

BTS Group Holdings Public Company Limited
and its subsidiaries
Report and consolidated interim financial statements
For the three-month period ended 30 June 2013

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of BTS Group Holdings Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of BTS Group Holdings Public Company Limited and its subsidiaries as at 30 June 2013, the related consolidated statements of comprehensive income, changes in shareholders' equity, and cash flows for the three-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of BTS Group Holdings Public Company Limited for the same period. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

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

Conclusion

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

Emphasis of matters

I draw attention the following matters:

- a) As discussed in Note 3 to the interim financial statements regarding the change in accounting policy as the result of adoption of Thai Accounting Standard 12 *Income Taxes*.
- b) As discussed in Note 11, Note 12, Note 13, and Note 26 to the interim 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.
- c) As discussed in Note 41 to the interim financial statements, regarding the Infrastructure Fund transaction and the recognition of a gain on the transaction of Baht 13,498 million, the transaction is highly material to the financial statements and was not a regular transaction occurring in the normal course of business.

My conclusion is not qualified in respect of these matters.

Siraporn Ouaanunkun
Certified Public Accountant (Thailand) No.3844

Ernst & Young Office Limited
Bangkok: 9 August 2013

BTS Group Holdings Public Company Limited and its subsidiaries

Statement of financial position

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements			
	As at	As at	As at	As at	As at	As at	
	<u>Note</u>	<u>30 June 2013</u>	<u>31 March 2013</u>	<u>1 April 2012</u>	<u>30 June 2013</u>	<u>31 March 2013</u>	<u>1 April 2012</u>
		(Unaudited but reviewed)	(Audited (Restated))		(Unaudited but reviewed)	(Audited (Restated))	
Assets							
Current assets							
Cash and cash equivalents	5	6,357,831	3,513,282	1,333,240	752,014	1,628,918	453,132
Current investments	6	28,580,707	993,849	-	81,389	993,849	-
Cash received in advance from cardholders	7	93,362	78,882	1,142	-	-	-
Trade and other receivables	8	1,487,633	945,646	1,106,681	222,091	194,489	276,157
Unbilled receivables - related party		-	-	-	-	-	284,441
Consumable spare parts	9	30,551	29,153	92,956	-	-	-
Advances to contractors							
Related party	4	-	-	-	37,683	34,648	27,055
Unrelated parties		32,178	25,565	13,818	-	-	-
Short-term loans to related parties	4	-	-	-	126,500	111,500	18,500
Real estate development costs	10	3,083,239	3,510,307	3,349,068	659,572	670,896	778,395
Assets awaiting transfer under rehabilitation plan	12	68,304	73,009	73,027	68,304	68,309	68,327
Investments in subsidiaries awaiting transfer under rehabilitation plan	13	224,343	224,343	224,343	197,438	197,438	197,438
Accrued income		246,682	247,769	1,202,548	-	-	-
Prepaid expenses		93,774	137,553	127,991	5,307	7,168	7,440
Other current assets		<u>302,353</u>	<u>315,914</u>	<u>342,853</u>	<u>18,259</u>	<u>44,609</u>	<u>37,075</u>
		40,600,957	10,095,272	7,867,667	2,168,557	3,951,824	2,147,960
Non-current assets classified as held for sale	23	-	42,123,098	-	-	-	-
Total current assets		<u>40,600,957</u>	<u>52,218,370</u>	<u>7,867,667</u>	<u>2,168,557</u>	<u>3,951,824</u>	<u>2,147,960</u>

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)

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements			
	As at	As at	As at	As at	As at	As at	
	<u>Note</u>	<u>30 June 2013</u>	<u>31 March 2013</u>	<u>1 April 2012</u>	<u>30 June 2013</u>	<u>31 March 2013</u>	<u>1 April 2012</u>
	(Unaudited but reviewed)	(Audited) (Restated)		(Unaudited but reviewed)	(Audited) (Restated)		
Non-current assets							
Restricted deposits	28	461,581	88,527	323,834	81,523	81,644	321,493
Cash deposited as collateral for debt settlement	11	232,658	232,658	232,658	232,658	232,658	232,658
Loans to related parties	4	-	-	-	4,056,895	2,986,837	2,931,324
Investments in subsidiaries	14	-	-	-	42,414,812	42,442,850	42,777,903
Investments in associates	15	14,220,249	10,026	7,033	20,837,200	4,000	4,000
Other long-term investments	16	6,998,517	367,522	148,827	270,517	267,522	148,826
Project costs - elevated train system		-	-	45,144,218	-	-	-
Project costs - media	17	2,364,406	-	-	-	-	-
Reusable spare parts	9	22,862	22,403	81,231	-	-	-
Spare parts - maintenance contract		-	-	292,771	-	-	-
Land and projects awaiting development	18	266,548	-	2,676,340	-	-	-
Investment properties	19	2,655,594	2,867,629	2,461,013	1,128,030	1,139,354	1,226,078
Property, plant and equipment	20	10,294,331	9,590,801	6,039,193	307,551	244,590	67,877
Leasehold rights	21	84,066	81,473	90,025	11,166	7,308	10,800
Intangible assets	22	49,554	50,215	26,697	360	493	1,452
Retention receivable							
Related party	4	-	-	-	105,559	105,559	87,754
Unrelated parties		2,478	2,045	2,145	2,045	2,045	2,145
Goodwill		78,656	78,656	78,656	-	-	-
Deposit and advances for asset acquisitions	12	45,000	481,702	496,939	-	-	-
Advances to contractors		209	209	79,586	-	-	-
Accrued income - related party	4, 29	302,446	-	-	-	-	-
Rights of claim from acquisition of debts per rehabilitation plan	12	545,087	545,087	741,502	-	-	-
Deferred tax assets		-	-	1,200,957	139,306	185,472	353,087
Other non-current assets		<u>398,673</u>	<u>393,761</u>	<u>98,542</u>	<u>10,262</u>	<u>10,258</u>	<u>10,201</u>
Total non-current assets		<u>39,022,915</u>	<u>14,812,714</u>	<u>60,222,167</u>	<u>69,597,884</u>	<u>47,710,590</u>	<u>48,175,598</u>
Total assets		<u>79,623,872</u>	<u>67,031,084</u>	<u>68,089,834</u>	<u>71,766,441</u>	<u>51,662,414</u>	<u>50,323,558</u>

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)

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements			
	As at	As at	As at	As at	As at	As at	
	<u>Note</u>	<u>30 June 2013</u>	<u>31 March 2013</u>	<u>1 April 2012</u>	<u>30 June 2013</u>	<u>31 March 2013</u>	<u>1 April 2012</u>
	(Unaudited but reviewed)	(Audited) (Restated)		(Unaudited but reviewed)	(Audited) (Restated)		
Liabilities and shareholders' equity							
Current liabilities							
Bank overdraft and short-term loans from financial institutions	24	-	1,117,000	1,941,502	-	-	741,502
Trade and other payables	25	1,876,386	1,862,063	1,452,442	298,411	140,532	274,949
Advances received from cardholders		93,110	77,747	1,102	-	-	-
Accrued costs of construction							
Related party	4	-	-	-	6,957	6,957	90,415
Unrelated parties		159,394	152,322	351,908	4,389	4,706	10,768
Short-term loans from related party	4	-	-	-	21,065,200	-	98,000
Current portion of creditors per rehabilitation plan	26	745,356	745,356	745,356	745,356	745,356	745,356
Current portion of long-term loans	27	612,009	1,967,221	583,400	-	-	-
Current portion of long-term debentures	28	2,080,242	2,078,656	2,495,767	-	-	-
Advance received from employer - related party		-	-	-	-	-	41,745
Liability awaiting final court order	12	80,831	80,831	-	80,831	80,831	-
Unearned revenues		359,717	565,433	297,884	-	-	-
Fare box revenues awaiting transfer		142,081	-	-	-	-	-
Income tax payable		394,075	148,016	55,842	-	-	-
Other current liabilities		294,316	227,233	412,806	80,700	30,131	27,941
Total current liabilities		6,837,517	9,021,878	8,338,009	22,281,844	1,008,513	2,030,676
Non-current liabilities							
Unearned revenues - related party	4	606,411	-	-	-	-	-
Creditors per rehabilitation plan - net of current portion	26	51,853	51,853	52,074	51,853	51,853	52,074
Long-term loans - net of current portion	27	293,919	396,747	2,933,973	-	-	-
Long-term debentures - net of current portion	28	6,404,503	6,400,980	9,443,811	-	-	-
Convertible debentures - liability component		-	-	8,648,338	-	-	8,648,338
Retention payable							
Related party	4	-	-	-	53,376	51,627	92,392
Unrelated parties		63,029	68,019	127,515	6,317	6,011	6,092
Provision for long-term employee benefits	29	499,277	481,714	400,178	22,128	21,296	25,987
Long-term provision - related party	4, 30	1,033,762	-	-	-	-	-
Deferred tax liabilities		2,865,291	100,998	-	-	-	-
Other non-current liabilities		6,753	7,181	12,727	-	-	-
Total non-current liabilities		11,824,798	7,507,492	21,618,616	133,674	130,787	8,824,883
Total liabilities		18,662,315	16,529,370	29,956,625	22,415,518	1,139,300	10,855,559

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)

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements			
	As at	As at	As at	As at	As at	As at	
	Note	30 June 2013	31 March 2013	1 April 2012	30 June 2013	31 March 2013	1 April 2012
		(Unaudited but reviewed)	(Audited (Restated))		(Unaudited but reviewed)	(Audited (Restated))	
Shareholders' equity							
Share capital	31						
Registered							
11,986,444,024 ordinary shares of Baht 4 each							
(1 April 2012: 74,815,275,124 ordinary shares							
of Baht 0.64 each)		47,945,776	47,945,776	47,881,776	47,945,776	47,945,776	47,881,776
Issued and fully paid							
11,402,793,531 ordinary shares of Baht 4 each							
(31 March 2013: 11,106,634,594 ordinary shares							
of Baht 4 each)							
(1 April 2012: 57,188,274,676 ordinary shares							
of Baht 0.64 each)		45,611,174	44,426,538	36,600,496	45,611,174	44,426,538	36,600,496
Share premium	31	1,597,118	1,486,058	350,730	1,597,118	1,486,058	350,730
Share subscriptions received in advance	32	539,926	1,295,600	-	539,926	1,295,600	-
Deficit on business combination under common control		(3,371,978)	(3,371,978)	(3,371,978)	(4,665,246)	(4,812,209)	(3,371,978)
Surplus on swap of investment in subsidiary under							
common control		-	-	-	250,065	250,065	175,065
Surplus (deficit) from the changes in the ownership interests							
in subsidiaries		3,925,329	3,357,495	(123,129)	-	-	-
Retained earnings							
Appropriated - statutory reserve		1,750,523	1,750,523	1,476,048	649,538	649,538	376,048
Retained earnings (deficit)		4,749,971	(4,021,674)	(1,834,494)	3,964,403	5,829,948	3,969,577
Other components of shareholders' equity		3,670,150	3,663,498	3,340,706	1,403,945	1,397,576	1,368,061
Equity attributable to owners of the Company		58,472,213	48,586,060	36,438,379	49,350,923	50,523,114	39,467,999
Non-controlling interest of the subsidiaries		2,489,344	1,915,654	1,694,830	-	-	-
Total shareholders' equity		60,961,557	50,501,714	38,133,209	49,350,923	50,523,114	39,467,999
Total liabilities and shareholders' equity		79,623,872	67,031,084	68,089,834	71,766,441	51,662,414	50,323,558
		-	-	-	-	-	-

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 three-month period ended 30 June 2013**

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

	Note	Consolidated financial statements		Separate financial statements	
		<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Continued operation					
Profit or loss:					
Revenues					
Service income	33	1,470,417	1,011,579	25,433	23,549
Revenues from sales of real estate		757,365	62,199	18,200	62,199
Revenues from construction services		1,555	361	-	43,340
Other income					
Management income		-	-	11,850	11,940
Dividend income		2,849	420	2,849	420
Interest income		280,493	7,588	44,752	22,501
Gain on sale of investment in subsidiary	14	-	-	425,000	-
Gain on sale of future net fare box revenues	41	13,497,581	-	-	-
Others		34,847	18,226	14,386	12,207
Total revenues		<u>16,045,107</u>	<u>1,100,373</u>	<u>542,470</u>	<u>176,156</u>
Expenses					
Cost of services		708,104	490,661	17,523	18,545
Costs of sales of real estate		461,958	47,621	12,313	48,886
Costs of construction services		101	291	-	37,428
Selling and servicing expenses		128,610	49,505	3,732	6,619
Administrative expenses		303,903	221,182	68,980	59,282
Total expenses		<u>1,602,676</u>	<u>809,260</u>	<u>102,548</u>	<u>170,760</u>
Profit before share of income (loss) from investments					
in associates, finance cost and income tax expenses					
		14,442,431	291,113	439,922	5,396
Share of income (loss) from investments in associates		125,813	(24)	-	-
Profit before finance cost and income tax expenses		<u>14,568,244</u>	<u>291,089</u>	<u>439,922</u>	<u>5,396</u>
Finance cost	34	(192,518)	(372,895)	(207,140)	(155,603)
Profit (loss) before income tax expenses		<u>14,375,726</u>	<u>(81,806)</u>	<u>232,782</u>	<u>(150,207)</u>
Income tax expenses	35	(3,040,772)	(173,490)	(46,166)	(29,969)
Profit (loss) from continued operation for the period		<u>11,334,954</u>	<u>(255,296)</u>	<u>186,616</u>	<u>(180,176)</u>
Discontinued operation					
Profit from discontinued operation for the period	23	30,376	463,571	-	-
Profit (loss) for the period		<u>11,365,330</u>	<u>208,275</u>	<u>186,616</u>	<u>(180,176)</u>
Other comprehensive income:					
Exchange differences on translation of financial statements					
in foreign currency		283	315	-	-
Gain on changes in value of available-for-sale investments		2,994	3,611	2,994	3,611
Other comprehensive income for the period		<u>3,277</u>	<u>3,926</u>	<u>2,994</u>	<u>3,611</u>
Total comprehensive income for the period		<u>11,368,607</u>	<u>212,201</u>	<u>189,610</u>	<u>(176,565)</u>

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

(Unaudited but reviewed)

BTS Group Holdings Public Company Limited and its subsidiaries**Statement of comprehensive income (continued)****For the three-month period ended 30 June 2013**

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

Note	Consolidated financial statements		Separate financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Profit (loss) attributable to:				
Equity holders of the Company				
Profit (loss) from continued operation	10,794,201	(252,529)	186,616	(180,176)
Profit from discontinued operation	29,605	447,084	-	-
	<u>10,823,806</u>	<u>194,555</u>	<u>186,616</u>	<u>(180,176)</u>
Non-controlling interests of the subsidiaries				
Profit (loss) from continued operation	540,753	(2,767)		
Profit from discontinued operation	771	16,487		
	<u>541,524</u>	<u>13,720</u>		
	<u>11,365,330</u>	<u>208,275</u>		
Total comprehensive income attributable to:				
Equity holders of the Company				
Profit (loss) from continued operation	10,797,478	(248,603)	189,610	(176,565)
Profit from discontinued operation	29,605	447,084	-	-
	<u>10,827,083</u>	<u>198,481</u>	<u>189,610</u>	<u>(176,565)</u>
Non-controlling interests of the subsidiaries				
Profit (loss) from continued operation	540,753	(2,767)		
Profit from discontinued operation	771	16,487		
	<u>541,524</u>	<u>13,720</u>		
	<u>11,368,607</u>	<u>212,201</u>		
Earnings per share				
	36			
Basic earnings per share				
Profit (loss) attributable to equity holders of the Company	<u>0.94867</u>	<u>0.02125</u>	<u>0.01636</u>	<u>(0.01968)</u>
Diluted earnings per share				
Profit attributable to equity holders of the Company	<u>0.92830</u>	<u>0.02101</u>	<u>0.01600</u>	
Earning per share from continued operation				
	36			
Basic earnings per share				
Profit (loss) attributable to equity holders of the Company	<u>0.94607</u>	<u>(0.02758)</u>	<u>0.01636</u>	<u>(0.01968)</u>
Diluted earnings per share				
Profit attributable to equity holders of the Company	<u>0.92576</u>		<u>0.01600</u>	

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

(Unaudited but reviewed)

BTS Group Holdings Public Company Limited and its subsidiaries**Cash flow statement****For the three-month period ended 30 June 2013**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Cash flows from operating activities				
Profit (loss) before tax from continued operation	14,375,726	(81,806)	232,782	(150,207)
<u>Plus Profit before tax from discontinued operator</u>	<u>30,376</u>	<u>463,571</u>	<u>-</u>	<u>-</u>
Profit (loss) before tax	14,406,102	381,765	232,782	(150,207)
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	111,798	80,460	15,217	17,503
Spare parts and elevated train project cost amortisation	7,041	319,939	-	-
Unrealised loss on exchange	24,830	14,244	-	-
Share of loss (income) from investments in associates	(125,813)	24	-	-
Allowance for doubtful debts	444	1,105	689	6,835
Amortisation of deferred debenture issuing costs	5,109	8,271	-	-
Amortisation of withholding tax	72	-	72	-
Provision for long-term employee benefits	8,837	14,850	832	860
Amortisation of liability component of convertible debentures	-	75,586	-	75,586
Amortisation of letter of credit fee for convertible debentures	-	37,735	-	37,735
Gain on sales of assets	(976)	-	(561)	-
Dividend income	(2,849)	(420)	(2,849)	(420)
Share-based payment	3,375	2,952	442	336
Gain on disposal of investment in subsidiary	(21,193)	-	-	-
Gain on sales of investment in subsidiary	-	-	(425,000)	-
Long-term provisions	(9,848)	-	-	-
Recognition of unearned revenue	(7,579)	-	-	-
Expenses for sales of net future fare box revenues	(36,391)	-	-	-
Gain on sale of net future fare box revenues	(13,497,581)	-	-	-
Interest income	(280,493)	(7,588)	(44,752)	(22,501)
Interest expenses	147,985	251,303	175,890	42,282
Profit (loss) from operating activities before changes in operating assets and liabilities	732,870	1,180,226	(47,238)	8,009

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

(Unaudited but reviewed)

BTS Group Holdings Public Company Limited and its subsidiaries**Cash flow statement (continued)****For the three-month period ended 30 June 2013**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Decrease (increase) in operating assets				
Cash received in advance from cardholders	(14,481)	(29,979)	-	-
Trade and other receivables	(357,418)	(361,531)	(5,874)	(1,033)
Unbilled receivable	-	-	-	(43,340)
Spare parts	(1,820)	(810)	-	-
Real estate development costs	427,068	(180,384)	11,324	47,408
Advances to contractors	(6,613)	28,392	(3,035)	16,138
Other current assets	59,513	(33,294)	1,628	(2,410)
Other non-current assets	5,594	(216,324)	(4)	(1,751)
Increase (decrease) in operating liabilities				
Trade and other payables	(14,366)	42,505	(13,924)	(25,190)
Advances received from cardholders	15,363	31,243	-	-
Accrued costs of construction	7,071	38,202	(317)	(46,649)
Retention payable	(9,240)	5,466	2,055	4,268
Unearned revenues	(89,088)	(21,613)	-	-
Fare box revenues awaiting transfer	25,454	-	-	-
Provision for long-term employee benefits	-	(7,854)	-	(6,930)
Other current liabilities	66,751	57,858	50,666	2,994
Cash from (used in) operating activities	846,658	532,103	(4,719)	(48,486)
Cash paid for interest expenses	(145,619)	(297,061)	(4,327)	(12,071)
Cash paid for corporate income tax	(59,602)	(21,413)	(1,515)	(1,579)
Returning of withholding tax	28,026	26,497	28,026	-
Cash received for interest income	98,328	7,588	13,532	1,857
Net cash from (used in) operating activities	767,791	247,714	30,997	(60,279)

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

(Unaudited but reviewed)

BTS Group Holdings Public Company Limited and its subsidiaries**Cash flow statement (continued)****For the three-month period ended 30 June 2013**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Cash flows from investing activities				
Decrease (increase) in current investments	(27,586,858)	-	912,460	-
Decrease (increase) in restricted deposits	(373,054)	(113)	122	(114)
Increase in short-term loans to related parties	-	-	(15,000)	(46,000)
Increase in loans to related parties	-	-	(1,070,128)	(353,459)
Increase in rights of claim from acquisition of debts per rehabilitation plan	-	(74,629)	-	-
Interest income	-	-	11,721	301
Dividend income	-	420	-	420
Increase in elevated train project costs	-	(16,789)	-	-
Decrease in advances for asset acquisitions	11,965	5,744	-	-
Cash received from sale of investment in subsidiary	600,000	-	600,000	-
Cash paid for purchase of investment in associate	(20,833,200)	-	(20,833,200)	-
Cash paid for purchase of other long-term investments	(6,628,000)	-	-	-
Increase in deposit from sale of investment in subsidiary	-	80,000	-	-
Cash paid for purchases of property, plant and equipment	(367,994)	(240,340)	(69,352)	(4,253)
Cash received from sales of property, plant and equipment	415	306	-	-
Cash paid for purchases of investment properties	(59,018)	(11)	(6)	(11)
Cash received from sales of investment properties	1,111	5,902	1,111	5,902
Cash paid for purchases of leasehold rights	(4,730)	-	(4,730)	-
Cash paid for purchases of intangible assets	(2,023)	(3,776)	-	-
Proceed from sale of future net fare box revenues	61,399,000	-	-	-
Net cash from (used in) investing activities	6,157,614	(243,286)	(20,467,002)	(397,214)
Cash flows from financing activities				
Increase in short-term loans from financial institution	20,833,200	71,628	20,833,200	71,628
Cash paid for short-term loan from financial institution	(21,950,200)	(430,000)	(20,833,200)	-
Increase in long-term loans from financial institution	99,000	231,000	-	-
Cash paid for long-term loan from financial institution	(1,557,040)	(145,850)	-	-
Increase in short-term loans from related company	-	-	22,133,200	-
Cash paid for short-term loans from related company	-	-	(1,068,000)	-
Dividend paid	(2,046,025)	-	(2,046,025)	-
Cash received from exercised warrants	539,926	-	539,926	-
Net cash from (used in) financing activities	(4,081,139)	(273,222)	19,559,101	71,628
Increase in translation adjustment	283	314	-	-
Net increase (decrease) in cash and cash equivalents	2,844,549	(268,480)	(876,904)	(385,865)
Cash and cash equivalents at beginning of the period	3,513,282	1,333,240	1,628,918	453,132
Cash and cash equivalents at end of the period	6,357,831	1,064,760	752,014	67,267
	-	-	-	-
Supplemental cash flow information				
Non-cash transactions				
Debt conversion to ordinary shares	-	55,000	-	55,000
Transfer leasehold rights to property, plant and equipment	773	-	773	-
Transfer advances for asset acquisitions to property, plant and equipment	424,738	-	-	-
Transfer investment properties to land and projects awaiting development	266,548	-	-	-
Transfer property, plant and equipment to other current assets	11,682	-	-	-
Transfer advances for asset acquisitions to elevated train project costs	-	2,493	-	-
Net increase (decrease) in liability of purchase of equipment	25,260	(67,451)	(2,964)	5,230
Net decrease in liability of investment in elevated train project costs	-	(11,673)	-	-

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

(Unaudited but reviewed)

BTS Group Holdings Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the three-month period ended 30 June 2013

(Unit: Thousand Baht)

	Consolidated financial statements																		
	Equity attributable to owners of the Company										Other components of equity								
						Other comprehensive income					Share premium			Total equity		Equity attributable to non-controlling interests of the subsidiaries		Total shareholders' equity	
	Issued and paid-up share capital	Share premium	Share subscription received in advance	Deficit on business combination under common control	Surplus (deficit) from the change in the ownership interests in subsidiaries	Retained earnings (deficit)	Unappropriated	Translation adjustment	Revaluation surplus on assets	Revaluation surplus on changes in value of investments	Convertible debentures - equity component	Surplus on debenture conversion	Capital reserve on consolidation	on sales of company's subsidiaries	Capital reserve for share-based transaction	Total other components of shareholders' equity	attributable to owners of the Company		to non-controlling interests of the subsidiaries
Balance as at 1 April 2012 - as previously reported	36,600,496	350,730	-	(3,371,978)	(123,129)	1,476,048	(3,508,627)	(133,837)	2,619,804	5,105	1,356,597	-	2,685	8,526	7,380	3,866,260	35,289,800	1,642,452	36,932,252
Cumulative effect of change in accounting policy for deferred tax (Note 3)	-	-	-	-	-	-	1,674,133	-	(524,533)	(1,021)	-	-	-	-	-	(525,554)	1,148,579	52,378	1,200,957
Balance as at 1 April 2012 - as restated	36,600,496	350,730	-	(3,371,978)	(123,129)	1,476,048	(1,834,494)	(133,837)	2,095,271	4,084	1,356,597	-	2,685	8,526	7,380	3,340,706	36,438,379	1,694,830	38,133,209
Debt conversion to ordinary shares	41,412	13,588	-	-	-	-	-	-	-	-	-	-	-	-	-	-	55,000	-	55,000
Surplus on debt conversion	-	-	-	-	-	-	-	-	-	(7,461)	7,461	-	-	-	-	-	-	-	-
Share-based payment transaction	-	-	-	-	-	-	-	-	-	-	-	-	-	2,952	2,952	2,952	2,952	-	2,952
Total comprehensive income for the period (restated)	-	-	-	-	-	194,555	315	-	3,611	-	-	-	-	-	-	3,926	198,481	13,720	212,201
Balance as at 30 June 2012 - as restated	<u>36,641,908</u>	<u>364,318</u>	<u>-</u>	<u>(3,371,978)</u>	<u>(123,129)</u>	<u>1,476,048</u>	<u>(1,639,939)</u>	<u>(133,522)</u>	<u>2,095,271</u>	<u>7,695</u>	<u>1,349,136</u>	<u>7,461</u>	<u>2,685</u>	<u>8,526</u>	<u>10,332</u>	<u>3,347,584</u>	<u>36,694,812</u>	<u>1,708,550</u>	<u>38,403,362</u>
Balance as at 1 April 2013 - as previously reported	44,426,538	1,486,058	1,295,600	(3,371,978)	3,357,495	1,750,523	(4,506,402)	(121,976)	2,970,860	23,801	-	1,356,597	2,685	8,526	21,937	4,262,430	48,700,264	1,902,448	50,602,712
Cumulative effect of change in accounting policy for deferred tax (Note 3)	-	-	-	-	-	-	484,728	-	(594,172)	(4,760)	-	-	-	-	-	(598,932)	(114,204)	13,206	(100,998)
Balance as at 1 April 2013 - as restated	44,426,538	1,486,058	1,295,600	(3,371,978)	3,357,495	1,750,523	(4,021,674)	(121,976)	2,376,688	19,041	-	1,356,597	2,685	8,526	21,937	3,663,498	48,586,060	1,915,654	50,501,714
Exercised warrants (Note 31)	1,184,636	111,060	(1,295,600)	-	-	-	-	-	-	-	-	-	-	-	-	-	96	-	96
Share subscription received in advance (Note 32)	-	-	539,926	-	-	-	-	-	-	-	-	-	-	-	-	-	539,926	-	539,926
Dividend paid (Note 37)	-	-	-	-	-	-	(2,052,161)	-	-	-	-	-	-	-	-	-	(2,052,161)	-	(2,052,161)
Sales of investment in subsidiary (Note 14)	-	-	-	-	567,834	-	-	-	-	-	-	-	-	-	-	-	567,834	32,166	600,000
Share-based payment transaction	-	-	-	-	-	-	-	-	-	-	-	-	-	3,375	3,375	3,375	3,375	-	3,375
Total comprehensive income for the period	-	-	-	-	-	-	10,823,806	283	-	2,994	-	-	-	-	-	3,277	10,827,083	541,524	11,368,607
Balance as at 30 June 2013	<u>45,611,174</u>	<u>1,597,118</u>	<u>539,926</u>	<u>(3,371,978)</u>	<u>3,925,329</u>	<u>1,750,523</u>	<u>4,749,971</u>	<u>(121,693)</u>	<u>2,376,688</u>	<u>22,035</u>	<u>-</u>	<u>1,356,597</u>	<u>2,685</u>	<u>8,526</u>	<u>25,312</u>	<u>3,670,150</u>	<u>58,472,213</u>	<u>2,489,344</u>	<u>60,961,557</u>

The accompanying notes are an integral part of financial statements.

(Unaudited but reviewed)

BTS Group Holdings Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the three-month period ended 30 June 2013

(Unit: Thousand Baht)

	Separate financial statements													Total shareholders' equity
							Other components of equity							
							Other comprehensive income					Total other components of shareholders' equity		
	Issued and paid-up share capital	Share premium	Share subscription received in advance	Deficit on business combination under common control	Surplus on swap of investment in subsidiary under common control	Retained earnings	Revaluation surplus on changes in value of investments	Convertible debentures - equity component	Surplus on debenture conversion	Capital reserve for share-based payment transaction				
Balance as at 1 April 2012 - as previously reported	36,600,496	350,730	-	(3,371,978)	175,065	376,048	3,615,469	5,105	1,356,597	-	7,380	1,369,082	39,114,912	
Cumulative effect of change in accounting policy for deferred tax (Note 3)	-	-	-	-	-	-	354,108	(1,021)	-	-	-	(1,021)	353,087	
Balance as at 1 April 2012 - as restated	36,600,496	350,730	-	(3,371,978)	175,065	376,048	3,969,577	4,084	1,356,597	-	7,380	1,368,061	39,467,999	
Debt conversion to ordinary shares	41,412	13,588	-	-	-	-	-	-	-	-	-	-	55,000	
Surplus on debenture conversion	-	-	-	-	-	-	-	-	(7,461)	7,461	-	-	-	
Share-based payment transaction	-	-	-	-	-	-	-	-	-	-	2,952	2,952	2,952	
Total comprehensive income for the period (restated)	-	-	-	-	-	-	(180,176)	3,611	-	-	-	3,611	(176,565)	
Balance as at 30 June 2012 - as restated	36,641,908	364,318	-	(3,371,978)	175,065	376,048	3,789,401	7,695	1,349,136	7,461	10,332	1,374,624	39,349,386	
Balance as at 1 April 2013 - as previously reported	44,426,538	1,486,058	1,295,600	(4,812,209)	250,065	649,538	5,639,716	23,801	-	1,356,597	21,938	1,402,336	50,337,642	
Cumulative effect of change in accounting policy for deferred tax (Note 3)	-	-	-	-	-	-	190,232	(4,760)	-	-	-	(4,760)	185,472	
Balance as at 1 April 2013 - as restated	44,426,538	1,486,058	1,295,600	(4,812,209)	250,065	649,538	5,829,948	19,041	-	1,356,597	21,938	1,397,576	50,523,114	
Exercised warrants (Note 31)	1,184,636	111,060	(1,295,600)	-	-	-	-	-	-	-	-	-	96	
Share subscription received in advance (Note 32)	-	-	539,926	-	-	-	-	-	-	-	-	-	539,926	
Dividend paid (Note 37)	-	-	-	-	-	-	(2,052,161)	-	-	-	-	-	(2,052,161)	
Sales of investment in subsidiary (Note 14)	-	-	-	146,963	-	-	-	-	-	-	-	-	146,963	
Share-based payment transaction	-	-	-	-	-	-	-	-	-	-	3,375	3,375	3,375	
Total comprehensive income for the period	-	-	-	-	-	-	186,616	2,994	-	-	-	2,994	189,610	
Balance as at 30 June 2013	45,611,174	1,597,118	539,926	(4,665,246)	250,065	649,538	3,964,403	22,035	-	1,356,597	25,313	1,403,945	49,350,923	

The accompanying notes are an integral part of financial statements.

BTS Group Holdings Public Company Limited and its subsidiaries

Notes to consolidated interim financial statements

For the three-month period ended 30 June 2013

1. General information

1.1 Corporate information

BTS Group Holdings Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its major shareholder is the group of Keeree Kanjanapas. The Group is principally engaged in the provision of operating services under operating and maintenance service agreement of extension to the core network, property business, media business and service business. The registered office of the Company is at 21 Soi Choei Phuang, Viphavadi-Rangsit Road, Jompol, Jatujak, Bangkok.

1.2 Basis for preparation of interim financial statements

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

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

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

1.3 Basis of consolidation

These consolidated financial statements included the financial statements of BTS Group Holdings Public Company Limited and its subsidiaries and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 March 2013. However, on 27 May 2013, the Board of Directors of the Company approved the write off of investment in Sampaopetch Company Limited, as discussed in Note 14 to the interim financial statements. The Company has excluded the financial statements of Sampaopetch Company Limited from the consolidated financial statements since 27 May 2013.

1.4 Application of new accounting standards during the period

The Federation of Accounting Professions issued the following accounting standards, financial reporting standard, accounting standard interpretations and accounting treatment guidance, all of which 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
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Accounting Standard Interpretations:

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

Accounting Treatment Guidance for Transfers of Financial Assets

These accounting standards, financial reporting standard, accounting standard interpretations and accounting treatment guidance do not have any significant impact on the financial statements, 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 Company and its subsidiaries have changed this accounting policy in this current quarter and restated the prior year's financial statements, presented as comparative information, as though the Company and its subsidiaries had initially recognised the tax effects as deferred tax assets or liabilities. The cumulative effect of this change in accounting policy has been presented in Note 3 to the interim financial statements.

1.5 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 March 2013, except for the change in the accounting policies due to the adoption of TAS 12 *Income Taxes* as follow:

Income tax

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

Current tax

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

Deferred tax

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

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

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

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

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

The Federation of Accounting Professions has issued notifications, which have been published in the Royal Gazette during the current period, 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 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, except TFRIC 1, TFRIC 10, TFRIC 12 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.

3. Cumulative effect of the change in accounting policies due to the adoption of new accounting standard

During the current period, the Company and its subsidiaries made the change described in Note 1.4 to the interim financial statements to its significant accounting policies, as a result of the adoption of TAS 12 *Income Taxes*. The cumulative effect of the change in the accounting policies has been separately presented in the statements of changes in shareholders' equity.

The amounts of adjustments affecting the statements of financial position and the statements of comprehensive income are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	As at	As at	As at	As at	As at	As at
	30 June 2013	31 March 2013	1 April 2012	30 June 2013	31 March 2013	1 April 2012
Statements of financial position						
Increase in deferred tax assets	-	-	1,200,957	139,306	185,472	353,087
Increase in deferred tax liabilities	2,865,291	100,998	-	-	-	-
Increase (decrease) in non-controlling interests of the subsidiaries	(88,363)	13,206	52,378	-	-	-
Decrease in revaluation surplus on changes in value of investments	(4,760)	(4,760)	(1,021)	(4,760)	(4,760)	(1,021)
Decrease in revaluation surplus on assets	(594,172)	(594,172)	(524,533)	-	-	-
Increase (decrease) in unappropriated retained earnings	(2,177,996)	484,728	1,674,133	144,066	190,232	354,108

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the three-month period ended	For the three-month period ended	For the three-month period ended	For the three-month period ended
	30 June 2013	30 June 2012	30 June 2013	30 June 2012
Statements of comprehensive income				
Profit or loss:				
Increase in income tax	2,764,293	117,822	46,166	29,969
Decrease in profit attributable to non-controlling interest of the subsidiaries	(101,569)	(3,075)	-	-
Decrease in profit attributable to equity holders of the Company	(2,662,724)	(114,747)	(46,166)	(29,969)
Decrease in basic earnings per share (Baht)	(0.23338)	(0.01253)	(0.00405)	(0.00327)
Decrease in diluted earnings per share (Baht)	(0.22837)	(0.01239)	(0.00396)	-
Other comprehensive income:				
Decrease in gain on changes in value of available-for-sale investments	-	(903)	-	(903)

4. Related party transactions

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

(Unit: Million Baht)

	For the three-month periods ended 30 June				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	-	-	33	20	At cost of funds
Management income	-	-	12	12	Contract price
Revenues from construction services	-	-	-	43	Contract price
Revenue from guarantee	-	-	13	-	Contract price
Utility income	-	-	1	1	Contract price
Rental income	-	-	10	10	Contract price
Cost of construction services	-	-	-	36	Contract price
Cost of construction of fixed assets	-	-	35	5	Contract price
Management fee	-	-	6	3	Contract price
Rental expenses	-	-	1	1	Contract price
Interest expenses	-	-	176	1	At cost of funds
<u>Transactions with associates</u>					
Sale of future net fare box revenues (Note 41)	61,399	-	-	-	Contract price
Service income	14	-	-	-	Contract price
Other income	8	-	-	-	Mutual agreement
Purchase of investment in associate (Note 15)	20,833	-	20,833	-	Contract price
Management fee	9	7	4	4	Contract price
<u>Transactions with related parties</u>					
Cost of construction services	7	6	-	-	Contract price

(Unaudited but reviewed)

As at 30 June 2013 and 31 March 2013, the balances of the accounts between the Company and those related parties are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 March	30 June	31 March
	2013	2013	2013	2013
		(Audited)		(Audited)
<u>Trade and other receivables - related parties (Note 8)</u>				
Trade receivable - associated company	24	-	-	-
Trade receivable - related party	65	269	-	-
Other receivables - subsidiary companies	-	461	14,912	2,338
Other receivable - related party	31	-	-	-
Accrued interest income - subsidiary companies	-	-	180,752	159,872
Total trade and other receivables - related parties	<u>120</u>	<u>730</u>	<u>195,664</u>	<u>162,210</u>
<u>Advance to contractor - related party</u>				
Subsidiary company	-	-	37,683	34,648
Total advance to contractor - related party	<u>-</u>	<u>-</u>	<u>37,683</u>	<u>34,648</u>
<u>Retention receivable - related party</u>				
Subsidiary company	-	-	105,559	105,559
Total retention receivable - related party	<u>-</u>	<u>-</u>	<u>105,559</u>	<u>105,559</u>
<u>Refundable deposits - related party</u>				
Subsidiary company	-	-	1,318	-
Total refundable deposits - related party	<u>-</u>	<u>-</u>	<u>1,318</u>	<u>-</u>
<u>Accrued income - related party</u>				
Associated company	302,446	-	-	-
Total accrued income - related party	<u>302,446</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Trade and other payables - related parties (Note 25)</u>				
Trade payable - related company	16	85	-	-
Other payables - subsidiary companies	-	-	15,757	22,457
Other payables - associated companies	116,806	-	-	-
Other payables - related company	821	788	-	-
Accrued interest expenses - subsidiary companies	-	-	171,562	-
Total trade and other payables - related parties	<u>117,643</u>	<u>873</u>	<u>187,319</u>	<u>22,457</u>
<u>Accrued cost of construction - related party</u>				
Subsidiary company	-	-	6,957	6,957
Total accrued cost of construction - related party	<u>-</u>	<u>-</u>	<u>6,957</u>	<u>6,957</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 March	30 June	31 March
	2013	2013	2013	2013
	(Audited)		(Audited)	
<u>Unearned revenue - related party</u>				
Associated company	606,411	-	-	-
Total unearned revenue - related party	606,411	-	-	-
<u>Retention payable - related party</u>				
Subsidiary company	-	-	53,376	51,627
Total retention payable - related party	-	-	53,376	51,627
<u>Long-term provision - related party (Note 30)</u>				
Associated company	1,033,762	-	-	-
Total long-term provision - related party	1,033,762	-	-	-

Loans to related parties and loans from related parties

As at 30 June 2013 and 31 March 2013, the balances of loans between the Company and those related companies and the movement are as follows:

(Unit: Thousand Baht)

		Consolidated financial statements			
		Balance as at	Increase	Decrease	Balance as at
		31 March 2013	during the period	during the period	30 June 2013
<u>Short-term loan to related party</u>	<u>Related by</u>				
EGV Co., Ltd.	Related company	4,018	-	-	4,018
Less: Allowance for doubtful debt		(4,018)	-	-	(4,018)
Total		-	-	-	-

(Unit: Thousand Baht)

		Separate financial statements			
		Balance as at	Increase	Decrease	Balance as at
		31 March 2013	during the period	during the period	30 June 2013
<u>Short-term loans to related parties</u>	<u>Related by</u>				
Carrot Rewards Co., Ltd.	Subsidiary company	111,500	15,000	-	126,500
EGV Co., Ltd.	Related company	4,018	-	-	4,018
		115,518	15,000	-	130,518
Less: Allowance for doubtful debts		(4,018)	-	-	(4,018)
Total		111,500	15,000	-	126,500

(Unaudited but reviewed)

(Unit: Thousand Baht)

		Consolidated financial statements			
Long-term loan to related party	Related by	Balance as at 31 March 2013	Increase during the period	Decrease during the period	Balance as at 30 June 2013
Hwa Kay Thai (Thailand) Co., Ltd.	Related company	25,780	-	(545)	25,235
Less: Allowance for doubtful debts		(25,780)	-	545	(25,235)
Total		-	-	-	-

(Unit: Thousand Baht)

		Separate financial statements			
Long-term loans to related parties	Related by	Balance as at 31 March 2013	Increase during the period	Decrease during the period	Balance as at 30 June 2013
Yongsu Co., Ltd.	Subsidiary company	5,670	20	-	5,690
Tanayong Food and Beverage Co., Ltd.	Subsidiary company	581,693	-	-	581,693
Muangthong Assets Co., Ltd.	Subsidiary company	83,700	-	-	83,700
Tanayong International Ltd.	Subsidiary company	430,361	3,738	-	434,099
Tanayong Hong Kong Limited	Subsidiary company	2,109	8	-	2,117
Nuvo Line Agency Co., Ltd.	Subsidiary company	20,000	-	(20,000)	-
Siam Paging and Communication Co., Ltd.	Subsidiary company	32,650	50	-	32,700
Sampaopetch Co., Ltd.	Subsidiary company	897,356	-	(897,356)	-
Kamkoong Property Co., Ltd.	Subsidiary company	149,150	50	-	149,200
BTS Asset Co., Ltd.	Subsidiary company	2,120,500	1,084,000	-	3,204,500
BTS Land Co., Ltd.	Subsidiary company	67,000	-	-	67,000
Thana City Golf & Sports Club Co., Ltd.	Subsidiary company	15,400	6,000	-	21,400
		4,405,589	1,093,866	(917,356)	4,582,099
Less: Allowance for doubtful debts		(1,418,752)	(3,808)	897,356	(525,204)
Total		2,986,837	1,090,058	(20,000)	4,056,895

(Unit: Thousand Baht)

		Separate financial statements			
Short-term loans from related party	Related by	Balance as at 31 March 2013	Increase during the period	Decrease during the period	Balance as at 30 June 2013
Bangkok Mass Transit System Public Co., Ltd.	Subsidiary company	-	22,133,200	(1,068,000)	21,065,200
Total		-	22,133,200	(1,068,000)	21,065,200

The loans to and loans from related parties are not collateralized.

(Unaudited but reviewed)

Directors' and managements' benefits

During the three-month periods ended 30 June 2013 and 2012, the Company and its subsidiaries had employee benefit expenses payable to their directors and managements as below.

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Short-term employee benefits	37	45	11	17
Post-employment benefits	2	4	1	1
Share-based payment	1	1	-	-
Total	<u>40</u>	<u>50</u>	<u>12</u>	<u>18</u>

Guarantee obligations with related parties

The Company has an outstanding guarantee obligation with its related party, as described in Note 39.7 c) to the interim financial statements.

5. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>30 June 2013</u>	<u>31 March 2013</u>	<u>30 June 2013</u>	<u>31 March 2013</u>
		(Audited)		(Audited)
Cash	87,608	69,502	149	149
Current deposits and saving deposits	1,127,064	859,633	556,633	569,071
Fixed deposits with maturity date due not more than 3 months	23	23	4	4
Certificates of deposit	1,209,434	1,208,348	195,228	1,049,694
Bills of exchange	3,933,702	1,375,776	-	10,000
Total	<u>6,357,831</u>	<u>3,513,282</u>	<u>752,014</u>	<u>1,628,918</u>

The Company is waiting for submission of the outstanding balance of Baht 81 million to the creditor per rehabilitation plan of the Company when the court has the final judgment as described in Note 12 to the interim financial statements.

(Unaudited but reviewed)

6. Current investments

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 March	30 June	31 March
	2013	2013	2013	2013
		(Audited)		(Audited)
Fixed deposits with maturity date due more than 3 months	16,418,318	-	-	-
Short-term debentures	2,081,000	993,849	-	993,849
Bills of exchange	5,000,000	-	-	-
Certificates of deposits	5,081,389	-	81,389	-
Total	<u>28,580,707</u>	<u>993,849</u>	<u>81,389</u>	<u>993,849</u>

The current investments of Baht 2,499 million were pledged to secure a bank guarantee issued by a bank on behalf of the subsidiary as security for the long-term debentures (Note 28).

7. 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 30 June 2013, the balance of cash received in advance from cardholders was Baht 93 million (31 March 2013: Baht 79 million).

8. Trade and other receivables

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 March	30 June	31 March
	2013	2013	2013	2013
		(Audited)		(Audited)
<u>Trade receivables - related parties</u>				
Not yet due	72	258	-	-
Past due				
Up to 3 months	17	11	-	-
Total trade receivables - related parties	89	269	-	-
<u>Trade receivables - unrelated parties</u>				
Not yet due	625,346	478,938	-	-
Past due				
Up to 3 months	584,623	340,822	-	-
3 - 6 months	32,853	20,924	-	-
6 - 12 months	547	2,008	-	-
Over 12 months	30,517	30,361	-	-
Total	1,273,886	873,053	-	-
Posted date cheques	13,849	13,220	-	-
Less: Allowance for doubtful debts	(29,168)	(29,329)	-	-
Total trade receivables - unrelated parties, net	1,258,567	856,944	-	-
Total trade receivables - net	1,258,656	857,213	-	-
<u>Other receivables</u>				
Advances	11,483	42,663	673	244
Interest receivables - related parties	-	-	180,752	159,872
Interest receivable	191,552	9,387	1,091	2,473
Dividend receivable	2,849	-	2,849	-
Retention receivable	3,348	7,702	3,348	7,702
Other receivables - related parties	31	461	14,912	2,338
Other receivables	19,714	28,220	18,466	21,860
Total other receivables - net	228,977	88,433	222,091	194,489
Trade and other receivables - net	1,487,633	945,646	222,091	194,489

(Unaudited but reviewed)

9. Spare parts

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

(Unit: Thousand Baht)

	Consolidated financial statements	
	30 June 2013	31 March 2013
		(Audited)
Consumable spare parts	30,551	97,257
Transfer to non-current assets classified as held for sale (Note 23)	-	(68,104)
Consumable spare parts - net	<u>30,551</u>	<u>29,153</u>
Reusable spare parts	23,366	94,614
Less: Accumulated amortisation on reusable spare parts	(504)	(13,036)
	22,862	81,578
Transfer to non-current assets classified as held for sale (Note 23)	-	(59,175)
Reusable spare parts - net	<u>22,862</u>	<u>22,403</u>

10. Real estate development costs

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2013	31 March 2013	30 June 2013	31 March 2013
		(Audited)		(Audited)
Land and construction development	3,104,911	3,532,232	681,244	692,821
Less: Reduce cost to net realisable value	(21,672)	(21,925)	(21,672)	(21,925)
Real estate development costs - net	<u>3,083,239</u>	<u>3,510,307</u>	<u>659,572</u>	<u>670,896</u>

Movements of the reduce cost to net realisable value during the three-month period ended 30 June 2013 are summarised below.

(Unit: Thousand Baht)

	Consolidated and separate financial statements
Balance as at 1 April 2013	21,925
Less: Record decrease in the reduce cost to net realisable value	(253)
Balance as at 30 June 2013	<u>21,672</u>

As at 30 June 2013, land with construction thereon of a subsidiary (Nuvo Line Agency Co., Ltd.) amounting to approximately Baht 2,502 million (31 March 2013: Baht 2,979 million) had been mortgaged as collateral for credit facilities from a financial institution.

11. Cash deposited as collateral for debt settlement

As at 30 June 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 (31 March 2013: 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.

12. Assets awaiting transfer under rehabilitation plan

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 March	30 June	31 March
	2013	2013	2013	2013
		(Audited)		(Audited)
Real estate development costs - net	39,921	39,921	39,921	39,921
Land and projects awaiting development - net	28,315	33,015	28,315	28,315
Property, plant and equipment - net	68	73	68	73
Total	<u>68,304</u>	<u>73,009</u>	<u>68,304</u>	<u>68,309</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 5 to the interim 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 30 June 2013 (31 March 2013: Baht 545 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.

13. Investments in subsidiary awaiting transfer under rehabilitation plan

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

(Unaudited but reviewed)

14. Investments in subsidiaries

(Unit: Thousand Baht)

Company's name	Paid-up capital		Percentage owned by the Company		Cost	
	30 June	31 March	30 June	31 March	30 June	31 March
	2013	2013	2013	2013	2013	2013
		(Audited)		(Audited)		(Audited)
Bangkok Mass Transit System Public Co., Ltd.	16,067,134	16,067,134	97.46	97.46	41,681,791	41,681,791
VGI Global Media Public Co., Ltd. (51% held by BTSC)	300,000	300,000	14.67	16.33	1,540,000	1,715,000
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	-	100	-	1,000
Tanayong Property Management Co., Ltd.	1,000	1,000	100	100	1,000	1,000
Tanayong International Ltd.	25	25	100	100	25	25
HHT Construction Co., Ltd.	25,000	25,000	51	51	12,750	12,750
Tanayong Hong Kong Limited	42	42	100	100	42	42
Carrot Rewards Co. Ltd.	2,000	2,000	100	100	2,000	2,000
BTS Assets Co., Ltd.	800,000	800,000	100	100	1,424,078	1,424,078
BTS Land Co., Ltd.	10,000	10,000	100	100	10,000	10,000
Nuvo Line Agency Co., Ltd.	2,001,000	2,001,000	80	80	1,637,915	1,637,915
Kamkoong Property Co., Ltd.	375,000	375,000	100	100	375,000	375,000
Total					48,498,957	48,674,957
Less: Surplus on business combination under common control					(4,665,246)	(4,812,208)
					43,833,711	43,862,749
Less: Provision for loss on diminution in value					(1,418,899)	(1,419,899)
Net					42,414,812	42,442,850

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

On 19 June 2013, a meeting of Board of Directors of BTSC passed a resolution to approve to pay a dividend of Baht 4,177 million in respect of BTSC’s operating results for the year ended 31 March 2013. BTSC has paid an interim dividend totaling approximately Baht 4,017 million. The outstanding dividend of Baht 160 million (at a rate of Baht 0.01 per share) will be paid to the shareholders and recorded in the accounts in the next quarter.

Board of Directors of BTSC proposed this resolution to the Annual General Meeting of its shareholders for approval on 5 July 2013 (Note 43).

All of BTSC’s ordinary shares (excluding the ordinary shares of VGI Global Media Public Company Limited and Bangkok Smartcard System Company Limited held by BTSC, rights to provide operating service under the operating and maintenance service agreement for the extension to the core network and other assets stipulated in the agreement) have been pledged with BTS Rail Mass Transit Growth Infrastructure Fund to secure its obligations under the Sponsor Support and Guarantee Agreement, as discussed in Note 41 to the interim financial statements.

Sampaopetch Company Limited

On 29 November 2012, the Central Bankruptcy Court issued a receivership order for Sampaopetch Company Limited 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 the investment in this subsidiary. The Company has excluded the financial statements of Sampaopetch Company Limited from the consolidated financial statements since 27 May 2013.

Subsidiaries indirectly owned by the Company

VGI Global Media Public Company Limited (“VGI”)

In April 2013, the Company sold 5 million ordinary shares of VGI, at a price of Baht 120 each, totaling Baht 600 million. The Company had selling expenses relating to the sale of investment in the subsidiary approximately amounting to Baht 0.4 million. As a result of sales of ordinary shares of VGI, the Group has shareholding in VGI decreasing from 66.04% to 64.37% (the Company: decreasing from 16.33% to 14.67%).

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

	Consolidated	Separate
	financial statements	financial statements
Selling price of investment in the subsidiary	600,405	600,405
Less: Selling expenses relating to the sale of investment in the subsidiary	(405)	(405)
Cash receipt from the sale of investment in the subsidiary	600,000	600,000
Less: Value of investment in the subsidiary		
- Investment in the subsidiary	-	(28,037)
- Surplus on business combination under common control	-	(146,963)
Cash receipt from the sale of investment in the subsidiary / Gain on sales of investments in subsidiaries	600,000	425,000
Less: Non-controlling interests of subsidiaries	(32,166)	-
Surplus from the changes in the ownership interests in a subsidiary/ Gain on sales of investments in subsidiaries	567,834	425,000

15. Investments in associates

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	Equity method		Cost method	
	30 June	31 March	30 June	31 March
Company's name	2013	2013	2013	2013
		(Audited)		(Audited)
BTS Rail Mass Transit Growth Infrastructure Fund ("BTSGIF")				
Cost	20,833,200	-	20,833,200	-
Less: Gain on sale of future net fare box revenues in proportion to the Company's investment	(6,748,791)	-	-	-
Add: Share of profit from investment	124,294	-	-	-
Net	14,208,703	-	20,833,200	-
Absolute Hotel Services Co., Ltd.	11,546	10,026	4,000	4,000
Absolute Hotel Services Hong Kong Ltd. ⁽¹⁾	-	-	-	-
Total	14,220,249	10,026	20,837,200	4,000

⁽¹⁾ held by Tanayong Hong Kong Limited

(Unaudited but reviewed)

During the current period, the Company subscribed to 1,929 million investment units in BTSGIF at a price of Baht 10.80 per unit, totalling Baht 20,833 million, equivalent to 33.33% of the number of units in issue. Under the equity method, the Company eliminated gain on sale of future net fare box revenue in proportion to its investment, as discussed in Note 41 to the interim financial statements. The gain is to be recognized over the remaining 17 years of the Core Bangkok Mass Transit System concession net fare box revenues of which were sold to BTSGIF.

16. Other long-term investments

During the current period, the subsidiary (BTSC) invested Baht 6,428 million in unsubordinated debentures and Baht 200 million in fixed deposits with maturities of more than 1 year.

The unsubordinated debentures of Baht 6,428 million were pledged to secure a bank guarantee issued by a bank on behalf of the subsidiary as security for the long-term debentures (Note 28).

17. Project costs - media

A subsidiary (BTSC) recorded allocations of costs of rights relating to media from project costs - elevated train system, classifying them as "Non-current assets classified as held for sale", as discussed in Note 23 to the interim financial statements. The costs were allocated in accordance with bases and assumptions set by the subsidiary's management, who have assessed the appropriateness of these entries.

Movements of the project costs - media account during the three-month period ended 30 June 2013 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 April 2013	-	-
Record project costs - media	2,371,447	-
Amortisation for period	(7,041)	-
Net book value as at 30 June 2013	<u>2,364,406</u>	<u>-</u>

18. Land and projects awaiting development

During the current period, the subsidiaries made plans to develop land that had previously been classified as investment properties. As at 30 June 2013, the subsidiaries therefore classified Baht 267 million of investment properties as land and projects awaiting development.

19. Investment properties

Movements of the investment property account during the three-month period ended 30 June 2013 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 April 2013	2,867,629	1,139,354
Additions during the period - at cost	59,018	6
Disposal during the period - net book value of disposal date	(551)	(551)
Transfer to land and projects awaiting development	(266,548)	-
Depreciation for the period	(3,954)	(10,779)
Net book value as at 30 June 2013	2,655,594	1,128,030

The Company and its subsidiary (BTS Assets Company Limited) have pledged investment properties amounting to approximately Baht 1,072 million (31 March 2013: Baht 1,072 million) (Separate financial statement: Baht 222 million (31 March 2013: Baht 229 million)) as collateral against credit and guarantee facilities received from a financial institution.

20. Property, plant and equipment

Movements of the property, plant and equipment account during the three-month period ended 30 June 2013 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 April 2013	9,590,801	244,590
Additions during the period - at cost	817,990	66,389
Capitalised interest	67	-
Transfer from (to) other assets	(10,930)	773
Depreciation for the period	(103,597)	(4,201)
Net book value as at 30 June 2013	10,294,331	307,551

(Unaudited but reviewed)

The Company and a subsidiary (BTS Assets Co., Ltd.) have mortgaged land and construction thereon with net book value as at 30 June 2013 of Baht 5,540 million (31 March 2013: Baht 5,389 million) as collateral for credit and guarantee facilities from a financial institution.

21. Leasehold rights

Movements of the leasehold right account during the three-month period ended 30 June 2013 are summarised below.

(Unit: Thousand Baht)

	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 April 2013	81,473	7,308
Additions during the period - at cost	4,730	4,730
Transfer to property, plant and equipment	(773)	(773)
Amortisation for the period	(1,364)	(99)
Net book value as at 30 June 2013	84,066	11,166

22. Intangible assets

Movements of the intangible asset account during the three-month period ended 30 June 2013 are summarised below.

(Unit: Thousand Baht)

	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 April 2013	50,215	493
Additions during the period - at cost	2,200	-
Transfer from other assets	23	-
Disposal during the period - net book value of disposal date	(5)	-
Amortisation for the period	(2,879)	(133)
Net book value as at 30 June 2013	49,554	360

23. Non-current assets classified as held for sale

As discussed in Note 41 to the interim 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 the subsidiary (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 subsidiary and BTSGIF entered into the Net Revenue Purchase and Transfer Agreement.

In accordance with TFRS 5 "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 subsidiary classified the assets derecognised 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 as at 31 March 2013.

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

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Consumable spare parts	68,104	-
Project costs - elevated train system	41,676,704	-
Reusable spare parts	59,175	-
Spare parts - maintenance contract	292,771	-
Property, plant and equipment	26,344	-
Total non-current assets classified as held for sale	<u>42,123,098</u>	<u>-</u>

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

During the current period, the subsidiary derecognised non-current assets classified as held for sale in order to recognise the gain from the sale of future net fare box revenues as discussed in Note 41 to the interim financial statements.

(Unaudited but reviewed)

Revenues and expenses relating to the assets for the three-month periods ended 30 June 2013 and 2012 were detailed below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Fare box revenues - net	207,676	1,135,513	-	-
Costs of fare box	(86,451)	(575,429)	-	-
Selling and servicing expenses	(5,748)	(5,826)	-	-
Administrative expenses	(85,101)	(90,687)	-	-
Profit from discontinued operation for the period	<u>30,376⁽¹⁾</u>	<u>463,571</u>	<u>-</u>	<u>-</u>

⁽¹⁾ Revenues and expenses during 1 April and 16 April 2013

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

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

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

During the current period, the subsidiary (BTSC) had fully repaid this loan from a financial institution (31 March 2013: Baht 1,117 million).

25. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>30 June</u>	<u>31 March</u>	<u>30 June</u>	<u>31 March</u>
	<u>2013</u>	<u>2013</u>	<u>2013</u>	<u>2013</u>
		(Audited)		(Audited)
Trade payables - related parties	16	85	-	-
Trade payables	476,969	537,801	-	-
Other payables - related parties	117,627	788	15,757	22,457
Other payables	194,176	263,954	3,607	2,063
Accrued interest expenses - related parties	-	-	171,562	-
Accrued interest expenses	56,245	53,812	-	-
Retention payable	228,075	241,949	2,697	6,963
Deposit payable	114,865	107,437	55,000	55,000
Accrued expenses	563,335	537,518	11,064	21,461
Dividend payable	125,078	118,719	38,724	32,588
Total trade and other payables	<u>1,876,386</u>	<u>1,862,063</u>	<u>298,411</u>	<u>140,532</u>

26. Creditors per rehabilitation plan

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

27. Long-term loans

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 March	30 June	31 March
	2013	2013	2013	2013
		(Audited)		(Audited)
Long-term loans	905,928	2,363,968	-	-
Less: Current portion	(612,009)	(1,967,221)	-	-
Long-term loans - net of current portion	<u>293,919</u>	<u>396,747</u>	<u>-</u>	<u>-</u>

Movements of the long-term loan account during the three-month period ended 30 June 2013 are summarised below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
Balance as at 1 April 2013	2,363,968		-	
Add: Additional borrowings	99,000		-	
Less: Repayment	(1,557,040)		-	
Balance as at 30 June 2013	<u>905,928</u>		<u>-</u>	

(Unaudited but reviewed)

28. Long-term debentures

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 March	30 June	31 March
	2013	2013	2013	2013
		(Audited)		(Audited)
Long-term debentures	8,484,745	8,479,636	-	-
Less: Current portion	(2,080,242)	(2,078,656)	-	-
Long-term debentures - net of current portion	<u>6,404,503</u>	<u>6,400,980</u>	<u>-</u>	<u>-</u>

Movement of the long-term debenture account during the three-month period ended 30 June 2013 are summarised below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
Balance as at 1 April 2013		8,479,636		-
Add: Amortisation of deferred debenture issuing costs		5,109		-
Balance as at 30 June 2013		<u>8,484,745</u>		<u>-</u>

The debentures were secured by the letter of guarantee provided by a bank of Baht 9,422 million (the letter of guarantee was secured by the subsidiary's bank deposits, current investments and long-term investments).

29. Provision for long-term employee benefits

Movements in the provision for long-term employee benefit account during the three-month period ended 30 June 2013 are summarised below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
Balance as at 1 April 2013		481,714		21,296
Current service cost		12,632		613
Interest cost		4,931		219
Balance as at 30 June 2013		<u>499,277</u>		<u>22,128</u>

Long-term employee benefit expenses included in the profit or loss for the three-month periods ended 30 June 2013 amounted to Baht 18 million (Separate financial statements: Baht 1 million).

(Unaudited but reviewed)

Under the Net Revenue and Purchase Transfer Agreement discussed in Note 41 to the interim financial statements, the subsidiary (BTSC) can claim costs related to long-term employee benefit of employees who retire during the remaining period of Core Mass Transit System back from BTS Rail Mass Transit Growth Infrastructure Fund (“BTSGIF”). Therefore, the subsidiary recorded accrued income from BTSGIF in accordance with bases and assumptions that were determined by the subsidiary’s management, who have assessed the appropriateness of these transactions.

During the three-month period ended 30 June 2013, revenues relating to long-term employee benefits that can be claimed from BTSGIF in the future, in accordance with the bases and assumptions of the management, amounted to Baht 8 million.

30. Long-term provision - related party

Movements in long-term provision - related party account during the three-month period ended 30 June 2013 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 April 2013	-	-
Record special business tax of BTS Rail Mass Transit Growth Infrastructure Fund (“BTSGIF”)	1,043,610	-
Decrease during the period	(9,848)	-
Balance as at 30 June 2013	1,033,762	-

Special Business Tax

The subsidiary (BTSC) recognised a provision for future special business tax liabilities of BTSGIF over the remaining 17 years of the Core Bangkok Mass Transit System since, as stipulated in the Net Revenue Purchase and Transfer Agreement, the subsidiary is responsible for this tax. In calculating the provision for special business tax, the subsidiary referred to projections of future revenues prepared by an independent valuer and amortisation of BTSGIF’s investment in rights to receive fare box revenue of the Core Bangkok Mass Transit System of BTSGIF, discounted to present value.

31. Share capital / Share premium

As at 30 June 2013, the Company's issued and fully paid share capital has increased from Baht 44,426,538,376 (11,106,634,594 ordinary shares with a par value of Baht 4 each) to Baht 45,611,174,124 (11,402,793,531 ordinary shares with a par value of Baht 4 each) as a result of the exercise of the warrants (BTS-W2) to ordinary shares amounting to Baht 1,184,635,748 (296,158,937 ordinary shares with a par value of Baht 4 each), as discussed in Note 32 to the interim financial statements, resulting in an increase in total share premium to Baht 1,597,118,029.

The Company registered the corresponding increases in its paid-up capital with the Ministry of Commerce on 3 April 2013.

32. Warrants

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

In June 2013, the Company received advance subscription of Baht 4.375 per share to 123,411,688 of the additional ordinary shares arising from the exercise of the warrants (BTS-W2) of 771,323,058 units, a total of Baht 539,926,132. The Company registered the resulting increase of Baht 493,646,752 in its capital with the Ministry of Commerce on 3 July 2013. As at 30 June 2013, there were a total of 2,395,709,808 outstanding unexercised warrants.

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

In July 2013, the Company issued 16,000,000 warrants to purchase new ordinary shares of the Company to the employees of the Company and its subsidiaries (BTS-WB).

33. Service income

Details of service income are as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Advertising income	787,043	539,071	-	-
Revenue from providing of train operation services	346,836	258,301	-	-
Revenue from servicing of spaces	97,072	56,091	-	-
Other service income	239,466	158,116	25,433	23,549
Total	<u>1,470,417</u>	<u>1,011,579</u>	<u>25,433</u>	<u>23,549</u>

(Unaudited but reviewed)

34. Finance cost

Details of finance cost are as follows:

(Unit: Thousand Baht)

For the three-month periods ended 30 June

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Interest expenses and other fees	187,409	251,303	207,140	42,282
Amortisation of deferred debenture issuing costs	5,109	8,271	-	-
Amortisation of liability component of convertible debentures	-	75,586	-	75,586
Amortisation of letter of credit fee for convertible debentures	-	37,735	-	37,735
Total	192,518	372,895	207,140	155,603

35. Income tax

Interim corporate income tax was calculated on profit before income tax for the period, using the estimated effective tax rate for the year.

Income tax expenses for the three-month periods ended 30 June 2013 and 2012 are made up as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Current income tax:				
Interim corporate income tax charge	276,479	55,668	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	2,764,293	117,822	46,166	29,969
Income tax expense reported in the statements of comprehensive income	3,040,772	173,490	46,166	29,969

(Unaudited but reviewed)

The amounts of income tax relating to each component of other comprehensive income for the three-month periods ended 30 June 2013 and 2012 are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
		(Restated)		(Restated)
Deferred tax relating to gain on changes in value of available-for-sale investments	-	903	-	903

36. Basic earnings per share

Basic earnings per share is calculated by dividing profit (loss) for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period (for the three-month period ended 30 June 2012, the number of shares as a result of the change in par value from Baht 0.64 each to Baht 4 each 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 period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that such conversion took place either at the beginning of the period or on the date the potential ordinary shares were issued (for the three-month period ended 30 June 2012, the number of shares as a result of the change in par value from Baht 0.64 each to Baht 4 each is adjusted as if the share split down had occurred at the beginning of the earliest period reported).

(Unaudited but reviewed)

Details of calculation of earnings per share for the three-month periods ended 30 June 2013 and 2012 are as below.

(Unit: Thousand Baht)

Consolidated financial statements						
For the three-month periods ended 30 June						
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	
Basic earnings per share						
Profit attributable to equity holders of the Company	10,823,806	194,555	11,409,504	9,155,461	<u>0.94867</u>	<u>0.02125</u>
Effect of dilutive potential ordinary shares						
Warrants (BTS-W2)	-	-	243,009	102,566		
Warrants (BTS-WA)	-	-	7,346	-		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>10,823,806</u>	<u>194,555</u>	<u>11,659,859</u>	<u>9,258,027</u>	<u>0.92830</u>	<u>0.02101</u>

(Unit: Thousand Baht)

Separate financial statements						
For the three-month periods ended 30 June						
Profit (loss)		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	
Basic earnings per share						
Profit (loss) attributable to equity holders of the Company	186,616	<u>(180,176)</u>	11,409,504	<u>9,155,461</u>	<u>0.01636</u>	<u>(0.01968)</u>
Effect of dilutive potential ordinary shares						
Warrants (BTS-W2)	-	-	243,009			
Warrants (BTS-WA)	-	-	7,346			
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>186,616</u>	<u>(180,176)</u>	<u>11,659,859</u>	<u>9,155,461</u>	<u>0.01600</u>	

(Unaudited but reviewed)

Details of calculation of earnings per share from continued operation for the three-month periods ended 30 June 2013 and 2012 are as below.

(Unit: Thousand Baht)

Consolidated financial statements						
For the three-month periods ended 30 June						
Profit (loss)		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	
Basic earnings per share						
Profit (loss) attributable to equity holders of the Company	10,794,201	<u>(252,529)</u>	11,409,504	<u>9,155,461</u>	<u>0.94607</u>	<u>(0.02758)</u>
Effect of dilutive potential ordinary shares						
Warrants (BTS-W2)	-	243,009				
Warrants (BTS-WA)	-	<u>7,346</u>				
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>10,794,201</u>	<u>11,659,859</u>		<u>0.92576</u>		

(Unit: Thousand Baht)

Separate financial statements						
For the three-month periods ended 30 June						
Profit (loss)		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	
Basic earnings per share						
Profit (loss) attributable to equity holders of the Company	186,616	<u>(180,176)</u>	11,409,504	<u>9,155,461</u>	<u>0.01636</u>	<u>(0.01968)</u>
Effect of dilutive potential ordinary shares						
Warrants (BTS-W2)	-	243,009				
Warrants (BTS-WA)	-	<u>7,346</u>				
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>186,616</u>	<u>11,659,859</u>		<u>0.01600</u>		

Earnings per share

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

In addition, the exercise prices (including fair value of services yet to be rendered per warrant) of the warrants to purchase the ordinary shares of the Company (BTS-WA) issued to the employees of the Company and its subsidiaries are higher than the average market price of the Company's shares for the three-month period ended 30 June 2012 and convertible debentures would increase earnings per share for the three-month period ended 30 June 2012 in the consolidated and separate financial statements. Therefore, the Company has not assumed conversion of the warrants and convertible debentures in the calculation of diluted earnings per share.

Earnings per share from continued operation

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

In addition, the exercise prices (including fair value of services yet to be rendered per warrant) of the warrants to purchase the ordinary shares of the Company (BTS-WA) issued to the employees of the Company and its subsidiaries are higher than the average market price of the Company's shares for the three-month period ended 30 June 2012 and convertible debentures would increase earnings per share for the three-month period ended 30 June 2012 in the consolidated and separate financial statements. Therefore, the Company has not assumed conversion of the warrants and convertible debentures in the calculation of diluted earnings per share.

37. Dividends

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. Currently, the Company paid the dividend in May 2013.

The Board of Directors of the Company held on 27 May 2013 passed resolutions as follows:

- a) Amendment of 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.
- b) Proposal to pay a dividend of Baht 4,359 million in respect of the Company's operating results for the year ended 31 March 2013. The Company has paid an interim dividend totaling approximately Baht 3,846 million. The outstanding dividend of Baht 513 million (at a rate of Baht 0.045 per share) will be paid to the shareholders and recorded in the accounts in the next quarter.

The Company's Board of Directors proposed this resolution to the Annual General Meeting of its shareholders for approval on 26 July 2013 (Note 43).

38. Foreign currency assets/liabilities

As at 30 June 2013 and 31 March 2013, subsidiaries had assets and liabilities in foreign currency which were not hedged against foreign exchange rate risk as follows:

Consolidated financial statements					
Foreign currency	30 June 2013		31 March 2013		Average exchange rate as at 30 June 2013
	Financial assets	Financial liabilities	Financial assets	Financial liabilities	
	(Million)	Million)	(Audited) (Million)	(Audited) (Million)	(Baht per 1 Foreign currency unit)
USD	-	1	-	1	31.1271
EUR	-	5	11	5	40.6169
SGD	-	6	-	2	24.5968
RMB	-	24	1	22	5.0700

39. Commitments and contingent liabilities

As at 30 June 2013, the Company and its subsidiaries had commitments as follows:

39.1 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 419 million (31 March 2013: Baht 253 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 332 million (31 March 2013: Baht 364 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 completed in no more than 3 years. During the construction, the Company is to pay rental of Baht 0.1 million per month for land usage, and after handing over the building, the Company is committed to pay an annual rental for 30 years. The rental charge is Baht 0.8 million per year and will be increased by 15% every 5 years of the lease period.
- d) A subsidiary (BTSC) had capital commitments of Baht 24 million (31 March 2013: Baht 27 million) in respect of a change and improvement of signaling system for elevated train operation.
- e) A subsidiary (BTSC) had capital commitments of EUR 10 million, USD 1 million, RMB 110 million and Baht 8 million (31 March 2013: EUR 6 million, USD 1 million, RMB 110 million and Baht 38 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 subsidiary. In addition, under the operation and maintenance contract for a mass transit system in Bangkok, the subsidiary had further capital commitments of Baht 8,627 million (31 March 2013: Baht 8,627 million) in respect of acquisitions of elevated train carriages required for future compliance with the contract.
- f) A subsidiary (BTSC) had capital commitments of Baht 1 million (31 March 2013: Baht 1 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 (31 March 2013: AUD 1 million) in respect of the acquisition of spareparts for Automotic Farebox system.
- h) A subsidiary (BTS Assets Company Limited) had an outstanding commitment of Baht 15 million (31 March 2013: Baht 15 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 and Baht 11 million (31 March 2013: RMB 5 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 (31 March 2013: SGD 10 million and Baht 375 million), relating to the acquisition and installation of equipment.
- l) A subsidiary (Dnal Company Limited) had an outstanding commitment of Baht 255 million (31 March 2013: Baht 255 million) relating to the agreement to purchase and to sell of a building as discussed in Note 12 to the interim financial statements.

Under the Net Revenue and Purchase Transfer Agreement discussed in Note 41 to the interim financial statements, BTS Rail Mass Transit Growth Infrastructure Fund will be responsible for the commitments as discussed in d) and f).

39.2 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 (31 March 2013: Baht 5 million) in respect of a 15-year land and building lease agreement.

39.3 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 three-month period ended 30 June 2013, the subsidiary paid the cost of maintenance and spare supply service fees amounting to Baht 49 million and EUR 0.5 million (2012: Baht 48 million and EUR 0.5 million).

Obligations will be allocated for collection from BTS Rail Mass Transit Growth Infrastructure Fund in accordance with bases and assumptions determined by the subsidiary's management, who have assessed the appropriateness of these bases and assumptions.

39.4 Service / long-term contract commitments

- a) The Company entered into a service agreement with an associate (Absolute Hotel Services Company Limited), which is to furnish the Company and its subsidiary with consultation and hotel business management-related services. Under the conditions of the agreement, the Company is to pay service fees of Baht 1.4 million per month. The fees for the three-month period ended 30 June 2013 amounted to approximately Baht 4 million (2012: Baht 4 million).
- b) The Company entered into a management agreement with its subsidiaries (Tanayong Property Management Company Limited and BTS Assets Company Limited), which is to furnish the subsidiaries with systems management services. Under the conditions of the agreement, the Company is to pay service fees at the rate specified in the agreement. During the three-month period ended 30 June 2013, the Company paid management fee amounted to Baht 6 million (2012: Baht 3 million).
- c) 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 228 million (31 March 2013: Baht 188 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) A subsidiary (BTSC) and The Krungthep Thanakom Co., Ltd. entered into an operation and maintenance contract for a mass transit system in Bangkok. The contract period is 30 years, running from 8 May 2012 to 2 May 2042. The total contract value over its 30-year term is not more than Baht 187,000 million (inclusive of VAT). As at 30 June 2013, BTSC had commitments relating to its operations under this contract of Baht 68 million (31 March 2013: Baht 76 million).
- f) The subsidiaries (Muangthong Assets Company Limited and BTS Assets Co., Ltd.) entered into service agreements with an associate (Absolute Hotel Services Company Limited), which is to furnish the 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 three-month period ended 30 June 2013 amounted to approximately Baht 5 million (2012: Baht 3 million).
- g) The subsidiaries has committed to pay fees of HKD 1 million and Baht 413 million (31 March 2013: HKD 1 million and Baht 344 million) relating to other rental and service agreements.
- h) A subsidiary (BTSC) had commitments of approximately Baht 18 million (31 March 2013: Nil) relating to lease and service agreements (Airtime on Plasma Screen on platform, LCD in the train, Platform Truss LED and Platform Screen Door LCD).

39.5 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 approximately amounting to Baht 631 million (31 March 2013: Baht 642 million), while approximately Baht 433 million is payable within 2 and 5 years (31 March 2013: Baht 583 million). These amounts will be adjusted in accordance with actual performance, based on certain rates stipulated in the agreements.

39.6 Other commitments

- a) The Company and a 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 a 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.

39.7 Guarantees

- a) There were bank guarantees of Baht 44 million (31 March 2013: Baht 44 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 (31 March 2013: 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 Company of Baht 42 million (31 March 2013: Baht 42 million) to the Metropolitan Electricity Authority to guarantee electricity use, of Baht 200 million (31 March 2013: Baht 200 million) to Mass Rapid Transit Authority of Thailand in respect of bidding, and of Baht 200 million (31 March 2013: Baht 200 million) 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, and of Baht 9,422 million (31 March 2013: Nil) to guarantee the long-term debentures. In addition, as at 30 June 2013, the subsidiary had Letter of Credit facilities from a local commercial bank of EUR 6 million and RMB 110 million (31 March 2013: EUR 10 million and RMB 110 million) in respect of acquisitions of elevated trains and elevated train carriages for the subsidiary's operation.

Under the Net Revenue and Purchase Transfer Agreement discussed in Note 41 to the interim financial statements, BTS Rail Mass Transit Growth Infrastructure Fund will be responsible for the bank guarantees of Baht 42 million issued by a bank on behalf of the subsidiary to the Metropolitan Electricity Authority to guarantee electricity use.

In addition, as at 30 June 2013, the subsidiaries had additional bank guarantees issued by banks as required in their normal operations of SGD 9 million and Baht 187 million (31 March 2013: SGD 9 million and Baht 187 million).

- c) The Company provided a guarantee on BTSC's compliance to BTS Rail Mass Transit Growth Infrastructure Fund as discussed under "Guarantee Transactions" in Note 41 to the interim financial statements.

39.8 Litigations

As at 30 June 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 12 to the interim financial statements. Therefore, the subsidiaries have not set aside provision for the contingent liability in their accounts.
- b) 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.
- c) 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.

40. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as Executive Chairman.

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

- Mass transit segment, which is BTS for the core network segment which was derecognised during the current period and classified as non-current assets classified as held for sale for the financial statements as at 31 March 2013, as discussed in Note 23 to the interim financial statements
- Media segment, which provide advertising services on Bangkok Mass Transit System (BTS), in modern trade locations (Big C and Tesco Lotus), in office buildings and other locations
- Property segment, which development properties consisting of hotel and condominium
- Service segment, which is the provision of operating services under the operating and maintenance service agreement of extension to the core network, Rabbit Card and other services not included in the other major segments

(Unaudited but reviewed)

The operations of the Company and its subsidiaries are mainly carried in Thailand by divided into three major business segments. The financial information by business segments for the three-month periods ended 30 June 2013 and 2012 were as follows:

(Unit: Million Baht)

	Mass transit		Media segment		Property		Service segment		Elimination		Consolidated financial statements	
	segment		segment		segment		segment		segment		statements	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Revenues from external customers	-	-	787	585	915	91	527	397	-	-	2,229	1,073
Inter-segment revenues	-	-	6	7	-	-	129	119	(135)	(126)	-	-
Total revenues	-	-	793	592	915	91	656	516	(135)	(126)	2,229	1,073
Segment profit	-	-	484	344	378	21	198	171			1,060	536
Unallocated revenues and expenses:												
Dividend income											3	-
Interest income											280	8
Gain on sale of net future fare box revenues											13,498	-
Other income											35	18
Servicing and selling expenses											(129)	(50)
Administrative expenses											(304)	(221)
Share of income from investments in associates											126	-
Finance cost											(192)	(373)
Income tax expenses											(3,041)	(173)
Gain from discontinued operation											30	464
Profit for the period											11,366	209
Non-controlling interest of the subsidiaries											(542)	(14)
Profit attributable to equity holders of the Companies											10,824	195

The following table presents segment assets of the Company's and its subsidiaries' operating segments as at 30 June 2013 and 31 March 2013:

(Unit: Million Baht)

Segment assets	Mass transit	Media	Property	Service	Unallocated	Consolidated financial statements
	segment	segment	segment	segment	assets	statements
At 30 June 2013	-	5,352	11,567	4,899	57,805	79,623
At 31 March 2013	42,123	2,562	10,584	4,501	7,261	67,031

41. 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 fare box 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 fare box revenues of the Core BTS Skytrain System.

In addition, a resolution of the extraordinary general meeting of shareholders held on 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 fare box revenues, whereby BTSC sold to BTSGIF net fare box 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 fare box 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 fare box revenues to BTSGIF, BTSGIF agrees to pay BTSC incentive fees at the following rates.

- 1) If the net fare box revenues for any year exceed 100 percent but not 125 percent of the annual net fare box revenues target for that year, BTSC is entitled to incentive fees at the rate of 10 percent of the net fare box revenue amount exceeding 100 percent but not 125 percent of the annual net fare box revenue target.
- 2) If the net fare box revenues for any year exceed 125 percent of the annual net fare box revenue target for that year, BTSC is entitled to incentive fees at the rate of 15 percent of the net fare box revenue amount exceeding 125 percent of the annual net fare box 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 BTSGIF at a price of Baht 10.80 per unit, totalling Baht 20,833 million, equivalent to 33.33% of the number of units in issue.

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.

As detailed above, on 31 January 2013, BTSC wrote to the Federation of Accounting Professions (FAP), enquiring about accounting for the transactions involved in the establishment of an infrastructure fund, which included details relevant to the recording of the sale of future fare box revenues by derecognizing project costs in the accounts of BTSC and the Company in the consolidated financial statements, and the immediate recognition of gains on the sale.

On 22 May 2013, BTSC sent another letter providing the FAP with additional details regarding the name of the agreement to transfer the net fare box revenue.

On 8 July 2013, the FAP wrote to BTSC regarding the method of accounting for the transactions involved in the establishment of an infrastructure fund, providing details of the issues that should be considered but not providing a conclusion as to how to record the transactions. However, the FAP believes that the Company and BTSC need to consider the effect of their legal obligations under these agreements, among other facts, while taking into account the overall nature of the transactions, and that both BTSC and the Company should refer to the judgment of their accountants in carefully and thoroughly reviewing the transactions.

After careful and thorough consideration of the details of the transactions by the Company and BTSC, their conclusions are as follow:

- a) BTSC sold its rights to collect future net fare box revenues from the core BTS train system for the remainder of the concession period (about 17 years) to BTSGIF.
- b) The Company and BTSC have not provided any guarantee of the future net fare box revenues to be received by BTSGIF.
- c) BTSGIF is the party exposed to the risk related to fluctuations in fare box revenues or costs and expenses of capital assets.
- d) Even though the sale of net fare box revenues will not involve the legal transfer of rights under the concession agreement to BTSGIF, in substance this transaction already represents the transfer of all of BTSC's benefits in the fare box revenues to BTSGIF.
- e) BTSC will continue to be the operator of the train services, overseen by BTSGIF, and to exercise decision-making authority as the owner of BTSGIF (BTSC is not involved with the day-to-day management of these assets at the owner level, and does not either directly or indirectly control the assets sold).
- f) BTSC is to submit cash receipts of fare box revenues to BTSGIF, acting as a middleman responsible only for the collection of fare box revenue and their submission to BTSGIF each day. Because the cash belongs to BTSGIF, BTSC has no debtor/creditor obligations with BTSGIF. Given this, BTSC does not believe that these transactions are financial liabilities.

On the basis of the above summary, the Company and BTSC treat the sale of the rights to collect future fare box revenues as a true sale of an intangible asset, and BTSC therefore recognised the write off of project costs and related accounts from the statement of financial position, and recorded its estimates of the liabilities related to this transaction in the statement of financial position, net of cash receipts of Baht 61,399 million from the sale of the rights to collect these net fare box revenues. The Group recorded a gain on the sale amounting to Baht 13,498 million (after eliminating one third of the transactions, in proportion to the Company's unit holding in BTSGIF) and presented this as a separate item in the current period's statement of comprehensive income.

42. Investment in Indonesia

On June 29, 2013, the Company and PT Jakarta Monorail has entered into the Participating Agreement concerning Development and Operations of Monorail Project in Jakarta, Indonesia ("Participating Agreement Framework"). This Participating Agreement Framework is a framework for the negotiation and conclusion on the terms and conditions of the final agreement to be entered into by the parties in the future. The Company will act as the project consultant to support PT Jakarta Monorail to achieve the development of this project. The Company will also study the details for providing the operation and maintenance (O&M) of this project. If the study shows satisfactory results, project worthiness and attractive yield, the Company will negotiate and agree on the service fee and terms of the operation and maintenance agreement with PT Jakarta Monorail, and proceed with the corporate approval for the entry into the Operation and Maintenance Agreement with PT Jakarta Monorail. In addition, under the Participating Agreement Framework with PT Jakarta Monorail, the Company has an option to invest in the equity of this project, i.e. an option to purchase certain percentage of shares in PT Jakarta Monorail. However, this is depend on and subject to the project worthiness, investment yield, result of the negotiation, terms and conditions, corporate approval, legal requirements and the entry into the final agreement between the parties.

43. Events after the reporting period

- 43.1 On 26 July 2013, the Annual General Meeting of the Company's shareholders passed resolutions to amend dividend policy and pay a dividend as discussed in Note 37 to the interim financial statements.
- 43.2 On 9 August 2013, meeting No. 6/2013 of Board of Directors of the Company passed a resolution to propose the payment of dividends of Baht 2,190.0 million (at a rate of Baht 0.19 per share) in respect of the Company's net profit and retained earnings for the three-month period ended 30 June 2013.
- 43.3 On 5 July 2013, the Annual General Meeting of shareholders of BTSC passed resolutions to pay a dividend as discussed in Note 14 to the interim financial statements.
- 43.4 On 2 August 2013, meeting No. 8/2013 of Board of Directors of BTSC passed the following significant resolutions.
- a) Pay to the shareholders an interim dividend of approximately Baht 16,709.8 million (at a rate of Baht 1.04 per share) in respect of past operating results. The interim dividend will be paid on 21 August 2013 and recorded in the second quarter of the year ending 31 March 2014.

- b) Decrease the registered share capital from Baht 20,867,133,653 (20,867,133,653 ordinary shares with a par value of Baht 1 each) to Baht 16,067,133,653 (16,067,133,653 ordinary shares with a par value of Baht 1 each) by cancellation of 4,800 million unissued ordinary shares with a par value of Baht 1 each.
- c) Decrease the paid-up share capital by Baht 12,050,350,239.75 from Baht 16,067,133,653 to Baht 4,016,783,413.25 by decreasing the par value of the ordinary shares from Baht 1 to Baht 0.25 per share.
- d) Propose the changes in registered share capital and par value of the ordinary shares to the Extraordinary General Meeting of the shareholders No. 2/2013 for consideration and approval, on 20 August 2013.

43.5 On 4 July 2013, the Annual General Meeting of the shareholders of a subsidiary (VGI Global Media Public Company Limited) passed the following significant resolutions.

- a) Pay to the shareholders stock and cash dividends for 2013 of Baht 0.1 per share and Baht 1.4 per share, respectively, or a total of Baht 450 million, in respect of the profit for the year ended 31 March 2013, in addition to the interim dividend payment of Baht 1.2 per share made on 27 December 2012. Thus, the subsidiary is to pay a total annual dividend of Baht 2.7 per share in respect of its operating results for the year ended 31 March 2013. The stock and remaining cash dividends will be paid on 17 July 2013 and recorded in the second quarter of the year ending 31 March 2014.

The subsidiary paid a stock dividend of 29,998,923 ordinary shares and the remainder of the dividend in cash on 17 July 2013. The subsidiary registered the issue of ordinary shares with the Ministry of Commerce on the same date.

- b) Decrease the subsidiary's registered share capital from Baht 400 million (400 million ordinary shares with a par value of Baht 1 each) to Baht 300 million (300 million ordinary shares with a par value of Baht 1 each) by cancellation of 100 million unissued ordinary shares with a par value of Baht 1 each.

The subsidiary registered the corresponding decrease in its registered share capital with the Ministry of Commerce on 8 July 2013.

- c) Increase the subsidiary's registered share capital from Baht 300 million (300 million ordinary shares with a par value of Baht 1 each) to Baht 330 million (330 million ordinary shares with a par value of Baht 1 each) by issuing 30 million ordinary shares with a par value of Baht 1 each to accommodate the stock dividend payment.

The subsidiary registered the corresponding increase in its registered share capital with the Ministry of Commerce on 9 July 2013.

43.6 On 30 July 2013, meeting No. 5/2013 of Board of Directors of a subsidiary (VGI Global Media Public Company Limited) passed a resolution to change the number and par value of the subsidiary's ordinary shares, by increasing the number of the ordinary shares by 2,970 million shares, from 330 million shares to 3,300 million shares, and changing the par value from Baht 1 to Baht 0.10 per share. The meeting also approved a resolution to propose the changes in number and par value of the ordinary shares to the Extraordinary General Meeting of the subsidiary's shareholders No. 1/2013 for consideration and approval, on 19 September 2013.

44. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 9 August 2013.