

BTS Group Holdings Public Company Limited  
and its subsidiaries  
Report and consolidated financial statements  
31 March 2014

## **Independent Auditor's Report**

To the Shareholders of BTS Group Holdings Public Company Limited

I have audited the accompanying consolidated financial statements of BTS Group Holdings Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 March 2014, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of BTS Group Holdings Public Company Limited for the same period.

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

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

### **Auditor's Responsibility**

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

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

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

### **Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of BTS Group Holdings Public Company Limited and its subsidiaries as at 31 March 2014, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

### **Emphasis of matters**

I draw attention to the following matters:

- a) As discussed in Note 4 to the financial statements regarding the change in accounting policy due to the adoption of Thai Accounting Standard 12 *Income Taxes*, the Company has restated the consolidated and separate financial statements for the year ended 31 March 2013, presented herein as comparative information, to reflect the adjustments resulting from such change. The Company has also presented the consolidated and separate statements of financial position as at 1 April 2012 as comparative information, using the newly adopted accounting policy for income taxes.
- b) As discussed in Note 52 to the financial statements regarding the Infrastructure Fund transaction and recognition of gain from the transaction amounting to 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 opinion is not qualified in respect of these matters.

Siraporn Ouaanunkun  
Certified Public Accountant (Thailand) No. 3844

EY Office Limited  
(Formerly known as Ernst & Young Office Limited)  
Bangkok: 23 May 2014

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

**Statement of financial position**

(Unit: Baht)

	Consolidated financial statements			Separate financial statements			
	As at	As at	As at	As at	As at	As at	
	Note	31 March 2014	31 March 2013 (Restated)	1 April 2012	31 March 2014	31 March 2013 (Restated)	1 April 2012
<b>Assets</b>							
<b>Current assets</b>							
Cash and cash equivalents	8	7,862,751,501	3,513,281,951	1,333,240,137	2,269,611,665	1,628,917,898	453,132,248
Current investments	9	24,302,068,236	993,849,166	-	2,314,122,880	993,849,166	-
Bank account for advances from cardholders	10	152,684,948	78,881,627	1,142,006	-	-	-
Trade and other receivables	11	1,074,454,681	945,646,126	1,106,681,106	354,132,177	194,489,057	276,156,542
Unbilled receivable - related party		-	-	-	-	-	284,440,564
Consumable spare parts	12	31,002,505	29,153,286	92,956,330	-	-	-
Advances to contractors							
Related party	7	-	-	-	44,823,112	34,648,509	27,055,252
Unrelated parties		13,682,983	25,565,132	13,818,246	-	-	-
Short-term loans to related parties	7	-	-	-	176,500,000	111,500,000	18,500,000
Real estate development costs	13	2,549,762,493	3,510,307,262	3,349,068,113	624,752,129	670,895,620	778,394,620
Assets awaiting transfer under rehabilitation plan	15	68,290,413	73,008,516	73,026,618	68,290,413	68,308,516	68,326,618
Investments in subsidiaries awaiting transfer under rehabilitation plan	16	224,342,586	224,342,586	224,342,586	197,438,333	197,438,333	197,438,333
Accrued income		671,666,324	247,768,779	1,202,547,505	-	-	-
Prepaid expenses		60,568,573	137,552,359	127,991,280	6,846,577	7,168,125	7,440,020
Other current assets		215,497,001	315,913,680	342,853,416	27,691,308	44,608,614	37,075,374
		37,226,772,244	10,095,270,470	7,867,667,343	6,084,208,594	3,951,823,838	2,147,959,571
Non-current assets classified as held for sale	27	-	42,123,099,124	-	-	-	-
<b>Total current assets</b>		<b>37,226,772,244</b>	<b>52,218,369,594</b>	<b>7,867,667,343</b>	<b>6,084,208,594</b>	<b>3,951,823,838</b>	<b>2,147,959,571</b>

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

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

**Statement of financial position (continued)**

(Unit: Baht)

	Consolidated financial statements			Separate financial statements			
	As at	As at	As at	As at	As at	As at	
	Note	31 March 2014	31 March 2013 (Restated)	1 April 2012	31 March 2014	31 March 2013 (Restated)	1 April 2012
<b>Non-current assets</b>							
Restricted deposits	53	611,073,812	88,527,047	323,833,601	609,162,500	81,644,467	321,492,842
Cash deposited as collateral for debt settlement	14	232,657,728	232,657,728	232,657,728	232,657,728	232,657,728	232,657,728
Loans to related parties	7	-	-	-	3,823,745,217	2,986,836,748	2,931,324,091
Investments in subsidiaries	17	-	-	-	32,827,884,794	42,442,849,862	42,777,903,572
Investment in a joint venture	18	44,517,103	-	-	-	-	-
Investments in associates	19	13,898,964,479	10,026,474	7,033,070	20,842,200,000	4,000,000	4,000,000
Other long-term investments	20	6,238,184,405	367,522,165	148,826,514	2,126,788,775	267,522,165	148,826,514
Project costs - elevated train system		-	-	45,144,217,633	-	-	-
Project costs - media	21	2,340,066,979	-	-	-	-	-
Reusable spare parts	12	21,918,411	22,402,665	81,230,587	-	-	-
Spare parts - maintenance contract		-	-	292,771,346	-	-	-
Land and projects awaiting development	22	263,913,382	-	2,676,340,050	-	-	-
Investment properties	23	3,101,461,112	2,867,628,616	2,461,013,308	1,691,151,666	1,139,353,748	1,226,078,312
Property, plant and equipment	24	11,554,030,088	9,590,801,393	6,039,192,913	484,836,709	244,589,940	67,877,076
Leasehold rights	25	77,654,995	81,473,401	90,025,135	8,550,209	7,308,253	10,799,626
Intangible assets	26	65,822,860	50,215,370	26,696,704	208,092	493,075	1,452,161
Retention receivable							
Related party	7	-	-	-	1,200,000	105,558,500	87,753,520
Unrelated parties		2,409,485	2,045,000	2,145,000	1,976,000	2,045,000	2,145,000
Goodwill		78,656,476	78,656,476	78,656,476	-	-	-
Deposit and advances for asset acquisitions	15	45,000,000	481,702,325	496,939,338	-	-	-
Advances to contractors		208,650	208,650	79,586,010	-	-	-
Accrued income		324,968,545	-	-	-	-	-
Rights of claim from acquisition of debts per							
rehabilitation plan	15	204,032,633	545,087,021	741,501,854	-	-	-
Deferred tax assets	45	37,340,003	259,842,735	1,428,351,394	-	185,472,082	472,335,974
Other non-current assets		387,411,779	393,761,465	98,542,150	9,812,322	10,258,344	10,201,257
<b>Total non-current assets</b>		<b>39,530,292,925</b>	<b>15,072,558,531</b>	<b>60,449,560,811</b>	<b>62,660,174,012</b>	<b>47,710,589,912</b>	<b>48,294,847,673</b>
<b>Total assets</b>		<b>76,757,065,169</b>	<b>67,290,928,125</b>	<b>68,317,228,154</b>	<b>68,744,382,606</b>	<b>51,662,413,750</b>	<b>50,442,807,244</b>

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

BTS Group Holdings Public Company Limited and its subsidiaries

Statement of financial position (continued)

(Unit: Baht)

	Consolidated financial statements			Separate financial statements			
	As at	As at	As at	As at	As at	As at	
	Note	31 March 2014	31 March 2013 (Restated)	1 April 2012	31 March 2014	31 March 2013 (Restated)	1 April 2012
<b>Liabilities and shareholders' equity</b>							
<b>Current liabilities</b>							
Bank overdraft and short-term loans from							
financial institutions	28	-	1,117,000,000	1,941,501,854	-	-	741,501,854
Trade and other payables	29	2,222,442,186	1,948,194,274	1,514,808,644	174,689,419	140,532,472	274,949,264
Advances received from cardholders		151,050,605	77,746,794	1,102,377	-	-	-
Accrued costs of construction							
Related party	7	-	-	-	-	6,957,441	90,414,726
Unrelated parties		73,783,797	152,322,301	351,908,026	3,293,108	4,706,053	10,767,640
Short-term loans from related individual and party	7	20,000,000	-	-	-	-	98,000,000
Current portion of creditors per rehabilitation plan	30	745,356,001	745,356,001	745,356,001	745,356,001	745,356,001	745,356,001
Current portion of long-term loans	31	10,000,000	1,967,221,105	583,400,000	-	-	-
Current portion of long-term debentures	32	3,607,630,003	2,078,656,425	2,495,767,044	-	-	-
Advance received from employer - related party		-	-	-	-	-	41,745,000
Liability awaiting final court order	15	181,869,688	80,830,972	-	181,869,687	80,830,972	-
Unearned revenues		205,002,874	470,379,297	160,210,070	-	-	-
Fare box revenues awaiting transfer		177,038,634	95,053,881	137,673,810	-	-	-
Income tax payable		988,876,552	148,015,777	55,842,452	698,086,744	-	-
Short-term provision - related party	7, 34	45,818,947	-	-	-	-	-
Other current liabilities		201,297,816	141,101,663	350,439,049	33,698,373	30,129,891	27,941,216
<b>Total current liabilities</b>		<b>8,630,167,103</b>	<b>9,021,878,490</b>	<b>8,338,009,327</b>	<b>1,836,993,332</b>	<b>1,008,512,830</b>	<b>2,030,675,701</b>
<b>Non-current liabilities</b>							
Unearned revenues		541,839,101	-	-	-	-	-
Creditors per rehabilitation plan - net of current portion	30	49,571,181	51,852,561	52,074,344	49,571,181	51,852,561	52,074,344
Long-term loans - net of current portion	31	230,000,000	396,747,178	2,933,972,800	-	-	-
Long-term debentures - net of current portion	32	2,807,456,233	6,400,979,526	9,443,811,417	-	-	-
Convertible debentures - liability component		-	-	8,648,338,304	-	-	8,648,338,304
Retention payable							
Related party	7	-	-	-	19,155,283	51,627,179	92,391,777
Unrelated parties		40,598,461	68,019,430	127,514,613	7,618,541	6,010,908	6,092,464
Provision for long-term employee benefits	33	557,623,702	481,713,903	400,178,249	24,621,910	21,296,395	25,986,847
Long-term provision - related party	7, 34	1,037,665,420	-	-	-	-	-
Deferred tax liabilities		3,092,145,367	360,840,715	108,145,788	44,054,193	-	-
Other non-current liabilities		7,686,422	7,180,668	12,727,283	-	-	-
<b>Total non-current liabilities</b>		<b>8,364,585,887</b>	<b>7,767,333,981</b>	<b>21,726,762,798</b>	<b>145,021,108</b>	<b>130,787,043</b>	<b>8,824,883,736</b>
<b>Total liabilities</b>		<b>16,994,752,990</b>	<b>16,789,212,471</b>	<b>30,064,772,125</b>	<b>1,982,014,440</b>	<b>1,139,299,873</b>	<b>10,855,559,437</b>

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

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

**Statement of financial position (continued)**

(Unit: Baht)

	Consolidated financial statements			Separate financial statements		
	As at	As at	As at	As at	As at	As at
Note	31 March 2014	31 March 2013 (Restated)	1 April 2012	31 March 2014	31 March 2013 (Restated)	1 April 2012
<b>Shareholders' equity</b>						
Share capital	35					
Registered						
15,913,136,180 ordinary shares of Baht 4 each (31 March 2013: 11,986,444,024 ordinary shares of Baht 4 each) (1 April 2012: 74,815,275,124 ordinary shares of Baht 0.64 each)						
	<u>63,652,544,720</u>	<u>47,945,776,096</u>	<u>47,881,776,079</u>	<u>63,652,544,720</u>	<u>47,945,776,096</u>	<u>47,881,776,079</u>
Issued and fully paid						
11,914,230,525 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)						
	47,656,922,100	44,426,538,376	36,600,495,793	47,656,922,100	44,426,538,376	36,600,495,793
Share premium	35	1,797,237,616	1,486,058,428	350,729,674	1,797,237,616	1,486,058,428
Share subscriptions received in advance		-	1,295,600,058	-	1,295,600,058	-
Deficit on business combination under common control	37	(3,371,978,137)	(3,371,978,137)	(3,790,492,685)	(4,812,208,580)	(3,371,978,137)
Surplus on swap of investment in subsidiary under common control	38	-	-	250,065,107	250,065,107	175,065,107
Surplus (deficit) from the changes in the ownership interests in subsidiaries	39	4,448,284,107	2,811,213,393	(123,129,489)	-	-
Retained earnings						
Appropriated - statutory reserve	41	2,760,300,559	1,750,522,658	1,476,047,924	1,659,215,559	649,537,658
Retained earnings (deficit)		1,032,668,233	(3,465,897,567)	(1,705,750,389)	17,877,307,796	5,829,947,794
Other components of shareholders' equity		<u>3,577,100,725</u>	<u>3,663,498,125</u>	<u>3,340,704,756</u>	<u>1,312,112,673</u>	<u>1,397,575,036</u>
Equity attributable to owners of the Company		<u>57,900,535,203</u>	<u>48,595,555,334</u>	<u>36,567,120,132</u>	<u>66,762,368,166</u>	<u>50,523,113,877</u>
Non-controlling interest of the subsidiaries		<u>1,861,776,976</u>	<u>1,906,160,320</u>	<u>1,685,335,897</u>	<u>-</u>	<u>-</u>
<b>Total shareholders' equity</b>		<u>59,762,312,179</u>	<u>50,501,715,654</u>	<u>38,252,456,029</u>	<u>66,762,368,166</u>	<u>50,523,113,877</u>
<b>Total liabilities and shareholders' equity</b>		<u>76,757,065,169</u>	<u>67,290,928,125</u>	<u>68,317,228,154</u>	<u>68,744,382,606</u>	<u>50,442,807,244</u>
		-	-	-	-	-

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

Directors

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

**Statement of comprehensive income**

**For the year ended 31 March 2014**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013 (Restated)	2014	2013 (Restated)
<b>Continued operation</b>					
<b>Profit or loss:</b>					
<b>Revenues</b>					
Service income	42	6,056,403,693	4,787,610,589	131,988,877	108,930,940
Revenues from sales of real estate		2,057,152,573	787,913,864	90,310,449	159,873,208
Revenues from construction services (reversal)		1,555,065	9,188,325	24,000,000	(42,850,000)
Other income					
Management income		120,000	-	47,400,000	49,135,000
Dividend income		6,030,609	1,847,330	17,889,116,421	4,631,508,053
Interest income		1,213,178,546	58,948,999	256,046,516	106,559,617
Gain from sales of investments in subsidiaries	17	-	999,710,660	3,300,613,906	1,453,532,152
Gain on sale of future net fare box revenues	52	13,497,581,375	-	-	-
Gain on sales of assets	15	379,899,004	-	379,899,004	-
Others		88,611,525	63,713,885	77,431,773	26,349,603
<b>Total revenues</b>		<b>23,300,532,390</b>	<b>6,708,933,652</b>	<b>22,196,806,946</b>	<b>6,493,038,573</b>
<b>Expenses</b>					
Cost of services		2,828,061,982	2,346,798,631	122,276,122	125,149,348
Cost of sales of real estate		1,260,385,660	527,307,957	52,248,231	117,449,751
Cost of construction services		736,256	8,367,252	24,000,000	10,961,391
Selling and servicing expenses		342,075,628	223,076,877	15,950,495	29,523,061
Administrative expenses		1,496,725,439	1,077,899,360	423,177,024	304,324,624
<b>Total expenses</b>		<b>5,927,984,965</b>	<b>4,183,450,077</b>	<b>637,651,872</b>	<b>587,408,175</b>
<b>Profit before share of income from investments in associates and joint venture, finance cost and income tax expenses</b>					
		17,372,547,425	2,525,483,575	21,559,155,074	5,905,630,398
Share of income from investments in associates and joint venture	18, 19	619,241,396	2,993,214	-	-
<b>Profit before finance cost and income tax expenses</b>		<b>17,991,788,821</b>	<b>2,528,476,789</b>	<b>21,559,155,074</b>	<b>5,905,630,398</b>
Finance cost	44	(630,741,039)	(1,247,834,600)	(399,273,052)	(435,835,711)
<b>Profit before income tax expenses</b>		<b>17,361,047,782</b>	<b>1,280,642,189</b>	<b>21,159,882,022</b>	<b>5,469,794,687</b>
Income tax expenses	45	(3,806,393,892)	(1,248,069,812)	(966,323,996)	(282,884,878)
<b>Profit from continued operation for the year</b>		<b>13,554,653,890</b>	<b>32,572,377</b>	<b>20,193,558,026</b>	<b>5,186,909,809</b>
<b>Discontinued operation</b>					
Profit from discontinued operation for the year	27	30,376,089	1,894,670,596	-	-
<b>Profit for the year</b>		<b>13,585,029,979</b>	<b>1,927,242,973</b>	<b>20,193,558,026</b>	<b>5,186,909,809</b>
<b>Other comprehensive income:</b>					
Actuarial gains (losses)		-	(31,738,572)	-	959,537
Exchange differences on translation of financial statements					
in foreign currency		(935,037)	11,861,533	-	-
Revaluation surplus on assets		-	281,418,083	-	-
Gain (loss) on changes in value of available-for-sale investments		(94,093,035)	14,956,520	(94,093,035)	14,956,520
<b>Other comprehensive income for the year</b>		<b>(95,028,072)</b>	<b>276,497,564</b>	<b>(94,093,035)</b>	<b>15,916,057</b>
<b>Total comprehensive income for the year</b>		<b>13,490,001,907</b>	<b>2,203,740,537</b>	<b>20,099,464,991</b>	<b>5,202,825,866</b>

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



**BTS Group Holdings Public Company Limited and its subsidiaries**  
**Statement of comprehensive income (continued)**  
**For the year ended 31 March 2014**

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements	
	2014	2013 (Restated)	2014	2013 (Restated)
<b>Profit (loss) attributable to:</b>				
Equity holders of the Company				
Profit (loss) from continued operation	12,615,258,614	(144,785,162)	20,193,558,026	5,186,909,809
Profit from discontinued operation	29,605,210	1,863,368,646	-	-
	<u>12,644,863,824</u>	<u>1,718,583,484</u>	<u>20,193,558,026</u>	<u>5,186,909,809</u>
Non-controlling interests of the subsidiaries				
Profit from continued operation	939,395,276	177,357,539		
Profit from discontinued operation	770,879	31,301,950		
	<u>940,166,155</u>	<u>208,659,489</u>		
	<u>13,585,029,979</u>	<u>1,927,242,973</u>		
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company				
Total comprehensive income from continued operation	12,520,230,542	132,453,027	20,099,464,991	5,202,825,866
Total comprehensive income from discontinued operation	29,605,210	1,863,368,646	-	-
	<u>12,549,835,752</u>	<u>1,995,821,673</u>	<u>20,099,464,991</u>	<u>5,202,825,866</u>
Non-controlling interests of the subsidiaries				
Total comprehensive income from continued operation	939,395,276	176,616,914		
Total comprehensive income from discontinued operation	770,879	31,301,950		
	<u>940,166,155</u>	<u>207,918,864</u>		
	<u>13,490,001,907</u>	<u>2,203,740,537</u>		
<b>Earnings per share</b>				
46				
Basic earnings per share				
Profit attributable to equity holders of the Company	<u>1.082</u>	<u>0.172</u>	<u>1.728</u>	<u>0.519</u>
Diluted earnings per share				
Profit attributable to equity holders of the Company	<u>1.071</u>	<u>0.167</u>	<u>1.710</u>	<u>0.475</u>
<b>Earnings per share from continued operation</b>				
46				
Basic earnings per share				
Profit (loss) attributable to equity holders of the Company	<u>1.079</u>	<u>(0.014)</u>	<u>1.728</u>	<u>0.519</u>
Diluted earnings per share				
Profit attributable to equity holders of the Company	<u>1.069</u>		<u>1.710</u>	<u>0.475</u>

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

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

**Cash flow statement**

**For the year ended 31 March 2014**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2014</u>	<u>2013</u> (Restated)	<u>2014</u>	<u>2013</u> (Restated)
<b>Cash flows from operating activities</b>				
Profit before tax	17,361,047,782	1,280,642,189	21,159,882,022	5,469,794,687
<u>Plus</u> Profit before tax from discontinued operation	<u>30,376,089</u>	<u>1,894,670,596</u>	-	-
Profit before tax	17,391,423,871	3,175,312,785	21,159,882,022	5,469,794,687
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	511,028,246	1,763,072,277	67,937,695	69,402,718
Unrealised loss (gain) on exchange	32,260,542	25,609,105	(1,830,671)	-
Share of income from investments in associates and joint venture	(619,241,396)	(2,993,214)	-	-
Amortisation of deferred debenture issuing costs	16,750,285	26,757,643	-	-
Unearned revenue recognition	(35,267,036)	-	-	-
Provision for long-term employee benefits	45,209,014	60,887,697	3,325,515	3,438,969
Amortisation of liability component of convertible debentures	-	170,826,182	-	170,826,182
Amortisation of letter of credit fee for convertible debentures	-	135,924,929	-	135,924,929
Allowance for doubtful account	2,523,018	19,090,710	444,839	46,038,986
Reversal of revenues from construction services	-	-	-	42,850,000
Revenue from court-ordered compensation	-	(7,272,461)	-	-
Gain on sale of net future fare box revenues	(13,497,581,375)	-	-	-
Gain from sales of investments in subsidiaries	(21,193,483)	(999,710,660)	(3,300,613,908)	(1,453,532,152)
Gain on sales of current investments	(2,109,012)	-	-	-
Unrealised gain on changes in value of current investments in trading securities	(12,608,851)	-	-	-
Loss (gain) on sales of assets	(379,899,004)	18,071,428	(379,899,004)	21,651,245
Dividend income	(6,030,609)	(1,847,330)	(17,889,116,421)	(4,631,508,053)
Share-based payment transaction	16,961,549	14,557,233	2,647,428	2,034,610
Interest income	(1,213,178,546)	(58,948,999)	(256,046,516)	(106,559,617)
Interest expenses	558,774,017	902,816,196	368,023,252	129,084,599
Profit (loss) from operating activities before changes in operating assets and liabilities	2,787,821,230	5,242,153,521	(225,245,769)	(100,552,897)

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

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

**Cash flow statement (continued)**

**For the year ended 31 March 2014**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2014</u>	<u>2013</u> (Restated)	<u>2014</u>	<u>2013</u> (Restated)
Decrease (increase) in operating assets				
Bank account for advances from cardholders	(73,803,321)	(77,739,621)	-	-
Trade and other receivables	106,288,255	144,416,790	(15,453,026)	155,692,312
Unbilled receivable	-	-	-	241,590,564
Spare parts	(2,662,370)	(7,280,282)	-	-
Real estate development costs	955,147,616	(108,418,418)	30,408,712	107,499,000
Advances to contractors	11,882,149	67,630,474	(10,174,604)	(7,593,256)
Other current assets	(255,109,331)	974,857,026	8,120,431	9,215,086
Other non-current assets	8,675,589	(291,805,840)	104,873,522	(18,516,405)
Increase (decrease) in operating liabilities				
Trade and other payables	114,899,572	217,729,624	12,574,360	(127,446,776)
Advances received from cardholders	73,303,811	76,644,418	-	-
Accrued costs of construction	(78,538,504)	(199,585,725)	(8,370,386)	(89,518,872)
Advances received from employers	1,382,104	-	-	(41,745,000)
Retention payable	(36,664,023)	(50,677,296)	(30,864,263)	(40,846,154)
Unearned income	(302,260,287)	310,169,227	-	-
Fare box revenues awaiting transfer	81,984,753	(42,619,929)	-	-
Provision for long-term employee benefits	(1,804,051)	(18,438,119)	-	(6,930,000)
Other current liabilities	(29,173,895)	(219,976,691)	(9,689,916)	1,966,914
Cash from (used in) operating activities	3,361,369,297	6,017,059,159	(143,820,939)	82,814,516
Cash paid for interest expenses	(481,699,780)	(1,064,096,963)	(9,630,137)	(95,959,121)
Cash paid for corporate income tax	(697,075,321)	(371,110,511)	(15,187,718)	(16,476,431)
Cash received for corporate income tax	57,144,943	26,506,042	28,026,140	-
Cash received for interest income	978,716,147	50,958,322	89,590,736	18,053,155
<b>Net cash from (used in) operating activities</b>	<b>3,218,455,286</b>	<b>4,659,316,049</b>	<b>(51,021,918)</b>	<b>(11,567,881)</b>

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

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

**Cash flow statement (continued)**

**For the year ended 31 March 2014**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2014</b>	<b>2013</b> (Restated)	<b>2014</b>	<b>2013</b> (Restated)
<b>Cash flows from investing activities</b>				
Decrease (increase) in current investments	(23,250,356,081)	(993,849,166)	2,177,836,957	(993,849,166)
Decrease (increase) in restricted deposits	(522,546,765)	235,306,554	(527,518,033)	239,848,375
Increase in short-term loans to related parties	-	-	(65,000,000)	(93,000,000)
Increase in loans to related parties	-	-	(1,875,173,023)	(278,671,497)
Cash received from loan to related parties	-	-	1,037,804,388	-
Interest income	-	-	24,726,442	12,798,848
Decrease in rights of claim from acquisition of debts per rehabilitation plan	341,054,388	196,414,833	-	-
Cash received from decrease in issued share capital of subsidiary	-	-	1,137,040,158	-
Cash received from sales of investments in subsidiaries	4,587,909,223	6,628,102,638	4,587,909,224	2,991,942,284
Cash paid for purchase of investments in subsidiary	(2,150,152,915)	(465,176,733)	(2,395,152,915)	(723,780,096)
Cash paid for purchases of investment in a joint venture	(43,200,000)	-	-	-
Net cash paid from change in status of investment	(1,743,967)	-	-	-
Cash paid for purchase of investment in associate	(20,838,200,000)	-	(20,838,200,000)	-
Cash paid for purchases of other long-term investments	(5,988,278,535)	(200,000,000)	(1,977,051,504)	(100,000,000)
Dividend received	823,398,181	1,847,330	3,800,910,853	2,908,975,731
Increase in project costs - elevated train system	-	(20,274,631)	-	-
Cash paid for purchases of property, plant and equipment	(1,979,632,195)	(1,180,167,818)	(334,424,572)	(171,638,963)
Cash received from sales of property, plant and equipment	2,404,785	13,565,257	58,500	119,000
Increase in deposit and advances for asset acquisitions	-	(39,255,620)	-	-
Cash paid for purchases of investment properties	(652,706,744)	(71,587,638)	(618,289,208)	(20,932)
Cash received from sales of investment properties	501,596,218	10,561,699	501,409,855	10,561,699
Cash paid for purchase of leasehold rights	(4,730,000)	-	(4,730,000)	-
Cash paid for purchases of intangible assets	(7,082,197)	(17,813,907)	(207,687)	(13,856)
Cash received from sale of future net fare box revenues	61,399,000,000	-	-	-
Cash paid for expenses of sale of future net fare box revenues	(36,391,043)	-	-	-
<b>Net cash from (used in) investing activities</b>	<b>12,180,342,353</b>	<b>4,097,672,798</b>	<b>(15,368,050,565)</b>	<b>3,803,271,427</b>
<b>Cash flows from financing activities</b>				
Increase in short-term loans from financial institutions	20,833,200,000	2,468,628,677	20,833,200,000	121,628,677
Cash paid for short-term loans from financial institutions	(21,950,200,000)	(3,293,130,531)	(20,833,200,000)	(863,130,531)
Increase in long-term loans from financial institution	99,000,000	1,052,109,700	-	-
Cash paid for long-term loans from financial institutions	(2,222,968,283)	(2,205,514,217)	-	-
Increase in short-term loans from related individual and parties	20,000,000	-	24,063,200,000	22,500,000
Cash paid for short-term loans from related parties	-	-	(3,230,000,000)	(120,500,000)
Cash received from exercised warrants	2,237,536,686	1,301,881,958	2,237,536,686	1,301,881,958
Increase in liability awaiting final court order	101,038,715	80,830,972	101,038,715	80,830,972
Dividend paid	(7,112,009,151)	(3,159,128,972)	(7,112,009,151)	(3,159,128,972)
Cash paid for long-term debentures	(2,081,300,000)	(3,486,700,154)	-	-
Dividend paid of subsidiaries to non-controlling interests of subsidiaries	(768,895,092)	(229,911,384)	-	-
Cash paid to non-controlling interests of subsidiary as result of decrease in issued share capital	(248,795,927)	-	-	-
Cash received from non-controlling interests for issuance of ordinary shares of subsidiaries	45,000,000	882,125,385	-	-
<b>Net cash from (used in) financing activities</b>	<b>(11,048,393,052)</b>	<b>(6,588,808,566)</b>	<b>16,059,766,250</b>	<b>(2,615,917,896)</b>
Increase (decrease) in translation adjustment	(935,037)	11,861,533	-	-
<b>Net increase in cash and cash equivalents</b>	<b>4,349,469,550</b>	<b>2,180,041,814</b>	<b>640,693,767</b>	<b>1,175,785,650</b>
Cash and cash equivalents at beginning of the year	3,513,281,951	1,333,240,137	1,628,917,898	453,132,248
<b>Cash and cash equivalents at end of the year</b>	<b>7,862,751,501</b>	<b>3,513,281,951</b>	<b>2,269,611,665</b>	<b>1,628,917,898</b>
	-	-	-	-

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

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

**Cash flow statement (continued)**

**For the year ended 31 March 2014**

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2014</u>	<u>2013</u> (Restated)	<u>2014</u>	<u>2013</u> (Restated)
<b>Supplemental cash flow information</b>				
Non-cash transactions				
Debt conversion to ordinary shares	-	8,955,089,415	-	8,955,089,415
Transfer advances for asset acquisitions to property, plant and equipment	424,737,050	2,171,588,495	-	-
Transfer property, plant and equipment to intangible assets	23,030,067	21,502,404	-	-
Transfer project costs - elevated train system to project costs - media	2,371,446,572	-	-	-
Transfer advances for asset acquisitions to project costs - elevated train system	-	13,707,583	-	-
Transfer land and projects awaiting development to investment properties	-	1,440,405,737	-	-
Transfer real estate development cost to investment properties	15,734,779	-	15,734,779	-
Transfer property, plant and equipment to investment properties	-	-	87,415,600	-
Transfer investment properties to property, plant and equipment	25,199,952	-	-	-
Transfer investment properties to land and projects awaiting development	263,913,382	-	-	-
Transfer leasehold rights to property, plant and equipment	3,091,373	3,091,373	3,091,373	3,091,373
Increase in liability from equipment acquisition - net	3,229,509	242,791,301	8,017,489	15,580,652
Settle liability from purchase of ordinary shares of subsidiary with loan to related party and dividend received	-	-	-	1,722,532,323
Settle short-term loan from related party with dividend received and decrease in issued share capital of subsidiary	-	-	20,833,200,000	-
Settle interest payable with dividend received and decrease in issued share capital of subsidiary	-	-	358,393,115	-
Current investments received from decrease in issued share capital of subsidiary	-	-	3,500,000,000	-

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

BTS Group Holdings Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 March 2014

(Unit: Baht)

Consolidated financial statements																				
Equity attributable to owners of the Company										Other components of 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)		Translation adjustment	Other comprehensive income			Convertible debentures - equity component	Surplus on debenture conversion	Capital reserve on consolidation	Share premium on sales of company's shares held by subsidiaries	Capital reserve for share-based payment transaction	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity	
					Appropriated	Unappropriated		Revaluation surplus on assets	Surplus (deficit) on changes in value of investments											
<b>Balance as at 1 April 2012 - as previously reported</b>	36,600,495,793	350,729,674	-	(3,371,978,137)	(123,129,489)	1,476,047,924	(3,508,626,402)	(133,837,577)	2,619,803,941	5,105,048	1,356,596,955	-	2,685,013	8,525,682	7,380,290	3,866,259,352	35,289,798,715	1,642,451,708	36,932,250,423	
Cumulative effect of change in accounting policy for deferred tax (Note 4)	-	-	-	-	-	-	1,802,876,013	-	(524,533,586)	(1,021,010)	-	-	-	-	-	(525,554,596)	1,277,321,417	42,884,189	1,320,205,606	
<b>Balance as at 1 April 2012 - as restated</b>	36,600,495,793	350,729,674	-	(3,371,978,137)	(123,129,489)	1,476,047,924	(1,705,750,389)	(133,837,577)	2,095,270,355	4,084,038	1,356,596,955	-	2,685,013	8,525,682	7,380,290	3,340,704,756	36,567,120,132	1,685,335,897	38,252,456,029	
Debenture conversion to ordinary shares	7,820,299,127	1,134,790,310	-	-	-	-	-	-	-	-	(1,356,596,955)	1,356,596,955	-	-	-	-	8,955,089,437	-	8,955,089,437	
Exercised warrants (Note 35)	5,743,456	538,444	1,295,600,058	-	-	-	-	-	-	-	-	-	-	-	-	-	1,301,881,958	-	1,301,881,958	
Dividend paid (Note 47)	-	-	-	-	-	-	(3,173,257,981)	-	-	-	-	-	-	-	-	-	(3,173,257,981)	-	(3,173,257,981)	
Dividend paid to non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(253,676,068)	(253,676,068)	
Purchases of investment in subsidiary (Note 17)	-	-	-	-	(181,708,030)	-	-	-	-	-	-	-	-	-	-	-	(181,708,030)	(283,468,703)	(465,176,733)	
Sales of investment in subsidiary - restated (Note 17)	-	-	-	-	2,379,721,622	-	-	-	-	-	-	-	-	-	-	-	2,379,721,622	404,254,239	2,783,975,861	
Issuance of ordinary shares of subsidiary (Note 17)	-	-	-	-	736,329,290	-	-	-	-	-	-	-	-	-	-	-	736,329,290	145,796,091	882,125,381	
Share-based payment transaction	-	-	-	-	-	-	-	-	-	-	-	-	-	14,557,233	14,557,233	14,557,233	-	14,557,233		
Retained earnings transferred to statutory reserve	-	-	-	-	-	274,474,734	(274,474,734)	-	-	-	-	-	-	-	-	-	-	-	-	
Total comprehensive income for the year - restated	-	-	-	-	-	-	1,687,585,537	11,861,533	281,418,083	14,956,520	-	-	-	-	-	-	308,236,136	1,995,821,673	207,918,864	2,203,740,537
<b>Balance as at 31 March 2013 - as restated</b>	44,426,538,376	1,486,058,428	1,295,600,058	(3,371,978,137)	2,811,213,393	1,750,522,658	(3,465,897,567)	(121,976,044)	2,376,688,438	19,040,558	1,356,596,955	-	2,685,013	8,525,682	21,937,523	3,663,498,125	48,595,555,334	1,906,160,320	50,501,715,654	
<b>Balance as at 1 April 2013 - as previously reported</b>	44,426,538,376	1,486,058,428	1,295,600,058	(3,371,978,137)	3,357,495,014	1,750,522,658	(4,506,401,872)	(121,976,044)	2,970,860,547	23,800,699	1,356,596,955	-	2,685,013	8,525,682	21,937,523	4,262,430,375	48,700,264,900	1,902,448,734	50,602,713,634	
Cumulative effect of change in accounting policy for deferred tax (Note 4)	-	-	-	-	(546,281,621)	-	1,040,504,305	-	(594,172,109)	(4,760,141)	-	-	-	-	-	(598,932,250)	(104,709,566)	3,711,586	(100,997,980)	
<b>Balance as at 1 April 2013 - as restated</b>	44,426,538,376	1,486,058,428	1,295,600,058	(3,371,978,137)	2,811,213,393	1,750,522,658	(3,465,897,567)	(121,976,044)	2,376,688,438	19,040,558	1,356,596,955	-	2,685,013	8,525,682	21,937,523	3,663,498,125	48,595,555,334	1,906,160,320	50,501,715,654	
Exercised warrants (Note 35)	3,230,383,724	311,179,188	(1,295,600,058)	-	-	-	-	-	-	-	-	-	-	(8,330,877)	(8,330,877)	2,237,631,977	-	2,237,631,977		
Dividend paid (Note 47)	-	-	-	-	-	-	(7,136,520,123)	-	-	-	-	-	-	-	-	-	(7,136,520,123)	-	(7,136,520,123)	
Issuance of ordinary shares of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	45,000,000	45,000,000	
Dividend paid to non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(864,300,634)	(864,300,634)	
Purchases of investments in subsidiary (Note 17)	-	-	-	-	(2,035,109,839)	-	-	-	-	-	-	-	-	-	-	-	(2,035,109,839)	(115,043,076)	(2,150,152,915)	
Sales of investments in subsidiary (Note 17)	-	-	-	-	3,672,180,553	-	-	-	-	-	-	-	-	-	-	-	3,672,180,553	255,605,888	3,927,786,441	
Decrease in issued share capital of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(305,811,677)	(305,811,677)	
Share-based payment transaction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,961,549	16,961,549	16,961,549	-	16,961,549	
Retained earnings transferred to statutory reserve	-	-	-	-	-	1,009,777,901	(1,009,777,901)	-	-	-	-	-	-	-	-	-	-	-	-	
Total comprehensive income for the year	-	-	-	-	-	-	12,644,863,824	(935,037)	(94,093,035)	-	-	-	-	-	-	-	(95,028,072)	12,549,835,752	940,166,155	13,490,001,907
<b>Balance as at 31 March 2014</b>	47,656,922,100	1,797,237,616	-	(3,371,978,137)	4,448,284,107	2,760,300,559	1,032,668,233	(122,911,081)	2,376,688,438	(75,052,477)	1,356,596,955	-	2,685,013	8,525,682	30,568,195	3,577,100,725	57,900,535,203	1,861,776,976	59,762,312,179	

The accompanying notes are an integral part of financial statements.

BTS Group Holdings Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 March 2014

(Unit: Baht)

	Separate financial statements												
								Other components of 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		Surplus (deficit) on changes in value of investments	Convertible debentures - equity component	Surplus on debenture conversion	Capital reserve for share-based payment transaction	Total other components of shareholders' equity	Total shareholders' equity
						Appropriated	Unappropriated						
<b>Balance as at 1 April 2012 - as previously reported</b>	36,600,495,793	350,729,674	-	(3,371,978,137)	175,065,107	376,047,924	3,615,469,179	5,105,048	1,356,596,955	-	7,380,290	1,369,082,293	39,114,911,833
Cumulative effect of change in accounting policy for deferred tax (Note 4)	-	-	-	-	-	-	473,356,984	(1,021,010)	-	-	-	(1,021,010)	472,335,974
<b>Balance as at 1 April 2012 - as restated</b>	36,600,495,793	350,729,674	-	(3,371,978,137)	175,065,107	376,047,924	4,088,826,163	4,084,038	1,356,596,955	-	7,380,290	1,368,061,283	39,587,247,807
Debt conversion to ordinary shares	7,820,299,127	1,134,790,310	-	-	-	-	-	-	(1,356,596,955)	1,356,596,955	-	-	8,955,089,437
Exercised warrants (Note 35)	5,743,456	538,444	1,295,600,058	-	-	-	-	-	-	-	-	-	1,301,881,958
Dividend paid (Note 47)	-	-	-	-	-	-	(3,173,257,981)	-	-	-	-	-	(3,173,257,981)
Share-based payment transaction	-	-	-	-	-	-	-	-	-	-	14,557,233	14,557,233	14,557,233
Purchases of investment in subsidiary (Note 17)	-	-	-	(1,734,155,024)	-	-	-	-	-	-	-	-	(1,734,155,024)
Sales of investment in subsidiary	-	-	-	293,924,581	75,000,000	-	-	-	-	-	-	-	368,924,581
Retained earnings transferred to statutory reserve	-	-	-	-	-	273,489,734	(273,489,734)	-	-	-	-	-	-
Total comprehensive income for the year - restated	-	-	-	-	-	-	5,187,869,346	14,956,520	-	-	-	14,956,520	5,202,825,866
<b>Balance as at 31 March 2013 - as restated</b>	44,426,538,376	1,486,058,428	1,295,600,058	(4,812,208,580)	250,065,107	649,537,658	5,829,947,794	19,040,558	-	1,356,596,955	21,937,523	1,397,575,036	50,523,113,877
<b>Balance as at 1 April 2013 - as previously reported</b>	44,426,538,376	1,486,058,428	1,295,600,058	(4,812,208,580)	250,065,107	649,537,658	5,639,715,572	23,800,698	-	1,356,596,955	21,937,523	1,402,335,176	50,337,641,795
Cumulative effect of change in accounting policy for deferred tax (Note 4)	-	-	-	-	-	-	190,232,222	(4,760,140)	-	-	-	(4,760,140)	185,472,082
<b>Balance as at 1 April 2013 - as restated</b>	44,426,538,376	1,486,058,428	1,295,600,058	(4,812,208,580)	250,065,107	649,537,658	5,829,947,794	19,040,558	-	1,356,596,955	21,937,523	1,397,575,036	50,523,113,877
Exercised warrants (Note 35)	3,230,383,724	311,179,188	(1,295,600,058)	-	-	-	-	-	-	-	(8,330,877)	(8,330,877)	2,237,631,977
Dividend paid (Note 47)	-	-	-	-	-	-	(7,136,520,123)	-	-	-	-	-	(7,136,520,123)
Sales of investments in subsidiary (Note 17)	-	-	-	1,021,715,895	-	-	-	-	-	-	-	-	1,021,715,895
Share-based payment transaction	-	-	-	-	-	-	-	-	-	-	16,961,549	16,961,549	16,961,549
Retained earnings transferred to statutory reserve	-	-	-	-	-	1,009,677,901	(1,009,677,901)	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-	20,193,558,026	(94,093,035)	-	-	-	(94,093,035)	20,099,464,991
<b>Balance as at 31 March 2014</b>	47,656,922,100	1,797,237,616	-	(3,790,492,685)	250,065,107	1,659,215,559	17,877,307,796	(75,052,477)	-	1,356,596,955	30,568,195	1,312,112,673	66,762,368,166

The accompanying notes are an integral part of financial statements.

**BTS Group Holdings Public Company Limited and its subsidiaries**  
**Notes to consolidated financial statements**  
**For the year ended 31 March 2014**

**1. General information**

BTS Group Holdings Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its major shareholder is the group of Keeree Kanjanapas. The Group is principally engaged in the 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.

**2. Basis of preparation**

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

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

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

2.2. Basis of consolidation

a) The consolidated financial statements include the financial statements of the Company and the following subsidiary companies (“the subsidiaries”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2014	2013
<b><u>Subsidiaries directly owned by the Company</u></b>				
Bangkok Mass Transit System Public Co., Ltd. ("BTSC")	Operating services under operating and maintenance service agreement of extension of mass transit system	Thailand	97.46	97.46
Dnal Co., Ltd.	Office rental	Thailand	100	100
Muangthong Assets Co., Ltd.	Hotel	Thailand	100	100
PrannaKiri Assets Co., Ltd.	Property development	Thailand	100	100
Yong Su Co., Ltd.	Dormancy	Thailand	100	100
Tanayong Food and Beverage Co., Ltd.	Property development	Thailand	100	100



Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2014	2013
Thana City Golf & Sports Club Co., Ltd.	Management of golf course and club house	Thailand	100	100
Siam Paging and Communication Co., Ltd.	Property development	Thailand	100	100
Sampaopetch Co., Ltd.	Property development	Thailand	-	100
Tanayong Property Management Co., Ltd.	Building management	Thailand	100	100
Tanayong International Ltd.	Dormancy	Cayman Island	100	100
HHT Construction Co., Ltd.	Construction services	Thailand	51	51
Tanayong Hong Kong Ltd.	Investment in securities	Hong Kong	100	100
Carrot Rewards Co., Ltd.	CRM Loyalty Program and Coupon Kiosks	Thailand	100	100
Nuvo Line Agency Co., Ltd.	Property development	Thailand	80	80
BTS Assets Co., Ltd.	Hotel and property development	Thailand	100	100
BTS Land Co., Ltd.	Trademark development for property development and service businesses	Thailand	100	100
Kamkoong Property Co., Ltd.	Property development	Thailand	100	100
Man Kitchen Co., Ltd.	Restaurant and related businesses	Thailand	70	-
Mak8 Co., Ltd.	Property development	Thailand	87.5	-
<b><u>Subsidiaries indirectly owned by the Company</u></b>				
<b>Held by BTSC</b>				
Bangkok Smartcard System Co., Ltd.	Provision for electronic payment services	Thailand	90	90
VGI Global Media Public Co., Ltd.	Advertising services on Bangkok Mass Transit System (BTS), in modern trade locations (Big C and Tesco Lotus), in office buildings and other locations	Thailand	61.84 <sup>1</sup>	67.33 <sup>1</sup>
<b>Held by VGI Global Media Public Co., Ltd.</b>				
VGI Advertising Media Co., Ltd.	Management of advertising in department stores	Thailand	100	100
Midas Global Media Company Limited (Formerly known as "VGI Multi-Tech International Company Limited")	Services, rental and management of advertising media space, including electronic and new technology media	Thailand	-	100
999 Media Co., Ltd.	Manufacturing of radio media	Thailand	100	100
888 Media Co., Ltd.	Management of advertising in department stores	Thailand	100	100
Point Of View (POV) Media Group Co., Ltd.	Managing and providing of the advertising spaces in office buildings	Thailand	100	100
VGI Advertising China Co., Ltd.	Management of advertising in department stores	The People's Republic of China	100	100

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

- b) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- c) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- d) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statements of changes in shareholders' equity.
- e) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
- g) As discussed in Note 17 to the financial statements, on 27 May 2013, the Board of Directors of the Company approved the write off of the investment in Sampaopetch Company Limited. The Company has excluded the financial statements of this subsidiary from the consolidated financial statements since 27 May 2013.
- h) As discussed in Note 17 to the financial statements, on 16 October 2013, a meeting of the Company's Executive Committee passed a resolution to establish Man Kitchen Company Limited in which a subsidiary company will hold a 70% interest. Man Kitchen Company Limited registered its incorporation on 17 October 2013. Subsequently, the Company purchased all ordinary shares of Man Kitchen Company Limited held by a subsidiary and as a result holds a 70% interest in this company.
- i) As discussed in Note 17 to the financial statements, on 24 February 2014, a meeting of the Company's Executive Committee passed a resolution to establish Mak8 Company Limited which was registered its incorporation on 25 February 2014. The Company holds a 87.5% interest in this company.
- j) As discussed in Note 18 to the financial statements, on 20 February 2014, the status of Midas Global Media Company Limited changed from a subsidiary to a jointly controlled entity.

2.3 The separate financial statements, which present investments in subsidiaries and associates under the cost method, have been prepared solely for the benefit of the public.

### 3. New accounting standards

Below is a summary of accounting standards that became effective in the current accounting year and those that will become effective in the future.

#### (a) Accounting standards that became effective in the current accounting year

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 year 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 4 to the financial statements.

**(b) Accounting standards that will become effective in the future**

		<u>Effective date</u>
Accounting Standards:		
TAS 1 (revised 2012)	Presentation of Financial Statements	1 January 2014
TAS 7 (revised 2012)	Statement of Cash Flows	1 January 2014
TAS 12 (revised 2012)	Income Taxes	1 January 2014
TAS 17 (revised 2012)	Leases	1 January 2014
TAS 18 (revised 2012)	Revenue	1 January 2014
TAS 19 (revised 2012)	Employee Benefits	1 January 2014
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates	1 January 2014
TAS 24 (revised 2012)	Related Party Disclosures	1 January 2014
TAS 28 (revised 2012)	Investments in Associates	1 January 2014
TAS 31 (revised 2012)	Interests in Joint Ventures	1 January 2014
TAS 34 (revised 2012)	Interim Financial Reporting	1 January 2014
TAS 36 (revised 2012)	Impairment of Assets	1 January 2014
TAS 38 (revised 2012)	Intangible Assets	1 January 2014
Financial Reporting Standards:		
TFRS 2 (revised 2012)	Share-based Payment	1 January 2014
TFRS 3 (revised 2012)	Business Combinations	1 January 2014
TFRS 4	Insurance Contracts	1 January 2016
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations	1 January 2014
TFRS 8 (revised 2012)	Operating Segments	1 January 2014
Accounting Standard Interpretations:		
TSIC 15	Operating Leases - Incentives	1 January 2014
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	1 January 2014
TSIC 29	Service Concession Arrangements: Disclosures	1 January 2014
TSIC 32	Intangible Assets - Web Site Costs	1 January 2014

		<u>Effective date</u>
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 <i>Financial Reporting in Hyperinflationary Economies</i>	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
TFRIC 17	Distributions of Non-cash Assets to Owners	1 January 2014
TFRIC 18	Transfers of Assets from Customers	1 January 2014

The Company's management believes that these accounting standards, financial reporting standard, accounting standard interpretations and financial reporting standards interpretations will not have any significant impact on the financial statements for the year when they are initially applied, except for TFRIC 12 Service Concession Arrangements of which the management is still evaluating the impact to the financial statements.

#### 4. Cumulative effect of changes in accounting policies due to the adoption of new accounting standard

During the current year, the Company and its subsidiaries made the changes described in Note 3 to the financial statements to its significant accounting policies, as a result of the adoption of Thai Accounting Standard 12 Income Taxes. The cumulative effect of the changes 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 comprehensive income are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	31 March	31 March	1 April	31 March	31 March	1 April
	2014	2013	2012	2014	2013	2012
<b>Statements of financial position</b>						
Increase in deferred tax assets	37,340	259,843	1,428,351	-	185,472	472,336
Increase in deferred tax liabilities	3,092,145	360,841	108,146	44,054	-	-
Increase (decrease) in non-controlling interests of the subsidiaries	(25,124)	3,712	42,884	-	-	-
Increase (decrease) in revaluation surplus on changes in value of investments	18,763	(4,760)	(1,021)	18,763	(4,760)	(1,021)
Decrease in revaluation surplus on assets	(594,172)	(594,172)	(524,534)	-	-	-
Increase (decrease) in unappropriated retained earnings	(1,247,867)	1,040,504	1,802,876	(62,817)	190,232	473,357
Decrease in surplus from the changes in the ownership interests in subsidiary	(1,206,405)	(546,282)	-	-	-	-

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<b>Statements of comprehensive income</b>				
<b>Profit or loss:</b>				
Increase in income tax	2,317,207	808,892	253,049	282,885
Decrease in profit attributable to non-controlling interests of the subsidiaries	(99,722)	(39,172)	-	-
Decrease in profit attributable to equity holders of the Company	(2,217,485)	(769,720)	(253,049)	(282,885)
Decrease in basic earnings per share (Baht)	(0.190)	(0.077)	(0.022)	(0.028)
Decrease in diluted earnings per share (Baht)	(0.188)	(0.075)	(0.021)	(0.025)
<b>Other comprehensive income:</b>				
Increase (decrease) in gain on changes in value of available-for-sale investments	23,523	(3,739)	23,523	(3,739)
Decrease in revaluation surplus on assets	-	(69,638)	-	-
Decrease (increase) in actuarial losses	-	7,348	-	(240)

## **5. Significant accounting policies**

### **5.1 Revenue recognition**

#### **Fare box revenues**

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

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

#### **Service income**

##### Advertising income

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

##### Revenues from provision of operating services

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

##### Revenues from provision of spaces

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

##### Revenues from hotel operations

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

##### Other service income

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

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

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

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

Revenues from sales of land, land and houses and condominium units are recognised in full when significant risks and rewards are transferred to the buyer.

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

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

#### **Other income**

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

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

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

## **5.2 Expenses**

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

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

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

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

#### **Expenses**

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



### **5.3 Cash and cash equivalents**

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

### **5.4 Trade accounts receivable**

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

### **5.5 Real estate development costs**

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

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

### **5.6 Investments**

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

The fair value of marketable securities is based on the latest bid price of the last working day of the year. The fair value of debt instruments is determined based on yield rates quoted by the Thai Bond Market Association or yield rate of government bond adjusted by an appropriate risk factor, as the case may be. The fair value of unit trusts is determined from their net asset value.

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

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

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

#### **5.7 Project costs - media**

Project costs - media are stated at cost (allocated costs as discussed in Note 21 to the financial statements) less any accumulated amortisation and any accumulated impairment losses (if any).

Amortisation of project costs - media is calculated by reference to its costs, at a proportion of the actual rental and advertising income and budgeted rental and advertising income over the concession period.

Amortisation is included in determining income.

#### **5.8 Spare parts and amortisation**

Spare parts are consisted as follows:

- a) Consumable spare parts are valued at the lower of cost (weighted average method) and net realisable value and are charged through profit or loss whenever actually consumed.
- b) Reusable spare parts, which are stated at cost less accumulated amortisation. Amortisation of reusable spare parts is calculated by reference to their costs on the unit of production basis and is recorded through profit or loss.

## 5.9 Investment properties

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

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

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

Depreciation of the investment properties is included in determining income.

No depreciation is provided on land awaiting sales and investment properties in progress.

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

## 5.10 Property, plant and equipment and depreciation

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

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

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

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

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

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

Depreciation is included in determining income.

No depreciation is provided on land, construction in progress and assets under installation.

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

#### **5.11 Leasehold rights and amortisation**

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

Amortisation is included in determining income.

#### **5.12 Intangible assets**

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

Intangible asset with finite useful life of the Company is computer software with estimated useful lives of 3 and 5 years.

No amortisation is provided on intangible assets under development.

### **5.13 Goodwill**

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

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

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

### **5.14 Borrowing costs**

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

### **5.15 Impairment of assets**

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

An impairment loss is recognised in profit or loss.

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

#### **5.16 Provisions**

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

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

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

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

#### **5.18 Long-term leases**

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

Leases of property, plant and equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

### **5.19 Related party transactions**

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

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

### **5.20 Foreign currencies**

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period, with the exception of those covered by forward exchange contracts, which are translated at the contracted rates.

Translation differences on investments in debt securities and other monetary financial assets measured at fair value are included in gains and losses on exchange. Translation differences on non-monetary items such as investments in equity securities held for trading are reported as part of the fair value gain or loss. Translation differences on available-for-sale investments in equity securities are included in the fair value gain or loss in other comprehensive income.

Gains and losses on exchange are included in determining income.

### **5.21 Gains from troubled debt restructuring**

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

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

## **5.22 Employee benefits**

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

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

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

#### *Defined contribution plans*

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

#### *Defined benefit plans*

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

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

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

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

## **5.23 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 recognises 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 reviews 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 records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

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

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

### **Leases**

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

### **Allowance for doubtful accounts**

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

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

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

### **Impairment of investments**

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

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

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

The Company measures land at revalued amounts in the consolidated financial statements. Such amounts are determined by the independent valuer using the market approach. The valuation involves certain assumptions and estimates.

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

### **Project costs - media and amortisation**

In determining amortisation of project costs - media, the management is required to make estimate of the rental and advertising income over the concession period and to review the estimated rental and advertising income when circumstance changes.

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

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

### **Estimated construction costs**

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

### **Goodwill and intangible assets**

The initial recognition and measurement of goodwill and intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

### **Deferred tax assets**

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

### **Accrued expenses**

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

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

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

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

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

### **Provisions for special business tax of BTSGIF**

In recording provisions, a subsidiary applies assumptions with reference 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. The estimate is reviewed whenever circumstances change.

### **Gain on sale of net future fare box revenues and profit from discontinued operation**

A subsidiary allocated assets and liabilities to be derecognized from its account in order to record gain on sale of net future fare box revenues and allocated revenues and expenses to record profit from discontinued operation. The management needs to apply judgment, bases, information and assumptions, regarding matters such as route length and reimbursable expenses from BTSGIF.

### **Litigation**

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

## 7. Related party transactions

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

(Unit: Million Baht)

	For the years ended 31 March				Pricing policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	2014	2013	2014	2013	
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Interest income	-	-	151	87	At cost of funds
Management income	-	-	47	49	Contract price
Revenues from construction services (reversal)	-	-	24	(43)	Contract price
Utility income	-	-	8	3	Contract price
Revenue from guarantee	-	-	59	-	Contract price
Rental income	-	-	56	39	Contract price
Dividend income	-	-	17,063	4,630	Approved by the meeting of Board of Directors
Cost of construction services	-	-	24	14	Contract price
Purchase of fixed assets and investment properties	-	-	375	182	Contract price
Management fee	-	-	22	13	Contract price
Rental expenses	-	-	5	5	Contract price
Interest expenses	-	-	368	60	At cost of funds
Purchase of investments in subsidiaries	-	-	35	2,065	Contract price
Transaction of decrease in issued share capital (Note 17)	-	-	11,745	-	Approved by the Extraordinary General Meeting
<u>Transactions with associates</u>					
Sale of future net fare box revenues (Note 52)	61,399	-	-	-	Contract price
Service income	105	-	-	-	Contract price
Dividend income	821	-	821	-	Approved by the meeting of Board of Directors
Management fee	41	34	17	17	Contract price
Special business tax paid	50	-	-	-	Mutual agreement
<u>Transactions with related individual or parties</u>					
Purchase of land	150	-	-	-	Contract price
Cost of construction services	7	25	-	-	Contract price

As at 31 March 2014 and 2013, the balances of the accounts between the Company and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<b><u>Trade and other receivables - related parties (Note 11)</u></b>				
Subsidiary companies	-	461	306,750	162,210
Associated companies	51,019	-	-	-
Related company (common shareholders)	144	269	-	-
Total trade and other receivables - related parties	<u>51,163</u>	<u>730</u>	<u>306,750</u>	<u>162,210</u>
<b><u>Advance to contractor - related party</u></b>				
Subsidiary company	-	-	44,823	34,649
Total advance to contractor - related party	<u>-</u>	<u>-</u>	<u>44,823</u>	<u>34,649</u>
<b><u>Retention receivable - related party</u></b>				
Subsidiary company	-	-	1,200	105,559
Total retention receivable - related party	<u>-</u>	<u>-</u>	<u>1,200</u>	<u>105,559</u>
<b><u>Refundable deposits - related party</u></b>				
Subsidiary company	-	-	1,354	-
Total refundable deposits - related party	<u>-</u>	<u>-</u>	<u>1,354</u>	<u>-</u>
<b><u>Accrued income - related party</u></b>				
Associated company	345,903	-	-	-
Total accrued income - related party	<u>345,903</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>Trade and other payables - related parties (Note 29)</u></b>				
Subsidiary companies	-	-	46,068	22,696
Associated companies	684	-	-	-
Related companies (common shareholders)	3,576	873	-	-
Total trade and other payables - related parties	<u>4,260</u>	<u>873</u>	<u>46,068</u>	<u>22,696</u>
<b><u>Accrued cost of construction - related party</u></b>				
Subsidiary company	-	-	-	6,957
Total accrued cost of construction - related party	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,957</u>

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<b><u>Unearned revenue - related party</u></b>				
Associated company	578,723	-	-	-
Total unearned revenue - related party	578,723	-	-	-
<b><u>Retention payable - related party</u></b>				
Subsidiary company	-	-	19,155	51,627
Total retention payable - related party	-	-	19,155	51,627
<b><u>Provision - related party (Note 34)</u></b>				
Associated company	1,083,484	-	-	-
Total provision - related party	1,083,484	-	-	-

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

As at 31 March 2014 and 2013, the balances of loans between the Company and those related individual and companies and the movement are as follows:

		(Unit: Thousand Baht)			
		Consolidated financial statements			
Short-term loan to related party	Related by	Balance as at 31 March 2013	Increase during the year	Decrease during the year	Balance as at 31 March 2014
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			
Short-term loans to related parties	Related by	Balance as at 31 March 2013	Increase during the year	Decrease during the year	Balance as at 31 March 2014
Bangkok Mass Transit System Public Co., Ltd.	Subsidiary company	-	570,000	(570,000)	-
Carrot Rewards Co., Ltd.	Subsidiary company	111,500	56,000	-	176,500
EGV Co., Ltd.	Related company	4,018	-	-	4,018
		115,518	635,000	(570,000)	180,518
Less: Allowance for doubtful debts		(4,018)	-	-	(4,018)
Total		111,500	635,000	(570,000)	176,500

(Unit: Thousand Baht)

		Consolidated financial statements			
Long-term loan to related party	Related by	Balance as at 31 March 2013	Increase during the year	Decrease during the year	Balance as at 31 March 2014
Hwa Kay Thai (Thailand) Co., Ltd.	Related company	25,780	-	(1,145)	24,635
Less: Allowance for doubtful debts		(25,780)	-	1,145	(24,635)
Net		-	-	-	-

(Unit: Thousand Baht)

		Separate financial statements			
Long-term loans to related parties	Related by	Balance as at 31 March 2013	Increase during the year	Decrease during the year	Balance as at 31 March 2014
Yongsu Co., Ltd.	Subsidiary company	5,670	100	-	5,770
Tanayong Food and Beverage Co., Ltd.	Subsidiary company	581,693	250	(338,804)	243,139
Muangthong Assets Co., Ltd.	Subsidiary company	83,700	-	-	83,700
Tanayong International Ltd.	Subsidiary company	430,361	6,509	-	436,870
Tanayong Hong Kong Limited	Subsidiary company	2,109	1,593	-	3,702
Nuvo Line Agency Co., Ltd.	Subsidiary company	20,000	634,000	(654,000)	-
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	9,120	-	158,270
BTS Asset Co., Ltd.	Subsidiary company	2,120,500	1,224,000	(45,000)	3,299,500
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	1,881,622	(1,935,160)	4,352,051
Less: Allowance for doubtful debts		(1,418,752)	(6,910)	897,356	(528,306)
Net		2,986,837	1,874,712	(1,037,804)	3,823,745

(Unit: Thousand Baht)

		Consolidated financial statements			
Short-term loan from individual	Related by	Balance as at 31 March 2013	Increase during the year	Decrease during the year	Balance as at 31 March 2014
Shareholder	Subsidiary's shareholder	-	20,000	-	20,000
Total		-	20,000	-	20,000

(Unit: Thousand Baht)

		Separate financial statements			
Short-term loans from related party	Related by	Balance as at 31 March 2013	Increase during the year	Decrease during the year	Balance as at 31 March 2014
Bangkok Mass Transit System Public Co., Ltd.	Subsidiary company	-	24,063,200	(24,063,200) <sup>(1)</sup>	-
Total		-	24,063,200	(24,063,200)	-

(1) Settle with dividend income of Baht 13,894 million and decrease in issued share capital of a subsidiary of Baht 6,939 million

The loans to and loans from related individual and parties are not collateralised.

### Directors' and management's benefits

During the years ended 31 March 2014 and 2013, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Short-term employee benefits	206	219	75	67
Post-employment benefits	26	27	2	9
Share-based payment	3	5	1	1
Total	<u>235</u>	<u>251</u>	<u>78</u>	<u>77</u>

### Guarantee obligation with related party

The Company has an outstanding guarantee obligation with its related party, as described in Note 48.6 d) to the financial statements.

## **8. Cash and cash equivalents**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Cash	50,616	69,502	129	149
Current deposits and saving deposits	6,658,749	859,633	1,585,054	569,071
Fixed deposits with maturity date due not more than 3 months	105,248	23	4	4
Certificates of deposits	464,574	2,268,043	384,425	1,059,694
Bills of exchange	583,565	116,081	300,000	-
BOT bonds with maturity date due not more than 3 months	-	200,000	-	-
Total	<u>7,862,752</u>	<u>3,513,282</u>	<u>2,269,612</u>	<u>1,628,918</u>

As at 31 March 2014, cash and cash equivalents carried interests between 0.37 and 3.25% per annum (2013: between 0.10 and 3.40% per annum) (Separate financial statements: 0.50 and 2.75% per annum (2013: 0.375 and 3.15% per annum)).

The Company is waiting to transfer the outstanding balance of cash and cash equivalents of Baht 182 million (2013: Baht 81 million) to the creditors per the rehabilitation plan of the Company, when the court issues its final judgment, as described in Note 15 to the financial statements



## 9. Current investments

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<b>Fixed deposits with maturity</b>				
<b>date due more than 3 months</b>	19,370,013	-	1,684,830	-
<b>Held to maturity securities</b>				
Private debt securities	4,516,464	993,849	629,293	993,849
<b>Investments in trading securities</b>				
Domestic marketable equity securities	178,903	-	-	-
Government and state-owned enterprise bonds	92,751	-	-	-
Private debt securities	131,328	-	-	-
	402,982	-	-	-
Add : Allowance for change in value	12,609	-	-	-
	415,591	-	-	-
<b>Total</b>	<b>24,302,068</b>	<b>993,849</b>	<b>2,314,123</b>	<b>993,849</b>

The current investments of Baht 3,897 million were pledged to secure a bank guarantee issued by a bank on behalf of subsidiary as security for the long-term debentures.

## 10. Bank account for advances from cardholders

In order to comply with the Notification of the Bank of Thailand applicable to electronic card businesses, the subsidiary (Bangkok Smartcard System Co., Ltd.) has to deposit cash received in advance from cardholders with a financial institution in an amount not less than the outstanding balance of the advance receipts at the end of each day. These funds cannot be used for any purposes other than making payment to goods or service providers on behalf of the cardholder. As at 31 March 2014, the balance of cash received in advance from cardholders was Baht 153 million (2013: Baht 79 million).

## 11. Trade and other receivables

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<b><u>Trade receivables - related parties</u></b>				
Not yet due	3,747	258	-	-
Past due				
Up to 3 months	-	11	-	-
Total trade receivables - related parties	<u>3,747</u>	<u>269</u>	<u>-</u>	<u>-</u>
<b><u>Trade receivables - unrelated parties</u></b>				
Not yet due	525,266	478,938	-	-
Past due				
Up to 3 months	149,405	340,822	-	-
3 - 6 months	39,282	20,924	-	-
6 - 12 months	9,859	2,008	-	-
Over 12 months	31,363	30,361	-	-
Total	755,175	873,053	-	-
Posted date cheques	9,157	13,220	-	-
Less: Allowance for doubtful debts	(32,895)	(29,329)	-	-
Total trade receivables - unrelated parties, net	<u>731,437</u>	<u>856,944</u>	<u>-</u>	<u>-</u>
Total trade receivables - net	<u>735,184</u>	<u>857,213</u>	<u>-</u>	<u>-</u>
<b><u>Other receivables</u></b>				
Advances	4,195	42,663	787	244
Interest receivable - related parties	-	-	285,835	159,872
Interest receivable	243,849	9,387	18,240	2,473
Dividend receivable	2,445	-	2,445	-
Retention receivable	2,748	7,702	2,748	7,702
Other receivables - related parties	47,416	461	20,915	2,338
Other receivables	38,618	28,220	23,162	21,860
Total other receivables - net	<u>339,271</u>	<u>88,433</u>	<u>354,132</u>	<u>194,489</u>
Trade and other receivables - net	<u>1,074,455</u>	<u>945,646</u>	<u>354,132</u>	<u>194,489</u>

## 12. Spare parts

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

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2014</u>	<u>2013</u>
Consumable spare parts	31,003	97,257
Transfer to non-current assets classified as held for sale (Note 27)	-	(68,104)
Consumable spare parts - net	<u>31,003</u>	<u>29,153</u>
Reusable spare parts	27,066	94,614
Less: Accumulated amortisation on reusable spare parts	(5,148)	(13,036)
	21,918	81,578
Transfer to non-current assets classified as held for sale (Note 27)	-	(59,175)
Reusable spare parts - net	<u>21,918</u>	<u>22,403</u>

For the year ended 31 March 2014, BTSC consumed consumable spare parts and recorded amortisation of reusable spare parts totaling Baht 2 million. The amortisation was recorded as part of servicing expenses in the consolidated statement of comprehensive income (2013: Baht 2 million: part of costs of fare box and presented under profit from discontinued operation).

## 13. Real estate development costs

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Land and construction development	2,551,034	3,532,232	626,024	692,821
Less: Reduce cost to net realisable value	(1,272)	(21,925)	(1,272)	(21,925)
Real estate development costs - net	<u>2,549,762</u>	<u>3,510,307</u>	<u>624,752</u>	<u>670,896</u>
Borrowing costs	-	53,821	-	-
Interest rate (%)	-	3.0 - 6.5	-	-
Mortgaged as collateral for credit facilities	571,691	2,979,281	-	-

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

As at 31 March 2014, 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 million and Baht 40.7 million, respectively (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.

#### 15. Assets awaiting transfer under rehabilitation plan

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
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	<u>54</u>	<u>73</u>	<u>54</u>	<u>73</u>
Total	<u>68,290</u>	<u>73,009</u>	<u>68,290</u>	<u>68,309</u>

In order to comply with the rehabilitation plan, the Company held an open auction of assets awaiting transfer under the rehabilitation plan (5 items) in 2009, and a company successfully bid to purchase all of the assets at a price of Baht 1,200 million (appraisal value of Baht 3,089 million).

The Company subsequently entered into an agreement to acquire the rights to purchase certain auctioned assets (Items No.1-3), at a price of Baht 500 million, from such company.

In addition, in October 2012, another subsidiary entered into an agreement to acquire the rights to purchase certain auctioned assets (item No.4) from the company that had lodged the successful bid, 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 under the heading of "Deposit and advances for asset acquisitions" in the consolidated statement of financial position

However, in 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 subsidiary made payment of approximately Baht 816 million for these rights and recorded this transaction under the heading of "Rights of claim from acquisition of debts per rehabilitation plan" in the consolidated statement of financial position.

In October 2012, there was transfer of ownership and redemption from mortgage of the secured asset (item No. 5) and repayment to the creditors per rehabilitation plan. Subsequently in July 2013, there were transfers of ownership and redemption from mortgage of the secured assets (items No. 1-3). The Company recorded items No. 1 - 3 totaling Baht 500 million under the heading of "Investment properties" in the statement of financial position. Most of the cash received from the buyer was transferred to the creditors per the rehabilitation plan, while approximately Baht 182 million (2013: Baht 81 million) was reserved to be transferred to eligible creditors per the order of the Central Bankruptcy Court, as discussed in Note 8 to the financial statements. The Company recorded this transaction under the heading of "Liability awaiting final court order" in the statement of financial position. Moreover, in July 2013, the Company sold certain assets (items 1 and 2) to an unrelated individual and unrelated companies at a price of Baht 489 million (net of selling expenses of Baht 65 million) and recognised gains of Baht 379 million. The Company recorded these transactions as a part under the heading of "Gain on sales of assets" in the statement of comprehensive income for the year ended 31 March 2014.

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 612 million, leaving a balance of "Rights of claim from acquisition of debts per rehabilitation plan" of Baht 204 million in its consolidated statement of financial position as at 31 March 2014 (2013: Baht 545 million).

#### **16. Investments in subsidiaries awaiting transfer under rehabilitation plan**

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

## 17. Investments in subsidiaries

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

(Unit: Thousand Baht)

Company's name	Paid-up capital		Percentage owned by the Company		Cost		Dividend income	
	2014	2013	2014	2013	2014	2013	2014	2013
Bangkok Mass Transit System Public Co., Ltd. ("BTSC")	4,016,783	16,067,134	97.46	97.46	29,937,253	41,681,791	16,952,850	4,534,585
VGI Global Media Public Co., Ltd. (51% held by BTSC)	343,197	300,000	10.84	16.33	2,577,858	1,715,000	90,338	70,800
Dnal Co., Ltd.	50,000	50,000	100	100	680,609	680,609	-	-
Muangthong Assets Co., Ltd.	125,000	125,000	100	100	503,695	503,695	-	-
PrannaKiri Assets Co., Ltd.	311,000	311,000	100	100	310,010	310,010	-	-
Yong Su Co., Ltd.	234,000	234,000	100	100	236,570	236,570	-	-
Tanayong Food and Beverage Co., Ltd.	1,000	1,000	100	100	1,000	1,000	-	-
Thana City Golf & Sports Club Co., Ltd.	20,000	20,000	100	100	77,472	77,472	-	-
Siam Paging and Communication Co., Ltd.	5,000	5,000	100	100	5,000	5,000	-	-
Sampaopetch Co., Ltd.	-	1,000	-	100	-	1,000	-	-
Tanayong Property Management Co., Ltd.	1,000	1,000	100	100	1,000	1,000	3,000	-
Tanayong International Ltd.	25	25	100	100	25	25	-	-
HHT Construction Co., Ltd.	25,000	25,000	51	51	12,750	12,750	17,085	24,276
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	-	-
Man Kitchen Co., Ltd.	50,000	-	70	-	35,000	-	-	-
Mak8 Co., Ltd.	240,000	-	87.5	-	210,000	-	-	-
<b>Total</b>					<b>38,037,277</b>	<b>48,674,957</b>		
Less: Surplus on business combination under common control					(3,790,493)	(4,812,208)		
					<b>34,246,784</b>	<b>43,862,749</b>		
Less: Provision for loss on diminution in value					(1,418,899)	(1,419,899)		
<b>Net</b>					<b>32,827,885</b>	<b>42,442,850</b>		

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

Transactions during the year ended 31 March 2013

The Company purchased 163,088,137 ordinary shares of BTSC from a company, at a price of Baht 2.8325 each and 1,133,188 ordinary shares of BTSC from an individual, at a price of Baht 2.85 each.

The Company recorded deficit from the changes in the ownership interests in a subsidiary amounting to Baht 182 million under the shareholders’ equity in the consolidated statements of financial position.

The Annual General Meeting of the shareholders and the meeting of Board of Directors of BTSC passed resolutions to pay dividends totaling Baht 4,659 million (Baht 4,535 million paid to the Company).

Transactions during the year ended 31 March 2014

On 20 August 2013, the Extraordinary General Meeting of the shareholders No. 2/2013 of BTSC passed the following significant resolutions.

- a) 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.
- b) Decrease the registered share and issued share capital by Baht 12,050,350,240 from Baht 16,067,133,653 to Baht 4,016,783,413 by decreasing the par value of the ordinary shares from Baht 1 to Baht 0.25 per share. BTSC registered the decrease in registered share and issued share capital with the Ministry of Commerce on 11 November 2013 (Baht 11,745 million paid to the Company).

The Annual General Meeting of the shareholders and the meeting of Board of Directors of BTSC passed resolutions to pay dividends totaling Baht 17,394 million (Baht 16,953 million paid to the Company).

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 52 to the 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.

#### Tanayong Property Management Company Limited

During the year ended 31 March 2014, the Annual General Meeting of the shareholders of a subsidiary passed a resolution to pay a dividend amounting to Baht 3 million (Baht 3 million paid to the Company).

#### HHT Construction Company Limited

During the year ended 31 March 2013, the Annual General Meeting of the shareholders of a subsidiary passed a resolution to pay a dividend amounting to Baht 48 million (Baht 24 million paid to the Company).

During the year ended 31 March 2014, the Annual General Meeting of the shareholders of a subsidiary passed a resolution to pay a dividend amounting to Baht 34 million (Baht 17 million paid to the Company).

#### Kampoo Property Company Limited

During the year ended 31 March 2013, the Company sold all of ordinary shares of a subsidiary to a company, at a price of Baht 1,849 million.

The Company recorded gain from sale of the investment in subsidiary amounting to Baht 711 million (Separate financial statements: Baht 604 million) in the statements of comprehensive income for the year ended 31 March 2013.



#### Man Kitchen Company Limited

On 16 October 2013, a meeting of Executive Committee of the Company passed a resolution to establish Man Kitchen Company Limited, to engage in the restaurant and related businesses, with a registered share capital of Baht 50 million (500,000 ordinary shares with a par value of Baht 100 each), in which a subsidiary company will hold a 70% interest. Man Kitchen Company Limited registered its incorporation on 17 October 2013. In addition, the meeting passed a resolution to establish Little Corner Company Limited to engage in the restaurant business, with a registered share capital of Baht 10 million (100,000 ordinary shares with a par value of Baht 100 each), in which Man Kitchen Company Limited will hold a 50% interest. Currently, this company has not been established. Subsequently, on 30 December 2013, the Company purchased all ordinary shares of Man Kitchen Company Limited held by a subsidiary, as discussed above, at a price of Baht 35 million, and as a result holds a 70% interest in this company.

#### Mak8 Company Limited

On 24 February 2014, a meeting of Executive Committee of the Company passed a resolution to establish Mak8 Company Limited, to engage in the property development business, with a registered share capital of Baht 240 million (2,400,000 ordinary shares with a par value of Baht 100 each). Mak8 Company Limited registered its incorporation on 25 February 2014. The Company holds a 87.5% interest in this company.

#### Subsidiaries indirectly owned by the Company

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

##### Transactions during the year ended 31 March 2013

BTSC sold 62 million ordinary shares of VGI to the public and VGI issued 26 million additional ordinary shares to be offered by private placement to the existing shareholders of the Company and of BTSC at a price of Baht 35 per share.

The Company recorded surplus from the changes in the ownership interests in a subsidiary from sale of ordinary shares and issuance of the subsidiary's ordinary shares amounting to Baht 1,432 million and Baht 736 million, respectively under the shareholders' equity in the consolidated statements of financial position.

In addition, the Company purchased 59 million ordinary shares of VGI, at a price of Baht 35 each, from BTSC.

The Company recorded surplus on business combination under common control amounting to Baht 1,734 million under the shareholders' equity in the separate statements of financial position since the transaction was considered to be the restructuring of the companies under common control.

Subsequently, the Company sold 5 million ordinary shares of VGI, at a price of Baht 120 each and sold 5 million ordinary shares of VGI, at a price of Baht 121 each.

The Company recorded surplus from the changes in the ownership interests in a subsidiary from sale of ordinary shares amounting to Baht 948 million under the shareholders' equity in the consolidated statements of financial position and recorded gain on sales of investments in subsidiary amounting to Baht 850 million in the separate statement of comprehensive income.

As a result of sales of investments in VGI and issuance of additional ordinary shares of VGI above, the Company's shareholding in VGI remained 16.33% (51% held by BTSC).

The meeting of Board of Directors of a subsidiary passed resolutions to pay dividends totaling Baht 440 million (Baht 71 million paid to the Company and Baht 335 million paid to the Group).

#### Transactions during the year ended 31 March 2014

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

- a) 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.

- b) 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.

- c) 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 subsidiary paid a stock dividend of 29,998,923 ordinary shares, of which 4,400,000 ordinary shares were distributed to the Company (19,700,000 ordinary shares distributed to the Group), and the remainder of the dividend was paid in cash (Baht 62 million paid to the Company and Baht 276 million paid to the Group) on 17 July 2013. The subsidiary registered the issue of ordinary shares with the Ministry of Commerce on the same date.

Subsequently, on 19 September 2013, the Extraordinary General Meeting of the subsidiary No. 1/2013 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 0.1 per share. The registered capital of the subsidiary represents Baht 330 million (3,300 million ordinary shares with a par value of Baht 0.1 each). The subsidiary registered the changes in the number and par value of its ordinary shares with the Ministry of Commerce on 23 September 2013.

In addition, on 9 December 2013, the Extraordinary General Meeting of the subsidiary's shareholders No. 2/2013 passed the following significant resolutions.

- a) Decrease the subsidiary's registered share capital from Baht 330 million (3,300 million ordinary shares with a par value of Baht 0.1 each) to Baht 329,998,923 (3,299,989,230 ordinary shares with a par value of Baht 0.1 each) by cancellation of 10,770 unissued ordinary shares with a par value of Baht 0.1 each.

The subsidiary registered the corresponding decrease in its registered share capital with the Ministry of Commerce on 17 December 2013.

- b) Increase the subsidiary's registered share capital from Baht 329,998,923 (3,299,989,230 ordinary shares with a par value of Baht 0.1 each) to Baht 343,198,880 (3,431,988,799 ordinary shares with a par value of Baht 0.1 each) by issuing 131,999,569 ordinary shares with a par value of Baht 0.1 each to accommodate the stock dividend payment.

The subsidiary registered the corresponding increase in its registered share capital with the Ministry of Commerce on 18 December 2013.

- c) Pay to the shareholders stock and cash interim dividends for 2014 of Baht 0.004 per share and Baht 0.180 per share, respectively, or a total of Baht 607 million, in respect of the profit for the six-month period ended 30 September 2013.

The subsidiary paid a stock dividend of 131,984,395 ordinary shares, of which 6,386,196 ordinary shares were distributed to the Company (73,706,196 ordinary shares distributed to the Group), and the remainder of the dividend was paid in cash (Baht 28 million paid to the Company and Baht 331 million paid to the Group) on 27 December 2013. The subsidiary registered the issue of ordinary shares with the Ministry of Commerce on the same date.

Purchase transactions of investments in the subsidiary

The Company purchased 1 million ordinary shares of VGI at prices of Baht 94 - Baht 116 per share and 210 million ordinary shares of VGI at Baht 9 - Baht 13 per share (after change in par value). The purchase transactions are detailed below.

	(Unit: Thousand Baht)
Purchase price	2,150,153
Less: Non-controlling interests of subsidiary adjusted	<u>(115,043)</u>
Deficit from the changes in the ownership interests in subsidiary	<u>2,035,110</u>

Sale transactions of investments in the subsidiary

The Company sold 5 million ordinary shares of VGI at prices of Baht 120 - Baht 130 per share and 330 million ordinary shares of VGI at prices of Baht 11 - Baht 13 per share (after change in par value). The sale transactions are detailed below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Selling price of investments in the subsidiary	4,625,088	4,625,088
Less: Selling expenses relating to the sales of investments in the subsidiary	<u>(37,179)</u>	<u>(37,179)</u>
Cash receipt from the sales of investments in the subsidiary	4,587,909	4,587,909
Less: Value of investments in the subsidiary		
- Investments in the subsidiary	-	(265,579)
- Surplus on business combination under common control	-	(1,021,716)
Cash receipt from the sales of investments in the subsidiary /		
Gain on sales of investments in subsidiary	4,587,909	3,300,614
Less: Related taxes on consolidated financial statements	<u>(660,122)</u>	-
Net cash receipt from the sales of investments in the subsidiary /		
Gain on sales of investments in subsidiary	3,927,787	3,300,614
Less: Non-controlling interests of subsidiary	<u>(255,606)</u>	-
Surplus from the changes in the ownership interests in a subsidiary/ Gain on sales of investments in subsidiary	<u>3,672,181</u>	<u>3,300,614</u>

As a result of the purchases and sales of ordinary shares of VGI, the Company's shareholding in VGI decreased from 16.33% to 10.84% (51% held by BTSC).

Kamala Beach Resort & Hotel Management Co., Ltd.

During the year ended 31 March 2013, BTSC sold all of ordinary shares of a subsidiary to a company at a price of Baht 1,600 million.

The Company recorded the gain on sale of investment in subsidiary amounting to Baht 289 million in the consolidated statement of comprehensive income for the year ended 31 March 2013.

## 18. Investment in a joint venture

### 18.1 Details of investment in a joint venture

Investment in a joint venture represents investment in an entity which is jointly controlled by a subsidiary (VGI Global Media Public Company Limited) and other company. Details of this investment are as follows:

(Unit: Thousand Baht)

Jointly controlled entity	Nature of business	Consolidated financial statements					
		Shareholding percentage		Cost		Carrying amounts based on equity method	
		2014 (%)	2013 (%)	2014	2013	2014	2013
Midas Global Media Co., Ltd. (Formerly known as "VGI Multi-Tech International Co., Ltd.")	Provision of services, rental and management of advertising media space, including electronic and new technology media	30	-	45,329	-	44,517	-

On 27 January 2014, the subsidiary's Board of Directors meeting No. 1/2014 passed a resolution to invest in a joint venture with a company, and on 5 February 2014, the subsidiary entered into the shareholders' agreement with that company.

As stipulated in the shareholders' agreement, on 20 February 2014, the subsidiary sold 70% of the share capital of Midas Global Media Company Limited to that company at a price of Baht 11.83 per share. As a result, the shareholding in the subsidiary reduced to 30%. However, since the agreement stipulates that the subsidiary and that company jointly control Midas Global Media Company Limited, the subsidiary changed the status of Midas Global Media Company Limited from a subsidiary to a jointly controlled entity.

Subsequently, on 24 February 2014, the subsidiary and that company increased the jointly controlled entity's share capital from Baht 6 million (600,000 ordinary shares with a par value of Baht 10 each) to Baht 150 million (15 million ordinary shares with a par value of Baht 10 each) in proportion to their interests of 30% and 70%, respectively, buying the shares at a price of Baht 10 per share, as stipulated in the shareholders' agreement. The jointly controlled entity registered the increase in its share capital with the Ministry of Commerce on the same date.

## 18.2 Share of loss

During the year, the Company recognised its share of loss from investment in the joint venture amounting to Baht 0.8 million in the consolidated financial statements.

## 18.3 Summarised financial information of a jointly controlled entity

The subsidiary's proportionate shares of the assets, liabilities, revenues and expenses of Midas Global Media Company Limited, according to the proportion under the joint venture agreement, are as follows:

	(Unit: Thousand Baht)	
	<u>2014</u>	<u>2013</u>
Current assets	15,679	-
Non-current assets	28,878	-
	<u>44,557</u>	<u>-</u>
Current liabilities	44	-
	<u>44</u>	<u>-</u>
Net assets	<u>44,513</u>	<u>-</u>

	(Unit: Thousand Baht)	
	For the period as from 20 February 2014 to 31 March 2014	
Other income		1
Cost of services		(543)
Administrative expenses		(302)
Loss before income tax expenses		<u>(844)</u>
Income tax expenses		32
Loss for the period		<u>(812)</u>

## 19. Investments in associates

### 19.1 Details of associates

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			2014	2013	2014	2013	2014	2013
Absolute Hotel Services Co., Ltd.	Hotel management	Thai	50.00	50.00	4,000	4,000	16,875	10,026
Absolute Hotel Services Hong Kong Ltd. <sup>1</sup>	Hotel management	Hong Kong	50.00	50.00	3,049	3,049	-	-
Bayswater Co., Ltd.	Property development	Thai	50.00	-	5,000	-	5,042	-
BTS Rail Mass Transit Growth Infrastructure Fund	Investment in infrastructure businesses	Thai	33.33	-	20,833,200	-	13,877,048	-
Total					<u>20,845,249</u>	<u>7,049</u>	<u>13,898,965</u>	<u>10,026</u>

<sup>1</sup> held by Tanayong Hong Kong Limited and Absolute Hotel Services Co., Ltd.

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Separate financial statements			
			Shareholding percentage		Cost	
			2014	2013	2014	2013
Absolute Hotel Services Co., Ltd.	Hotel management	Thai	50.00	50.00	4,000	4,000
Bayswater Co., Ltd.	Property development	Thai	50.00	-	5,000	-
BTS Rail Mass Transit Growth Infrastructure Fund	Investment in infrastructure businesses	Thai	33.33	-	20,833,200	-
Total					<u>20,842,200</u>	<u>4,000</u>

## 19.2 Share of income

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

Company's name	(Unit: Thousand Baht)	
	Consolidated financial statements	
	Share of income from investments in associates for the years ended 31 March	
	<u>2014</u>	<u>2013</u>
Absolute Hotel Services Co., Ltd.	7,548	2,993
Bayswater Co., Ltd.	42	-
BTS Rail Mass Transit Growth Infrastructure Fund	612,464	-
Total	<u>620,054</u>	<u>2,993</u>

## 19.3 Summarised financial information of associates

Financial information of the associates is summarised below.

Company's name	Issued and paid-up capital (including share premium) as at 31 March		Total assets as at 31 March		Total liabilities as at 31 March		Total revenues for the years ended 31 March		Profit (loss) for the years ended 31 March	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Absolute Hotel Services Co., Ltd. (Unit: Million Baht)	8.0	8.0	43.9	27.7	10.2	7.7	64.0	43.3	15.3	5.9
Absolute Hotel Services Hong Kong Ltd. (Unit: Million USD)	0.9	0.2	0.6	0.5	0.2	0.6	0.2	0.2	(0.2)	(0.2)
Bayswater Co., Ltd. (Unit: Million Baht)	10.0	-	10.0	-	-	-	0.1	-	0.1	-
BTS Rail Mass Transit Growth Infrastructure Fund (Unit: Million Baht)	62,510.4	-	65,184.4	-	79.9	-	3,808.6	-	3,353.0	-



#### 19.4 Investment in associate with capital deficit

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

(Unit: Million Baht)		
Company's name	Unrecognised share of loss	
	Share of loss for the	Cumulative share
	year ended	of loss up to
	31 March 2014	31 March 2014
Absolute Hotel Services Hong Kong Ltd.	-	3

#### 19.5 Supplemental information of associates

##### BTSGIF Rail Mass Transit Growth Infrastructure Fund ("BTSGIF")

During the year ended 31 March 2014, the Company subscribed to 1,929 million investment units of BTSGIF at a price of Baht 10.80 per unit, totaling Baht 20,833 million, or 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 revenues in proportion to its investment, as discussed in Note 52 to the financial statements. This gain is to be recognized over the remaining 17 years of the Core Bangkok Mass Transit System concession, whose net fare box revenues were sold to BTSGIF.

The Company received dividends of Baht 820 million from BTSGIF in respect of its operating results from 17 April 2013 to 31 December 2013.

Investment in BTSGIF under equity method was detailed below.

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2014</u>	<u>2013</u>
Cost	20,833,200	-
Add: Share of income from investment	612,464	-
Less: Gain on sale of future net fare box revenues in proportion to the Company's investment	(6,748,791)	-
Less: Dividend income	(819,825)	-
Net	13,877,048	-

### Absolute Hotel Services Company Limited

The Company received a dividend of Baht 0.7 million from BTSGIF in respect of its operating results for the year ended 31 March 2013.

### Bayswater Company Limited

On 28 March 2014, the meeting of Board of Directors of the Company passed a resolution approving investment in and the provision of financial support to Bayswater Company Limited, an associated company, in order to engage in property development business. This company has a registered share capital of Baht 10 million (100,000 ordinary shares with a par value of Baht 100 each) with the Company holding a 50% interest.

## 20. Other long-term investments

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<b>Fixed deposits with maturity date due more than 1 year</b>	1,082,281	-	-	-
<b>Held-to-maturity securities</b>				
Private debt securities	3,137,522	200,000	108,408	100,000
<b>Investments in available for sale</b>				
Domestic marketable equity securities	878,815	25,138	878,815	25,138
Foreign marketable equity securities	641,047	-	641,047	-
	1,519,862	25,138	1,519,862	25,138
Add : Allowance for change in value	(93,815)	23,801	(93,815)	23,801
	1,426,047	48,939	1,426,047	48,939
<b>Other investments</b>				
Domestic non-marketable equity securities	118,583	118,583	118,583	118,583
Foreign non-marketable equity securities	473,751	-	473,751	-
	592,334	118,583	592,334	118,583
<b>Total</b>	<u>6,238,184</u>	<u>367,522</u>	<u>2,126,789</u>	<u>267,522</u>

The other long-term investments of Baht 2,999 million were pledged to secure a bank guarantee issued by a bank on behalf of the subsidiary as security for the long-term debentures.

## 21. Project costs - media

	(Unit: Thousand Baht)
	Consolidated
	financial statements
<b>Cost</b>	
31 March 2013	-
Allocated from project costs - elevated train system	2,371,456
31 March 2014	2,371,456
<b>Accumulated amortisation</b>	
31 March 2013	-
Amortisation for the year	31,389
31 March 2014	31,389
<b>Net book value</b>	
31 March 2013	-
31 March 2014	2,340,067
<b>Amortisation for the year</b>	
2013	-
2014 (included in cost of services)	31,389

BTSC recorded allocations of costs of rights relating to media separately from project costs - elevated train system, classifying them as “Non-current assets classified as held for sale”, as discussed in Note 27 to the financial statements. The costs were allocated in accordance with bases and assumptions set by BTSC’s management, who has assessed the appropriateness of these entries.

## 22. Land and projects awaiting development

The subsidiaries made plans to develop land that had previously been classified as investment properties. As at 31 March 2014, the subsidiaries therefore classified Baht 264 million of investment properties as land and projects awaiting development.

## 23. Investment properties

The net book value of investment properties as at 31 March 2014 and 2013 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements			
	Land awaiting sales	Buildings and condominiums for rent	Total	Land awaiting sales	Buildings and condominiums for rent	Golf course and construction	Total
31 March 2014:							
Cost	3,479,285	374,097	3,853,382	1,689,183	400,723	1,235,933	3,325,839
<u>Less</u> Accumulated depreciation	-	(125,633)	(125,633)	-	(124,680)	(653,847)	(778,527)
<u>Less</u> Allowance for impairment	(547,009)	(79,279)	(626,288)	(566,281)	(69,049)	(220,830)	(856,160)
Net book value	<u>2,932,276</u>	<u>169,185</u>	<u>3,101,461</u>	<u>1,122,902</u>	<u>206,994</u>	<u>361,256</u>	<u>1,691,152</u>
31 March 2013:							
Cost	3,209,940	399,467	3,609,407	1,278,940	360,708	1,069,158	2,708,806
<u>Less</u> Accumulated depreciation	-	(112,230)	(112,230)	-	(110,463)	(618,841)	(729,304)
<u>Less</u> Allowance for impairment	(550,269)	(79,279)	(629,548)	(550,269)	(69,049)	(220,830)	(840,148)
Net book value	<u>2,659,671</u>	<u>207,958</u>	<u>2,867,629</u>	<u>728,671</u>	<u>181,196</u>	<u>229,487</u>	<u>1,139,354</u>

A reconciliation of the net book value of investment properties for the years 2014 and 2013 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Net book value at beginning of year	2,867,629	2,461,013	1,139,354	1,226,078
Acquisition of assets	652,707	71,588	619,376	21
Transfer from (to) other assets	(19,804)	1,440,406	103,215	-
Transfer to land and projects awaiting development	(263,913)	-	-	-
Disposals - net book value	(121,707)	(10,171)	(121,569)	(32,331)
Decrease from disposal of subsidiary	-	(1,079,314)	-	-
Depreciation charged	(13,451)	(15,893)	(49,224)	(54,414)
Net book value at end of year	<u>3,101,461</u>	<u>2,867,629</u>	<u>1,691,152</u>	<u>1,139,354</u>

The fair value of the investment properties as at 31 March 2014 stated below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
Land awaiting sales	6,374,700	3,656,300
Buildings and condominiums for rent	243,997	217,000
Golf course and construction	-	2,671,446

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

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

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

The Company and its subsidiaries have pledged investment properties amounting to approximately Baht 1,127 million (2013: Baht 1,072 million) (Separate financial statement: Baht 382 million (2013: Baht 229 million)) as collateral against credit and guarantee facilities and a creditor per rehabilitation plan.

## 24. Property, plant and equipment

(Unit: Thousand Baht)

### Consolidated financial statements

	Land (revalued)	Rolling stock	Buildings and improvements	Golf course development costs	Machinery and equipment	Furniture and office equipment	Motor vehicles	Construction in progress and assets under installation	Total
<b>Cost</b>									
1 April 2012	192,796	-	826,144	610,036	510,566	730,430	294,687	2,526,344	5,691,003
Additions	-	-	20,053	2,390	48,040	159,459	7,160	1,185,858	1,422,960
Capitalised interest	-	-	-	-	-	-	-	33,510	33,510
Disposals	-	-	(253,029)	(33,626)	(1,086)	(92,083)	(12,732)	(701)	(393,257)
Transfer in (out)	-	1,818,537	2,330,816	-	417,086	17,394	(7)	(2,513,641)	2,070,185
31 March 2013	192,796	1,818,537	2,923,984	578,800	974,606	815,200	289,108	1,231,370	8,824,401
Additions	-	417	31,486	18,439	59,265	50,960	30,179	2,216,852	2,407,598
Capitalised interest	-	-	-	-	-	-	-	500	500
Disposals	-	-	-	-	(24,345)	(16,407)	(2,565)	(1,466)	(44,783)
Transfer in (out)	-	1,925,164	156,107	-	231,367	71,848	-	(2,380,207)	4,279
Decrease from change in status of investment	-	-	-	-	(138)	-	-	-	(138)
Translation adjustment	-	-	-	-	-	165	189	-	354
31 March 2014	192,796	3,744,118	3,111,577	597,239	1,240,755	921,766	316,911	1,067,049	11,192,211
<b>Accumulated depreciation</b>									
1 April 2012	-	-	591,075	327,055	353,367	581,249	178,944	-	2,031,690
Depreciation for the year	-	24,801	96,521	9,690	133,982	68,829	37,799	-	371,622
Depreciation on disposals	-	-	(230,868)	(33,626)	(125)	(84,556)	(12,490)	-	(361,665)
Depreciation on transfer out	-	-	-	-	(56,638)	(1,376)	(3)	-	(58,017)
31 March 2013	-	24,801	456,728	303,119	430,586	564,146	204,250	-	1,983,630
Depreciation for the year	-	95,091	100,230	9,666	118,456	79,090	42,779	-	445,312
Depreciation on disposals	-	-	-	-	(21,434)	(16,692)	(2,565)	-	(40,691)
Decrease from change in status of investment	-	-	-	-	(138)	-	-	-	(138)
Translation adjustment	-	-	-	-	-	7	91	-	98
31 March 2014	-	119,892	556,958	312,785	527,470	626,551	244,555	-	2,388,211

(Unit: Thousand Baht)

## Consolidated financial statements

	Land (revalued)	Rolling stock	Buildings and improvements	Golf course development costs	Machinery and equipment	Furniture and office equipment	Motor vehicles	Construction in progress and assets under installation	Total
<b>Revaluation surplus</b>									
1 April 2012	2,600,711	-	-	-	-	-	-	-	2,600,711
Addition	370,150	-	-	-	-	-	-	-	370,150
31 March 2013	2,970,861	-	-	-	-	-	-	-	2,970,861
31 March 2014	2,970,861	-	-	-	-	-	-	-	2,970,861
<b>Allowance for impairment</b>									
1 April 2012	-	-	12,405	208,426	-	-	-	-	220,831
31 March 2013	-	-	12,405	208,426	-	-	-	-	220,831
31 March 2014	-	-	12,405	208,426	-	-	-	-	220,831
<b>Net book value</b>									
31 March 2013	3,163,657	1,793,736	2,454,851	67,255	544,020	251,054	84,858	1,231,370	9,590,801
31 March 2014	3,163,657	3,624,226	2,542,214	76,028	713,285	295,215	72,356	1,067,049	11,554,030
<b>Depreciation for the years</b>									
2013									371,622
2014									445,312

(Unit: Thousand Baht)

## Separate financial statements

	Buildings and improvements	Golf course development costs	Furniture and office equipment	Motor vehicles	Construction in progress and assets under installation	Total
<b>Cost</b>						
1 April 2012	45,344	54,253	59,553	70,985	27,788	257,923
Additions	-	-	863	3,154	183,202	187,219
Transfer in (out)	-	-	-	-	3,091	3,091
Disposals	-	(14,087)	(21,673)	(136)	-	(35,896)
31 March 2013	45,344	40,166	38,743	74,003	214,081	412,337
Additions	-	-	2,900	28,900	304,624	336,424
Transfer in (out)	5,176	-	952	-	(84,499)	(78,371)
Disposals	-	-	(26)	(1,171)	-	(1,197)
31 March 2014	50,520	40,166	42,569	101,732	434,206	669,193
<b>Accumulated depreciation</b>						
1 April 2012	32,365	41,424	45,389	70,868	-	190,046
Depreciation for the year	3,855	4,044	5,372	325	-	13,596
Depreciation on disposals	-	(14,087)	(21,672)	(136)	-	(35,895)
31 March 2013	36,220	31,381	29,089	71,057	-	167,747
Depreciation for the year	3,306	4,020	4,480	6,000	-	17,806
Depreciation on disposals	-	-	(26)	(1,171)	-	(1,197)
31 March 2014	39,526	35,401	33,543	75,886	-	184,356
<b>Net book value</b>						
31 March 2013	9,124	8,785	9,654	2,946	214,081	244,590
31 March 2014	10,994	4,765	9,026	25,846	434,206	484,837
<b>Depreciation for the years</b>						
2013						13,596
2014						17,806



For the years ended 31 March 2014 and 2013, the Company and its subsidiaries recorded depreciation for the years as a part of costs and expenses in the statements of comprehensive income as details below.

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Costs of fare box	-	8	-	-
Costs of services	311	236	-	-
Administrative expenses	149	128	18	14
Total	<u>460</u>	<u>372</u>	<u>18</u>	<u>14</u>

The Company and a subsidiary (BTS Assets Co., Ltd.) have mortgaged land and construction thereon with net book value as at 31 March 2014 of Baht 5,179 million (2013: Baht 4,987 million) as collateral for credit and guarantee facilities from a financial institution.

As at 31 March 2014, certain assets have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation and allowance for impairment loss) of those assets amounted to approximately Baht 1,293 million (2013: Baht 1,186 million) (Separate financial statements: Baht 132 million (2013: Baht 126 million)).

During the year ended 31 March 2014, the subsidiary included borrowing costs of Baht 0.5 million as cost of equipment (2013: Baht 34 million). Interest is charged at rate of 4.75 - 6% per annum (2013: 5 - 6.125% per annum).

## 25. Leasehold rights

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
<b>Cost</b>		
1 April 2012	119,552	21,274
31 March 2013	119,552	21,274
Additions	4,730	4,730
31 March 2014	124,282	26,004
<b>Accumulated amortisation</b>		
1 April 2012	29,527	10,474
Amortisation for the year	8,552	3,492
31 March 2013	38,079	13,966
Amortisation for the year	8,548	3,488
31 March 2014	46,627	17,454
<b>Net book value</b>		
31 March 2013	81,473	7,308
31 March 2014	77,655	8,550
<b>Amortisation for the years as included in administrative expenses</b>		
2013	8,552	3,492
2014	8,548	3,488

## 26. Intangible assets

(Unit: Thousand Baht)

	Consolidated financial statements		
	Intangible assets		
	Computer software	under development	Total
<b>Costs</b>			
1 April 2012	96,627	2,914	99,541
Additions	17,819	-	17,819
Transfer-in (out)	24,829	(2,914)	21,915
31 March 2013	139,275	-	139,275
Additions	6,742	-	6,742
Disposal	(52)	-	(52)
Transfer-in	23,030	-	23,030
31 March 2014	168,995	-	168,995
<b>Accumulated amortisation</b>			
1 April 2012	72,844	-	72,844
Amortisation on disposals	16,216	-	16,216
31 March 2013	89,060	-	89,060
Amortisation for the year	14,112	-	14,112
31 March 2014	103,172	-	103,172
<b>Net book value</b>			
31 March 2013	50,215	-	50,215
31 March 2014	65,823	-	65,823
<b>Amortisation for the years included in administrative expenses</b>			
2013			16,216
2014			14,112

	(Unit: Thousand Baht)
	Separate financial statements
	<u>Computer software</u>
<b>Costs</b>	
1 April 2012	7,511
Additions	14
31 March 2013	<u>7,525</u>
Additions	207
31 March 2014	<u>7,732</u>
<b>Accumulated amortisation</b>	
1 April 2012	6,059
Amortisation for the year	973
31 March 2013	<u>7,032</u>
Amortisation for the year	492
31 March 2014	<u>7,524</u>
<b>Net book value</b>	
31 March 2013	<u>493</u>
31 March 2014	<u>208</u>
<b>Amortisation for the years included in the administrative expenses</b>	
2013	<u>973</u>
2014	<u>492</u>

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

As discussed in Note 52 to the financial statements, the Extraordinary General Meeting of the Company's shareholders held on 18 December 2012 passed a resolution to sell the net fare box revenue that 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 (revised 2009) "Non-current Assets Held for Sale and Discontinued Operations", an asset classified as held for sale, and the assets and liabilities included within a disposal group classified as held for sale, are presented separately in the statement of financial position. As a result, as at 31 March 2013, the 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 was detailed below.

	(Unit: Thousand Baht)
	Consolidated
	financial statements
	<hr/>
Consumable spare parts - elevated train system	68,104
Project costs - elevated train system	41,676,705
Reusable spare parts - elevated train system	59,175
Spare parts - maintenance contract	292,771
Property, plant and equipment	26,344
	<hr/>
Total non-current assets classified as held for sale	<u>42,123,099</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 year ended 31 March 2014, 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 52 to the financial statements.

Revenues and expenses relating to the assets for the years ended 31 March 2014 and 2013 were detailed below.

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<hr/>	
	<u>2014</u>	<u>2013</u>
Fare box revenues - net	207,676	4,895,758
Costs of fare box	(86,451)	(2,481,154)
Selling and servicing expenses	(5,748)	(26,723)
Administrative expenses	(85,101)	(493,210)
	<hr/>	<hr/>
Profit from discontinued operation for the year	<u>30,376</u> <sup>(1)</sup>	<u>1,894,671</u>

<sup>(1)</sup> Revenues and expenses during 1 April 2013 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.

## 28. Bank overdraft and short-term loans from financial institution

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

### **BTSC**

During the year, a subsidiary repaid the short-term loans in full amount (2013: Baht 1,117 million)

### **BTS Assets Company Limited**

A facility of Baht 15 million is subject to interest at a rate tied to the Minimum Overdraft Rate (MOR) and is secured by the mortgage of a plot of property plant and equipment of a subsidiary. As at 31 March 2014, there is no outstanding balance of this bank overdraft (2013: Nil).

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

A facility of Baht 25 million is subject to interest at a rate tied to the Minimum Overdraft Rate (MOR) and is secured by the mortgage of a plot of land with construction included in real estate development cost of a subsidiary. As at 31 March 2014, there is no outstanding balance of this bank overdraft (2013: Nil).

## 29. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Trade payables - related parties	495	85	-	-
Trade payables	527,808	537,801	1,762	-
Other payables - related parties	3,765	788	45,624	22,457
Other payables	203,602	263,954	6,856	2,063
Accrued interest expenses	41,751	53,812	-	-
Retention payable	227,208	241,949	3,321	6,963
Deposit payable	161,288	107,437	30,000	55,000
Accrued expenses	817,889	537,518	29,583	21,222
Accrued expenses - related parties	-	-	444	239
Dividend payable	238,636	204,850	57,099	32,588
Total trade and other payables	<u>2,222,442</u>	<u>1,948,194</u>	<u>174,689</u>	<u>140,532</u>

### 30. Creditors per rehabilitation plan

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	<u>2014</u>	<u>2013</u>
Creditors per rehabilitation plan	794,927	797,209
Less: Current portion	(745,356)	(745,356)
Creditors per rehabilitation plan - net of current portion	<u>49,571</u>	<u>51,853</u>

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

### 31. Long-term loans

(Unit: Thousand Baht)

	Consolidated financial statements	
	<u>2014</u>	<u>2013</u>
Long-term loans	240,000	2,363,968
Less: Current portion	(10,000)	(1,967,221)
Long-term loans - net of current portion	<u>230,000</u>	<u>396,747</u>

Details of the long-term loans are as follows:

#### **BTS Assets Company Limited**

A facility of Baht 1,800 million, a subsidiary repaid the loan in full in April 2013 (2013: Baht 1,000 million).

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

A facility of Baht 2,100 million, a subsidiary repaid the loan in full in July 2013 (2013: Baht 1,134 million).

A facility of Baht 900 million to construct the building of a real estate development project, is subject to interest at a rate tied to the Minimum Loan Rate (MLR), is secured by the mortgage of the subsidiary's land and construction included in real estate development cost. Interest is to be paid monthly and principal is to be repaid within 30 months from the drawdown date. As at 31 March 2014, the subsidiary has not drawn down such loan.

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

A facility of Baht 300 million is subject to interest at a rate tied to the Minimum Loan Rate (MLR) minus a curtailed spread stipulated in the agreement. The principal is to be repaid in monthly installments, from November 2014 to October 2021. As at 31 March 2014, the outstanding balance of this loan was approximately Baht 240 million (2013: Baht 230 million).

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

As at 31 March 2014, the long-term credit facilities which have not been drawn down amounted to Baht 960 million (2013: Baht 3,251 million).

## **32. Long-term debentures**

As at the dates of the statements of financial position, details of the debentures were as follows:

			(Unit: Thousand Baht)	
			Consolidated financial statements	
	<u>Maturity date</u>	<u>Interest rate</u>	<u>2014</u>	<u>2013</u>
		p.a.%		
Debenture - Tranche 2	21 August 2013	5.25	-	2,081,300
Debenture - Tranche 3	21 August 2014	5.75	3,611,300	3,611,300
Debenture - Tranche 4	21 August 2015	6.25	1,468,900	1,468,900
Debenture - Tranche 5	21 August 2016	6.75	1,348,450	1,348,450
Total			<u>6,428,650</u>	<u>8,509,950</u>
Less: Issuing costs			<u>(13,564)</u>	<u>(30,314)</u>
Total long-term debentures			6,415,086	8,479,636
Less: Current portion of long-term debentures*			<u>(3,607,630)</u>	<u>(2,078,656)</u>
Long-term debentures - net of current portion			<u>2,807,456</u>	<u>6,400,980</u>

\* The subsidiary has presented the value of current portion by deducting its issuing costs.

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



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

Provision for long-term employee benefits as at 31 March 2014 and 2013, which is compensations on employees' retirement, was as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Balance at beginning of year	481,714	400,178	21,296	25,987
Current service cost	57,942	44,333	2,453	2,348
Interest cost	19,772	16,555	873	1,091
Benefits paid during the year	(1,804)	(18,438)	-	(6,930)
Actuarial losses (gains)	-	39,086	-	(1,200)
Balance at end of year	<u>557,624</u>	<u>481,714</u>	<u>24,622</u>	<u>21,296</u>

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the years ended 31 March			
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Current service cost	57,942	44,333	2,453	2,348
Interest cost	19,772	16,555	873	1,091
Total expense recognised in profit or loss	<u>77,714</u>	<u>60,888</u>	<u>3,326</u>	<u>3,439</u>
Line items under which such expenses are included in profit or loss				
Cost of fare box	-	24,027	-	-
Cost of construction service	1,703	1,995	-	-
Cost of services	2,597	1,002	-	-
Selling and servicing expenses	-	22	-	-
Administrative expenses	73,414	33,842	3,326	3,439

Under the Net Revenue and Purchase Transfer Agreement discussed in Note 52 to the financial statements, the subsidiary 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 year ended 31 March 2014, 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 32 million.

Principal actuarial assumptions at the valuation date were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate	4.1	4.1	4.1	4.1
Future salary increase rate	5.0	5.0	5.0	5.0
Staff turnover rate				
(depending on age)	2.0 - 9.0	2.0 - 9.0	2.0 - 9.0	2.0 - 9.0

Amounts of defined benefit obligation and experience adjustments on the obligation for the current and previous four years are as follows:

(Unit: Thousand Baht)

	Defined benefit obligation		Experience adjustments on the obligation	
	Consolidated	Separate	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>	<u>financial statements</u>	<u>financial statements</u>
For the years ended 31 March				
2014	557,624	24,622	-	-
2013	481,714	21,296	34,609	(2,133)
2012	400,178	25,987	-	-
2011	349,754	22,789	-	-
2010	314,658	19,855	-	-

### 34. Provision - related party

	(Unit: Thousand Baht)
	Consolidated
	<u>financial statements</u>
Balance as at 1 April 2013	-
Record special tax of BTS Rail Mass Transit Growth Infrastructure Fund ("BTSGIF")	1,043,610
Increase during the year	89,635
Decrease during the year	<u>(49,761)</u>
Balance as at 31 March 2014	<u>1,083,484</u>
As at 31 March 2014	
Current	45,819
Non-current	<u>1,037,665</u>
	<u>1,083,484</u>

The subsidiary (BTSC) recognised a provision for future special business tax liabilities of BTSGIF over the remaining 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.

### 35. Share capital / Share premium

As at 31 March 2013, the Company's issued and fully paid share capital has increased from Baht 36,600,495,792 (57,188,274,676 ordinary shares with a par value of Baht 0.64 each) to Baht 44,426,538,376 (11,106,634,594 ordinary shares with a par value of Baht 4 each) as a result of the conversion of convertible debentures to ordinary shares amounting to Baht 7,820,299,112 (1,955,074,778 ordinary shares with a par value of Baht 4 each), the exercise of the warrants (BTS-W2) to ordinary shares amounting to Baht 5,743,456 (1,435,864 ordinary shares with a par value of Baht 4 each), and the issuance of ordinary shares amounting to Baht 16 in order to prevent the occurrence of fractions of shares (4 ordinary shares with a par value of Baht 4 each), resulting in an increase in total share premium to Baht 1,486,058,428.

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

On 11 October 2013, the Extraordinary Meeting No. 1/2013 of the Company's shareholders passed the following resolutions:

- a) Approved the reduction of the registered share capital from Baht 47,945,776,096 to Baht 47,766,075,208 by canceling Baht 179,700,888 unissued shares (44,925,222 ordinary shares with a par value of Baht 4 each).
- b) Approved an increase in the registered share capital from Baht 47,766,075,208 to Baht 63,652,544,720 by issuing Baht 15,886,469,512 ordinary shares (3,971,617,378 ordinary shares with a par value of Baht 4 each) to reserve for the exercise of the warrants (BTS-W3).
- c) Approved allocating 3,971,617,378 ordinary shares with a par value of Baht 4 each to accommodate the exercise of the warrants (BTS-W3).

The Company registered the decrease and increase in its registered share capital with the Ministry of Commerce on 14 October 2013 and 15 October 2013, respectively.

As at 31 March 2014, 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 47,656,922,100 (11,914,230,525 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 3,210,636,460 (802,659,115 ordinary shares with a par value of Baht 4 each) and the exercise of the warrants (BTS-WA) to ordinary shares amounting to Baht 19,747,264 (4,936,817 ordinary shares with a par value of Baht 4 each), resulting in an increase in total share premium to Baht 1,797,237,616 (including adjustment to transfer amounting to Baht 8,330,877 of capital reserve for share-based payment transaction to share premium).

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

### 36. Warrants

The warrants are detailed as follows:

	BTS-W2	BTS-W3	BTS-WA	BTS-WB
	Units	Units	Units	Units
Outstanding as at 31 March 2013	3,167,032,866	-	100,000,000	-
Issued during the year	-	3,944,626,464	-	16,000,000
Exercised during the year	(3,165,627,080)	-	(30,855,100)	-
Expired during the year	(1,405,786)	-	-	-
Outstanding as at 31 March 2014	-	3,944,626,464	69,144,900	16,000,000

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

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

Date of grant	23 November 2010
Number granted (Units)	5,027,000,448
Contractual lives	3 years from the issued date
Exercisable	Last business day of each quarter, after completion of a 2-year period from the issued date
Exercise price per 1 ordinary share	4.375 Baht
Exercise ratio (warrant to ordinary share)	1:0.16

#### Warrants to purchase new ordinary shares of the Company issued to the Company's existing shareholders (BTS-W3)

On 11 October 2013, the Extraordinary Meeting No.1/2013 of the Company's shareholders passed a resolution to issue the warrants to purchase new ordinary shares of the Company issued to the Company's existing shareholders (BTS-W3) in a ratio of 1 warrant for every 3 existing ordinary shares, without specifying the offer price. Details are as follows:

Date of grant	1 November 2013
Number granted (Units)	3,944,626,464
Contractual lives	5 years from the issued date
Exercisable	Last business day of each quarter, after completion of a 3-year period from the issued date
Exercise price per 1 ordinary share	12 Baht
Exercise ratio (warrant to ordinary share)	1:1

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

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

Date of grant	18 August 2011
Number granted (Units)	100,000,000
Contractual lives	5 years from the issued date
Exercisable	Last business day of each quarter, after completion of a 2-year period from the issued date
Exercise price per 1 ordinary share	4.375 Baht
Exercise ratio (warrant to ordinary shares)	1:0.16

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

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

On 26 July 2012, the Annual General Meeting of the Company's shareholders passed a resolution to approve the issue of warrants to employees of the Company and its subsidiaries No. 2 under the BTS Group ESOP 2012 Scheme (BTS-WB), at no cost. Details of the warrants are below.

Date of grant	11 June 2013
Number granted (Units)	16,000,000
Contractual lives	5 years from the issued date
Exercisable	Last business day of each quarter, after completion of 2 to 4 year periods from the issued date
Exercise price per 1 ordinary share	5.01 Baht
Exercise ratio (warrant to ordinary shares)	1:1

The estimated fair value of each warrant granted is Baht 2.5568. This was calculated by applying the Black-Scholes-Merton formula. The model inputs were the share price at price determination date of Baht 7.90, exercise price of Baht 5.01, expected volatility of 27.348%, expected dividend yield of 5%, contractual life of five years, and a risk-free interest rate of 2.90 - 3.37%.

### 37. Deficit on business combination under common control

Deficit on business combination under common control represents differences between the cost of a business combination under common control and the equity interest of the Company in the net book value of subsidiaries (BTSC and its subsidiaries) on the acquisition date, differences between considerations paid or received from changes in the ownership interests in the subsidiaries of the Company and the equity interests of non-controlling interests of the subsidiaries in the net book value of the subsidiaries on the changing date, and differences between considerations paid or received from purchases or sales of investments and costs of investments under common control. The details were as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Balance at beginning of year	3,371,978	3,371,978	4,812,208	3,371,978
Purchase of ordinary shares of subsidiary under common control	-	-	-	1,734,155
Sales of investments in subsidiary under common control	-	-	(1,021,715)	(293,925)
Balance at end of year	<u>3,371,978</u>	<u>3,371,978</u>	<u>3,790,493</u>	<u>4,812,208</u>

### 38. Surplus on swap of investment in subsidiary under common control

Surplus on swap of investment in subsidiary under common control represents difference of costs of investments in subsidiaries under common control at exchange date. This can neither be offset against deficit nor used for dividend payment.

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

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

Surplus from changes in ownership interests in a subsidiary was calculated based on the differences between the considerations paid or received as a result of changes in ownership interests in the subsidiaries of the Company and the equity interests of non-controlling interests of the subsidiaries at the net book value of the subsidiaries on the changing date. Non-controlling interests of subsidiaries are valued at the value of the identifiable net assets of the subsidiaries based on the percentage shareholdings of non-controlling interests. The details were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	
	<u>2014</u>	<u>2013</u>
		(Restated)
Balance at beginning of year	2,811,213	(123,129)
Purchase of investment in the subsidiary	(2,035,110)	(181,708)
Sales of investment in the subsidiary	3,672,181	2,379,721
Issuance of additional ordinary shares of the subsidiary	-	736,329
Balance at end of year	<u>4,448,284</u>	<u>2,811,213</u>

**40. Revaluation surplus on assets**

This represents surplus arising from revaluation of land which can neither be offset against deficit nor used for dividend payment.

**41. Statutory reserve**

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

**42. Service income**

Details of service income are as follows:

(Unit: Thousand Baht)

	For the years ended 31 March			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Advertising income	2,627,504	2,353,530	-	-
Revenues from provision of operating services	1,589,582	1,146,150	-	-
Revenues from provision of spaces	327,883	246,283	-	-
Revenues from hotel operations	775,827	443,350	-	-
Other service income	735,608	598,298	131,989	108,931
Total	<u>6,056,404</u>	<u>4,787,611</u>	<u>131,989</u>	<u>108,931</u>



### 43. Expenses by nature

Significant expenses by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<b>Continued operation:</b>				
Salaries, wages and other benefits	1,274,306	924,187	122,401	108,505
Consultation, project management and professional fee	215,955	114,741	57,374	40,332
Depreciation and amortisation	505,832	387,506	67,938	69,403
Premise tax and other taxes	106,000	38,220	22,387	24,204
Rental expenses from operating lease agreements	130,497	65,506	29,599	28,936
Repair and maintenance expenses	130,957	118,304	6,054	8,693
Utility expenses	192,307	115,299	20,265	14,033
Advertising and promotional expenses	158,788	106,201	7,797	15,438
Subcontractor expenses for train operating service	25,637	28,774	-	-
Concession fee	700,218	589,990	-	-
Costs of advertising services	156,400	137,475	-	-
Real estate development during the year	288,841	688,547	6,105	9,951
Change in real estate development costs	960,545	(161,239)	46,143	107,499
Finance cost	630,741	1,300,656	399,273	435,836
<b>Discontinued operation:</b>				
Salaries, wages and other benefits	70,212	606,707	-	-
Depreciation and amortisation	5,126	1,375,566	-	-
Consultation, project management and professional fee	5,196	66,285	-	-
Repair and maintenance expenses	19,014	406,044	-	-
Advertising and promotional expenses	693	27,563	-	-

#### 44. Finance cost

Details of finance cost are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Interest expenses and other fees	613,991	914,326	399,273	129,085
Amortisation of deferred debenture issuing costs	16,750	26,758	-	-
Amortisation of liability component of convertible debentures	-	170,826	-	170,826
Amortisation of letter of credit fee for convertible debentures	-	135,925	-	135,925
<b>Total</b>	<b>630,741</b>	<b>1,247,835</b>	<b>399,273</b>	<b>435,836</b>

#### 45. Income tax

Income tax expenses for the years ended 31 March 2014 and 2013 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
		(Restated)		(Restated)
<b>Current income tax:</b>				
Current income tax charge	1,489,187	439,178	713,274	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	2,317,207	808,892	253,049	282,885
<b>Income tax expense reported in the statement of comprehensive income</b>	<b>3,806,394</b>	<b>1,248,070</b>	<b>966,323</b>	<b>282,885</b>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 March 2014 and 2013 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
		(Restated)	(Restated)	
Deferred tax relating to:				
Increase (decrease) in gain on change in value of				
available-for-sale investments	23,523	(3,739)	23,523	(3,739)
Decrease in gain on revaluation of land	-	(69,638)	-	-
Decrease (increase) in actuarial losses	-	7,348	-	(240)
	<u>23,523</u>	<u>(66,029)</u>	<u>23,523</u>	<u>(3,979)</u>

Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 March 2014 and 2013.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
		(Restated)	(Restated)	
Accounting profit before tax	<u>17,391,424</u>	<u>3,175,632</u>	<u>21,159,882</u>	<u>5,469,795</u>
Income tax at Thai corporate income tax rate				
of 20% (2012: 23%)	3,478,285	730,395	4,231,976	1,258,053
Effects of temporary differences	(89,469)	34,017	(89,469)	34,228
Tax effect of non-deductible expenses	56,109	76,177	13,931	40,094
Tax effect of deductible expenses	(2,875)	(4,066)	(470)	(2,873)
Tax effect of non-taxable income	(75,260)	(24,693)	(3,577,672)	(1,048,964)
Tax effect of taxable income	406,805	342,507	406,805	-
Tax effect of loss for the current year of				
subsidiaries	62,198	94,812	-	-
Difference of tax rates in group companies	(252)	(627)	-	-
Others	(29,147)	(452)	(18,777)	2,347
Income tax expenses reported in the statement				
of comprehensive income	<u>3,806,394</u>	<u>1,248,070</u>	<u>966,324</u>	<u>282,885</u>

The tax rate enacted at the end of the reporting period of the Company and its subsidiaries consists of 20% and 25% (2013: 23% and 25%).

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Statements of financial position					
	Consolidated financial statements			Separate financial statements		
	31 March	31 March	1 April	31 March	31 March	1 April
	2014	2013	2012	2014	2013	2012
		(Restated)		(Restated)		
<b>Deferred tax assets</b>						
Allowance for doubtful accounts	6,444	246,082	428,168	232	240,378	426,227
Allowance for asset impairment	153,894	160,014	165,974	-	-	-
Allowance for investment impairment	9,071	-	-	-	-	-
Differences of tax and accounting from sale and cost recognition of real estate	-	-	1,034,746	-	-	7,982
Unrealised loss on change in investment value	18,763	-	-	18,763	-	-
Provision for long-term employee benefits	107,080	93,827	10,029	5,164	4,499	5,302
Unused tax loss	19,694	77,377	246,613	-	20,737	124,578
Others	15,375	40,546	75,792	1,573	4,960	24,718
<b>Total</b>	<b>330,321</b>	<b>617,846</b>	<b>1,961,322</b>	<b>25,732</b>	<b>270,574</b>	<b>588,807</b>
<b>Deferred tax liabilities</b>						
Revaluation surplus on land	594,172	598,932	524,534	-	-	-
Prepaid duty stamp	32,745	33,911	-	-	-	-
Gain on sale of net future fare box revenues	2,555,710	-	-	-	-	-
Guarantee fee	67,486	-	-	-	-	-
Differences of forward rate and closing rate	72,693	-	-	-	-	-
Differences of tax and accounting from issuance of convertible debentures	-	-	29,759	-	-	29,759
Differences of tax and accounting from depreciation calculation of assets	59,055	78,957	84,023	59,055	78,957	84,023
Others	3,265	7,044	2,800	10,731	6,145	2,689
<b>Total</b>	<b>3,385,126</b>	<b>718,844</b>	<b>641,116</b>	<b>69,786</b>	<b>85,102</b>	<b>116,471</b>
<b>Net</b>	<b>(3,054,805)</b>	<b>(100,998)</b>	<b>1,320,206</b>	<b>(44,054)</b>	<b>185,472</b>	<b>472,336</b>
<b>Presented as</b>						
Deferred tax assets - net	37,340	259,843	1,428,352	-	185,472	472,336
Deferred tax liabilities - net	(3,092,145)	(360,841)	(108,146)	(44,054)	-	-
<b>Net</b>	<b>(3,054,805)</b>	<b>(100,998)</b>	<b>1,320,206</b>	<b>(44,054)</b>	<b>185,472</b>	<b>472,336</b>

The Company and its subsidiaries calculated deferred tax assets based on a reduction in the corporate income tax rate from 30% to 23% in 2012, and then to 20% as from 2013 in compliance with Royal Decree B.E. 2554 in December 2011 governing corporate income tax reduction.

As at 31 March 2014, the Company and its subsidiaries has deductible temporary differences and unused tax losses totaling Baht 505 million (2013: Baht 560 million), on which deferred tax assets have not been recognised as the Company and its subsidiaries believe future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

#### 46. Earnings per share

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

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

Details of calculation of earnings per share for the years ended 31 March 2014 and 2013 are as below.

(Unit: Thousand Baht)

	Consolidated financial statements					
	Profit		Weighted average number of ordinary shares		Earnings per share	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
	Thousand Baht	Thousand Baht (Restated)	Thousand shares	Thousand shares	Baht	Baht (Restated)
<b>Basic earnings per share</b>						
Profit attributable to equity holders of the Company	12,644,864	1,718,583	11,687,607	9,991,489	<u>1.082</u>	<u>0.172</u>
<b>Effect of dilutive potential ordinary shares</b>						
Warrants (BTS-W2)	-	-	109,294	286,973		
Warrants (BTS-WA)	-	-	6,542	4,578		
Warrants (BTS-WB)	-	-	<u>2,567</u>	-		
<b>Diluted earnings per share</b>						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>12,644,864</u>	<u>1,718,583</u>	<u>11,806,010</u>	<u>10,283,040</u>	<u>1.071</u>	<u>0.167</u>

(Unit: Thousand Baht)

	Separate financial statements					
	Profit		Weighted average number of ordinary shares		Earnings per share	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
	Thousand Baht	Thousand Baht (Restated)	Thousand shares	Thousand shares	Baht	Baht (Restated)
<b>Basic earnings per share</b>						
Profit attributable to equity holders of the Company	20,193,558	5,186,910	11,687,607	9,991,489	1.728	0.519
<b>Effect of dilutive potential ordinary shares</b>						
Warrants (BTS-W2)	-	-	109,294	286,973		
Warrants (BTS-WA)	-	-	6,542	4,578		
Warrants (BTS-WB)	-	-	2,567	-		
Convertible debentures	-	210,929	-	1,092,076		
<b>Diluted earnings per share</b>						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	20,193,558	5,397,839	11,806,010	11,375,116	1.710	0.475

Details of calculation of earnings per share from continued operation for the years ended 31 March 2014 and 2013 are as below.

(Unit: Thousand Baht)

	Consolidated financial statements					
	Profit (loss)		Weighted average number of ordinary shares		Earnings per share	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
	Thousand Baht	Thousand Baht (Restated)	Thousand shares	Thousand shares	Baht	Baht (Restated)
<b>Basic earnings per share</b>						
Profit (loss) attributable to equity holders of the Company	12,615,259	(144,785)	11,687,607	9,991,489	1.079	(0.014)
<b>Effect of dilutive potential ordinary shares</b>						
Warrants (BTS-W2)	-	-	109,294			
Warrants (BTS-WA)	-	-	6,542			
Warrants (BTS-WB)	-	-	2,567			
<b>Diluted earnings per share</b>						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	12,615,259		11,806,010		1.069	

(Unit: Thousand Baht)

	Separate financial statements					
	Profit		Weighted average number of ordinary shares		Earnings per share	
	2014	2013	2014	2013	2014	2013
	Thousand Baht	Thousand Baht (Restated)	Thousand shares	Thousand shares	Baht	Baht (Restated)
<b>Basic earnings per share</b>						
Profit attributable to equity holders of the Company	20,193,558	5,186,910	11,687,607	9,991,489	1.728	0.519
<b>Effect of dilutive potential ordinary shares</b>						
Warrants (BTS-W2)	-	-	109,294	286,973		
Warrants (BTS-WA)	-	-	6,542	4,578		
Warrants (BTS-WB)	-	-	2,567	-		
Convertible debentures	-	210,929	-	1,092,076		
<b>Diluted earnings per share</b>						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	20,193,558	5,397,839	11,806,010	11,375,116	1.710	0.475

### Earnings per share

The conversion to ordinary shares of warrants representing rights to purchase ordinary shares of the Company (BTS-W3) would increase earnings per share for the year ended 31 March 2014 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 conversion to ordinary shares of convertible debentures would increase earnings per share for the year ended 31 March 2013 in the consolidated financial statements. Therefore, the Company has not assumed conversion of the warrants 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-W3) would increase earnings per share for the year ended 31 March 2014 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 conversion to ordinary shares of warrants and convertible debentures would decrease loss per share for the year ended 31 March 2013 in the consolidated financial statements. Therefore, the Company has not assumed conversion of the warrants and convertible debentures in the calculation of diluted earnings per share.

## 47. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final dividends for 2011/2012	Annual General Meeting of the shareholders on 26 July 2012	1,379	0.15
Interim dividends for 2012/2013	Board of Directors' meeting on 11 January 2013	1,794	0.16
Total for the year ended 31 March 2013		3,173	
Interim dividends for 2012/2013	Board of Directors' meeting on 19 April 2013	2,052	0.18
Final dividends for 2012/2013	Annual General Meeting of the shareholders on 26 July 2013	513	0.045
Interim dividends for 2013/2014	Board of Directors' meeting on 9 August 2013	2,190	0.19
Interim dividends for 2013/2014	Board of Directors' meeting on 10 January 2014	2,382	0.20
Total for the year ended 31 March 2014		7,137	

The Annual General Meeting of its shareholders held on 26 July 2013 passed a resolution to amend dividend policy, whereby amounts of no less than Baht 6,000 million would be paid for the year ended 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.

## 48. Commitments and contingent liabilities

As at 31 March 2014, the Company and its subsidiaries had commitments and contingent liabilities as follows:

### 48.1 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 380 million (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 406 million (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 complete in no more than 3 years. During the construction, the Company is to pay rental of Baht 0.1 million per month for land usage, and after handing over the building, the Company is committed to pay an annual rental for 30 years. The rental charge is Baht 0.8 million per year and will be increased by 15% every 5 years of the lease period.
- d) The Company had outstanding commitments of USD 40 million (2013: Nil) in respect of overseas investments.
- e) A subsidiary (BTSC) had capital commitments of Baht 20 million (2013: Baht 27 million) in respect of a change and improvement of signaling system for elevated train operation.
- f) A subsidiary (BTSC) had capital commitments of EUR 6 million, USD 1 million and Baht 3 million (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 (2013: Baht 8,627 million) in respect of acquisitions of elevated train carriages required for future compliance with the contract.
- g) A subsidiary (BTSC) had capital commitments of AUD 1 million and Baht 7 million (2013: AUD 1 million) in respect of the acquisition of equipment for Automatic Fare Collection System.
- h) A subsidiary (BTS Assets Company Limited) had an outstanding commitment of Baht 15 million (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 (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 of 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 outstanding commitments of approximately SGD 10 million and Baht 46 million (2013: SGD 10 million and Baht 374 million), relating to the acquisition and installation of equipment.

- l) A subsidiary (Dnal Company Limited) had an outstanding commitment of Baht 255 million (2013: Baht 255 million) relating to the agreement to purchase and to sell of a building as discussed in Note 15 to the financial statements.

Under the Net Revenue and Purchase Transfer Agreement discussed in Note 52 to the financial statements, BTS Rail Mass Transit Growth Infrastructure Fund will be responsible for the commitments as discussed in e) and g).

#### **48.2 Lease and service 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 (2013: Baht 5 million) in respect of a 14 years land and building lease agreement.
- c) A subsidiary (BTSC) had commitments of approximately Baht 194 million (2013: Baht 188 million) relating to its operations under the agreements of the Bus Rapid Transit (BRT) project - Chong Nonsi to Sa-pan Krung Thep Line (Chong Nonsi - Ratchaphruek).
- d) A subsidiary (BTSC) had commitments of approximately Baht 6 million (2013: Nil) relating to service agreements with a subsidiary (VGI Global Media Public Company Limited) (Airtime on Plasma Screen on platform, LCD in the train, Platform Truss LED and Platform Screen Door LCD).
- e) The subsidiaries had committed to pay fees of SGD 2 million, HKD 1 million and Baht 401 million (2013: HKD 1 million and Baht 407 million) relating to lease and service agreements.

Obligations as discussed in e) 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.

#### **48.3 Commitments under maintenance contract**

On 30 December 2004, a subsidiary (BTSC) entered into a ten-year maintenance contract with a contractor. Under the contract, the subsidiary has capital commitments in respect of the cost of maintenance and spare supply service fees in relation to the project over a period of 10 years. The amount to be paid for the first year is approximately Baht 195.7 million and EUR 1.7 million and in the future years, the amount to be paid will be adjusted upwards with reference to the consumer price index. During the year ended 31 March 2014, the subsidiary paid the cost of maintenance and spare supply service fees amounting to Baht 197 million and EUR 2 million, respectively (2013: Baht 189 million and EUR 2 million, respectively).

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.

#### 48.4 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 year ended 31 March 2014 amounted to approximately Baht 16 million (2013: Baht 16 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 year ended 31 March 2014, the Company paid management fee amounted to Baht 22 million (2013: Baht 11 million).
- c) 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 year ended 31 March 2014 amounted to approximately Baht 23 million (2013: Baht 17 million).
- d) The subsidiaries (VGI Global Media Public Company Limited) had outstanding commitments with respect to minimum guarantees under concession agreements for the management and provision of advertising space in department stores, and other related agreements. Fees are payable as follows.

	(Unit: Million Baht)	
	<u>2014</u>	<u>2013</u>
Fees payable:		
Up to 1 year	536	642
Over 1 and up to 5 years	86	583

These amounts will be adjusted in accordance with actual performance, based on certain rates stipulated in the agreements.

#### **48.5 Other commitments**

A subsidiary (Nuvo Line Agency Company Limited) had outstanding commitments with a subsidiary (BTSC) in respect of the train ticket for project. The subsidiary is to pay at a rate as specified in the agreement.

#### **48.6 Guarantees**

- a) There were bank guarantees of Baht 44 million (2013: Baht 44 million) issued by a bank on behalf of the Company to the National Housing Authority in respect of low-cost residential housing projects, Baht 17 million (2013: Baht 17 million) issued by a bank on behalf of the Company to the Ministry of Finance for construction of a building on state-owned land, and RMB 100 million (2013: Nil) issued by a bank on behalf of the Company as security for a project bidding guarantee.
- b) A subsidiary (BTSC) had outstanding bank guarantees issued by a bank on behalf of the subsidiary amounting to Baht 42 million to the Metropolitan Electricity Authority to guarantee electricity use (2013: Baht 42 million to the Metropolitan Electricity Authority to guarantee electricity use, Baht 200 million to Mass Rapid Transit Authority of Thailand in respect of bidding and Baht 200 million to Krungthep Thanakom Company Limited to guarantee a deposit received under the operation and maintenance contract for a mass transit system in Bangkok), and Baht 6,896 million (2013: Nil) to guarantee the long-term debentures.

In addition, the subsidiary had Letter of Credit facilities from a local commercial bank amounting to EUR 3 million and RMB 22 million (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 52 to the financial statements, BTS Rail Mass Transit Growth Infrastructure Fund will be responsible for the bank guarantees amounting to Baht 42 million issued by a bank on behalf of the subsidiary to the Metropolitan Electricity Authority to guarantee electricity use.

- c) The subsidiaries had additional bank guarantees issued by banks as required in their normal operations of SGD 9 million and Baht 187 million (2013: SGD 9 million and Baht 187 million).
- d) The Company provided a guarantee on BTSC's compliance to BTS Rail Mass Transit Growth Infrastructure Fund as discussed under "Guarantee Transactions" in Note 52 to the financial statements.

## 48.7 Litigations

- a) The Company and two subsidiaries (Yong Su Company Limited and Dnal Company Limited), as mortgagors of the assets placed as security for the Company's bonds, were sued by a local bank, for payment of the secured bonds, together with interest charges and other related expenses, totaling approximately Baht 4,251 million. The Court of First Instance ordered the two subsidiaries to make payment of such amount. The two subsidiaries appealed the decision and the Appeals Court found in accordance with the Court of First Instance. However, the bank has submitted settlement claims under the Company's rehabilitation plan and the Company held an open auction of such assets in order to make payment to the bank, as discussed in Note 15 to the financial statements. Therefore, the subsidiaries have not set aside provision for the contingent liability in their accounts.
- b) A subsidiary (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.
- d) A creditor under the rehabilitation plan of a subsidiary (BTSC) has filed a petition with the Central Bankruptcy Court with respect to its claim of Baht 307 million, of which the Official Receiver ordered the subsidiary to pay Baht 21 million. However, the Court dismissed the petition and currently, the case is being considered by the Supreme Court. The subsidiary believes that it will have no significant impact on the subsidiary.

#### **49. 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:

- 1) Mass transit segment, which is BTS for the core network segment which was derecognised during the year ended 31 March 2014 and classified as non-current assets classified as held for sale for the financial statements as at 31 March 2013, as discussed in Note 27 to the financial statements
- 2) 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
- 3) Property segment, which development properties consisting of hotel and condominium
- 4) 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

No operating segments have been aggregated to form the above reportable operating segments.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

#### Geographic information

The Company and its subsidiaries mainly operate in Thailand only. As a result, all of the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

The following table presents revenue and profit information regarding the Company and its subsidiaries' operating segments for the years ended 31 March 2014 and 2013.

(Unit: Million Baht)

	For the years ended 31 March										Consolidated	
	Mass transit segment		Media segment		Property segment		Service segment		Elimination		financial statements	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Revenues from external customers	-	-	3,133	2,809	2,059	797	2,923	1,980	-	-	8,115	5,586
Inter-segment revenues	-	-	16	30	384	154	296	316	(696)	(500)	-	-
Total revenues	-	-	3,149	2,839	2,443	951	3,219	2,296	(696)	(500)	8,115	5,586
Segment profit	-	-	1,902	1,666	798	261	1,326	775			4,026	2,702
Unallocated revenues and expenses:												
Dividend income											6	2
Interest income											1,213	59
Gain from sales of investments in subsidiaries											-	1,000
Gain on sale of net future fare box revenues											13,498	-
Gain on sales of assets											380	-
Other income											89	64
Servicing and selling expenses											(342)	(223)
Administrative expenses											(1,497)	(1,078)
Share of income from investments in associates and joint venture											619	3
Finance cost											(631)	(1,248)
Income tax expenses											(3,806)	(1,248)
Profit from discontinued operation											30	1,895
Profit for the year											13,585	1,928
Non-controlling interests of the subsidiaries											(940)	(209)
Profit attributable to equity holders of the Company											12,645	1,719

The following table presents segment assets of the Company's and its subsidiaries' operating segments as at 31 March 2014 and 2013.

(Unit: Million Baht)

	Mass transit segment	Media segment	Property segment	Service segment	Unallocated assets	Consolidated financial statements
	At 31 March 2014	-	3,965	7,069	10,183	55,540
At 31 March 2013	42,123	2,562	10,584	4,501	7,521	67,291

## 50. Provident fund

The Company, its subsidiaries and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company and its subsidiaries contributed to the fund monthly at the rate of 5% of basic salary. The fund, which is managed by BBL Asset Management Co., Ltd., will be paid to employees upon termination in accordance with the fund rules. During the year ended 31 March 2014, the Company and its subsidiaries contributed to the fund Baht 30.7 million (2013: Baht 41.5 million) (Separate financial statements: Baht 2.1 million (2013: Baht 1.9 million)).

## 51. Financial instruments

### 51.1 Financial risk management

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

#### Financial assets

- Cash and cash equivalents
- Current investments
- Bank account for advances from cardholders
- Trade and other receivables
- Short-term loans to related parties
- Restricted deposits
- Cash deposited as collateral for debt settlement
- Long-term loans to related parties
- Other long-term investments
- Retention receivable
- Deposits and advances for asset acquisitions

#### Financial liabilities

- Bank overdraft and short-term loans from financial institutions
- Trade and other payables
- Advance received from cardholders
- Short-term loan from related individual
- Retention payable
- Creditors per rehabilitation plan
- Long-term loans
- Long-term debentures

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



## Credit risk

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

## Interest rate risk

The Company's and its subsidiaries' exposure to interest rate risk relates primarily to their cash at bank, investments in debt securities, loans and debentures. However, since most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities as at 31 March 2014 and 2013 classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the re-priced date if this occurs before the maturity date.

(Unit: Million Baht)

	As at 31 March 2014						
	Consolidated financial statements						
	Fixed interest rates			Floating	Non- interest	Total	Interest rate
	Within	1-5	Over	interest rate	bearing		(% p.a.)
	1 year	years	5 years				
<b>Financial assets</b>							
Cash and cash equivalents	1,153.4	-	-	6,658.8	50.6	7,862.8	0.37 - 3.25
Current investments	24,112.1	-	-	-	190.0	24,302.1	1.65 - 3.70
Bank account for advances from cardholders	-	-	-	152.7	-	152.7	0.63 - 3.25
Trade and other receivables	-	-	-	-	1,074.5	1,074.5	-
Restricted deposits	579.2	-	-	1.9	30.0	611.1	1.85
Cash deposited as collateral for debt settlement	-	-	-	-	232.7	232.7	-
Other long-term investments	-	4,019.8	200.0	-	2,018.4	6,238.2	3.35 - 10.26
Retention receivable	-	-	-	-	2.4	2.4	-
Deposits and advances for asset acquisitions	-	-	-	-	45.0	45.0	-
	<u>25,844.7</u>	<u>4,019.8</u>	<u>200.0</u>	<u>6,813.4</u>	<u>3,643.6</u>	<u>40,521.5</u>	

(Unit: Million Baht)

As at 31 March 2014

Consolidated financial statements							
Fixed interest rates							
Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Interest rate (% p.a.)	
<u>Financial liabilities</u>							
Trade and other payables	-	-	-	-	2,222.4	2,222.4	-
Advance received from cardholders	-	-	-	-	151.1	151.1	-
Short-term loan from related individual	20.0	-	-	-	-	20.0	1.50
Retention payable	-	-	-	-	40.6	40.6	-
Creditors per rehabilitation plan	-	-	-	-	794.9	794.9	-
Long-term loans	-	-	-	240.0	-	240.0	MLR - 2
Long-term debentures	3,607.6	2,807.5	-	-	-	6,415.1	5.25 - 6.75
	<u>3,627.6</u>	<u>2,807.5</u>	<u>-</u>	<u>240.0</u>	<u>3,209.0</u>	<u>9,884.1</u>	

(Unit: Million Baht)

As at 31 March 2013

Consolidated financial statements							
Fixed interest rates							
Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Interest rate (% p.a.)	
<u>Financial assets</u>							
Cash and cash equivalents	2,584.2	-	-	859.6	69.5	3,513.3	0.10 - 3.40
Current investments	993.8	-	-	-	-	993.8	2.9
Bank account for advances from cardholders	-	-	-	78.9	-	78.9	0.75
Trade and other receivables	-	-	-	-	945.6	945.6	-
Restricted deposits	-	5.1	-	3.4	80.0	88.5	0.75 - 2.05
Cash deposited as collateral for debt settlement	-	-	-	-	232.7	232.7	-
Other long-term investments	-	-	200.0	-	167.5	367.5	4.375
Retention receivable	-	-	-	-	2.0	2.0	-
Deposits and advances for asset acquisitions	-	-	-	-	481.7	481.7	-
	<u>3,578.0</u>	<u>5.1</u>	<u>200.0</u>	<u>941.9</u>	<u>1,979.0</u>	<u>6,704.0</u>	

(Unit: Million Baht)

As at 31 March 2013

Consolidated financial statements							
Fixed interest rates							
Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Interest rate (% p.a.)	
<u>Financial liabilities</u>							
Bank overdraft and short-term loans from financial institution	200.0	-	-	917.0	-	1,117.0	3.90 and MLR - 3.30
Trade and other payables	-	-	-	-	1,948.2	1,948.2	-
Advance received from cardholders	-	-	-	-	77.7	77.7	-
Retention payable	-	-	-	-	68.0	68.0	-
Creditors per rehabilitation plan	-	-	-	-	797.2	797.2	-
Long-term loans	-	-	-	2,364.0	-	2,364.0	MLR -1 to -2
Long-term debentures	2,078.6	6,401.0	-	-	-	8,479.6	4.75 - 6.75
	<u>2,278.6</u>	<u>6,401.0</u>	<u>-</u>	<u>3,281.0</u>	<u>2,891.1</u>	<u>14,851.7</u>	

(Unit: Million Baht)

As at 31 March 2014

Separate financial statements							
Fixed interest rates							
Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Interest rate (% p.a.)	
<u>Financial assets</u>							
Cash and cash equivalents	684.5	-	-	1,585.1	-	2,269.6	0.50 - 2.75
Current investments	2,314.1	-	-	-	-	2,314.1	1.65 - 3.10
Trade and other receivables	-	-	-	-	354.1	354.1	-
Short-term loans to related parties	176.5	-	-	-	-	176.5	2.75 - 4.25
Restricted deposits	579.2	-	-	-	30.0	609.2	1.85
Cash deposited as collateral for debt settlement	-	-	-	-	232.7	232.7	-
Long-term loans to related parties	-	-	-	3,823.7	-	3,823.7	2.75 - 4.25
Other long-term investments	-	8.4	100.0	-	2,018.4	2,126.8	4.375 - 10.26
Retention receivable	-	-	-	-	3.2	3.2	-
	<u>3,754.3</u>	<u>8.4</u>	<u>100.0</u>	<u>5,408.8</u>	<u>2,638.4</u>	<u>11,909.9</u>	
<u>Financial liabilities</u>							
Trade and other payables	-	-	-	-	174.7	174.7	-
Retention payable	-	-	-	-	26.8	26.8	-
Creditors per rehabilitation plan	-	-	-	-	794.9	794.9	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>996.4</u>	<u>996.4</u>	

(Unit: Million Baht)

As at 31 March 2013							
Separate financial statements							
Fixed interest rates							
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Interest rate (% p.a.)
<b>Financial assets</b>							
Cash and cash equivalents	1,059.7	-	-	569.2	-	1,628.9	0.375 - 3.15
Current investments	993.8	-	-	-	-	993.8	2.9
Trade and other receivables	-	-	-	-	194.5	194.5	-
Short-term loans to related parties	111.5	-	-	-	-	111.5	3.00 - 6.50
Restricted deposits	-	-	-	1.6	80.0	81.6	0.75 - 2.00
Cash deposited as collateral for debt settlement	-	-	-	-	232.7	232.7	-
Long-term loans to related parties	-	-	-	2,986.8	-	2,986.8	3.375
Other long-term investments	-	-	100.0	-	167.5	267.5	4.375
Retention receivable	-	-	-	-	107.6	107.6	-
	<u>2,165.0</u>	<u>-</u>	<u>100.0</u>	<u>3,557.6</u>	<u>782.3</u>	<u>6,604.9</u>	
<b>Financial liabilities</b>							
Trade and other payables	-	-	-	-	57.6	57.6	-
Retention payable	-	-	-	-	797.2	797.2	-
Creditors per rehabilitation plan	-	-	-	-	995.3	995.3	-

### Foreign currency risk

The Company's and subsidiaries' exposure to foreign currency risk arises mainly from cash at banks, investments in debt securities and purchase transactions of spare parts and elevated trains and equipment that are denominated in foreign currencies.

As at 31 March 2014 and 2013, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currencies	Consolidated financial statements				Separate financial statements				Average exchange rate	
	Financial assets		Financial liabilities		Financial assets		Financial liabilities			
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
USD	77	-	4	1	76	-	-	-	32.4432	29.3085
EUR	-	11	4	5	-	-	-	-	44.6075	37.5712
SGD	-	-	2	2	-	-	-	-	25.7764	23.5880
HKD	-	-	5	-	-	-	-	-	4.1821	-
RMB	1,713	1	22	22	188	-	-	-	5.2245	4.7284

As at 31 March 2014, the Company and its subsidiary have entered into foreign exchange forward contracts amounting to USD 63 million and RMB 1,712 million (Separate financial statement: USD 63 million and RMB 188 million), under which the contractual rates are Baht 31.25 - 33.10 per USD and Baht 5.1686 - 5.4500 per RMB, respectively (Separate financial statement: Baht 31.25 - 33.10 per USD and Baht 5.1686 per RMB, respectively).

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

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

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

## **52. Infrastructure Fund Transaction**

On 18 December 2012, an Extraordinary General 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 the Company's 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 (if any).

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 book.

### *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, totaling Baht 20,833 million, equivalent to 33.33% of the number of units in issue.

In addition, the Company and BTSC 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 relevant accounting body, 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 accounting body with additional details regarding the name of the agreement to transfer the net fare box revenue.

On 8 July 2013, the accounting body 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 accounting body 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 future 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 consolidated statement of comprehensive income for the year ended 31 March 2014.

### **53. Investment in Indonesia and The People's Republic of China**

#### **Indonesia**

On 29 June 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.

## **The People's Republic of China**

The Company and CITIC Construction Co., Ltd. (an affiliate of CITIC Group Corporation) ("CITIC") have jointly formed a consortium ("BTS-CITIC Consortium") to bid for the concession to operate the Beijing Subway Line 16 Franchise Project for a 30-year period. On 7 February 2014 BTS-CITIC Consortium submitted a tender proposal and bidding documents, and the Company has pledged a fixed deposit of USD 17.5 million as collateral for the project bid guarantee. Currently, the Company is awaiting the bidding results.

### **54. Capital management**

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

According to the statement of financial position as at 31 March 2014, the Group's debt-to-equity ratio was 0.28:1 (2013: 0.33:1) and the Company's was 0.03:1 (2013: 0.02:1).

### **55. Events after the reporting period**

Significant subsequent events are detailed below.

- 55.1 On 3 April 2014, a meeting of the Company's Executive Committee Meeting passed a resolution to let BTS Land Company Limited which is a 100% interest subsidiary jointly investing in Bangkok Payment Solutions Company Limited, engaged in developing software and providing technology services, including technology associated with Thailand's mass transit and payment systems, with a registered share capital of Baht 25 million (5 million ordinary shares with a par value of Baht 5 each). The subsidiary will hold a 60% interest in this company.
- 55.2 On 9 May 2014, the Board of Directors of a subsidiary (VGI Global Media Public Company Limited) passed significant resolutions to propose to the 2014 Annual General Meeting of Shareholders to consider and approve as follows:
- a) Payment of dividends of Baht 1,053 million in respect of its operating results for the year ended 31 March 2014. The subsidiary has paid interim dividends totaling approximately Baht 607 million. The outstanding dividend of Baht 446 million (at a rate of Baht 0.13 per share) will be paid to the shareholders.



- b) Issuance and allocation of the warrants to purchase the newly issued ordinary shares of the subsidiary No. 1 (VGI-W1) in the number of up to 857,993,407 units, to be allocated to the existing shareholders of the subsidiary on a pro rata basis to their respective shareholdings (Rights Offering), at no cost, at the allocation ratio of 4 existing ordinary shares for 1 unit of Warrants. The term of the VGI-W1 Warrants shall be 4 years from the issuance date. The warrant holders shall be entitled to exercise the Warrants for the first time on the last business day of the first quarter after the issuance date. The exercise ratio is 1 unit of Warrants for 1 ordinary share at the exercise price of Baht 14 per share. However, the management is authorised to stipulate, amend and add details and conditions of the issue of the Warrants.
- c) Reduction of the registered capital of the subsidiary by Baht 1,517.40 from the existing registered capital of Baht 343,198,879.90 to Baht 343,197,362.50, by cancelling 15,174 unissued registered shares with a par value of Baht 0.10 per share.
- d) Increase of the registered capital of the subsidiary by Baht 85,799,340.70, from the existing registered capital of Baht 343,197,362.50 to Baht 428,996,703.20, by issuing 857,993,407 new ordinary shares with a par value of Baht 0.10 per share to accommodate the exercise the VGI-W1 Warrants.
- e) Allocation of up to 857,993,407 newly issued ordinary shares, with a par value of Baht 0.10 per share, to accommodate the exercises of the VGI-W1 Warrants.

55.3 On 9 May 2014, the Board of Directors of a subsidiary (VGI Global Media Public Company Limited) passed a resolution to acquire 73.5 million ordinary shares of Master Ad Public Company Limited ("MACO"), engaged in advertising service, at a price of Baht 9 each, totaling Baht 661.5 million. The subsidiary will hold a 24.43% interest in this company.

55.4 On 16 May 2014, the Board of Directors of a subsidiary (BTSC) passed a resolution to approve payment of dividends of Baht 18,198 million in respect of its operating results in the past. The subsidiary has paid interim dividends totaling approximately Baht 17,234 million. The outstanding dividend of Baht 964 million (at a rate of Baht 0.06 per share) will be paid to the shareholders.

55.5 On 23 May 2014, the Board of Directors of the Company passed a resolution to approve payment of dividends of Baht 7,073 million in respect of its operating results for the year ended 31 March 2014. The Company has paid interim dividends totaling approximately Baht 4,571 million. The outstanding dividend of Baht 2,502 million (at a rate of Baht 0.21 per share) will be paid to the shareholders.

## **56. Approval of financial statements**

These financial statements were authorised for issue by the Company's Board of Directors on 23 May 2014.