123,129,489)	1,476,047,924	(3,508,626,402)	(133,837,577)	2,619,803,941	5,105,048	1,356,596,955	-	2,685,013	8,525,682	7,380,290	3,866,259,352	35,289,798,715	1,642,451,708	36,932,250,423		
Debt conversion to ordinary shares (Note 33)	7,820,299,127	1,134,790,310	-	-	-	-	-	-	-	-	(1,356,596,955)	1,356,596,955	-	-	-	-	-	8,955,089,437	8,955,089,437		
Exercised warrants (Note 36)	5,743,456	538,444	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,281,900	6,281,900		
Share subscriptions received in advance (Note 36)	-	-	1,295,600,058	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,295,600,058	1,295,600,058		
Dividend paid (Note 44)	-	-	-	-	-	-	(3,173,257,981)	-	-	-	-	-	-	-	-	-	-	(3,173,257,981)	(3,173,257,981)		
Dividend paid of subsidiaries to non-controlling interest of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(253,676,068)	(253,676,068)	
Purchase of investment in subsidiary (Note 17)	-	-	-	-	(181,708,030)	-	-	-	-	-	-	-	-	-	-	-	-	(181,708,030)	(283,468,703)	(465,176,733)	
Sale of investment in subsidiary (Note 17)	-	-	-	-	2,926,003,243	-	-	-	-	-	-	-	-	-	-	-	-	2,926,003,243	404,254,239	3,330,257,482	
Issuance of ordinary shares of subsidiary (Note 17)	-	-	-	-	736,329,290	-	-	-	-	-	-	-	-	-	-	-	-	736,329,290	145,796,091	882,125,381	
Share-based payment transaction (Note 36)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14,557,233	14,557,233	14,557,233	-	14,557,233		
Retained earnings transferred to statutory reserve	-	-	-	-	-	274,474,734	(274,474,734)	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total comprehensive income for the year	-	-	-	-	-	-	2,449,957,245	11,861,533	351,056,606	18,695,651	-	-	-	-	-	-	381,613,790	2,831,571,035	247,091,467	3,078,662,502	
<b>Balance as at 31 March 2013</b>	44,426,538,376	1,486,058,428	1,295,600,058	(3,371,978,137)	3,357,495,014	1,750,522,658	(4,506,401,872)	(121,976,044)	2,970,860,547	23,800,699	-	1,356,596,955	2,685,013	8,525,682	21,937,523	4,262,430,375	48,700,264,900	1,902,448,734	50,602,713,634		

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

BTS Group Holdings Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 March 2013

(Unit: Baht)

	Separate financial statements												
												Other components of equity	
												Other comprehensive income	
	Issued and paid-up	Share	Share subscriptions	Deficit on	Surplus on swap	Retained earnings		Revaluation	Convertible	Surplus on	Capital reserve for	Total other	Total
share capital	premium	received	business	of investment in	Appropriated	Unappropriated	surplus on	debentures -	debenture	share-based	components of	shareholders'	shareholders'
		in advance	combination under	subsidary under	common control	common control	changes in	equity component	conversion	payment	equity	equity	equity
			common control	common control			value of investments			transaction			
<b>Balance as at 1 April 2011</b>	35,769,136,566	-	-	(3,371,978,137)	325,065,107	203,890,172	3,006,883,836	864,565	1,356,596,955	-	-	1,357,461,520	37,290,459,064
Issuance of ordinary shares for acquisition of subsidiary (Note 17)	831,359,227	350,729,674	-	-	-	-	-	-	-	-	-	-	1,182,088,901
Deficit on debt settlement by ordinary shares of subsidiaries (Note 17)	-	-	-	-	(150,000,000)	-	-	-	-	-	-	-	(150,000,000)
Dividend paid (Note 44)	-	-	-	-	-	-	(2,662,411,946)	-	-	-	-	-	(2,662,411,946)
Share-based payment transaction (Note 36)	-	-	-	-	-	-	-	-	-	7,380,290	7,380,290	7,380,290	7,380,290
Retained earnings transferred to statutory reserve	-	-	-	-	-	172,157,752	(172,157,752)	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-	3,443,155,041	4,240,483	-	-	-	4,240,483	3,447,395,524
<b>Balance as at 31 March 2012</b>	<b>36,600,495,793</b>	<b>350,729,674</b>	<b>-</b>	<b>(3,371,978,137)</b>	<b>175,065,107</b>	<b>376,047,924</b>	<b>3,615,469,179</b>	<b>5,105,048</b>	<b>1,356,596,955</b>	<b>-</b>	<b>7,380,290</b>	<b>1,369,082,293</b>	<b>39,114,911,833</b>
<b>Balance as at 1 April 2012</b>	36,600,495,793	350,729,674	-	(3,371,978,137)	175,065,107	376,047,924	3,615,469,179	5,105,048	1,356,596,955	-	7,380,290	1,369,082,293	39,114,911,833
Debenture conversion to ordinary shares (Note 33)	7,820,299,127	1,134,790,310	-	-	-	-	-	-	(1,356,596,955)	1,356,596,955	-	-	8,955,089,437
Exercised warrants (Note 36)	5,743,456	538,444	-	-	-	-	-	-	-	-	-	-	6,281,900
Share subscriptions received in advance (Note 36)	-	-	1,295,600,058	-	-	-	-	-	-	-	-	-	1,295,600,058
Dividend paid (Note 44)	-	-	-	-	-	-	(3,173,257,981)	-	-	-	-	-	(3,173,257,981)
Share-based payment transaction (Note 36)	-	-	-	-	-	-	-	-	-	14,557,233	14,557,233	14,557,233	14,557,233
Purchase of investment in subsidiary (Note 17)	-	-	-	(1,734,155,024)	-	-	-	-	-	-	-	-	(1,734,155,024)
Sale of investment in subsidiary (Note 17)	-	-	-	293,924,581	75,000,000	-	-	-	-	-	-	-	368,924,581
Retained earnings transferred to statutory reserve	-	-	-	-	-	273,489,734	(273,489,734)	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-	5,470,994,108	18,695,650	-	-	-	18,695,650	5,489,689,758
<b>Balance as at 31 March 2013</b>	<b>44,426,538,376</b>	<b>1,486,058,428</b>	<b>1,295,600,058</b>	<b>(4,812,208,580)</b>	<b>250,065,107</b>	<b>649,537,658</b>	<b>5,639,715,572</b>	<b>23,800,698</b>	<b>-</b>	<b>1,356,596,955</b>	<b>21,937,523</b>	<b>1,402,335,176</b>	<b>50,337,641,795</b>

The accompanying notes are an integral part of financial statements.



## BTS Group Holdings Public Company Limited and its subsidiaries

### Notes to consolidated financial statements

For the year ended 31 March 2013

#### 1. General 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.

#### 2. Basis of preparation<sup>89</sup>

2.1 The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

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

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

#### 2.2. Basis of consolidation

a) The consolidated financial statements include the financial statements of BTS Group Holdings Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding as at	
			31 March 2013	2012
<b><u>Subsidiaries directly owned by the Company</u></b>				
Bangkok Mass Transit System Public Co., Ltd. ("BTSC")	Elevated mass rapid transit system service	Thailand	97.46	96.44
Dnal Co., Ltd.	Office rental	Thailand	100	100
Muangthong Assets Co., Ltd.	Hotel	Thailand	100	100
PrannaKiri Assets Co., Ltd.	Property development	Thailand	100	100
Yong Su Co., Ltd.	Ceased operation	Thailand	100	100
Tanayong Food and Beverage Co., Ltd.	Property development	Thailand	100	100

Company's name	Nature of business	Country of incorporation	Percentage of shareholding as at	
			2013	2012
Thana City Golf & Sports Club Co., Ltd.		Thailand	100	100
Siam Paging and Communication Co., Ltd.	Property development	Thailand	100	100
Sampaopetch Co., Ltd.	Property development	Thailand	100	100
Tanayong Property Management Co., Ltd.	Building management	Thailand	100	100
Tanayong International Ltd.	Ceased operation	Cayman Island	100	100
HHT Construction Co., Ltd.	Construction services	Thailand	51	51
Tanayong Hong Kong Ltd.	Securities investment	Hong Kong	100	100
Carrot Rewards Co., Ltd.	CRM Loyalty Program and Coupon Kiosks	Thailand	100	100
Nuvo Line Agency Co., Ltd.	Property development	Thailand	80	80
BTS Assets Co., Ltd.	Hotel and property development	Thailand	100	100
BTS Land Co., Ltd.	Trademark development for property development and service business	Thailand	100	100
Kampoo Property Co., Ltd.	Property development	Thailand	-	100
Kamkoong Property Co., Ltd.	Property development	Thailand	100	100
<b><u>Subsidiaries indirectly owned by the Company</u></b>				
<b>Held by BTSC</b>				
Bangkok Smartcard System Co., Ltd.	Provides e-money and common ticketing system services	Thailand	90	90
VGI Global Media Public Co., Ltd.	Advertising services on Bangkok Mass Transit System (BTS), in modern trade locations (Big C and Tesco Lotus), in office buildings and other locations	Thailand	67.33 <sup>1</sup>	100
Kamala Beach Resort & Hotel Management Co., Ltd.	Property development	Thailand	-	100
<b>Held by VGI Global Media Public Co., Ltd.</b>				
VGI Advertising Media Co., Ltd.	Management of advertising in department stores	Thailand	100	100
VGI Multi-Tech International Co., Ltd.	Rental of advertising equipment	Thailand	100	100
999 Media Co., Ltd.	Production of radio advertisements at point of purchase in leading retail stores	Thailand	100	100
888 Media Co., Ltd.	Management of advertising in department stores	Thailand	100	100
Point Of View (POV) Media Group Co., Ltd.	Managing and providing of the advertising spaces in office buildings	Thailand	100	100
VGI Advertising China Co., Ltd.	Management of advertising in department stores	China	100	100

<sup>1</sup> 16.33% held by the Company and 51% held by BTSC

- b) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- c) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- d) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statements of changes in shareholders' equity.
- e) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
- g) On 6 June 2011, the Company offered an additional 1,289,987,791 ordinary shares with a par value of Baht 0.64 each to BTSC's existing shareholders, excluding the Company, and received 472,827,433 ordinary shares of BTSC at a value of Baht 2.50 each in payment, resulting in an increase in the Company's shareholding in BTSC from 93.50% to 96.44%, as discussed in Note 17 to the financial statements.
- h) On 20 February 2012, the Company received ordinary shares of Kampoo Property Company Limited valued at Baht 1,150 million and Kamkoong Property Company Limited valued at Baht 450 million, to settle debt of BTS Assets Company Limited amounting to Baht 1,600 million, as discussed in Note 17 to the financial statements.
- i) On 12 September 2012, BTSC sold all investments in Kamala Beach Resort & Hotel Management Company Limited to a company, as discussed in Note 17 to the financial statements. The Company has excluded the financial statements of Kamala Beach Resort & Hotel Management Company Limited from the consolidated financial statements since 12 September 2012.

- j) The Executive Committee Meeting of the Company held on 18 October 2012 had a resolution to approve the purchase of 163,088,137 ordinary shares with a par value of Baht 1 each of BTSC from a company, at a price of Baht 2.8325 each. On 10 January 2013, the Company purchased 1,133,188 ordinary shares of BTSC, at a price of Baht 2.85 each, from an individual. As a result, the Company's shareholding in BTSC increased from 96.44% to 97.46%, as discussed in Note 17 to the financial statements.
  - k) The Executive Committee Meeting of the Company held on 18 October 2012 had a resolution to approve the sale of all ordinary shares of Kampoo Property Company Limited to a company, at a price of Baht 1,810 million, as discussed in Note 17 to the financial statements.
  - m) The Company and BTSC sold investments in VGI Global Media Public Company Limited and VGI Global Media Public Company Limited issued the additional ordinary shares, as discussed in Note 17 to the financial statements, resulting in the Group's shareholding in VGI Global Media Public Company Limited decreasing from 100% to 66.04%.
- 2.3 The separate financial statements, which present investments in subsidiaries and associates under the cost method, have been prepared solely for the benefit of the public.

### **3. New accounting standards not yet effective**

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

Accounting standards:

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

Financial Reporting Standard:

- TFRS 8                                      Operating Segments

Accounting Standard Interpretations:

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

The Company's management believes that these accounting standards will not have any significant impact on the financial statements for the year when they are initially applied, except for the following accounting standard.

## TAS 12 Income Taxes

This accounting standard requires an entity to identify temporary differences between the carrying amount of an asset or liability in the statement of financial position and its tax base, and recognise the tax effects as deferred tax assets or liabilities subjecting to certain recognition criteria. The management of the Company is still evaluating the first-year impact to the financial statements and has yet to reach a conclusion.

In addition, The Federation of Accounting Professions has issued notifications, already published in the Royal Gazette during the current year, mandating the use of financial reporting standard, accounting standard interpretation and financial reporting standard interpretations as follows.

	<u>Effective date</u>
Financial Reporting Standard:	
TFRS 4            Insurance Contracts	1 January 2016
Accounting Standard Interpretation:	
TSIC 29            Service Concession Arrangements: Disclosures	1 January 2014
Financial Reporting Standard Interpretations:	
TFRIC 1            Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 January 2014
TFRIC 4            Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 5            Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 January 2014
TFRIC 7            Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies	1 January 2014
TFRIC 10           Interim Financial Reporting and Impairment	1 January 2014
TFRIC 12           Service Concession Arrangements	1 January 2014
TFRIC 13           Customer Loyalty Programmes	1 January 2014

The management of the Company and its subsidiaries has assessed the effect of the above financial reporting standard, accounting standard interpretation and financial reporting standard interpretations and believes that they are not relevant to the business of the Company and its subsidiaries, except TFRIC 1 and TFRIC 13, for which the management is still evaluating the first-year impact to the financial statements and has yet to reach a conclusion.

#### **4. Significant accounting policies**

##### **4.1 Revenue recognition**

###### **Fare box revenues**

Fare box revenues are recognised when services have been rendered. Fare box revenues are valued at ticket price after deducting discounts on fare. Prepaid value in passengers' stored value ticket is recorded as unearned revenues in the current liabilities.

On 17 April 2013, BTSC sold the net fare box revenue in the future to BTS Rail Mass Transit Growth Infrastructure Fund. Therefore, the Company presented fare box revenues as discussed in Note 27 to the financial statements.

###### **Service income**

###### Advertising income

Advertising income is recognised when services have been rendered taking into account the stage of completion, charged is in accordance with service areas, service rate charged per area, and service period as stipulated in the contract.

###### Revenue from provision of operating services

Income from providing of operating services is recognised when services have been rendered and represent the invoiced value (excluding value added tax) of services rendered after deducting discounts and service charges. Service rate charged is in accordance with rates as stipulated in the contracts.

###### Revenue from provision of spaces

Space rental income is income from renting of the advertising spaces and the spaces for retails. Space rental income is recognised on an accrual basis in accordance with the contracts. Rental rate charged is in accordance with rental areas, rental rate charged per area, and rental period as stipulated in the contract.

###### Other service income

Service revenue is recognised when services have been rendered taking into account the stage of completion, excluding value added tax.

Revenues from utility services are recognised when services have been rendered and represent the invoiced value (excluding value added tax) of services rendered after deducting discounts and service charges reference to the term of the contract.

Rental income in conjunction with apartments and condominiums is recognised as revenue on an accrual basis.

Revenues from hotel operations, mainly consisting of room and restaurant revenues, are recognised when services have been rendered and represent the invoiced value (excluding value added tax) of goods supplied and services rendered after deducting discounts and service charges.

#### **Revenues from sales of real estate**

Revenues from sales of land, land and houses and condominium units are recognised in full when ownership is transferred to the buyers.

#### **Revenues from construction services**

Revenues from construction are recognised on a percentage of completion basis based on the assessment of the Company's engineers. The recognised revenue which is not yet due per the contracts has been presented under the caption of "Unbilled receivables" in the statement of financial position.

#### **Other income**

Management income is recognised when services have been rendered, with reference to the term of the contract, excluding value added tax.

Interest income is recognised on an accrual basis based on the effective interest rate.

Dividends are recognised when the right to receive the payment is established.

## **4.2 Expenses**

#### **Cost of sales of real estate**

Cost of sales of real estate, which is determined by attributing the total anticipated real estate development costs after recognition of the costs incurred to date to the units already sold on the basis of salable area, is recognised as costs in the statement of comprehensive income.

#### **Cost of construction services**

Cost of construction is recognised in accordance with the percentage of work completed based on total estimated costs. Provision for anticipated losses on construction projects is made in the accounts in full when the possibility of loss is ascertained. Differences between the estimated costs and the actual costs are recognised as current assets or current liabilities in the statement of financial position.

#### **Expenses**

Cost of sales and services and other expenses is recognised on an accrual basis.

### **4.3 Cash and cash equivalents**

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

### **4.4 Trade accounts receivable**

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

### **4.5 Real estate development costs**

Real estate development costs are valued at the lower of cost and net realisable value.

Real estate development costs consist of the costs of land, land development, project management fees, design, construction and related interest.

### **4.6 Investments**

- a) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded as a separate item in shareholders' equity, and will be recorded as gains or losses in profit or loss when the securities are sold.
- b) Investments in debt securities, both due within one year and expected to be held to maturity, are recorded at amortised cost. The premium/discount on debt securities is amortised/accreted by the effective rate method with the amortised/accreted amount presented as an adjustment to the interest income.
- c) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for loss on diminution in value (if any).
- d) Investments in associates are accounted for in the consolidated financial statements using the equity method.
- e) Investments in subsidiaries and associates are accounted for in the separate financial statements using the cost method.



The fair value of marketable securities is based on the latest bid price of the last working day of the year. The fair value of unit trusts is determined from their net asset value.

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

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

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

#### **4.7 Elevated rail project costs and Unit of Throughput Amortisation Method (Unit of production)**

Elevated rail project costs are stated at cost less any accumulated amortisation and any impairment losses (if any). The subsidiary has capitalised all expenditures and other related expenses as an asset (elevated rail project costs) and amortised as costs of fare box and administrative expenses over the concession period.

Elevated rail project costs include management and consulting fees, design costs, civil works, electrical and mechanical works and rolling stock purchased during the concession period, interest and other financing expenses, including exchange gains and losses incurred before commencement of operations.

Amortisation of elevated rail project costs is calculated by reference to their costs on the Unit of Throughput Amortisation Method as the following formula:-

$$\text{Annual amortisation} = \text{Net elevated rail project costs} \times \text{Percentage of passengers for the year}$$

Net elevated rail project costs are elevated rail project costs less accumulated amortisation.

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

#### **4.8 Spare parts and amortisation**

Spare parts - Automatic Fare Collection system are consisted as follows:

- a) Consumable spare parts are valued at the lower of cost (weighted average method) and net realisable value and are charged to costs of fare box whenever actually consumed.
- b) Reusable spare parts are stated at cost less accumulated amortisation. Amortisation of reusable spare parts is calculated by reference to their costs on the unit of production basis as it is used in elevated rail project costs. The subsidiary amortises them as costs of fare box over the concession period.

Spare parts - awaiting transfer, presented as a part of elevated rail project costs, are stated at cost less accumulated amortisation. Amortisation of spare parts-awaiting transfer is calculated by reference to their costs on the unit of production basis, as it is used in elevated rail project costs. The subsidiary amortises them as costs of fare box over the concession period.

Spare parts - maintenance contract are stated at cost as defined in the maintenance contract. The subsidiary recognises them as costs of fare box whenever actually consumed, after the contract expires.

#### **4.9 Investment properties**

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

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

Golf course and construction	5 - 30 years
Buildings for rent	20 years
Condominiums for rent	period of lease

Depreciation of the investment properties is included in determining income.

No depreciation is provided on land awaiting sales.

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

#### 4.10 Property, plant and equipment and depreciation

Land is stated at revalued amount and buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Land is initially recorded at cost on the acquisition date, and subsequently revalued by an independent professional appraiser to its fair values. Revaluation is made with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the end of reporting period.

Differences arising from the revaluation are dealt with in the financial statements as follows:

- When an asset's carrying amount is increased as a result of a revaluation of the Company's assets, the increase is credited directly to equity under the heading of "Revaluation surplus on assets". However, a revaluation increase will be recognised as income to the extent that it reverses a revaluation decrease of the same asset previously recognised as an expense.
- When an asset's carrying amount is decreased as a result of a revaluation of the Company's assets, the decrease is recognised as an expense in profit or loss. However, a revaluation decrease is to be charged directly against the related "Revaluation surplus on assets" to the extent that the decrease does not exceed the amount held in the "Revaluation surplus on assets" in respect of those same assets. Any excess amount is to be recognised as an expense in the statements of comprehensive income.

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

Rolling stock	30 years under operation and maintenance contract
Buildings and improvements	5 - 30 years
Leasehold improvement	At the lower of lease period or 5 years
Golf course development costs	5 - 30 years
Furniture and office equipment	3 - 10 years
Machinery and equipment	3 - 10 years
Motor vehicles	5 years

Depreciation is included in determining income.

No depreciation is provided on land and construction in progress.

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

#### **4.11 Leasehold rights and amortisation**

Leasehold rights are stated at cost less accumulated amortisation and allowance for loss on impairment of assets (if any). Amortisation of leasehold rights is calculated by reference to their cost on a straight-line basis over the leasehold period.

Amortisation is included in determining income.

#### **4.12 Intangible assets**

Intangible assets acquired through business combination are initially recognised at their fair value on the date of business acquisition while intangible assets acquired in other cases are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

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

Intangible asset with finite useful life of the Company is computer software with estimated useful life of 3 years.

No amortisation is provided on intangible assets under development.

#### **4.13 Goodwill**

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognized in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

#### **4.14 Borrowing costs**

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

#### **4.15 Impairment of assets**

At the end of each reporting period, the Company performs impairment reviews in respect of the property, plant and equipment whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Company estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

#### **4.16 Convertible debentures**

Convertible debentures are classified into liability and equity components and these are presented separately in the statements of financial position. In separately presenting such components, the Company determines the liability component by discounting the stream of future payments of principal, interest and fee charged at the prevailing market rate, while the carrying amount of the equity component is determined by deducting the liability component from the total face value of the convertible debentures and amortising the difference over the life of the debentures.

#### **4.17 Provisions**

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

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

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

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

#### **4.19 Long-term leases**

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

Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

#### **4.20 Related party transactions**

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

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

#### **4.21 Foreign currencies**

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

Gains and losses on exchange are included in determining income.

#### **4.22 Interest Rate Swap agreements**

The subsidiary will recognise the net amount of interest to be received from or paid to the counterparty under the interest rate swap contracts as income or expenses on an accrual basis.

Interest rate risk and financial instruments management policy are discussed in Note 48.1 to the financial statements.

#### **4.23 Gains from troubled debt restructuring**

The Company adopts an accounting policy related to troubled debt restructuring whereby in case of transfer of assets to settle debts which the excess of the debt extinguished by the creditors over the fair value of the assets transferred is recognised as a gain from debt restructuring and the difference between the fair value and the net book value of the assets transferred is treated as a gain (loss) from transfer of assets.

When the debt restructuring involves a waiver of debts, a portion of the waived debts that exceeds the aggregate amount of interest expenses to be incurred over the term of the new agreement is recognised as a gain from debt restructuring.

#### **4.24 Employee benefits**

##### ***Short-term employee benefits***

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

##### ***Post-employment benefits***

###### *Defined contribution plans*

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

###### *Defined benefit plans*

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

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

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

For the first-time adoption of TAS 19 Employee Benefits during the year ended 31 March 2012, the Company elected to recognise the transitional liability, which exceeds the liability that would have been recognised at the same date under the previous accounting policy, retrospectively as though the Company and its subsidiaries initially recorded these employee benefit expenses.

#### **4.25 Income tax**

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



## **5. Significant accounting judgments and estimates**

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

### **Leases**

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgment regarding whether significant risk and rewards of ownership of the leased asset have been transferred, taking into consideration terms and conditions of the arrangement.

### **Allowance for doubtful accounts**

In determining an allowance for doubtful accounts, the management needs to make judgment and estimates based upon, among other things, past collection history, ageing profile of outstanding debts and the prevailing economic condition.

### **Fair value of financial instruments**

In determining the fair value of financial instruments that are not actively traded and for which quoted market prices are not readily available, the management exercise judgment, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of liquidity, correlation and long-term volatility of financial instruments.

### **Impairment of equity investments**

The Company treats available-for-sale investments and other investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgment of the management.

### **Property, plant and equipment and depreciation**

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the Company’s and its subsidiaries’ plant and equipment and to review estimated useful lives and residual values when there are any changes.

The Company measures land, buildings and improvements and golf course development costs at revalued amounts in the consolidated financial statements. Such amounts are determined by the independent valuer using the market approach for land and the depreciated replacement cost for buildings and improvements and golf course development costs. The valuation involves certain assumptions and estimates.

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

### **Real estate development cost estimation**

In recognising revenue from real estate sales, the Company needs to estimate all project development costs, including land costs, land improvement costs, design costs, construction costs, and borrowing costs for construction. The management estimates these costs based on their business experience and revisits the estimation on a periodical basis or when the actual costs incurred significantly vary from the estimation.

### **Estimated construction costs**

The Company estimates cost of construction based on details of the construction work, taking into account the volume and value of construction materials to be used in the project, labour costs and overhead costs to be incurred to completion of service, including forecast for any changes. Estimates are reviewed regularly or whenever actual costs differ significantly from the figures used in the original estimates.

### **Goodwill and intangible assets**

The initial recognition and measurement of goodwill and other intangible assets, and subsequent impairment testing, require management of the Company to make judgment, based on regulations, information and assumption to determine the fair value of identifiable assets, liabilities and contingent liabilities at the acquisition date, and make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

**Accrued expenses**

In determining a provision for the Company's operation, the management needs to make judgment and estimates, based upon regulations, and information relating to the scope of works and benefits received by the Company, recording expenses as of the statement of financial position date. The management of the Company believes that the actual expenses will be closed to their estimation as recorded.

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

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

**Post-employment benefits under defined benefit plans**

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

**Allocation of non-current assets classified as held for sale and profit from discontinued operation**

Allocation of non-current assets classified as held for sale and profit from discontinued operation requires management to apply judgment, bases, information and assumptions, regarding matters such as route length and reimbursable expenses.

**Litigation**

The Company and its subsidiaries have contingent liabilities as a result of litigation. The Company's and its subsidiaries' management have used judgment to assess of the results of the litigation and believe that no loss will result. Therefore no contingent liabilities are recorded as at the end of reporting period.

## 6. Related party transactions

During the years, 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 years ended 31 March				Transfer Pricing Policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Interest income	-	-	87	77	At cost of funds
Management income	-	-	49	40	Contract price
Revenues from construction services (reversal)	-	-	(43)	658	Contract price
Rental income	-	-	39	41	Contract price
Utility income	-	-	3	-	Contract price
Dividend income	-	-	4,630	4,029	Approved by the meeting of Board of Directors
Cost of construction of services	-	-	14	549	Contract price
Cost of construction of fixed assets	-	-	182	2	Contract price
Cost of construction of condominium	-	-	-	50	Contract price
Rental expenses	-	-	5	-	Contract price
Management fee	-	-	13	14	Contract price
Interest expenses	-	-	60	2	Contract price
Purchase of investment in subsidiary (Note 17)	-	-	2,065	-	Contract price
<u>Transactions with associates</u>					
Interest income	-	1	-	-	At cost of funds
Cost of construction of fixed assets	-	2	-	-	Contract price
Management fee	34	26	17	17	Contract price
<u>Transactions with related parties</u>					
Cost of construction services	25	19	-	-	Contract price
Administrative expenses	-	2	-	-	Contract price

As at 31 March 2013 and 2012, the balances of the accounts between the Company and those related companies are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<b><u>Trade and other receivables - related parties (Note 10)</u></b>				
Trade receivables - subsidiary companies	-	-	-	157,433
Trade receivable - associated company	-	32	-	-
Trade receivable - related party	269	-	-	-
Other receivables - subsidiary companies	461	-	2,338	31
Other receivable - associated company	-	4,387	-	-
Accrued interest income - subsidiary companies	-	-	159,872	87,852
Total trade and other receivables - related parties	<u>730</u>	<u>4,419</u>	<u>162,210</u>	<u>245,316</u>
<b><u>Unbilled receivable - related party</u></b>				
Subsidiary company	-	-	-	284,441
Total unbilled receivable - related party	<u>-</u>	<u>-</u>	<u>-</u>	<u>284,441</u>
<b><u>Advance to contractor - related party</u></b>				
Subsidiary company	-	-	34,649	27,055
Total advance to contractor - related party	<u>-</u>	<u>-</u>	<u>34,649</u>	<u>27,055</u>
<b><u>Retention receivable - related party</u></b>				
Subsidiary company	-	-	105,559	87,754
Total retention receivable - related party	<u>-</u>	<u>-</u>	<u>105,559</u>	<u>87,754</u>
<b><u>Trade and other payables - related parties (Note 29)</u></b>				
Trade payables - subsidiary companies	-	-	-	81,278
Trade payable - related company	85	66	-	-
Other payables - subsidiary companies	-	-	22,457	17,626
Other payables - related companies	788	356	-	-
Accrued interest expenses - subsidiary companies	-	-	-	2,200
Accrued expenses - subsidiary company	-	-	-	-
Total trade and other payables - related parties	<u>873</u>	<u>422</u>	<u>22,457</u>	<u>101,104</u>

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<b><u>Accrued cost of construction - related party</u></b>				
Subsidiary company	-	-	6,957	90,415
Total accrued cost of construction - related party	-	-	6,957	90,415
<b><u>Advance received from employer - related party</u></b>				
Subsidiary company	-	-	-	41,745
Total advance received from employer - related party	-	-	-	41,745
<b><u>Retention payable - related party</u></b>				
Subsidiary company	-	-	51,627	92,392
Total retention payable - related party	-	-	51,627	92,392

**Loans to related parties and loans from related parties**

As at 31 March 2013 and 2012, the balances of loans between the Company and those related companies and the movement are as follows:

		(Unit: Thousand Baht)			
		Consolidated financial statements			
Short-term loans to related parties	Related by	Balance as at	Increase	Decrease	Balance as at
		31 March 2012	during the year	during the year	31 March 2013
EGV Co., Ltd.	Related company	4,018	-	-	4,018
Less: Allowance for doubtful debts		(4,018)	-	-	(4,018)
Total		-	-	-	-

		(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 year	during the year	31 March 2013
Carrot Rewards Co., Ltd.	Subsidiary company	18,500	93,000	-	111,500
E.G.V. Co., Ltd.	Related company	4,018	-	-	4,018
		22,518	93,000	-	115,518
Less: Allowance for doubtful debts		(4,018)	-	-	(4,018)
Total		18,500	93,000	-	111,500

(Unit: Thousand Baht)

		Consolidated financial statements			
Long-term loans to related parties	Related by	Balance as at 31 March 2012	Increase during the year	Decrease during the year	Balance as at 31 March 2013
Hwa Kay Thai (Thailand) Co., Ltd.	Related company	26,409	-	(629)	25,780
Less: Allowance for doubtful debts		(26,409)	-	629	(25,780)
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(Unit: Thousand Baht)

		Separate financial statements			
Long-term loans to related parties	Related by	Balance as at 31 March 2012	Increase during the year	Decrease during the year	Balance as at 31 March 2013
Yongsu Co., Ltd.	Subsidiary company	-	6,220	(550)	5,670
Tanayong Food and Beverage Co., Ltd.	Subsidiary company	778,108	74,629	(271,044)	581,693
Muangthong Assets Co., Ltd.	Subsidiary company	44,000	43,700	(4,000)	83,700
Tanayong International Ltd.	Subsidiary company	433,445	-	(3,084)	430,361
Tanayong Hong Kong Limited	Subsidiary company	1,271	838	-	2,109
Nuvo Line Agency Co., Ltd.	Subsidiary company	108,000	-	(88,000)	20,000
Bangkok Mass Transit System Public Co., Ltd.	Subsidiary company	990,000	960,000	(1,950,000)	-
Siam Paging and Communication Co., Ltd.	Subsidiary company	32,600	50	-	32,650
Sampaopetch Co., Ltd.	Subsidiary company	897,296	60	-	897,356
Kampoo Property Co., Ltd.	Subsidiary company	37,033	555	(37,588)	-
Kamkoong Property Co., Ltd.	Subsidiary company	148,768	450	(68)	149,150
BTS Asset Co., Ltd.	Subsidiary company	765,199	1,390,801	(35,500)	2,120,500
BTS Land Co., Ltd.	Subsidiary company	71,929	-	(4,929)	67,000
Thana City Golf & Sports Club Co., Ltd.	Subsidiary company	-	15,400	-	15,400
		4,307,649	2,492,703	(2,394,763)	4,405,589
Less: Allowance for doubtful debts		(1,376,325)	(50,121)	7,694	(1,418,752)
<b>Total</b>		<b>2,931,324</b>	<b>2,442,582</b>	<b>(2,387,069)</b>	<b>2,986,837</b>

(Unit: Thousand Baht)

		Separate financial statements			
Short-term loans from related parties	Related by	Balance as at 31 March 2012	Increase during the year	Decrease during the year	Balance as at 31 March 2013
Dnal Co., Ltd.	Subsidiary company	40,000	14,500	(54,500)	-
PrannaKiri Assets Co., Ltd.	Subsidiary company	58,000	-	(58,000)	-
Tanayong Property Management Co., Ltd.	Subsidiary company	-	8,000	(8,000)	-
<b>Total</b>		<b>98,000</b>	<b>22,500</b>	<b>(120,500)</b>	<b>-</b>

### Directors' and management's benefits

During the years ended 31 March 2013 and 2012, 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	financial statements	financial statements
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Short-term employee benefits	219	176	67	53
Post-employment benefits	27	19	9	2
Termination benefit	-	1	-	-
Share-based payment	5	5	1	1
Total	<u>251</u>	<u>201</u>	<u>77</u>	<u>56</u>

### **7. Cash and cash equivalents**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Cash	69,502	39,356	149	135
Current deposits and saving deposits	859,633	454,222	569,071	22,979
Fixed deposits with maturity date due not more than 3 months	23	23	4	4
Certificates of deposits	1,208,348	-	-	-
Bills of exchange	1,375,776	274,647	1,059,694	100,014
BOT bonds with maturity date due not more than 3 months	-	564,992	-	330,000
Total	<u>3,513,282</u>	<u>1,333,240</u>	<u>1,628,918</u>	<u>453,132</u>

As at 31 March 2013, bank deposits in savings accounts, fixed deposits, certificates of deposits and bills of exchange carried interests between 0.10 and 3.40% per annum (2012: between 0.10 and 3.20% per annum).

The Company is waiting to transfer the outstanding balance of cash and cash equivalents of Baht 81 million to the creditors per the rehabilitation plan of the Company, when the court issues its final judgment, as described in Note 15 to the financial statements.



## 8. Current investment

As at 31 March 2013, the Company has investment in 1,000,000 units of short-term debentures, with face value of Baht 1,000 each, of a company amounting to Baht 1,000 million (2012: Nil). The debentures matured on 18 June 2013.

## 9. Cash received in advance from cardholders

In order to comply with the Notification of the Bank of Thailand applicable to electronic card businesses, the subsidiary (Bangkok Smartcard System Co., Ltd.) has to deposit cash received in advance from cardholders with a financial institution in an amount not less than the outstanding balance of the advance receipts at the end of each day. These funds cannot be used for any purposes other than making payment to goods or service providers on behalf of the cardholder. As at 31 March 2013, the balance of cash received in advance from cardholders was Baht 79 million (2012: Baht 1 million).

## 10. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<b><u>Trade accounts receivable</u></b>				
Total value of contracts signed	13,402,910	12,331,145	10,681,790	10,669,844
Percentage of total project sale value	75.42	69.72	73.70	73.58
Installments due	11,096,293	10,776,536	10,468,252	10,636,010
Less: Cash received	(11,096,293)	(10,776,536)	(10,468,252)	(10,636,010)
Trade accounts receivable - real estate	-	-	-	-
Trade accounts receivable - construction	-	-	-	156,781
Trade accounts receivable - management and consulting	-	-	-	652
Trade accounts receivable - hotel, rental and services, net	30,598	9,262	-	-
Trade accounts receivable - mass transit system	163,244	578,248	-	-
Trade accounts receivable - advertising	633,372	479,889	-	-
Total trade accounts receivable	857,213	1,067,399	-	157,433

As at the date of the statement of financial position, the balances of trade accounts receivable aged on the basis of due dates and the balances of other receivables were summarised below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<b><u>Trade receivables - related parties</u></b>				
Not yet due	258	27	-	-
Past due				
Up to 3 months	11	5	-	103,933
3 - 6 months	-	-	-	53,500
Total trade receivables - related parties	<u>269</u>	<u>32</u>	<u>-</u>	<u>157,433</u>
<b><u>Trade receivables - unrelated parties</u></b>				
Not yet due	478,938	578,150	-	-
Past due				
Up to 3 months	340,822	280,126	-	-
3 - 6 months	20,924	158,099	-	-
6 - 12 months	2,008	6,395	-	-
Over 12 months	30,361	43,329	-	-
Total	873,053	1,066,099	-	-
Posted date cheques	13,220	18,161	-	-
Less: Allowance for doubtful debts	(29,329)	(16,893)	-	-
Total trade receivables - unrelated parties, net	<u>856,944</u>	<u>1,067,367</u>	<u>-</u>	<u>-</u>
Total trade receivables - net	<u>857,213</u>	<u>1,067,399</u>	<u>-</u>	<u>157,433</u>
<b><u>Other receivables</u></b>				
Advances	42,663	1,761	244	-
Interest receivables - related parties	-	-	159,872	87,852
Interest receivable	9,387	368	2,473	-
Retention receivable	7,702	10,371	7,702	10,371
Other receivables - related parties	461	4,387	2,338	31
Other receivables	28,220	22,395	21,860	20,470
Total other receivables - net	<u>88,433</u>	<u>39,282</u>	<u>194,489</u>	<u>118,724</u>
Trade and other receivables - net	<u>945,646</u>	<u>1,106,681</u>	<u>194,489</u>	<u>276,157</u>

## 11. Unbilled receivables (construction contracts)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<b><u>Unbilled receivables</u></b>				
Project value as per contracts	-	1,521,065	2,111,170	3,721,065
Accumulated amounts recognised as				
revenue on percentage of completion basis	-	1,521,065	2,111,170	3,675,086
Less: Value of total billed	-	(1,521,065)	(2,111,170)	(3,390,645)
Unbilled receivables	-	-	-	284,441

## 12. Spare parts - Automatic Fare Collection system

As at the statement of financial position date, the balances of spare parts - Automatic Fare Collection system were comprised as follows:

(Unit: Thousand Baht)

	Consolidated	
	financial statements	
	<u>2013</u>	<u>2012</u>
Consumable spare parts	97,257	92,956
Transfer to non-current assets classified as held for sale (Note 27)	(68,104)	-
Consumable spare parts - net	29,153	92,956
Reusable spare parts	94,614	91,999
Less: Accumulated amortisation on reusable spare parts	(13,036)	(10,768)
	81,578	81,231
Transfer to non-current assets classified as held for sale (Note 27)	(59,175)	-
Reusable spare parts - net	22,403	81,231
Total spare parts - elevated train system	51,556	174,187

For the year ended 31 March 2013, BTSC consumed and charged for consumable spare parts and also recorded an amortisation of reusable spare parts totally amounting to Baht 12 million. The Company recorded Baht 10 million, as a part of costs of fare box and the remaining of Baht 2 million was included in costs of service in the statements of comprehensive income (2012: Baht 14 million as a part of costs of fare box).

### 13. Real estate development costs

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
Land and construction development	3,532,232	802,146	692,821	814,036
Land and construction under development	-	2,582,563	-	-
Total	3,532,232	3,284,709	692,821	814,036
Less: Reduce cost to net realisable value	(21,925)	(35,641)	(21,925)	(35,641)
Real estate development costs - net	<u>3,510,307</u>	<u>3,349,068</u>	<u>670,896</u>	<u>778,395</u>

As at 31 March 2013, land with construction thereon of the Company and its subsidiary (Nuvo Line Agency Co., Ltd.) amounting to approximately Baht 2,979 million (Separate financial statement: Nil) (2012: Baht 2,731 million (Separate financial statements: Baht 25 million)) had been mortgaged as collateral for credit facilities from a financial institution as discussed in Notes 28 and 31 to the financial statements.

During the year ended 31 March 2013, a subsidiary (Nuvo Line Agency Company Limited) included borrowing costs of Baht 53 million as cost of "Real estate development costs" (2012: Baht 30 million). Interest is charged at rate of 3 - 6.5% per annum (2012: 2.750 - 6.125% per annum).

### 14. Cash deposited as collateral for debt settlement

As at 31 March 2013, 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 (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.

## 15. Assets awaiting transfer under rehabilitation plan

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
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	73	91	73	91
Total	<u>73,009</u>	<u>73,027</u>	<u>68,309</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. 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.

Subsequently, on 19 June 2012, a meeting of creditors passed a resolution by majority vote to add debt repayment options, whereby the transfer of and/or redemption from mortgage and payment for secured assets can be done separately (5 items), with the transfer of and/or redemption of mortgaged collateral of item No.5 (Yongsu apartment) to be processed first, at a price of Baht 400 million.

Therefore, the Company submitted a request for the return of the cash deposit amounting to Baht 40 million placed with the Bankruptcy Court, to use in partial payment of item No.5 (Yongsu apartment), and transferred ownership to a company as stipulated by the buyer on 16 October 2012. Most of the cash received from the buyer was transferred to the creditors per the rehabilitation plan, while some of approximately Baht 81 million was reserved to be transferred to entitled creditors per the order of the Central Bankruptcy Court as discussed in Note 7 to the financial statements. The Company recorded this transaction under the heading of "Liability awaiting final court order" in the statement of financial position.

A subsidiary, as a creditor to which rights of claim over debts and other rights under the rehabilitation plan had been transferred, received settlement of debt totaling Baht 271 million, leaving a balance of "Rights of claim from acquisition of debts per rehabilitation plan" in the statement of financial position of Baht 545 million as at 31 March 2013 (2012: Baht 742 million).

In addition, on 15 October 2012, another subsidiary entered into an agreement to acquire rights to purchase certain auctioned assets (item No.4) from the company that had lodged the successful bid for those assets, at a price of Baht 300 million. The subsidiary paid Baht 45 million to that company in accordance with an agreement between the Company and that company. The subsidiary recorded this transaction as a part of the heading of "Deposit and advances for asset acquisitions" in the statement of financial position.

## 16. Investments in subsidiaries 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. However, these shares are not yet transferred to the creditors since some of the Company's debts are pending final court judgment.

## 17. Investments in subsidiaries

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

Company's name	Paid-up capital		Percentage owned by the Company		Cost		Dividend income	
	2013	2012	2013	2012	2013	2012	2013	2012
	(Unit: Thousand Baht)							
Bangkok Mass Transit System Public Co., Ltd. ("BTSC")	16,067,134	16,067,134	97.46	96.44	41,681,791	41,216,615	4,534,585	4,013,247
VGI Global Media Public Co., Ltd. (51% held by BTSC)	300,000	-	16.33	-	1,715,000	-	70,800	-
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	24,276	15,453
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	-	100	-	1,075,000	-	-
Kamkoong Property Co., Ltd.	375,000	375,000	100	100	375,000	375,000	-	-
Total					48,674,957	47,569,781		
Less: Surplus on business combination under common control					(4,812,208)	(3,371,978)		
					43,862,749	44,197,803		
Less: Provision for loss on diminution in value					(1,419,899)	(1,419,899)		
Net					42,442,850	42,777,904		

## **Bangkok Mass Transit System Public Co., Ltd. (“BTSC”)**

### **The Company’s shareholding structure in BTSC**

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

The issuance of the ordinary shares to purchase investment in the subsidiary was detailed below.

	(Unit: Thousand Baht)
Additional ordinary shares of the Company	1,182,088
Less: Non-controlling interests of subsidiary adjusted	<u>(1,058,959)</u>
Deficit from the changes in the ownership interests in subsidiary	<u>123,129</u>

The Executive Committee Meeting of the Company held on 18 October 2012 had a resolution to approve the purchase of 163,088,137 ordinary shares with a par value of Baht 1 each of BTSC from a company, at a price of Baht 2.8325 each. The Company entered in the sale and purchase agreement with that company on 19 October 2012. On 10 January 2013, the Company purchased 1,133,188 ordinary shares of BTSC from an individual, at a price of Baht 2.85 each, totaling Baht 3.3 million. As a result, the Company’s shareholding in BTSC increased from 96.44% to 97.46%.

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

	(Unit: Thousand Baht)
Purchase price	465,177
Less: Non-controlling interests of subsidiary adjusted	<u>(283,469)</u>
Deficit from the changes in the ownership interests in subsidiary	<u>181,708</u>

In this regards, changes in the Company’s ownership interest in a subsidiary do not result in a loss of control. Therefore, the Company recorded deficit from the changes in the ownership interests in a subsidiary in the shareholders’ equity in the consolidated statements of financial position.

### **Operation and Maintenance Contract of a Mass Transit System**

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.



### Dividend income from BTSC

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

On 5 January 2012, the meeting of Board of Director of BTSC passed a resolution to pay interim dividend of Baht 1,687 million (the Company's share is Baht 1,626.9 million) (at a rate of Baht 0.105 per share) from operating results of BTSC for the six-month period ended 30 September 2011. BTSC paid the dividend on 31 January 2012.

On 6 March 2012, the meeting of Board of Director of BTSC passed a resolution to pay interim dividend of Baht 1,124.7 million (the Company's share is Baht 1,084.7 million) (at a rate of Baht 0.07 per share) from operating results of BTSC for the nine-month period ended 31 December 2011. BTSC paid the dividend on 26 March 2012.

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's past operating results. BTSC has paid an interim dividend totaling approximately Baht 2,811 million (at a rate of Baht 0.175 per share), as approved by a meeting of Board of Directors held on 6 March 2012 and 5 January 2012. The outstanding dividend of Baht 643 million (the Company's share is Baht 620 million) (at a rate of Baht 0.04 per share) was paid to the shareholders on 30 July 2012.

On 2 November 2012, the meeting of BTSC's Board of Directors No. 11/2012 passed a resolution to pay an interim dividend of Baht 964 million (The Company's dividend is Baht 940 million) (at a rate of Baht 0.06 per share) in respect of BTSC's past operating results to the shareholders. BTSC has paid the interim dividend to the shareholders on 16 November 2012.

On 4 January 2013, the meeting of BTSC's Board of Directors No. 1/2013 passed a resolution to pay an interim dividend of Baht 1,285 million (The Company's dividend is Baht 1,253 million) (at a rate of Baht 0.08 per share) in respect of BTSC's past operating results to the shareholders. BTSC paid the interim dividend to the shareholders on 30 January 2013.

On 12 March 2013, the meeting of BTSC's Board of Directors No. 3/2013 passed a resolution to pay an interim dividend of Baht 1,767 million (The Company's dividend is Baht 1,723 million) (at a rate of Baht 0.11 per share) in respect of BTSC's past operating results to the shareholders. BTSC paid the interim dividend to the shareholders on 22 March 2013.

In April 2013, BTSC's ordinary shares have been pledged with BTS Rail Mass Transit Growth Infrastructure Fund in accordance with an agreement relating to the Net Revenue Purchase and Transfer Agreement.

### **HHT Construction Company Limited (“HHT”)**

#### **Capital structure of HHT**

The Extraordinary General Meeting of HHT's shareholders held on 15 August 2011 passed the following resolutions:

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

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

#### **Dividend income from HHT**

On 29 July 2011, the Annual General Meeting of HHT's shareholders passed a resolution to pay dividend of Baht 30.3 million (the Company's share is Baht 15.5 million) from its operating results for the year ended 31 March 2012.

On 31 July 2012, the Annual General Meeting of HHT's shareholders passed a resolution to pay dividend of Baht 48 million (the Company's share is Baht 24 million) from its operating results for the year ended 31 March 2012.

**Kampoo Property Company Limited (“Kampoo”) and Kamkoong Property Company Limited (“Kamkoong”)**

On 20 February 2012, the Company received ordinary shares of Kampoo valued at Baht 1,150 million and ordinary shares of Kamkoong valued at Baht 450 million, to settle debt of BTS Assets Co., Ltd. amounting to Baht 1,600 million. As a result, the Company’s shareholding in these two companies is 100%. In addition, there is novation of the inter-company loans among group companies, for which all two subsidiaries are borrowers (Kampoo with Baht 24 million and Kamkoong with Baht 132 million), with the lender changing from BTS Assts Company Limited to the Company.

As a result of the above debt settlement, the Company recognised deficit on debt settlement by ordinary shares of subsidiaries under common control amounting to Baht 150 million, presenting it in the other components of equity in the separate financial statements.

The Executive Committee Meeting of the Company held on 18 October 2012 had a resolution to approve the sale of all of ordinary shares of Kampoo Property Company Limited to a company, at a price of Baht 1,810 million. The Company entered in the sale and purchase agreement with that company on 30 October 2012. The Company had selling expenses relating to the sale of investment in the subsidiary approximately amounting to Baht 57 million.

The sale of the investment in Kampoo was considered to be the sale of a discontinued operation of Kampoo but the results of discontinued operation of Kampoo are insignificant to the consolidated financial statements. The Company has therefore not disclosed them separately in the comprehensive income statements.

The sale transaction of the investment in the subsidiary on 30 October 2012 was detailed below;

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Contract selling price	1,849,230	1,849,230
Less: Selling expenses relating to the sale of investment in the subsidiary	(57,288)	(57,288)
Cash receipt from the sale of investment in the subsidiary	1,791,942	1,791,942
Less: Value of investment in the subsidiary under the equity method/ cost method	(1,081,268)	(1,075,000)
Surplus from exchange of investments in subsidiaries under common control	-	(75,000)
Repayment of loan	-	(38,410)
Gain on sale of investment in subsidiary	<u>710,674</u>	<u>603,532</u>

The Company recorded gain from sale of the investment in subsidiary in the statements of comprehensive income during the year ended 31 March 2013.

In accordance with the sale of investment in subsidiary, the Company has excluded Kampoo's financial statements from the consolidated financial statements since 30 October 2012.

As at the date, the Company ceases control in Kampoo, the net asset value of that company was as follows:

	(Unit: Thousand Baht)
Current assets	2,009
Investment properties	1,079,314
Total assets	<u>1,081,323</u>
Current liabilities	<u>55</u>
Total liabilities	<u>55</u>
Net asset value	<u>1,081,268</u>
Investment sale amount	1,791,942
Less: Cash and cash equivalents in subsidiary of which control is lost	<u>(3)</u>
Net cash received from disposal of subsidiary	<u>1,791,939</u>

**Sampaopetch Company Limited (“Sampaopetch”)**

On 29 November 2012, the Central Bankruptcy Court issued a receivership order for Sampaopetch, as discussed in Note 45.8 b) to the financial statements, and the creditors lodged claims for settlement of debts with the Comptroller. Subsequently, on 27 May 2013, the Board of Directors of the Company approved the write off of investment in the subsidiary.

## **Subsidiaries indirectly owned by the Company**

### **VGI Global Media Public Company Limited (“VGI”)**

#### *Capital structure of VGI and the Company’s shareholding in VGI*

On 2 April 2012, VGI registered the change of its status to Public Company Limited and the change in the par value of its ordinary shares from Baht 10 each to Baht 1 each, as a result of which VGI’s registered and paid-up share capital of Baht 100 million comprises 100 million ordinary shares of Baht 1 each. VGI has also increased its 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 resolutions passed by the Extraordinary General Meeting of VGI’s shareholders No.2/2012. Subsequently, on 11 May 2012, BTSC acquired 174 million newly issued ordinary shares of VGI for a price of Baht 1 per share, in proportion to its existing shareholding. As a result, VGI’s paid-up share capital was Baht 274 million (274 million ordinary shares of Baht 1 each).

On 26 July 2012, meeting of BTSC’s Board of Directors No.8/2012 passed a resolution approving an initial offering of 62 million shares that BTSC held in VGI to the public, at a price of Baht 35 per share. On 3 October 2012, BTSC transferred the 62 million ordinary shares of VGI to the public, receiving Baht 2,170 million from disposal of this investment. The Company had selling expenses relating to the sale of investment in the subsidiary approximately amounting to Baht 40 million.

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

	(Unit: Thousand Baht)
Selling price	2,170,000
Less: Selling expenses relating to the sale of investment in the subsidiary	<u>(39,742)</u>
Cash receipt from the sale of investment in the subsidiary	2,130,258
Less: Non-controlling interests of subsidiary adjusted	<u>(347,668)</u>
Surplus from the changes in the ownership interests in subsidiary	<u><u>1,782,590</u></u>

In this regards, changes in the Company’s ownership interest in a subsidiary do not result in a loss of control. Therefore, the Company recorded surplus from the changes in the ownership interests in a subsidiary in the shareholders’ equity in the consolidated statements of financial position.

On 14 August 2012, the Extraordinary General Meeting of VGI's shareholders No. 3/2012 approved an increase of VGI's issued and paid-up capital from Baht 274 million (274 million ordinary shares of Baht 1 each) to Baht 300 million (300 million ordinary shares of Baht 1 each), through the issuance of 26 million additional ordinary shares with a par value of Baht 1 each, to be offered by private placement to the existing shareholders of the Company and BTSC at a price of Baht 35 per share. The remaining additional ordinary shares from the private placement will be offered to the public. VGI has issued the new ordinary shares and registered the increase of its capital with the Ministry of Commerce on 4 October 2012. For the issuance of such additional ordinary shares, VGI had total related expenses approximately amounting to Baht 28 million.

The issuance of the additional ordinary shares of the subsidiary was detailed below.

	(Unit: Thousand Baht)
Selling price of the additional ordinary shares of the subsidiary	910,000
Less: Selling expenses relating to the issuance of the additional ordinary shares of the subsidiary	<u>(27,875)</u>
Cash receipt from the issuance of the additional ordinary shares of the subsidiary	882,125
Less: Non-controlling interests of subsidiary adjusted	<u>(145,796)</u>
Surplus from the changes in the ownership interests in subsidiary	<u>736,329</u>

In this regards, changes in the Company's ownership interest in a subsidiary do not result in a loss of control. Therefore, the Company recorded surplus from the changes in the ownership interests in a subsidiary in the shareholders' equity in the consolidated statements of financial position.

In addition, on 20 August 2012, BTSC entered into a share sale and purchase agreement with the Company in order to sell off 59 million shares that BTSC held in VGI at a price of Baht 35 each, or for a total of Baht 2,065 million. Under the agreement, BTSC has to transfer the 59 million ordinary shares of VGI to the Company within 7 days from the date of VGI's initial public offering, and the Company is to pay the purchase price within six months, while BTSC is entitled to charge interest at 6.25% per annum for this six-month period. BTSC completed the transfer of the ordinary shares of VGI to the Company on 11 October 2012, which was the date VGI's initial public offering. As a result, the Company has a 19.67% shareholding in VGI. Currently, the Company already paid the purchase of ordinary shares and related interest.

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

	(Unit: Thousand Baht)
Purchase price	2,065,000
Less: Net assets value of the subsidiary attributable to the Company	<u>(330,845)</u>
Deficit on business combination under common control	<u><u>1,734,155</u></u>

The Company recorded deficit on business combination under common control in the shareholders' equity in the separate statement of financial position because the transaction was considered to be the restructuring of the companies under common control.

As a result of sales of investments in VGI and issuance of additional ordinary shares of VGI, the Group has shareholding in VGI decreasing from 100% to 69.37%.

In March 2013, the Company sold 5 million ordinary shares of VGI, at a price of Baht 120 each and sold 5 million ordinary shares of VGI, at a price of Baht 121 each, totaling Baht 1,205 million. The Company had selling expenses relating to the sale of investment in the subsidiary approximately amounting to Baht 5 million. As a result of sales of ordinary shares of VGI, the Group has shareholding in VGI decreasing from 69.37% to 67.33% (the Company: decreasing from 19.67% to 16.33%).

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

	(Unit: Thousand Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
Selling price of investment in the subsidiary	1,205,000	1,205,000
Less: Selling expenses relating to the sale of investment in the subsidiary	<u>(5,000)</u>	<u>(5,000)</u>
Cash receipt from the sale of investment in the subsidiary	1,200,000	1,200,000
Less: Value of investment in the subsidiary		
- Investment in the subsidiary	-	(56,075)
- Surplus on business combination under common control	<u>-</u>	<u>(293,925)</u>
Cash receipt from the sale of investment in the subsidiary /		
Gain on sales of investments in subsidiaries	1,200,000	850,000
Less: Non-controlling interests of subsidiaries	<u>(56,587)</u>	<u>-</u>
Surplus from the changes in the ownership interests in a subsidiary/ Gain on sales of investments in subsidiaries	<u><u>1,143,413</u></u>	<u><u>850,000</u></u>

The Company recorded surplus from the changes in the ownership interests in a subsidiary in the shareholders' equity in the consolidated statements of financial position and recorded gain on sales of investments in subsidiaries in the separate comprehensive income statement for the year ended 31 March 2013.

BTSC had pledged the shares certificates of VGI to 16 million shares with a local commercial bank as a secured for a credit facility, as discussed in Note 28 to the financial statements.

*Dividend income from VGI*

On 29 November 2012, the meeting of VGI's Board of Directors No. 9/2012 agreed to pay interim dividend of Baht 360 million (at a rate of Baht 1.2 per share) in respect of the VGI's operation results in the past. VGI paid the dividend in accordance with percentage of shareholding to the Group by approximately amounting to Baht 254 million (the Company's portion by approximately Baht 71 million (19.67% shareholding)) and to non-controlling interests of the subsidiary approximately amounting to Baht 106 million, totaling amounting to Baht 360 million, on 27 December 2012.

**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 a share sale and purchase agreement relating to the sale of all of the shares of Kamala to two companies for a price of Baht 1,600 million. This selling price was to be adjusted by the net value of the cash and cash equivalent accounts (net of Kamala's liabilities as at 31 March 2012). BTSC received a deposit for the sale of its investment in Kamala of Baht 80 million on the date of the agreement, and the remaining amount was to be received on the date ownership of Kamala's shares is transferred. The agreement stipulated that BTSC was to transfer the ownership of Kamala's shares within 90 days after the date of the agreement (i.e. by 12 September 2012).

Subsequently, on 10 October 2012 the two acquirer companies (buyers) entered into an agreement to transfer their rights to purchase Kamala's ordinary shares to another company (new buyer).

On 12 September 2012, BTSC transferred Kamala's shares to the new buyer and received full settlement of the remainder of the selling price. BTSC incurred selling expenses relating to the sale of the investment in Kamala of approximately Baht 93 million.



The sale of the investment in Kamala was considered to be the sale of a discontinued operation of Kamala but the results of discontinued operation of Kamala are insignificant to the consolidated financial statements. The Company has therefore not disclosed them separately in the comprehensive income statements.

The sale transaction of the investment in Kamala on 12 September 2012 was detailed below;

	(Unit: Thousand Baht)
	Consolidated financial statements
Contract selling price	1,600,000
Add: Outstanding balance of cash and cash equivalents account, net of Kamala's liabilities as at 31 March 2012	43,036
Selling price after adjusted of conditions stipulated in the agreement	1,643,036
Less: Selling expenses relating to the sale of the investment in subsidiary	(93,457)
Cash receipt from sale of the investment in subsidiary	1,549,579
Less: Value of investment in Kamala	(1,260,542)
Gain from sale of the investment in subsidiary	289,037

The Company recorded gain from sale of the investment in subsidiary in the comprehensive income statements for the year ended 31 March 2013.

In accordance with the sale of investment in subsidiary, the Company has excluded Kamala's financial statements from the consolidated financial statements since 12 September 2012.

As at the date BTSC ceases control in Kamala, the net asset value of that company was as follows:

	(Unit: Thousand Baht)
Current assets	43,840
Land and projects awaiting development - net <sup>1</sup>	1,197,750
Total assets	1,241,590
Current liabilities	142
Total liabilities	142
Net asset value	1,241,448
Investment sales amount	1,549,579
Less: Cash and cash equivalents in subsidiary of which control is lost	(43,673)
Net cash received from disposal of subsidiary	1,505,906

1. Net of revaluation surplus on land of approximately Baht 19 million.

### **Surplus (deficit) from the changes in the ownership interests in subsidiaries**

The changes in the Company's ownership interests in subsidiaries do not result in a loss of control. Therefore, the Company recorded surplus (deficit) from the changes in the ownership interests in subsidiaries in the shareholders' equity in the consolidated statements of financial position.

In this regards, the balance of surplus (deficit) from the changes in the ownership interests in subsidiaries account presented in the shareholders' equity in the consolidated statements of financial position was the differences of considerations paid or received from the changes in the ownership interests in the subsidiaries of the Company and the equity interests of non-controlling interests of the subsidiaries in net book value of the subsidiaries on the changing date.

Non-controlling interests of subsidiaries are valued at identifiable net assets value of the subsidiaries based on shareholding percentage held by the non-controlling interests.

As at the dates of the statements of financial position, the balances of surplus (deficit) from the changes in the ownership interests in a subsidiary account presented in the shareholders' equity in the statements of financial position were detailed below.

	(Unit: Thousand Baht)	
	<u>Consolidated financial statements</u>	
	<u>2013</u>	<u>2012</u>
Receive BTSC's ordinary shares for the Company's additional shares	(123,129)	(123,129)
Purchase BTSC's ordinary shares	(181,708)	-
Issue additional shares of VGI	736,329	-
Sell investments in VGI	2,926,003	-
Total	<u>3,357,495</u>	<u>(123,129)</u>

### **Deficit on business combination under common control**

As at the dates of the statements of financial position, the balances of deficit on business combination under common control account presented in the shareholders' equity in the statements of financial position were detailed below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Purchase ordinary shares of BTSC under common control	3,371,978	3,371,978	3,371,978	3,371,978
Purchase ordinary shares of VGI under common control	-	-	1,734,155	-
Sell ordinary shares of VGI under common control	-	-	(293,925)	-
Total	<u>3,371,978</u>	<u>3,371,978</u>	<u>4,812,208</u>	<u>3,371,978</u>

## 18. Investments in associates

### 18.1 Details of associates

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			2013	2012	2013	2012	2013	2012
Absolute Hotel Services Co., Ltd.	Hotel management	Thai	50	50	4,000	4,000	10,026	7,033
Absolute Hotel Services Hong Kong Ltd. <sup>1</sup>	Hotel management	Hong Kong	50	50	3,049	3,409	-	-
Total					7,049	7,049	10,026	7,033

<sup>1</sup> held by Tanayong Hong Kong Limited

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Separate financial statements							
			Shareholding percentage		Cost		Provision for impairment of investments		Carrying amounts based on cost method - net	
			2013	2012	2013	2012	2013	2012	2013	2012
Absolute Hotel Services Co., Ltd.	Hotel management	Thai	50	50	4,000	4,000	-	-	4,000	4,000
Total					4,000	4,000	-	-	4,000	4,000

## 18.2 Share of income (loss)

During the year, the Company has summarized its share of income (loss) from investments in associates in the consolidated financial statements as follows:

Company's name	(Unit: Thousand Baht)	
	Consolidated financial statements	
	Share of income (loss) from investments in associates for the years ended 31 March	
	<u>2013</u>	<u>2012</u>
Absolute Hotel Services Co., Ltd.	2,993	(160)
Absolute Hotel Services Hong Kong Ltd.	-	(2,157)
Total	<u>2,993</u>	<u>(2,317)</u>

## 18.3 Summarised financial information of associates

Financial information of the associates is summarised below.

Company's name	Issued and paid-up capital (including share premium) as at 31 March		Total assets as at 31 March		Total liabilities as at 31 March		Total revenues for the years ended 31 March		Profit (loss) for the years ended 31 March	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Absolute Hotel Services Co., Ltd. (Unit: Million Baht)	8.0	8.0	27.7	22.8	7.7	8.7	43.3	35.3	5.9	1.9
Absolute Hotel Services Hong Kong Ltd. (Unit: Million USD)	0.2	0.1	0.5	0.5	0.6	0.6	0.2	0.3	(0.2)	0.1

#### 18.4 Investment in associate with capital deficit

The Company recognised share of loss from investment in an associate, as listed below, until the value of the investment under equity method reached zero. Subsequent loss incurred by this associate has not been recognised in the Company's accounts since the Company has no obligations, whether legal or constructive, to make any payments on behalf of this associate. The amount of such unrecognised share of loss is set out below.

(Unit: Million Baht)

Company's name	Unrecognised share of loss	
	Share of loss for the year ended 31 March 2013	Cumulative share of loss up to 31 March 2013
Absolute Hotel Services Hong Kong Ltd.	-	3

#### 19. Other long-term investments

(Unit: Thousand Baht)

	Consolidated financial statements				Separate financial statements			
	2013		2012		2013		2012	
	Percentage of shareholding	Amount	Percentage of shareholding	Amount	Percentage of shareholding	Amount	Percentage of shareholding	Amount
	(%)		(%)		(%)		(%)	
<u>Investments in available-for-sale securities</u>								
Grand Canal Land Plc.	0.28	24,283	0.28	24,283	0.28	24,283	0.28	24,283
Bangkok Land Plc.	0.01	855	0.01	855	0.01	855	0.01	855
Total		25,138		25,138		25,138		25,138
Add: Revaluation		23,801		5,105		23,801		5,105
		48,939		30,243		48,939		30,243
<u>Long-term investments</u>								
Held to maturity debt security - debentures		200,000		-		100,000		-
Total		200,000		-		100,000		-
<u>Other investments</u>								
Chanthaburi Country Club Co., Ltd.	0.17	2,000	0.17	2,000	0.17	2,000	0.17	2,000
Community and Estate Management Co., Ltd.	15.00	3,000	15.00	3,000	15.00	3,000	15.00	3,000
Changkran Way Co., Ltd.	15.15	117,375	15.15	117,375	15.15	117,375	15.15	117,375
Total		122,375		122,375		122,375		122,375
Less: Provision for loss on diminution in value		(3,792)		(3,791)		(3,792)		(3,791)
		118,583		118,584		118,583		118,584
Total other long - term investments - net		367,522		148,827		267,522		148,827

## 20. Elevated rail project costs

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2013</u>	<u>2012</u>
Rights to use of civil works transferred to authorities	20,760,132	20,565,830
Electrical works and machinery		
- Rolling stock	10,428,342	10,952,667
- Other machinery and equipment	16,879,540	16,879,540
Other project costs	5,453,532	5,453,532
Spare parts - awaiting transfer (Note 21)	132,428	132,428
Total	53,653,974	53,983,997
Less: Accumulated amortisation on project costs	(10,905,832)	(9,564,964)
Allowance for diminution in value of project costs	(1,146,982)	(1,146,982)
	41,601,160	43,272,051
Work under construction	54,220	1,814,922
Capitalised interest	21,324	57,245
Total	41,676,704	45,144,218
Transfer to non-current assets classified as held for sale (Note 27)	(41,676,704)	-
Project costs - net	-	45,144,218

BTSC recorded an amortisation of project costs for the year ended 31 March 2013, amounting to Baht 1,322 million as a part of costs of fare box and the remaining of Baht 37 million was included in administrative expenses (2012: Baht 1,181 million as a part of costs of fare box and the remaining of Baht 24 million was included in administrative expenses).

On 2 December 2010, BTSC entered into a loan agreement with a local financial institution in order to fund for the acquisition of 35 elevated train carriages, for use in BTSC's operations (Note 31). These elevated train carriages will be ready for use within approximately four years. BTSC, therefore, capitalised interests, incurred in relation to the loan for the year ended 31 March 2013, of approximately Baht 21 million (2012: Baht 57 million) as part of the costs of the elevated train carriages, presented under the heading of project costs account.

In 2002, BTSC invested an additional Baht 705 million for the construction of the maintenance depot foundation on behalf of a third party. BTSC was to be compensated for the additional investment by the land developer to whom the government agency which owns the land granted the right to develop the area above the maintenance depot. BTSC therefore recorded the above costs as a cost of civil works awaiting transfer, which is a part of the project costs. However, there had 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 depot remained unclear. For conservative purposes, BTSC therefore recorded an allowance for diminution in the value of civil works awaiting transfer in full in the 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 for the cost of civil works. The court ordered the government agency owning the land to compensate BTSC for all costs of civil works 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 statements of financial position because BTSC has yet received such compensation and interest from the government agency at that time.

Subsequently, on 5 October 2012, BTSC has received the compensation plus interest from the government agency owning the land in amounting to approximately Baht 1,119 million (VAT inclusive). BTSC has recorded the excess of interest received of approximately Baht 7 million as income and separately presented under the heading of "Revenue from court-ordered compensation" in the comprehensive income statement for the year ended 31 March 2013.

As at 31 March 2013, BTSC classified the rolling stock and work under construction under the project costs with a net book value of Baht 2,169 million as the rolling stock and assets under installation under property, plant and equipment since the assets are under an operation and maintenance contract as discussed in Note 45.4 e) to the financial statements.

## 21. Spare parts - maintenance contract

On 30 December 2004, BTSC entered into a ten-year maintenance contract for spare parts of an elevated mass transit system with a contractor. Under the contract, BTSC has spare parts - maintenance contract valued at Baht 425 million which the contractor is responsible for sourcing spare parts to replace at no cost, and maintain stocks at a constant level to sufficient for one year's commercial operations. This value of spare parts is to be maintained over the contract period and at the end of the contract, the contractor will transfer all such spare parts, amounted to Baht 425 million, which is equal to those sourced in the first year, to the custody of BTSC.

In accordance with the elevated mass transit system concession made with the BMA, BTSC has an obligation to transfer a number of spare parts sufficient for two years' commercial operations (the concession does not identify a specific value for these spare parts) to BMA when the concession expires, at no cost. Therefore, BTSC estimated the spare parts' value to be Baht 132 million, using the actual numbers consumed for two years by BTSC's contractor and classified such spare parts as Spare parts - awaiting transfer, which is presented as a part of project costs as discussed in Note 20 to the financial statements.

As at 31 March 2013, the spare parts were presented as non-current assets classified as held for sale in accordance with bases and assumptions determined by the Company's management as discussed in Note 27 to the financial statements.

## 22. Land and projects awaiting development

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Land and projects awaiting development	-	2,699,300	-	-
Less: Allowance for impairment	-	(22,960)	-	-
Net	<u>-</u>	<u>2,676,340</u>	<u>-</u>	<u>-</u>

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



During the year ended 31 March 2013, the subsidiary transferred land and projects awaiting development amounting to Baht 1,440 million to investment properties. In addition, BTSC sold investments in Kamala Beach Resort & Hotel Management Co., Ltd. (which owns land and projects awaiting development amounting to Baht 1,236 million) to a company, as discussed in Note 17 to the financial statements. As at 31 March 2013, there are no outstanding balances of land and projects awaiting development.

### 23. Investment properties

The net book value of investment properties as at 31 March 2013 and 2012 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements			
	Land awaiting sales	Buildings and condominiums for rent	Total	Land awaiting sales	Buildings and condominiums for rent	Golf course and construction	Total
31 March 2013							
Cost	3,209,940	399,467	3,609,407	1,278,940	360,708	1,069,158	2,708,806
<u>Less</u> Accumulated depreciation	-	(112,230)	(112,230)	-	(110,463)	(618,841)	(729,304)
<u>Less</u> Allowance for impairment	(550,269)	(79,279)	(629,548)	(550,269)	(69,049)	(220,830)	(840,148)
Net book value	<u>2,659,671</u>	<u>207,958</u>	<u>2,867,629</u>	<u>728,671</u>	<u>181,196</u>	<u>229,487</u>	<u>1,139,354</u>
31 March 2012							
Cost	2,854,715	387,200	3,241,915	1,316,163	361,472	1,341,725	3,019,360
<u>Less</u> Accumulated depreciation	-	(96,604)	(96,604)	-	(95,903)	(829,662)	(925,565)
<u>Less</u> Allowance for impairment	(605,019)	(79,279)	(684,298)	(577,838)	(69,049)	(220,830)	(867,717)
Net book value	<u>2,249,696</u>	<u>211,317</u>	<u>2,461,013</u>	<u>738,325</u>	<u>196,520</u>	<u>291,233</u>	<u>1,226,078</u>

A reconciliation of the net book value of investment properties for the years 2013 and 2012 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Net book value at beginning of year	2,461,013	2,497,289	1,226,078	1,284,761
Acquisition of assets	71,588	27,861	21	6,927
Transfer from land and projects awaiting development	1,440,406	-	-	-
Disposals - net book value	(37,740)	(42,175)	(59,900)	(42,191)
Decrease from disposal of investment in subsidiary	(1,079,314)	-	-	-
Depreciation charged	(15,893)	(16,614)	(54,414)	(55,482)
Decrease (increase) in allowance for impairment	27,569	(5,348)	27,569	32,063
Net book value at end of year	<u>2,867,629</u>	<u>2,461,013</u>	<u>1,139,354</u>	<u>1,226,078</u>

The fair value of the investment properties as at 31 March 2013 stated below:

	(Unit: Thousand Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
Land awaiting sales	2,816,304	1,153,000
Buildings and condominiums for rent	231,509	202,000
Golf course and construction	-	2,641,816

The fair values of the above investment properties have been determined based on valuations performed by an accredited independent valuer. The basis of the appraisal was as follows:

- Land awaiting sales has been determined based on market prices.
- Buildings and condominiums for rent have been determined using the income approach and depreciated replacement cost approach.
- Golf course and construction have been determined using the depreciated replacement cost approach.

The main assumptions used in the valuation are yield rate, inflation rate, long-term vacancy rate and long-term growth in real rental rates.

The Company and its subsidiary (BTS Assets Company Limited) have pledged investment properties amounting to approximately Baht 1,302 million (2012: Baht 155 million) (Separate financial statements: Baht 229 million (2012: Baht 291 million)) as collateral against credit and guarantee facilities received from a financial institution as discussed in Notes 28, 31 and 45.7 b) to the financial statements.

During the year ended 31 March 2013, the Company transferred land and projects awaiting development amounting to Baht 1,440 million to investment properties as discussed in Note 22 to the financial statements.

## 24. Property, plant and equipment

(Unit: Thousand Baht)

### Consolidated financial statements

	Land (revalued)	Rolling stock	Buildings and improvements	Golf course development costs	Machinery and equipment	Furniture and office equipment	Motor vehicles	Construction in progress	Total
<b>Cost</b>									
1 April 2011	181,896	-	820,518	602,676	487,990	701,228	298,374	1,650,437	4,743,119
Additions	-	-	6,008	6,560	2,559	51,925	2,924	830,588	900,564
Capitalised interest	-	-	-	-	-	-	-	83,334	83,334
Disposals	-	-	(557)	-	(853)	(22,817)	(6,611)	(5,176)	(36,014)
Transfer in (out)	-	-	175	800	20,870	94	-	(21,939)	-
31 March 2012	181,896	-	826,144	610,036	510,566	730,430	294,687	2,537,244	5,691,003
Additions	-	-	20,053	2,390	48,040	159,459	7,160	1,185,858	1,422,960
Capitalised interest	-	-	-	-	-	-	-	33,510	33,510
Disposals	-	-	(253,029)	(33,626)	(1,086)	(92,083)	(12,732)	(701)	(393,257)
Transfer in (out)	-	1,818,537	2,330,816	-	417,086	17,394	(7)	(2,513,641)	2,070,185
31 March 2013	181,896	1,818,537	2,923,984	578,800	974,606	815,200	289,108	1,242,270	8,824,401
<b>Accumulated depreciation</b>									
1 April 2011	-	-	549,110	317,104	257,038	546,224	142,161	-	1,811,637
Depreciation for the year	-	-	42,054	9,951	96,908	57,682	42,688	-	249,283
Depreciation on disposals	-	-	(89)	-	(579)	(22,657)	(5,905)	-	(29,230)
31 March 2012	-	-	591,075	327,055	353,367	581,249	178,944	-	2,031,690
Depreciation for the year	-	24,801	96,521	9,690	133,982	68,829	37,799	-	371,622
Depreciation on disposals	-	-	(230,868)	(33,626)	(125)	(84,556)	(12,490)	-	(361,665)
Depreciation on transfer out	-	-	-	-	(56,638)	(1,376)	(3)	-	(58,017)
31 March 2013	-	24,801	456,728	303,119	430,586	564,146	204,250	-	1,983,630

(Unit: Thousand Baht)

## Consolidated financial statements

	Land (revalued)	Rolling stock	Buildings and improvements	Golf course development costs	Machinery and equipment	Furniture and office equipment	Motor vehicles	Construction in progress	Total
<b>Revaluation surplus</b>									
1 April 2011	2,600,711	-	-	-	-	-	-	-	2,600,711
31 March 2012	2,600,711	-	-	-	-	-	-	-	2,600,711
Addition	370,150	-	-	-	-	-	-	-	370,150
31 March 2013	2,970,861	-	-	-	-	-	-	-	2,970,861
<b>Allowance for impairment</b>									
1 April 2011	-	-	12,405	208,426	-	-	-	-	220,831
31 March 2012	-	-	12,405	208,426	-	-	-	-	220,831
31 March 2013	-	-	12,405	208,426	-	-	-	-	220,831
<b>Net book value</b>									
31 March 2012	2,782,607	-	222,664	74,555	157,199	149,181	115,743	2,537,244	6,039,193
31 March 2013	3,152,757	1,793,736	2,454,851	67,255	544,020	251,054	84,858	1,242,270	9,590,801
<b>Depreciation for the years</b>									
2012									249,283
2013									371,622

(Unit: Thousand Baht)

	Separate financial statements					Total
	Buildings and improvements	Golf course development costs	Furniture and office equipment	Motor vehicles	Construction in progress	
<b>Cost</b>						
1 April 2011	45,795	51,857	73,453	71,332	15,884	258,321
Additions	-	1,596	2,177	-	13,318	17,091
Transfer in (out)	-	800	33	-	(833)	-
Disposals	(451)	-	(16,110)	(347)	(581)	(17,489)
31 March 2012	45,344	54,253	59,553	70,985	27,788	257,923
Additions	-	-	863	3,154	183,202	187,219
Transfer in (out)	-	-	-	-	3,091	3,091
Disposals	-	(14,087)	(21,673)	(136)	-	(35,896)
31 March 2013	45,344	40,166	38,743	74,003	214,081	412,337
<b>Accumulated depreciation</b>						
1 April 2011	28,261	37,549	55,121	70,947	-	191,878
Depreciation for the year	4,104	3,875	6,243	269	-	14,491
Depreciation on disposals	-	-	(15,975)	(348)	-	(16,323)
31 March 2012	32,365	41,424	45,389	70,868	-	190,046
Depreciation for the year	3,855	4,044	5,372	325	-	13,596
Depreciation on disposals	-	(14,087)	(21,672)	(136)	-	(35,895)
31 March 2013	36,220	31,381	29,089	71,057	-	167,747
<b>Net book value</b>						
31 March 2012	12,979	12,829	14,164	117	27,788	67,877
31 March 2013	9,124	8,785	9,654	2,946	214,081	244,590
<b>Depreciation for the years</b>						
2012						14,491
2013						13,596

For the years ended 31 March 2013 and 2012, the Company and its subsidiaries recorded depreciation for the years as a part of costs and expenses in the statements of comprehensive income as details below.

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Costs of fare box	8	9	-	-
Costs of services	197	127	-	1
Administrative expenses	167	113	14	13
Total	<u>372</u>	<u>249</u>	<u>14</u>	<u>14</u>

The Company arranged for an independent professional valuer to appraise the value of certain assets in 2013 on an asset-by-asset basis. The basis of the revaluation was as follows:

- Land was revalued using the market approach.
- Buildings and improvements and Golf course development costs were revalued using the depreciated replacement cost approach.

The Company and its subsidiary recorded revaluation surplus on land of approximately Baht 370 million in other comprehensive income in the statement of comprehensive income for the year ended 31 March 2013.

The Company and a subsidiary (BTS Assets Co., Ltd.) have mortgaged land and construction thereon with net book value as at 31 March 2013 of Baht 5,386 million (2012: Baht 5,356 million) as collateral for credit and guarantee facilities from a financial institution, as discussed in Note 28, 31 and 45.7 b) to the financial statements.

As at 31 March 2013, certain assets have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation and allowance for impairment loss) of those assets amounted to approximately Baht 1,186 million (2012: Baht 1,198 million) (Separate financial statements: Baht 126 million (2012: Baht 152 million)).

During the year ended 31 March 2013, the subsidiaries included borrowing costs of Baht 34 million as cost of "Property, plant and equipment" (2012: Baht 83 million). Interest is charged at rate of 5.0 - 6.125% per annum (2012: 5.625 - 6.125% per annum).

As at 31 March 2013, BTSC classified the rolling stock and assets under installation under the project costs with a net book value of Baht 2,169 million as discussed in Note 20 to the financial statements as the rolling stock and assets under installation under property, plant and equipment since the assets are under an operation and maintenance contract as discussed in Note 45.4 e) to the financial statements.

As at 31 March 2013, the subsidiary transferred equipment amounting to Baht 22 million to intangible assets.

As at 31 March 2013, certain equipment with a net book value of Baht 26 million were presented as non-current assets classified as held for sale in accordance with bases and assumptions determined by the Company's management as discussed in Note 27 to the financial statements.

## 25. Leasehold rights

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
<b>Cost</b>		
1 April 2011	110,278	12,000
Addition	9,274	9,274
31 March 2012	119,552	21,274
31 March 2013	119,552	21,274
<b>Accumulated amortisation</b>		
1 April 2011	22,382	8,400
Amortisation for the year	7,145	2,074
31 March 2012	29,527	10,474
Amortisation for the year	8,552	3,492
31 March 2013	38,079	13,966
<b>Net book value</b>		
31 March 2012	90,025	10,800
31 March 2013	81,473	7,308
<b>Amortisation for the years as included in administrative expenses</b>		
2012	7,145	2,074
2013	8,552	3,492

## 26. Intangible assets

(Unit: Thousand Baht)

	Consolidated financial statements		
	Intangible assets		Total
	Computer software	under development	
<b>Costs</b>			
1 April 2011	84,188	-	84,188
Disposal	12,439	2,914	15,353
31 March 2012	96,627	2,914	99,541
Addition	17,819	-	17,819
Transfer-in (out)	24,829	(2,914)	21,915
31 March 2013	139,275	-	139,275
<b>Accumulated amortisation</b>			
1 April 2011	62,629	-	62,629
Amortisation on disposals	10,215	-	10,215
31 March 2012	72,844	-	72,844
Amortisation for the year	16,216	-	16,216
31 March 2013	89,060	-	89,060
<b>Net book value</b>			
31 March 2012	23,783	2,914	26,697
31 March 2013	50,215	-	50,215
<b>Amortisation for the years included in administrative expenses</b>			
2012			10,215
2013			16,216



(Unit: Thousand Baht)

Separate  
financial statements

Computer software

**Costs**

1 April 2011	6,758
Addition	753
31 March 2012	7,511
Addition	14
31 March 2013	7,525

**Accumulated amortisation**

1 April 2011	4,302
Amortisation for the year	1,757
31 March 2012	6,059
Amortisation for the year	973
31 March 2013	7,032

**Net book value**

31 March 2012	1,452
31 March 2013	493

**Amortisation for the years included in the administrative expenses**

2012	1,757
2013	973

**27. Non-current assets classified as held for sale**

As discussed in Note 49 to the financial statements, the Extraordinary General Meeting of the Company's shareholders held on 18 December 2012 passed a resolution to sell the net fare box revenue that BTSC will receive from its operation of a core line of its skytrain business to BTS Rail Mass Transit Growth Infrastructure Fund ("BTSGIF"), and subsequently, on 17 April 2013, the Company and BTSGIF entered into the Net Revenue Purchase and Transfer Agreement. In accordance with TFRS 5 (revised 2009) "Non-current Assets Held for Sale and Discontinued Operations", an asset classified as held for sale, and the assets and liabilities included within a disposal group classified as held for sale, are presented separately in the statement of financial position. As a result, as at 31 March 2013, the Company classified the assets derecognized from its accounts on 17 April 2013 as non-current assets classified as held for sale, and presented them as a separate item in the statement of financial position.

The classification of the non-current assets classified as held for sale as at 31 March 2013 is detailed below.

	(Unit: Thousand Baht)
	Consolidated
	financial statements
	<hr/>
Consumable spare parts - elevated train system	68,104
Prepaid expenses	36,971
Project costs	41,676,704
Reusable spare parts - elevated train system	59,175
Spare parts - maintenance contract	292,771
Property, plant and equipment	26,344
Advances for acquisitions of assets	11,965
	<hr/>
Total non-current assets classified as held for sale	<u>42,172,034</u>

The above assets were classified as non-current assets classified as held for sale in accordance with bases and assumptions determined by the Company's management.

Revenues and expenses relating to the assets for the years ended 31 March 2013 and 2012 were detailed below.

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<hr/>	
	<u>2013</u>	<u>2012</u>
Fare box revenues - net	4,895,758	4,296,839
Costs of fare box	(2,469,726)	(2,242,324)
Administrative expenses	(479,029)	(356,953)
Selling expenses	(40,904)	(41,565)
	<hr/>	<hr/>
Profit from discontinued operation for the year	<u>1,894,671</u>	<u>1,655,997</u>

The revenues and expenses were allocated in accordance with bases and assumptions determined by the Company's management.

The Company did not present separate cash flows from the discontinued operation since the Company was unable to clearly distinguish these cash flows.

## **28. 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 10 million (2012: Baht 1,200 million) is subject to interest at a market rate and is secured by the mortgage of investment properties of the subsidiary as discussed in Note 23 to the financial statements. As at 31 March 2013, there is no outstanding balance of this loan (2012: Baht 742 million).

### **BTS Assets Company Limited**

A facility of Baht 15 million (2012: Nil) 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 24 to the financial statements. As at 31 March 2013, there is no outstanding balance of this bank overdraft (2012: Nil).

A facility of Baht 500 million (2012: Baht 500 million) is subject to interest at a rate tied to the Minimum Loan Rate (MLR) and is secured by the mortgage of investment properties of the subsidiary as discussed in Note 23 to the financial statements. As at 31 March 2013, there is no outstanding balance of this loan and the subsidiary closed this facility (2012: Baht 200 million).

### **Nuvo Line Agency Company Limited**

A facility of Baht 25 million (2012: 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 13 to the financial statements. As at 31 March 2013, there is no outstanding balance of this bank overdraft (2012: Nil).

### **BTSC**

The short-term loans in the form of promissory notes with a local commercial bank of Baht 1,117 million (2012: Baht 1,000 million). The loan is repayable not later than 6 months after draw down, is secured by the pledge of share certificates of a subsidiary as discussed in Note 17 to the financial statements, and carries interest at 3.90% per annum and a rate tied to the minimum loan rate minus 3.30% per annum (2012: 4.05 to 4.10% per annum).

## 29. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Trade payables - related parties	85	66	-	81,278
Trade payables	537,801	208,635	-	144
Other payables - related parties	788	356	22,457	17,626
Other payables	263,954	144,796	2,063	3,590
Accrued interest expenses - related parties	-	-	-	2,200
Accrued interest expenses	53,812	107,438	-	21,957
Retention payable	241,949	197,446	6,963	9,381
Deposit payable	107,437	95,000	55,000	95,000
Accrued expenses	537,518	617,880	21,461	25,309
Accrued Expenses - related parties	-	-	-	5
Dividend payable	118,719	80,825	32,588	18,459
Total trade and other payables	<u>1,862,063</u>	<u>1,452,442</u>	<u>140,532</u>	<u>274,949</u>

## 30. Creditors per rehabilitation plan

Creditors per rehabilitation plan are detailed as follows:

(Unit: Thousand Baht)

	Consolidated and separate	
	financial statements	
	<u>2013</u>	<u>2012</u>
Creditors per rehabilitation plan	797,209	747,430
Less: Current portion	<u>(745,356)</u>	<u>(745,356)</u>
Creditors per rehabilitation plan - net of current portion	<u>51,853</u>	<u>52,074</u>

The outstanding balances as at 31 March 2013 and 2012 are detailed as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements		
	2013		
	Debts pending final judgment	Undue debts/ Installment debts	Total
Secured creditors/Unsecured creditors for which other parties' assets are placed as security	457,159	-	457,159
Unsecured creditors	<u>283,538</u>	<u>56,512</u>	<u>340,050</u>
Total	740,697	56,512	797,207
Less: Current portion	<u>(696,551)</u>	<u>(48,805)</u>	<u>(745,356)</u>
Net	<u>44,146</u>	<u>7,707</u>	<u>51,853</u>

(Unit: Thousand Baht)

	Consolidated and separate financial statements		
	2012		
	Debts pending final judgment	Undue debts/ Installment debts	Total
Secured creditors/Unsecured creditors for which other parties' assets are placed as security	457,159	-	457,159
Unsecured creditors	283,538	56,733	340,271
Total	740,697	56,733	797,430
Less: Current portion	(696,551)	(48,805)	(745,356)
Net	44,146	7,928	52,074

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.

### 31. Long-term loans

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Long-term loans	2,363,968	3,517,373	-	-
Less: Current portion	(1,967,221)	(583,400)	-	-
Long-term loans - net of current portion	<u>396,747</u>	<u>2,933,973</u>	<u>-</u>	<u>-</u>

Details of the long-term loans are as follows:

### **The Company**

A facility of Baht 150 million (2012: 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 23 to the financial statements. Interest is to be paid monthly and principal is to be repaid within 120 months from the drawdown date. As at 31 March 2013, the Company has not drawn down such loan.

### **BTSC**

A facility of Baht 2,300 million (2012: Baht 2,300 million), for acquisition of 35 elevated train carriages, is subject to interest at a rate tied to the Minimum Loan Rate (MLR) minus a certain spread stipulated in the agreement and is not collateralised. It is to be repaid principal in installments every 3 months as from March 2012 to December 2015. As at 31 March 2013, a subsidiary had fully repaid this loan from a financial institution (2012: Baht 886 million).

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 (2012: Nil), for acquisition of 5 elevated trains. The loan has no collateral and carries interest at the Minimum Loan Rate (MLR). As at 31 March 2013, the subsidiary has not yet drawn down of this loan.

### **BTS Assets Company Limited**

A facility of Baht 1,800 million (2012: 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 Notes 22,23 and 24 to the financial statements. It is to be repaid principal in installments every 3 months as from March 2014 to December 2017. As at 31 March 2013, the outstanding balance of this loan was approximately Baht 1,000 million (2012: Baht 1,609 million).

As at 31 March 2013, a credit facility agreement includes a covenant regarding the debt service coverage ratio which is lower than the ratio stipulated in the agreement. In addition, the major shareholder was changed from BTSC to the Company. The subsidiary therefore classified this loan as current liabilities in the statement of financial position. However, the Company repaid this loan in full in April 2013.

### **Muangthong Assets Company Limited**

A facility of Baht 65 million (2012: 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 31 March 2013, there is no outstanding balance of this loan and the subsidiary closed this facility (2012: Baht 45 million).

### **Nuvo Line Agency Company Limited**

A facility of Baht 2,100 million (2012: 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 13 to the financial statements. Interest is to be paid monthly and principal is to be repaid within 36 months from the drawdown date. As at 31 March 2013, the outstanding balance of this loan was approximately Baht 1,134 million (2012: Baht 877 million).

A facility of Baht 900 million (2012: 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 13 to the financial statements. Interest is to be paid monthly and principal is to be repaid within 30 months from the drawdown date. As at 31 March 2013, the subsidiary has not drawn down such loan.

### **Bangkok Smartcard System company Limited**

A facility of Baht 300 million (2012: 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 31 March 2013, the outstanding balance of this loan was approximately Baht 230 million (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.

As at 31 March 2013, the long-term credit facilities of the Company and its subsidiaries which have not been drawn down amounted to Baht 3,251 million (2012: Baht 4,234 million).

### 32. Long-term debentures

On 21 August 2009, BTSC issued and offered 12 million units of unsubordinated and unsecured debentures (“the debentures”), with a par value of Baht 1,000 each, total value of Baht 12,000 million to the public. In addition, for the issuance of the debentures, BTSC incurred the issuing costs approximately amounting to Baht 146 million deducting from the debenture’s value. The issuing costs will be amortised to increase the debentures’ valuation gradually throughout the period of the debentures.

As at the statement of financial position date, details of the debentures were as follows:

(Unit: Thousand Baht)

	<u>Maturity date</u>	<u>Interest rate</u> p.a.%	<u>Consolidated financial statements</u>	
			<u>2013</u>	<u>2012</u>
Tranche 1	21 August 2012	4.75	-	2,500,000
Tranche 2	21 August 2013	5.25	2,081,300	2,500,000
Tranche 3	21 August 2014	5.75	3,611,300	4,000,000
Tranche 4	21 August 2015	6.25	1,468,900	1,500,000
Tranche 5	21 August 2016	6.75	1,348,450	1,500,000
Total			8,509,950	12,000,000
Less: the issuing costs			(30,314)	(60,422)
Total long-term debentures			8,479,636	11,939,578
Less: Current portion of long-term debentures			(2,078,656)	(2,495,767)
Long-term debentures - net of current portion			6,400,980	9,443,811

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. Currently, there is no outstanding balance of such agreement.



### 33. Convertible debentures

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	<u>2013</u>	<u>2012</u>
Balance of the beginning of year	8,648,338	8,363,198
Add: Amortisation of liability component of convertible debentures	170,826	297,421
Amortisation of letter of credit fee for convertible debentures	135,925	151,235
Less: Cash paid for letter of credit fee for convertible debentures	-	(163,516)
Less: Debenture conversion to ordinary shares	<u>(8,955,089)</u>	<u>-</u>
Balance of the end of year	<u>-</u>	<u>8,648,338</u>

The Company issued the convertible debentures as follows:

- Value : Baht 10,000 million to be redeemed in US dollars, using a stipulated exchange rate of Baht 30.604 per USD 1
- Term : 5 years
- Maturity date : 25 January 2016
- Interest : 1.0% per annum for the first 2 years and no interest for next 3 years
- Call/Put options : Called in full after 25 January 2014 and puttable on 25 January 2013
- Conversion price : Baht 0.85 per share
- Collateral : Letter of credit facility issued by a local bank with fee charge at 1.5% per annum within 25 months and no fee charge for the remaining periods
- Allocation method : Full offering to be made to overseas investors

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 where a dividend is paid. Following the change in the number and par value of the shares of the Company, as discussed in Note 35 to the financial statements, the conversion price of the convertible debentures will be adjusted from Baht 0.82 per share to Baht 5.12 per share.

The Company adjusted the conversion price of the convertible debentures from Baht 5.12 per share to Baht 5.00 per share, effective from 29 January 2013.

During the year ended 31 March 2013, all holders of the convertible bonds exercised rights to convert Baht 10,000 million of bonds. Such convertible bonds were thus converted to 1,955,074,778 ordinary shares of the Company with a par value of Baht 4 per share (For comparative purposes, some of ordinary shares of the Company converted by convertible bonds were adjusted in accordance with the change in their par value, as discussed in Note 35 to the financial statements, with the number of ordinary shares adjusted as if the change had occurred at the beginning of the earliest period reported.).

As at 31 March 2013, the bank redeemed letter of credit facility issued by a local bank and a bank account as a guarantee of interest payment on the convertible debentures. The Company also recorded convertible debentures - equity component of Baht 1,356.6 million as surplus on debenture conversion in other components of equity under the Company's shareholders' equity.

#### 34. Provision for long-term employee benefits

Provision for long-term employee benefits as at 31 March 2013 and 2012, which is compensations on employees' retirement, was as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Balance at beginning of year	400,178	349,754	25,987	22,789
Current service cost	44,333	40,509	2,348	2,241
Interest cost	16,555	14,565	1,091	957
Benefits paid during the year	(18,438)	(4,650)	(6,930)	-
Actuarial (gain) loss	39,086	-	(1,200)	-
Balance at end of year	<u>481,714</u>	<u>400,178</u>	<u>21,296</u>	<u>25,987</u>

Long-term employee benefit expenses included in the profit or loss were as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the years ended 31 March			
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Current service cost	44,333	40,509	2,348	2,241
Interest cost	16,555	14,565	1,091	957
<b>Total expense recognised in profit or loss</b>	<b>60,888</b>	<b>55,074</b>	<b>3,439</b>	<b>3,198</b>
Line items under which such expenses are included in profit or loss				
Costs of fare box	24,027	29,900	-	-
Cost of construction service	1,995	1,938	-	-
Cost of services	1,002	953	-	-
Selling and servicing expenses	22	75	-	-
Administrative expenses	33,842	22,208	3,439	3,198

Total actuarial losses recognised in the other comprehensive income of the Company and its subsidiaries as at 31 March 2013 amounted to approximately Baht 39 million (2012: Nil) (The Company only: gain by Baht 1 million (2012: Nil)).

Principal actuarial assumptions at the valuation date were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 March	31 March	31 March
	2013	2012	2013	2012
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	4.1	4.2	4.1	4.2
Future salary increase rate	5.0	5.0	5.0	5.0
Staff turnover rate	2.0 - 9.0	2.0 - 8.0	2.0 - 9.0	2.0 - 8.0

Amounts of defined benefit obligation for the current and previous 3 years are as follows:

	(Unit: Thousand Baht)			
	Defined benefit obligation		Experience adjustments arising on the plan liabilities	
	Consolidated	Separate	Consolidated	Separate
	financial statements	financial statements	financial statements	financial statements
For the years ended 31 March				
2013	481,714	21,296	34,609	(2,133)
2012	400,178	25,987	-	-
2011	349,754	22,789	-	-
2010	314,658	19,855	-	-

### 35. Share capital / Share premium

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

- a) Approved the reduction of the registered share capital from Baht 49,420,252,268.80 (77,219,144,170 ordinary shares with a par value of Baht 0.64 each) to Baht 47,817,776,079.36 (74,715,275,124 ordinary shares with a par value of Baht 0.64 each) by canceling the 2,503,869,046 unissued shares with a par value of Baht 0.64 each remaining from the offering to BTSC's existing shareholders, excluding the Company, as discussed in Note 17 to the financial statements.
- b) Approved an increase in the registered share capital from Baht 47,817,776,079.36 (74,715,275,124 ordinary shares with a par value of Baht 0.64 each) to Baht 47,881,776,079.36 (74,815,275,124 ordinary shares with a par value of Baht 0.64 each) by issuing 100 million ordinary shares with a par value of Baht 0.64 each to reserve for the exercise of the warrants to purchase new ordinary shares of the Company issued to the employees of the Company and its subsidiaries (BTS-WA) as discussed in Note 36 to the financial statements.

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

As at 31 March 2012, the Company's issued and fully paid share capital has increased from Baht 35,769,136,566.40 (55,889,275,885 ordinary shares with a par value of Baht 0.64 each) to Baht 36,600,495,792.64 (57,188,274,676 ordinary shares with a par value of Baht 0.64 each) as a result of the issuance of Baht 831,359,226.24 of ordinary shares (1,298,987,791 ordinary shares with a par value of Baht 0.64 each) to BTSC's existing shareholders, as discussed in Note 17 to the financial statements, resulting in a share premium of Baht 350,729,673.57.

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

The Annual General Meeting of the Company's shareholders held on 26 July 2012 passed the following resolutions:

- a) Approved an increase in the registered share capital from Baht 47,881,776,079.36 (74,815,275,124 ordinary shares with a par value of Baht 0.64 each) to Baht 47,881,776,096 (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 b) will not cause a fraction of shares by allocating as follows:

- 1) 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).
- 2) 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 2) 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.

The Company registered the corresponding increase in its registered capital with the Ministry of Commerce on 30 July 2012.

- b) 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).

The Company registered the change in the par value of shares with the Ministry of Commerce on 7 August 2012.

- c) 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:

- 1) 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".

- 2) 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".
  - 3) 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".
- d) 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).

The Company registered the corresponding increase in its registered capital with the Ministry of Commerce on 8 August 2012.

- e) 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).

For comparative purposes, the Company's ordinary shares were adjusted in accordance with the change in their par value, as discussed in b), with the number of ordinary shares adjusted as if the change had occurred at the beginning of the earliest period reported.

As at 31 March 2013, the Company's issued and fully paid share capital has increased from Baht 36,600,495,792 (9,150,123,948 ordinary shares with a par value of Baht 4 each) to Baht 44,426,538,376 (11,106,634,594 ordinary shares with a par value of Baht 4 each) as a result of the conversion of convertible debentures to ordinary shares amounting to Baht 7,820,299,112 (1,955,074,778 ordinary shares with a par value of Baht 4 each), as discussed in Note 33 to the financial statements, the exercise of the warrants (BTS-W2) to ordinary shares amounting to Baht 5,743,456 (1,435,864 ordinary shares with a par value of Baht 4 each), as discussed in Note 36 to the financial statements, and the issuance of ordinary shares amounting to Baht 16 in order to prevent the occurrence of fractions of shares (4 ordinary shares with a par value of Baht 4 each), resulting in an increase in total share premium to Baht 1,486,058,428.

The Company registered the corresponding increases in its paid-up capital with the Ministry of Commerce during May 2012 and March 2013.

### 36. Warrants

The warrants are detailed as follows:

	BTS-W2	BTS-WA
	Units	Units
Outstanding as at 31 March 2012	5,027,000,448	87,470,000
Issued during the year	-	12,530,000
Exercised during the year	(1,859,831,377)	-
Outstanding as at 31 March 2013	<u>3,167,169,071</u>	<u>100,000,000</u>

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

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

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

After the change in the number and par value of the shares of the Company as discussed in Note 35 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.

In December 2012, the Company received advance subscription of Baht 4.375 per share to 1,435,864 of the additional ordinary shares arising from the exercise of the warrants (BTS-W2) of 8,974,167 units, a total of Baht 6,281,900. The Company registered the resulting increase of Baht 5,743,456 in its capital with the Ministry of Commerce on 4 January 2013.

In March 2013, the Company received advance subscription of Baht 4.375 per share to 296,137,154 of the additional ordinary shares arising from the exercise of the warrants (BTS-W2) of 1,850,857,210 units, a total of Baht 1,295,600,048. The Company registered the resulting increase of Baht 1,184,548,616 in its capital with the Ministry of Commerce on 3 April 2013. As at 31 March 2013, there were a total of 3,167,169,071 outstanding unexercised warrants.

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

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

Date of grant	18 August 2011
Number granted (Units)	100,000,000 (2012: 87,470,000)
Contractual lives	5 years from the issue date
Exercisable	Last business day of each quarter, after completion of a 2-year period from the issue date
Exercise price per 1 ordinary share (Baht)	0.70
Exercise ratio (warrant to ordinary shares)	1:1

During the year ended 31 March 2013, 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.



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

After the change in the number and par value of the shares of the Company as discussed in Note 35 to the 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.

In addition, after the change in par value and amount of the shares of the Company as discussed in Note 35 to the financial statement, the approximately fair value of each warrant will be adjusted from Baht 0.27 to Baht 1.69.

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

On 26 July 2012, the Annual General Meeting of the Company's shareholders 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 to employee 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.

Currently, the Company has not issued the warrants as detailed above.

### 37. Revaluation surplus on assets

The revaluation surplus on assets can neither be offset against deficit nor used for dividend payment.

### 38. Statutory reserve

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

### 39. Service income

Details of service income are as follows:

(Unit: Thousand Baht)

For the years ended 31 March

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Advertising income	2,353,530	1,620,692	-	-
Revenue from provision of operating services	1,146,150	880,108	-	-
Revenue from provision of spaces	246,283	221,329	-	-
Other service income	1,041,648	559,045	108,931	109,490
Total	<u>4,787,611</u>	<u>3,281,174</u>	<u>108,931</u>	<u>109,490</u>

#### 40. Expenses by nature

Significant expenses by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<b>Continued operation:</b>				
Salaries, wages and other benefits	924,187	696,548	108,505	86,414
Subcontractor costs	-	83,004	10,961	631,853
Design and construction cost	-	603	-	11,047
Consultation, project management and professional fee	114,741	94,454	40,332	39,731
Depreciation and amortisation	401,772	245,040	91,172	74,702
Withholding tax written-off	-	27,523	-	26,809
Premise tax and other taxes	38,220	80,470	24,204	28,207
Allowance for loss on diminution in value of assets	-	5,348	-	-
Allowance for loss on diminution in value of investments	-	-	-	39,500
Rental expenses from operating lease agreements	65,506	39,861	28,936	22,676
Repair and maintenance expenses	118,304	100,318	8,693	6,526
Utility expenses	115,299	95,120	14,033	12,217
Penalty charge	3	15,477	3	13
Advertising and promotional expenses	106,201	77,815	15,438	14,038
Subcontractor expenses for train operating service	28,774	31,092	-	-
Concession fee	589,990	454,346	-	-
Costs of advertising services	137,475	70,637	-	-
Real estate development during the year	635,726	690,304	9,950	61,557
Change in real estate development costs	(161,239)	(493,757)	107,499	172,991
Finance cost	1,300,656	1,462,186	435,836	588,154
<b>Discontinued operation:</b>				
Salaries, wages and other benefits	606,707	557,680	-	-
Depreciation and amortisation	29,205	39,114	-	-
Amortisation of spare parts and elevated rail project costs	1,346,361	1,187,575	-	-
Rental expenses from operating lease agreements	70,895	4,911	-	-
Consultation, project management and professional fee	66,285	54,684	-	-
Repair and maintenance expenses	406,044	409,803	-	-
Utility expenses	270,392	224,983	-	-
Advertising and promotional expenses	27,563	31,733	-	-

#### 41. Finance cost

Details of finance cost are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Interest expenses and other fees	914,326	950,265	129,085	139,498
Amortisation of deferred debenture issuing costs	26,758	33,021	-	-
Amortisation of liability component of convertible debentures	170,826	297,421	170,826	297,421
Amortisation of letter of credit fee for convertible debentures	135,925	151,235	135,925	151,235
Total	<u>1,274,835</u>	<u>1,431,942</u>	<u>435,836</u>	<u>588,154</u>

#### 42. Corporate income tax

The Company had no corporate income tax payable for the years ended 31 March 2013 and 2012 since its tax loss brought forward exceeds its profit for the years.

A subsidiary (BTSC) had no corporate income tax payable for the year ended 31 March 2012 since its tax loss brought forward exceeds its profit for the year.

#### 43. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year in proportion to the change in the number of shares as a result of the change in par value from Baht 0.64 each to Baht 4 each as discussed in Note 35 to the financial statements. The number of ordinary shares is adjusted as if the share split down had occurred at the beginning of the earliest period reported.

Diluted earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year 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 and adjusts the number of ordinary shares in issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares in proportion to the change in the number of shares as a result of the change in par value from Baht 0.64 each to Baht 4 each as discussed in Note 35 to the financial statements. The number of ordinary shares is adjusted as if the share split down had occurred at the beginning of the earliest period reported.

Details of calculation of earnings per share for the years ended 31 March 2013 and 2012 are as below.

(Unit: Thousand Baht)

	Consolidated financial statements					
	Profit		Weighted average number of ordinary shares		Earnings per share	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht
<b>Basic earnings per share</b>						
Profit attributable to equity holders of the Company	2,488,303	<u>2,105,626</u>	9,991,489	<u>9,112,645</u>	<u>0.24904</u>	<u>0.23107</u>
<b>Effect of dilutive potential ordinary shares</b>						
Warrants 3,167,169,071 units (BTS-W2) (2012: 5,027,000,448 units)	-		286,973			
Warrants 100,000,000 units (BTS-WA) (2012: 87,470,000 units)	-		4,578			
Convertible debentures	<u>210,929</u>		<u>1,092,076</u>			
<b>Diluted earnings per share</b>						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>2,699,232</u>		<u>11,375,116</u>		<u>0.23729</u>	

(Unit: Thousand Baht)

	Separate financial statements					
	Profit		Weighted average number of ordinary shares		Earnings per share	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht
<b>Basic earnings per share</b>						
Profit attributable to equity holders of the Company	5,469,795	3,443,155	9,991,489	9,112,645	<u>0.54745</u>	<u>0.37784</u>
<b>Effect of dilutive potential ordinary shares</b>						
Warrants 3,167,169,071 units (BTS-W2) (2012: 5,207,000,448 units)	-	-	286,973	-		
Warrants 100,000,000 units (BTS-WA) (2012: 87,470,000 units)	-	-	4,578	-		
Convertible debentures	<u>210,929</u>	<u>567,053</u>	<u>1,092,076</u>	<u>1,812,442</u>		
<b>Diluted earnings per share</b>						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>5,680,724</u>	<u>4,010,208</u>	<u>11,375,116</u>	<u>10,925,087</u>	<u>0.49940</u>	<u>0.36706</u>

Details of calculation of earnings per share from continued operation for the years ended 31 March 2013 and 2012 are as below.

(Unit: Thousand Baht)

	Consolidated financial statements					
	Profit		Weighted average number of ordinary shares		Earnings per share	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht
<b>Basic earnings per share</b>						
Profit attributable to equity holders of the Company	624,934	509,499	9,991,489	9,112,645	0.06255	0.05591
<b>Effect of dilutive potential ordinary shares</b>						
Warrants 3,167,169,071 units (BTS-W2) (2012: 5,027,000,448 units)	-	-	286,973	-		
Warrants 100,000,000 units (BTS-WA) (2012: 87,470,000 units)	-	-	4,578	-		
<b>Diluted earnings per share</b>						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	624,934		10,283,040		0.06077	

(Unit: Thousand Baht)

	Separate financial statements					
	Profit		Weighted average number of ordinary shares		Earnings per share	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht
<b>Basic earnings per share</b>						
Profit attributable to equity holders of the Company	5,469,795	3,443,155	9,991,489	9,112,645	0.54745	0.37784
<b>Effect of dilutive potential ordinary shares</b>						
Warrants 3,167,169,071 units (BTS-W2) (2012: 5,207,000,448 units)	-	-	286,973	-		
Warrants 100,000,000 units (BTS-WA) (2012: 87,470,000 units)	-	-	4,578	-		
Convertible debentures	210,929	567,053	1,092,076	1,812,442		
<b>Diluted earnings per share</b>						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	5,680,724	4,010,208	11,375,116	10,925,087	0.49940	0.36706

The conversion to ordinary shares of warrants representing rights to purchase ordinary shares of the Company (BTS-W2) would increase earnings per share and earnings per share from continued operation for the year ended 31 March 2012 in the consolidated and separate financial statements and 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 issued to the employees of the Company and its subsidiaries (BTS-WA) are higher than the average market price of the Company's shares for the year ended 31 March 2012. Therefore, the Company has not assumed conversion of the warrants in the calculation of diluted earnings per share.

In addition, convertible debentures would increase earnings per share and earnings per share from continued operation for the year ended 31 March 2012 and increase earnings per share from continued operation for the year ended 31 March 2013 in the consolidated financial statements. Therefore, the Company has not assumed conversion of convertible debentures in the calculation of diluted earnings per share.

#### 44. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final dividends for 2011	Annual General Meeting of the shareholders on 26 July 2011	1,294	0.14
Interim dividends for 2012	Board of Directors' meeting on 13 January 2012	1,368	0.15
Total for the year ended 31 March 2012		2,662	
Final dividends for 2012	Annual General Meeting of the shareholders on 26 July 2012	1,379	0.15
Interim dividends for 2013	Board of Directors' meeting on 11 January 2013	1,794	0.16
Total for the year ended 31 March 2013		3,173	

For comparative purpose, the dividend per share for the year ended 31 March 2012 were recalculated on the change of the par value of the Company's ordinary shares from Baht 0.64 to Baht 4 per share, as discussed in Note 35 to the financial statements.

## **45. Commitments and contingent liabilities**

As at 31 March 2013, the Company and its subsidiaries had commitments as follows:

### **45.1 Capital commitments**

- a) The Company and its subsidiaries (HHT Construction Company Limited, Muangthong Assets Company Limited, Nuvo Line Agency Company Limited and Kamkoong Property Company Limited) had outstanding commitments of approximately Baht 253 million (2012: Baht 760 million) in respect of agreements of consultation, design and construction projects.
- b) The Company and its subsidiaries (BTS Assets Company Limited and Nuvo Line Agency Company Limited) had outstanding commitments with a subsidiary (HHT Construction Company Limited) approximately Baht 364 million (2012: Baht 1 million) in respect of renovation and development of golf course and construction in progress.
- c) The Company entered into agreements with the Ministry of Finance to lease land for building construction, which the Company must complete 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.
- d) A subsidiary (BTSC) had capital commitments of Baht 27 million (2012: Baht 43 million) in respect of a change and improvement of signaling system for elevated train operation.
- e) A subsidiary (BTSC) had capital commitments of EUR 6 million, USD 1 million, RMB 110 million and Baht 38 million (2012: EUR 20 million, USD 2 million, RMB 110 million and Baht 83 million) in respect of the acquisition of 55 elevated train carriages under an operation and maintenance contract for a mass transit system in Bangkok and related transportation fees per the related agreements signed by the Company. In addition, under the operation and maintenance contract for a mass transit system in Bangkok, the Company had further capital commitments of Baht 8,627 million (2012: Nil) in respect of acquisitions of elevated train carriages required for future compliance with the contract.
- f) A subsidiary (BTSC) had capital commitments of EUR 1 million and Baht 1 million (2012: EUR 1 million and Baht 3 million) in respect of radio upgrade project for the signaling system for elevated train operation.
- g) A subsidiary (BTSC) has capital commitments of AUD 1 million (2012: AUD 1 million) in respect of the acquisition of spareparts for Automatic Farebox system.



- h) A subsidiary (BTS Assets Company Limited) had an outstanding commitment of Baht 15 million (2012: Baht 16 million) relating to building design services for the investment property.
- i) A subsidiary (Bangkok Smartcard System Company Limited) had outstanding commitments of RMB 5 million (2012: SGD 1 million and RMB 6 million) relating to development costs for common ticketing system.
- j) A subsidiary (Carrot Rewards Company Limited) entered into a contract for implementation and management the privileges card 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.
- k) A subsidiary (VGI Global Media Public Company Limited) had capital commitments of approximately SGD 10 million and Baht 375 million (2012: Nil), relating to the acquisition and installation of equipment.
- l) A subsidiary (Dnal Company Limited) had an outstanding commitment of Baht 255 million (2012: Nil) relating to the agreement to purchase and to sell of a building as discussed in Note 15 to the financial statements.

#### **45.2 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 (2012: Baht 5 million) in respect of a 15-year land and building lease agreement.

### **45.3 Commitments under maintenance contract**

On 30 December 2004, a subsidiary (BTSC) entered into a ten-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 year ended 31 March 2013, the subsidiary paid the cost of maintenance and spare supply service fees amounting to Baht 189 million and Euro 2 million (2012: Baht 201 million and EUR 2 million).

### **45.4 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 year ended 31 March 2013 amounted to approximately Baht 16 million (2012: Baht 16 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 year ended 31 March 2013, the Company paid management fee amounted to Baht 11 million (2012: Baht 11 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 188 million (2012: Baht 226 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) In 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 31 March 2013, BTSC had commitments relating to its operations under this contract of Baht 76 million (2012: Nil).
- f) The subsidiaries (Muangthong Assets Company Limited and BTS Assets Company Limited) entered into service agreements with an associate (Absolute Hotel Services Company Limited), which is to furnish the subsidiaries with royalty and hotel business management - related services. The subsidiaries are to pay service fees at a rate as stipulated in the agreements. The fees for the year ended 31 March 2013 amounted to approximately Baht 17 million (2012: Baht 9 million).
- g) The subsidiaries has committed to pay fees of HKD 1 million and Baht 344 million relating to other rental and service agreements (2012: USD 3 million, HKD 2 million, RMB 1 million and Baht 198 million).

#### **45.5 Commitments under the concessions**

The subsidiaries had outstanding commitments with respect to minimum guarantee under the concession agreements for managing and providing of advertising spaces in department stores, and other related agreements. Fees payable within next 12 months as from the date on the financial statements amounting to approximately Baht 642 million (2012: Baht 564 million and RMB 1 million), while approximately Baht 583 million (2012: Baht 1,198 million and RMB 12 million) is payable within 2 and 5 years. These amounts will be adjusted in accordance with actual performance, based on certain rates stipulated in the agreements.

#### **45.6 Other commitments**

- a) The Company and its subsidiary (Nuvo Line Agency Company Limited) 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 and its subsidiary (Nuvo Line Agency Company Limited) 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.

## 45.7 Guarantees

- a) There were bank guarantees of Baht 44 million (2012: Baht 118 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 (2012: Baht 17 million) issued by a bank on behalf of the Company, for construction of a building on state-owned land.
- b) A subsidiary (BTSC) had outstanding bank guarantees issued by a bank on behalf of the subsidiary of Baht 42 million (2012: Baht 29 million) to the Metropolitan Electricity Authority to guarantee electricity use, of Baht 200 million (2012: Baht 200 million) to Mass Rapid Transit Authority of Thailand in respect of bidding, and of Baht 200 million (2012: Nil) to The Krungthep Thanakom Company Limited to guarantee a deposit received under the operation and maintenance contract for a mass transit system in Bangkok agreement. In addition, as at 31 March 2013, the subsidiary had Letter of Credit facilities from a local commercial bank of EUR 10 million and RMB 110 million (2012: EUR 13 million) in respect of acquisitions of elevated trains and elevated train carriages for the subsidiary's operation.

In addition, as at 31 March 2013 the subsidiaries had additional bank guarantees issued by banks as required in their normal operations of SGD 9 million and Baht 187 million (2012: Baht 252 million).

## 45.8 Litigations

As at 31 March 2013, 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 15 to the 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 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 consideration of the Court of Appeals.

Subsequently, on 29 November 2012, the Central Bankruptcy Court issued a receivership order for the subsidiary. The Comptroller in Bankruptcy will therefore conduct the lawsuit in place of the subsidiary.

- 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 Supreme Court 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.

## 46. 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 years ended 31 March 2013 and 2012 are as follows:

(Unit: Million Baht)

	For the years ended 31 March											
	Elevated mass transit system business		Service business		Real estate business		Construction service business		Elimination		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Revenues from external customers	-	-	4,788	3,281	788	325	9	73	-	-	5,585	3,679
Inter-segment revenues	-	-	300	625	-	-	153	1,260	(453)	(1,885)	-	-
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>5,088</b>	<b>3,906</b>	<b>788</b>	<b>325</b>	<b>162</b>	<b>1,333</b>	<b>(453)</b>	<b>(1,885)</b>	<b>5,585</b>	<b>3,679</b>
Segment operating profit (loss)	-	-	2,441	1,695	260	99	1	(10)			2,702	1,784
Unallocated profit and expenses:												
Interest income											59	40
Reversal of allowance for diminution in value of civil works awaiting transfer											-	705
Revenue from court-ordered compensation											7	367
Gain from sales of investments in subsidiaries											1,000	-
Gain on exchange											-	37
Other income											63	126
Selling and servicing expenses											(223)	(132)
Administrative expenses											(1,048)	(740)
Loss on exchange											(35)	-
Share of income (loss) from investments in associates											3	(2)
Finance cost											(1,248)	(1,432)
Income tax expenses											(439)	(173)
Profit from discontinued operation for the year											1,895	1,656
<b>Profit for the year</b>											<b>2,736</b>	<b>2,236</b>
Profit attributable to non-controlling interests of subsidiaries											(248)	(130)
<b>Profit attributable to equity holders of the Company</b>											<b>2,488</b>	<b>2,106</b>

The Company's and its subsidiaries' assets of elevated mass transit system, business and services business, real estate business, and construction service business in the consolidated financial statements as at 31 March 2013 and 2012 are as follows:

(Unit: Million Baht)

	Elevated mass transit				Construction service				Total	
	system business		Services business		Real estate business		business			
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Trade and other receivables	-	3	910	1,065	36	28	-	11	946	1,107
Real estate development costs	-	-	-	-	3,510	3,349	-	-	3,510	3,349
Elevated project costs	-	45,144	-	-	-	-	-	-	-	45,144
Spare parts - elevated train system	-	174	52	-	-	-	-	-	52	174
Spare parts - maintenance contract	-	293	-	-	-	-	-	-	-	293
Land and projects awaiting development	-	-	-	-	-	2,676	-	-	-	2,676
Investment properties	-	-	1,902	-	965	2,461	-	-	2,868	2,461
Property, plant and equipment	-	-	3,599	501	5,991	5,536	1	2	9,591	6,039
Leasehold right	-	-	-	-	81	90	-	-	81	90
Intangible assets	-	-	48	24	1	1	1	1	50	26
Goodwill	-	-	79	79	-	-	-	-	79	79
Deposit and advances for asset acquisitions	-	491	470	-	-	6	-	-	470	497
Advances to contractors	-	-	-	-	-	79	-	-	-	79
Non-current assets classified as held for sale	42,172	-	-	-	-	-	-	-	42,172	-
Unallocated assets									7,212	4,875
Total assets									<u>67,031</u>	<u>66,889</u>

#### 47. Provident fund

The Company, its subsidiaries and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company and its subsidiaries contributed to the fund monthly at the rate of 5% of basic salary. The fund, which is managed by BBL Asset Management Co., Ltd., will be paid to employees upon termination in accordance with the fund rules. During the year ended 31 March 2013, the Company and its subsidiaries contributed to the fund Baht 41.5 million (2012: Baht 32.5 million) (Separate financial statements: Baht 1.9 million (2012: Baht 1.7 million)).

#### 48. Financial instruments

##### 48.1 Financial risk management

The Company's and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally consist of the following:

##### Financial assets

- Cash and cash equivalents
- Current investment
- Cash received in advance from cardholders
- Trade and other receivables
- Short-term loans to related parties
- Restricted deposits
- Cash deposited as collateral for debt settlement
- Long-term loans to related parties
- Retention receivable
- Advance payment for investment in subsidiary
- Deposit and advances for asset acquisitions
- Deposit and advances to contractors

##### Financial liabilities

- Bank overdraft and short-term loans from financial institutions
- Trade and other payables
- Short-term loans from related parties
- Deposit payable
- Advance received from employer
- Retention payable
- Creditors per rehabilitation plan
- Long-term loans
- Long-term debentures
- Convertible debentures

The financial risks associated with these financial instruments and how they are managed are described as follows:



**Credit risk**

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade and other receivables and loans. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. In addition, the Company and its subsidiaries do not have high concentration of credit risk since they have a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables and loans as stated in the statement of financial position.

**Interest rate risk**

The Company's and its subsidiaries' exposure to interest rate risk relates primarily to their cash at bank, current investment, bank overdrafts, loans, debentures and convertible debentures. However, since most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal. However, BTSC has interest rate risk associated with the long-term debentures carrying fixed interest rates, as discussed in Note 32 to the financial statements, and has used financial instrument to manage this risk by entering into an interest rate swap agreement to swap fixed interest rates for floating interest rates as stipulated in the agreement on debentures totaling Baht 3,000 million, out of the tranche of 4 million units with a par value of Baht 1,000 each, total value of Baht 4,000 million a five-year term, and a coupon rate of 5.75% per annum that mature on 21 August 2014. The interest rate swap agreement was expired in February 2013.

Significant financial assets and liabilities as at 31 March 2013 classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the re-priced date if this occurs before the maturity date.

(Unit: Million Baht)

As at 31 March 2013

## Consolidated financial statements

	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1-5 years	Over 5 years				
<b>Financial assets</b>							
Cash and cash equivalents	2,722.1	-	-	730.2	61.0	3,513.3	0.10 - 3.40
Current investment	993.8	-	-	-	-	993.8	2.9
Cash received in advance from cardholders	-	-	-	-	78.9	78.9	-
Trade and other receivables	-	-	-	-	945.6	945.6	-
Restricted deposits	-	5.1	-	3.4	80.0	88.5	0.75 - 2.05
Cash deposited as collateral for debt settlement	-	-	-	-	232.7	232.7	-
Retention receivable	-	-	-	-	2.0	2.0	-
Deposit and advances for asset acquisitions	-	-	-	-	469.7	469.7	-
Advances to contractors	-	-	-	-	0.2	0.2	-
	<u>3,715.9</u>	<u>5.1</u>	<u>-</u>	<u>733.6</u>	<u>1,870.1</u>	<u>6,324.7</u>	
<b>Financial liabilities</b>							
Bank overdraft and short-term loans from financial institution	200.0	-	-	917.0	-	1,117.0	3.90 and MLR - 3.30
Trade and other payables	-	-	-	-	1,862.1	1,862.1	-
Retention payable	-	-	-	-	68.0	68.0	-
Creditors per rehabilitation plan	-	-	-	-	797.2	797.2	-
Long-term loans	-	-	-	2,364.0	-	2,364.0	MLR -1 to -2
Long-term debentures	2,078.6	6,401.0	-	-	-	8,479.6	4.75 - 6.75
Convertible debentures	-	-	-	-	-	-	-
	<u>2,278.6</u>	<u>6,401.0</u>	<u>-</u>	<u>3,281.0</u>	<u>2,727.3</u>	<u>14,687.9</u>	

(Unit: Million Baht)

As at 31 March 2012

## Consolidated financial statements

	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1-5 years	Over 5 years				
<b>Financial assets</b>							
Cash and cash equivalents	839.6	-	-	454.3	39.3	1,333.2	0.10 - 3.20
Cash received in advance from cardholders	-	-	-	-	1.1	1.1	-
Trade and other receivables	-	-	-	-	1,106.7	1,106.7	-
Restricted deposits	0.2	200.0	-	3.6	120.0	323.8	0.75 - 2.05
Cash deposited as collateral for debt settlement	-	-	-	-	232.7	232.7	-
Retention receivable	-	-	-	-	2.1	2.1	-
Deposit and advances for asset acquisitions	-	-	-	-	496.9	496.9	-
Advances to contractors	-	-	-	-	93.4	93.4	-
	<u>839.8</u>	<u>200.0</u>	<u>-</u>	<u>457.9</u>	<u>2,092.2</u>	<u>3,589.9</u>	

(Unit: Million Baht)

As at 31 March 2012

Consolidated financial statements							
Fixed interest rates							
Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Interest rate (% p.a.)	
<u>Financial liabilities</u>							
Bank overdraft and short-term loans from financial institution	1,000.0	-	-	941.5	-	1,941.5	MLR and 4.05 - 4.10
Trade and other payables	-	-	-	-	1,452.4	1,452.4	-
Retention payable	-	-	-	-	127.5	127.5	-
Creditors per rehabilitation plan	-	-	-	-	797.4	797.4	-
Long-term loans	-	-	-	3,517.4	-	3,517.4	MLR
Long-term debentures	2,495.8	9,443.8	-	-	-	11,939.6	4.75 - 6.75
Convertible debentures	-	8,648.3	-	-	-	8,648.3	4.26
	<u>3,495.8</u>	<u>18,092.1</u>	<u>-</u>	<u>4,458.9</u>	<u>2,377.3</u>	<u>28,424.1</u>	

(Unit: Million Baht)

As at 31 March 2013

Separate financial statements							
Fixed interest rates							
Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Interest rate (% p.a.)	
<u>Financial assets</u>							
Cash and cash equivalents	1,059.7	-	-	569.2	-	1,628.9	0.375 - 3.15
Current investment	993.8	-	-	-	-	993.8	2.9
Trade and other receivables	-	-	-	-	194.5	194.5	-
Short-term loans to related parties	111.5	-	-	-	-	111.5	3.00 - 6.50
Restricted deposits	-	-	-	1.6	80.0	81.6	0.75 - 2.00
Cash deposited as collateral for debt settlement	-	-	-	-	232.7	232.7	-
Long-term loans to related parties	-	-	-	2,986.8	-	2,986.8	3.375
Retention receivable	-	-	-	-	107.6	107.6	-
	<u>2,165.0</u>	<u>-</u>	<u>-</u>	<u>3,557.6</u>	<u>614.8</u>	<u>6,337.4</u>	
<u>Financial liabilities</u>							
Trade and other payables	-	-	-	-	140.5	140.5	-
Retention payable	-	-	-	-	57.6	57.6	-
Creditors per rehabilitation plan	-	-	-	-	797.2	797.2	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>995.3</u>	<u>995.3</u>	

(Unit: Million Baht)

As at 31 March 2012

Separate financial statements							
Fixed interest rates					Non- interest bearing	Total	Interest rate (% p.a.)
Within 1 year	1-5 years	Over 5 years	Floating interest rate				
<b>Financial assets</b>							
Cash and cash equivalents	430.0	-	-	23.1	-	453.1	0.375 - 2.96
Trade and other receivables	-	-	-	-	276.2	276.2	-
Short-term loans to related parties	18.5	-	-	-	-	18.5	3.375 - 3.50
Restricted deposits	-	200.0	-	1.5	120.0	321.5	0.75 - 2.00
Cash deposited as collateral for debt settlement	-	-	-	-	232.7	232.7	-
Long-term loans to related parties	-	-	-	2,931.3	-	2,931.3	3.375
Retention receivable	-	-	-	-	89.9	89.9	-
Advances to contractors	-	-	-	-	27.1	27.1	-
	<u>448.5</u>	<u>200.0</u>	<u>-</u>	<u>2,955.9</u>	<u>745.9</u>	<u>4,350.3</u>	
<b>Financial liabilities</b>							
Bank overdraft and short-term loans from financial institution	-	-	-	741.5	-	741.5	MLR
Trade and other payables	-	-	-	-	274.9	274.9	-
Short-term loans from related parties	40.0	-	-	58.0	-	98.0	3.00 - 3.375
Advances received from employers	-	-	-	-	41.7	41.7	-
Retention payable	-	-	-	-	98.5	98.5	-
Creditors per rehabilitation plan	-	-	-	-	797.4	797.4	-
Convertible debentures	-	8,648.3	-	-	-	8,648.3	4.26
	<u>40.0</u>	<u>8,648.3</u>	<u>-</u>	<u>799.5</u>	<u>1,212.5</u>	<u>10,700.3</u>	

### Foreign currency risk

The Company's and subsidiaries' exposure to foreign currency risk arises mainly from cash at bank trading transactions, purchase transactions of spare parts and equipment for the project, advances paid to contractors, trade and other payables, and retentions payable, that are denominated in foreign currencies. The Company and its subsidiaries do not use any derivatives to manage its foreign currency risk.

As at 31 March 2013 and 2012 date, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Consolidated financial statements						
Foreign currency	Financial assets		Financial liabilities		Average exchange rate as at 31 March	
	<u>2013</u> (Million)	<u>2012</u> (Million)	<u>2013</u> (Million)	<u>2012</u> (Million)	<u>2013</u> (Baht per 1 foreign currency unit)	<u>2012</u>
USD	-	-	1	-	29.3085	30.8431
EUR	11	11	5	1	37.5712	41.1741
SGD	-	-	2	2	23.5880	24.5461
RMB	1	3	22	3	4.7284	4.9039

#### 48.2 Fair value of financial instruments

Since the majority of the Company's and its subsidiaries' financial assets and liabilities are short-term or have interest rates close to the market rates, the fair values of these financial assets and liabilities are not expected to differ materially from the amounts presented in the statements of financial position.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction, the fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

#### **49. Infrastructure Fund Transaction**

On 18 December 2012, an extraordinary meeting of the Company's shareholders passed a resolution approving the sale by BTSC to BTS Rail Mass Transit Growth Infrastructure Fund ("BTSGIF") of future farebox revenues of BTSC from operation of the Core BTS Skytrain System, which covers a distance of 23.5 km, comprising the 17 km of the Sukhumvit line from Mo-Chit to On-Nut stations, and the 6.5 km of the Silom line from National Stadium to Taksin Bridge stations, under the concession agreement dated 9 April 1992 and the amendment to the concession agreement between the Bangkok Metropolitan Authority and BTSC, for the remainder of the concession.

On 17 April 2013, the Securities and Exchange Commission approved the registration of the assets of BTSGIF as an Infrastructure Fund, with 5,788 million investment units and an offer price and par value of Baht 10.80 per unit, or a total of Baht 62,510 million. On 17 April 2013, BTSC and BTSGIF entered into an agreement to buy and to transfer the rights to net farebox revenues of the Core BTS Skytrain System.

In addition, a resolution of the extraordinary general meeting of shareholders held of 18 December 2012 approved the Company's execution of the Infrastructure Fund Transactions, and these are now complete, as detailed below.

#### **Net Sales Revenue Transaction**

On 17 April 2013, BTSC and BTSGIF entered into an agreement to sell and transfer the rights to net farebox revenues, whereby BTSC sold to BTSGIF net farebox revenues from the operation of the Core BTS Skytrain System, covering 23.5 km of the Sukhumvit and Silom lines, under the concession agreement dated 9 April 1992 and the amendment concession agreement between the Bangkok Metropolitan Authority and BTSC, for the remainder of the concession. The price was set at Baht 61,399 million (net of the expense of establishing BTSGIF, totaling Baht 1,111 million). The key details relating to the agreement are as follows:

#### **Net Revenue Purchase and Transfer Agreement**

##### *a) Key Obligations of BTSC*

BTSC is to procure and deliver net farebox revenues to BTSGIF, and agrees to grant BTSGIF rights to participate in the management of BTSC's business, which BTSGIF entitled to nominate one-third of the directors appointed to BTSC's Board. BTSC is also required to comply with other obligations specified in the agreement.

b) *Right to Purchase and Right of First Refusal*

BTSGIF has the right to purchase BTSC's or any of its subsidiaries' revenues, rights, benefits, title, interests and/or investment in relation to the identified skytrain projects. In cases where BTSC or any of its subsidiaries receive a third party offer, BTSGIF has the right of first refusal to purchase revenues, rights, benefits, title, interests and/or any investments in relation to the the identified skytrain projects, the greenfield projects for any Bangkok and Vicinity Mass Transit Systems, and brownfield projects for any Bangkok and Vicinity Mass Transit Systems in respect of which BTSC or any of its subsidiaries have entered into or will enter into relevant agreements, or have operated or will operate relevant projects, including the identified skytrain projects. The brownfield projects of the Bangkok and Vicinity Mass Transit Systems include the long-term operation and maintenance agreement and any agreements extending the concession.

c) *Key Obligations of BTSGIF*

As long as there is no event of default under the agreement affecting BTSC's ability to deliver the net farebox revenues to BTSGIF, BTSGIF agrees to pay BTSC incentive fees at the following rates.

- 1) If the net farebox revenues for any year exceed 100 percent but not 125 percent of the annual net farebox revenues target for that year, BTSC is entitled to incentive fees at the rate of 10 percent of the net farebox revenue amount exceeding 100 percent but not 125 percent of the annual net farebox revenue target.
- 2) If the net farebox revenues for any year exceed 125 percent of the annual net farebox revenue target for that year, BTSC is entitled to incentive fees at the rate of 15 percent of the net farebox revenue amount exceeding 125 percent of the annual net farebox revenue target.

d) *Insurance*

BTSC agrees to procure and maintain at all times its normal insurance policies, including directors' liability insurance, and to be responsible for payment of any damages in excess of the insurance coverage that are the result of gross negligence or willful misconduct by BTSC. BTSGIF agrees to be responsible for payment of damages and losses incurred by the Core BTS SkyTrain System which (a) exceed the insured sum under the relevant insurance policies, (b) relate to uninsured events and (c) are not covered by the insurance, to the extent that such damages or losses are not the result of gross negligence or willful misconduct by BTSC, subject to the terms and conditions of this agreement. Regardless, in any case, the obligation of BTSGIF to pay for such damages and losses incurred by the Core BTS SkyTrain System shall cease on the concession expiry date.

This agreement provides details of the matters described above, reserved matters and negative undertakings of BTSC, as well as events of default and consequences, with which BTSC and BTSGIF must comply.

**Guarantee Transaction**

The performance of BTSC under the Net Revenue Purchase and Transfer Agreement between BTSC and BTSGIF dated 17 April 2013 is secured by a limited guarantee under the Sponsor Support and Guarantee Agreement between the Company and BTSGIF dated 17 April 2013, and the Share Pledge Agreement dated 17 April 2013. Under the Sponsor Support and Guarantee Agreement, the Company also grants BTSGIF the right to purchase shares in BTSC by entering into an Agreement to Purchase and to Sell Shares. The key terms and conditions of the Sponsor Support and Guarantee Agreement are as follows:

Sponsor Support and Guarantee Agreement

a) *Key Obligations of the Company*

- 1) The Company agrees to maintain its shareholding in BTSC at all times while obligations under this agreement are outstanding and not to transfer or create any encumbrance over such shares.



- 2) The Company agrees to grant BTSGIF participation in BTSC's Board of Directors by (a) appointing one-third of the directors of BTSC from the persons nominated by BTSGIF; and (b) appointing another one-third of the directors of BTSC from those with the specified qualifications for independent directors of BTSC's Board.
- 3) The Company agrees not to permit BTSC to enter into any transactions that are which is the subject of any Reserved Matters, unless such Reserved Matter has been approved by the Board of Directors of BTSC with at least two affirmative votes from BTSC directors nominated by BTSGIF.
- 4) The Company agrees to the terms and conditions of the Transaction Documents and agrees to take all actions necessary to procure that BTSC complies with all its obligations under the Transaction Documents, subject to the terms and conditions of this agreement.
- 5) The Company agrees to pledge its shares in BTSC to secure its obligations under this agreement.
- 6) The Company agrees to provide a guarantee to secure BTSC's performance of its obligations under the Net Revenue Purchase and Transfer Agreement. BTSGIF cannot enforce the Company's settlement of its obligations under the Sponsor Support and Guarantee Agreement by any method other than enforcement upon BTSC shares under the Agreement to Purchase and to Sell Shares. Upon transfer of BTSC shares under the Agreement to Purchase and to Sell Shares or the Share Pledge Agreement, the Company shall be immediately released from its obligations related to its guarantee and the obligations imposed upon it as a holder of BTSC shares under the Sponsor Support and Guarantee Agreement, but BTSGIF shall retain certain rights (such as the right to purchase and the right of first refusal in accordance with the relevant terms of the Sponsor Support and Guarantee Agreement), and certain obligations of the Company as specified under the Sponsor Support and Guarantee Agreement shall remain until all obligations of BTSC and the Company under the relevant Transaction Documents to which it is a party have been fully satisfied or until such other time as agreed under the Sponsor Support and Guarantee Agreement.
- 7) If the Company has any claim against BTSC, under the Transaction Documents or otherwise, the Company agrees to defer its rights to make such claim until all obligations of the Company and BTSC under the Transaction Documents have been fully discharged, except in the cases specifically exempted under the Sponsor Support and Guarantee Agreement.

- 8) In the event that BTSGIF allows BTSC to implement a plan to remedy an event of default pursuant to the Net Revenue Purchase and Transfer Agreement, from the commencement of the consultation to consider such remedy plan until such event of default is remedied in accordance with the approved remedy plan to the satisfaction of BTSGIF or waived by BTSGIF, the Company and BTSGIF agree to take or not to take certain actions as specified in the Sponsor Support and Guarantee Agreement. These include (a) the Company's agreement to remit all dividends received on the BTSC shares it holds to BTSGIF in settlement of any amounts due and payable by BTSC under the Transaction Documents which has not been paid to BTSGIF, (b) BTSGIF being granted voting rights on the BTSC shares held by the Sponsor pursuant to the conditions prescribed in the Sponsor Support and Guarantee Agreement, and (c) BTSGIF's agreement not to exercise its right to demand BTSC make payment of debt in the amount and under the conditions set out under the Net Revenue Purchase and Transfer Agreement or demand the Sponsor perform its obligations under the Sponsor Support and Guarantee Agreement, or exercise or enforce any other rights it has upon such event of default.

BTSC or the Sponsor's failure to comply with their specified obligations required to be undertaken after BTSGIF approves the implementation of the remedy plan shall constitute an event of default under the Net Revenue Purchase and Transfer Agreement, whereupon BTSGIF shall have the right to exercise any of its rights under the Transaction Documents.

- 9) If BTSGIF either purchases BTSC shares from the Company in accordance with the Agreement to Purchase and to Sell Shares or becomes the owner of BTSC shares as a result of the enforcement of the Share Pledge Agreement, BTSGIF agrees to take certain actions as stipulated in the agreement.

b) *Right to Purchase and Right of First Refusal*

The Company irrevocably grants BTSGIF (a) the right to purchase the revenues, rights, benefits, titles, interest and/or investments of the Company and its affiliates in relation to the identified skytrain projects, and (b) where the Company or any of its affiliates receive a third party offer, the right of first refusal to purchase revenues, rights, benefits, titles, interest and/or any investments in relation to the identified skytrain projects, the greenfield projects for any Bangkok and Vicinity Mass Transit Systems, and brownfield projects for any Bangkok and Vicinity Mass Transit Systems in respect of which the Company and/or any of its affiliates has entered or will enter into relevant agreements, or have operated or will operate the relevant projects, including the identified skytrain projects.

The terms and conditions of the right to purchase and the right of first refusal the Company granted to BTSGIF are similar to those specified in the Net Revenue Purchase and Transfer Agreement.

c) *The Company's Right to Purchase BTSC Shares*

BTSGIF agrees that:

- a. After BTSGIF exercises its right to purchase BTSC shares held by the Company in accordance with the Agreement to Purchase and to Sell Shares and it wishes to sell such shares to any person who provides an offer to purchase such shares from it, or
- b. If BTSGIF does not purchase BTSC shares held by the Company in accordance with the Agreement to Purchase and to Sell Shares itself, but wishes to sell such shares to an independent third party (other than BTSGIF's affiliate) and designate such third party to take the transfer of the shares from the Company pursuant to the Agreement to Purchase and to Sell Shares,

In these cases, BTSGIF grants the Company the right of first refusal to buy such shares at a price equal to the third party offer (in respect of (a)) or to pay BTSGIF an amount equal to the purchase price of the shares offered to BTSGIF by the independent third party (in respect of (b)) on terms and conditions not less favourable than those offered by the relevant third party. BTSGIF is to issue a written notice to BTSG containing the name of the offeror, the price offered for the purchase of the shares and all material terms and conditions of the third party offer. In exercising its right to purchase the shares from BTSGIF (in respect of (a)) or to pay the purchase price to BTSGIF (in respect of (b)), the Company is required to comply with the procedures and to act within the timeframe as agreed under the Sponsor Support and Guarantee Agreement. If the Company fails to

confirm BTSGIF in writing that it wishes to purchase such shares or pay the purchase price (as the case may be) within the agreed period, or if the Company fails to complete the purchase of the shares or pay the purchase price within the agreed period, BTSGIF will be entitled to sell the shares to the third party who made the offer or another third party in accordance with such third party offer that was proposed to the Company at the offered purchase price or higher; or transfer the shares to the independent third party that BTSGIF designated as the person to take the transfer of the shares from the Company in accordance with the Agreement to Purchase and to Sell Shares, subject to all material terms and conditions being not more favourable than those under the third party offer that BTSGIF proposed to the Company.

BTSGIF and the Company agree that if BTSGIF designates its affiliate to receive the transfer of the shares pursuant to the Agreement to Purchase and to Sell Shares, the transfer of the shares to BTSGIF's affiliate is not subject to the Company's right of first refusal set out above, provided that upon BTSGIF's affiliate becoming the owner of the shares pursuant to the Agreement to Purchase and to Sell Shares, BTSGIF shall procure that such affiliate confirms to the Company in writing that it agrees to comply with the provisions and procedures in relation to the Company's right of first refusal under the Sponsor Support and Guarantee Agreement.

d) *Units Lock-up Undertaking*

For a period of ten years from the Closing Date, the Company may not, without prior written consent of BTSGIF, sell, transfer or dispose of the Units to which it is to subscribe in the amount of not less than one-third of the total number of Units.

e) *Negative Undertakings*

Restrictions on the Company relate to, among others, undertaking amalgamations or mergers, allowing an issue of shares or convertible securities by BTSC to any person that results in a reduction of the Company's percentage shareholding in BTSC, allowing BTSC to reduce its capital (except for the purpose of returning capital to BTSC's shareholders and provided that such capital reduction does not reduce the Company's percentage shareholding in BTSC or cause BTSC's paid up capital to fall below Baht 3,000,000,000) and allowing BTSC to remove or appoint its Chief Executive Officer, Chief Financial Officer or Chief Operating Officer.

## Share Pledge Agreement

### *a) Key Obligations of the Company*

- 1) The Company agrees to pledge its shares in BTSC to BTSGIF to secure its obligations under the Sponsor Support and Guarantee Agreement.
- 2) The Company shall procure that BTSC shall record such pledge in the share registrar book.
- 3) The Company undertakes that if it acquires additional shares in BTSC as a result of a change in the registered capital of BTSC, it will pledge these additional shares with BTSGIF such that the shares in BTSC held by the Company are pledged and delivered to BTSGIF.
- 4) Before the enforcement of the share pledge by BTSGIF upon the acceleration of the event of default under the Net Revenue Purchase and Transfer Agreement, the rights to vote and receive dividends derived from such shares shall remain with the Company.

### *b) Key Obligations and Rights of BTSGIF*

BTSGIF may set off any obligations due from the Company under the Sponsor Support and Guarantee Agreement and other Transaction Documents to which the Company is a party against any obligation owed by BTSGIF to the Company, regardless of the place of payment.

### *c) Enforcement of Pledge*

The Company and BTSGIF agree to prescribe conditions of the public auction sale of the pledged shares such that a third party winning bidder is required to enter into an agreement with form and content similar to that of the Sponsor Support and Guarantee Agreement.

## Agreement to Purchase and to Sell Shares

### *a) Key Obligations of the Company*

- 1) The Company agrees to sell BTSC's shares it holds to BTSGIF, and BTSGIF agrees to purchase shares from the Company when an event of default under the Net Revenue Purchase and Transfer Agreement has occurred and an exercise notice for the purchase of the shares has been delivered by BTSGIF to the Company.
- 2) The Company irrevocably appoints and authorises BTSGIF Supervisor and/or its permitted assignees to transfer the shares to BTSGIF.

- 3) The Company agrees that BTSGIF can offset the purchase price against the Company's obligations under the Sponsor Support and Guarantee Agreement. The Company also agrees not to call for BTSGIF to make payment of the share purchase price in cash.
- 4) BTSC agrees to perform all acts in order to transfer the shares to BTSGIF, including an undertaking to arrange for BTSC to record the transfer in the share register.

*b) Key Obligations and Rights of BTSGIF*

- 1) BTSGIF has the right to purchase shares from the Company upon the occurrence of an event of default under the Net Revenue Purchase and Transfer Agreement.
- 2) The purchase price will be determined in accordance with the procedures set out in the Agreement to Purchase and to Sell Shares.
- 3) BTSGIF has the right to offset any debt obligations of the Company to BTSGIF under the Sponsor Support and Guarantee Agreement and other Transaction Documents to which the Company is a party against any debt obligations of BTSGIF to the Company, regardless of the place of payment. The Company agrees not to call for BTSGIF to make payment of the share purchase price in cash.

**Investment Unit Subscription Transaction**

The Company subscribed to 1,929 million investment units in the Fund at a price of Baht 10.80 per unit, totalling Baht 20,833 million, or one-third of the total number of investment units offered (approximately 33.33%), and obtained a loan from a commercial bank to make payment for the unit subscribed. The Company repaid the loan with a loan from BTSC.

In addition, the Company entered into other agreements with respect to or as a consequence of the execution of the infrastructure fund transactions, in conformity with the agreements and memorandums relating to the infrastructure fund transactions mentioned above.

## **50. Capital management**

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

According to the statement of financial position as at 31 March 2013, the Group's debt-to-equity ratio was 0.32:1 (2012: 0.81:1) and the Company's was 0.02:1 (2012: 0.28:1).

## **51. Subsequent events**

Significant subsequent events are detailed below.

- 51.1 The Board of Directors of the Company held on 19 April 2013 passed a resolution to approve propose the payment of dividends of Baht 2,052 million (at a rate of Baht 0.18 per share) in respect of the Company's net profit and retained earnings for the three-month period ended 31 December 2012.
- 51.2 The Board of Directors of the Company held on 27 May 2013 passed a resolution to amend dividend policy, whereby amounts of no less than Baht 6,000 million would be paid for the year ending 31 March 2014, no less than Baht 7,000 million for the year ending 31 March 2015 and no less than Baht 8,000 million for the year ending 31 March 2016.
- 51.3 The Board of Directors of the Company held on 27 May 2013 passed a resolution to approve proposal of the payment of a dividend of Baht 0.045 per share, totaling Baht 513 million in respect of the year ended 31 March 2013 income.
- 51.4 On 1 April 2013, the meeting of BTSC's Board of Directors No. 1/2013 passed a resolution to procure the letter of guarantee amounting to Baht 9,422 million as a security for BTSC's debentures.
- 51.5 On 11 April 2013, the Company entered into a loan agreement with BTSC for total credit facility of Baht 20,833 million. The loan carries interest at a rate mutually agreed and is repayable on 31 March 2014 or any date as may be mutually agreed between the parties.
- 51.6 On 17 April 2013, BTSC agreed to pay the guarantee fee to the Company at a rate stipulated in the agreement between the parties.
- 51.7 On 15 May 2013, the Company entered into a short-term loan agreement in form of promissory note with BTSC amounting to Baht 1,300 million. The loan is not collateralised and carries interest at a rate mutually agreed between the parties.

51.8 On 30 April 2013, BTSC pledged the share certificates to 38.25 million shares of VGI Global Media Public Company Limited and the share certificates to 3.6 million shares of Bangkok Smartcard System Company Limited with the Company in accordance with the agreement relating to the Net Revenue Purchase and Transfer Agreement.

**52. Approval of financial statements**

These financial statements were authorised for issue by the Company's Board of Directors on 27 May 2013.