

BTS Group Holdings Public Company Limited
and its subsidiaries
Report and consolidated interim financial statements
for the three-month period ended 30 June 2014

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of BTS Group Holdings Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of BTS Group Holdings Public Company Limited and its subsidiaries as at 30 June 2014, the related consolidated statements of comprehensive income, changes in shareholders' equity, and cash flows for the three-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of BTS Group Holdings Public Company Limited for the same period. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

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

Conclusion

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

Emphasis of matter

I draw attention to Note 2 to the interim financial statements regarding the change in accounting policies as the result of adoption of Thai Financial Reporting Standard Interpretation 4 *Determining Whether an Arrangement Contains a Lease*, Thai Financial Reporting Standard Interpretation 12 *Service Concession Arrangements* and Thai Accounting Standard Interpretation 29 *Service Concession Arrangements: Disclosures*. My conclusion is not qualified in respect of this matter.

Siraporn Ouaanunkun
Certified Public Accountant (Thailand) No.3844

EY Office Limited
Bangkok: 8 August 2014

BTS Group Holdings Public Company Limited and its subsidiaries

Statement of financial position

(Unit: Thousand Baht)

| | Consolidated financial statements | | | Separate financial statements | | |
|--|--|-------------------------|----------------------|--------------------------------------|---------------------|----------------------|
| | As at | As at | As at | As at | As at | |
| | <u>Note</u> | <u>30 June 2014</u> | <u>31 March 2014</u> | <u>1 April 2013</u> | <u>30 June 2014</u> | <u>31 March 2014</u> |
| | (Unaudited but received) | (Audited) (Restated) | | (Unaudited but received) | (Audited) | |
| Assets | | | | | | |
| Current assets | | | | | | |
| Cash and cash equivalents | 4 | 7,469,490 | 8,668,510 | 3,513,282 | 2,303,499 | 3,087,465 |
| Current investments | 5 | 23,762,684 | 23,496,310 | 993,849 | 1,273,027 | 1,496,270 |
| Bank account for advances from cardholders | | 161,707 | 152,685 | 78,882 | - | - |
| Trade and other receivables | 6 | 1,419,509 | 1,074,455 | 945,646 | 383,110 | 354,132 |
| Current portion of receivable under concession agreement | 2 | 90,501 | 90,020 | 77,597 | - | - |
| Current portion of receivable under financial lease agreement | 2 | 26,734 | 26,342 | 24,830 | - | - |
| Consumable spare parts | | 30,153 | 31,003 | 29,153 | - | - |
| Advances to contractors | | | | | | |
| Related party | 3 | - | - | - | 32,382 | 44,823 |
| Unrelated parties | | 25,424 | 13,683 | 25,565 | - | - |
| Short-term loans to related parties | 3 | - | - | - | 216,500 | 176,500 |
| Real estate development costs | 7 | 2,483,788 | 2,549,762 | 3,510,307 | 634,532 | 624,752 |
| Assets awaiting transfer under rehabilitation plan | | 68,673 | 68,290 | 73,009 | 68,286 | 68,291 |
| Investments in subsidiaries awaiting transfer under rehabilitation plan | | 224,343 | 224,343 | 224,343 | 197,438 | 197,438 |
| Accrued income | | 375,563 | 671,666 | 247,769 | - | - |
| Prepaid expenses | | 63,323 | 60,569 | 137,552 | 6,250 | 6,847 |
| Other current assets | | <u>217,683</u> | <u>215,497</u> | <u>315,914</u> | <u>24,422</u> | <u>27,691</u> |
| | | <u>36,419,575</u> | <u>37,343,135</u> | <u>10,197,698</u> | <u>5,139,446</u> | <u>6,084,209</u> |
| Non-current assets classified as held for sale | | - | - | 42,123,099 | - | - |
| Total current assets | | <u>36,419,575</u> | <u>37,343,135</u> | <u>52,320,797</u> | <u>5,139,446</u> | <u>6,084,209</u> |

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

BTS Group Holdings Public Company Limited and its subsidiaries

Statement of financial position (continued)

(Unit: Thousand Baht)

| | Consolidated financial statements | | | Separate financial statements | | |
|--|--|-------------------------|----------------------|--------------------------------------|---------------------|----------------------|
| | As at | As at | As at | As at | As at | |
| | <u>Note</u> | <u>30 June 2014</u> | <u>31 March 2014</u> | <u>1 April 2013</u> | <u>30 June 2014</u> | <u>31 March 2014</u> |
| | (Unaudited but received) | (Audited) (Restated) | | (Unaudited but received) | (Audited) | |
| Non-current assets | | | | | | |
| Restricted deposits | | 1,185,597 | 611,074 | 88,527 | 1,183,680 | 609,162 |
| Cash deposited as collateral for debt settlement | | 232,658 | 232,658 | 232,658 | 232,658 | 232,658 |
| Loans to related parties | 3 | - | - | - | 3,821,045 | 3,823,745 |
| Investments in subsidiaries | 8 | - | - | - | 34,195,660 | 32,827,885 |
| Investment in a joint venture | 9 | 41,181 | 44,517 | - | - | - |
| Investments in associates | 10 | 14,454,800 | 13,898,964 | 10,026 | 20,842,200 | 20,842,200 |
| Other long-term investments | 11 | 6,411,832 | 6,238,184 | 367,522 | 2,345,719 | 2,126,789 |
| Project costs - media | 12 | 2,330,760 | 2,340,067 | - | - | - |
| Reusable spare parts | | 23,208 | 21,918 | 22,403 | - | - |
| Land and projects awaiting development | | 263,913 | 263,913 | - | - | - |
| Investment properties | 13 | 3,096,561 | 3,101,461 | 2,867,629 | 1,662,420 | 1,691,151 |
| Property, plant and equipment | 14 | 7,676,125 | 7,673,962 | 6,872,486 | 542,641 | 484,837 |
| Leasehold rights | 15 | 75,518 | 77,655 | 81,473 | 7,679 | 8,550 |
| Intangible assets | 16 | 65,030 | 65,823 | 50,215 | 162 | 208 |
| Retention receivable | | | | | | |
| Related party | 3 | - | - | - | 1,200 | 1,200 |
| Unrelated parties | | 1,841 | 2,409 | 2,045 | 1,407 | 1,976 |
| Goodwill | | 78,656 | 78,656 | 78,656 | - | - |
| Deposit and advances for asset acquisitions | | 45,000 | 45,000 | 56,965 | - | - |
| Accrued income | | 332,837 | 324,969 | - | - | - |
| Rights of claim from acquisition of debts per rehabilitation plan | | 204,033 | 204,033 | 545,087 | - | - |
| Receivable under concession agreement - net of current portion | 2 | 3,684,601 | 3,657,643 | 2,880,814 | - | - |
| Receivable under financial lease agreement - net of current portion | 2 | 53,309 | 60,141 | 86,482 | - | - |
| Deferred tax assets | | 40,240 | 37,340 | 302,738 | - | - |
| Other non-current assets | | 407,733 | 387,621 | 393,970 | 9,785 | 9,812 |
| Total non-current assets | | 40,705,433 | 39,368,008 | 14,939,696 | 64,846,256 | 62,660,173 |
| Total assets | | 77,125,008 | 76,711,143 | 67,260,493 | 69,985,702 | 68,744,382 |

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

BTS Group Holdings Public Company Limited and its subsidiaries

Statement of financial position (continued)

(Unit: Thousand Baht)

| | Consolidated financial statements | | | Separate financial statements | | |
|--|--|-------------------------|----------------------|--------------------------------------|---------------------|----------------------|
| | As at | As at | As at | As at | As at | |
| | <u>Note</u> | <u>30 June 2014</u> | <u>31 March 2014</u> | <u>1 April 2013</u> | <u>30 June 2014</u> | <u>31 March 2014</u> |
| | (Unaudited but received) | (Audited) (Restated) | | (Unaudited but received) | (Audited) | |
| Liabilities and shareholders' equity | | | | | | |
| Current liabilities | | | | | | |
| Short-term loans from financial institutions | 18 | 200,000 | - | 1,117,000 | - | - |
| Trade and other payables | 17 | 1,847,821 | 2,222,442 | 1,948,194 | 149,842 | 174,689 |
| Advances received from cardholders | | 163,795 | 151,051 | 77,747 | - | - |
| Accrued costs of construction | | 74,016 | 73,784 | 152,322 | 3,077 | 3,293 |
| Short-term loans from related individual | 3 | - | 20,000 | - | - | - |
| Current portion of creditors per rehabilitation plan | | 745,356 | 745,356 | 745,356 | 745,356 | 745,356 |
| Current portion of long-term loans | 19 | 16,000 | 10,000 | 1,967,221 | - | - |
| Current portion of long-term debentures | 20 | 3,609,832 | 3,607,630 | 2,078,656 | - | - |
| Liability awaiting final court order | | 181,870 | 181,870 | 80,831 | 181,870 | 181,870 |
| Unearned revenues | | 100,973 | 105,065 | 387,552 | - | - |
| Fare box revenues awaiting transfer | | 168,053 | 177,039 | 95,054 | - | - |
| Income tax payable | | 1,178,056 | 988,877 | 148,016 | 706,210 | 698,087 |
| Short-term provisions | 22 | 71,351 | 45,819 | - | - | - |
| Other current liabilities | | 313,927 | 201,298 | 141,102 | 54,586 | 33,698 |
| Total current liabilities | | 8,671,050 | 8,530,231 | 8,939,051 | 1,840,941 | 1,836,993 |
| Non-current liabilities | | | | | | |
| Unearned revenues | | 632,382 | 641,777 | 82,827 | - | - |
| Creditors per rehabilitation plan - net of current portion | | 49,571 | 49,571 | 51,853 | 49,571 | 49,571 |
| Long-term loans - net of current portion | 19 | 1,201,958 | 230,000 | 396,747 | 977,958 | - |
| Long-term debentures - net of current portion | 20 | 2,808,786 | 2,807,456 | 6,400,980 | - | - |
| Retention payable | | | | | | |
| Related party | 3 | - | - | - | 20,964 | 19,155 |
| Unrelated parties | | 35,853 | 40,598 | 68,019 | 7,750 | 7,619 |
| Provision for long-term employee benefits | 21 | 571,475 | 557,624 | 481,714 | 25,500 | 24,622 |
| Long-term provisions | 22 | 1,275,595 | 1,266,911 | 141,144 | - | - |
| Deferred tax liabilities | | 3,010,719 | 3,037,111 | 360,841 | 36,366 | 44,054 |
| Other non-current liabilities | | 7,081 | 7,685 | 7,181 | - | - |
| Total non-current liabilities | | 9,593,420 | 8,638,733 | 7,991,306 | 1,118,109 | 145,021 |
| Total liabilities | | 18,264,470 | 17,168,964 | 16,930,357 | 2,959,050 | 1,982,014 |

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

BTS Group Holdings Public Company Limited and its subsidiaries

Statement of financial position (continued)

(Unit: Thousand Baht)

| | <u>Consolidated financial statements</u> | | | <u>Separate financial statements</u> | |
|--|--|-------------------------|----------------------|--------------------------------------|---------------------|
| | As at | As at | As at | As at | As at |
| | <u>Note</u> | <u>30 June 2014</u> | <u>31 March 2014</u> | <u>1 April 2013</u> | <u>30 June 2014</u> |
| | (Unaudited but received) | (Audited) (Restated) | | (Unaudited but received) | (Audited) |
| Shareholders' equity | | | | | |
| Share capital | | | | | |
| Registered | | | | | |
| 15,913,136,180 ordinary shares of Baht 4 each | | | | | |
| (1 April 2013: 11,986,444,024 ordinary shares of Baht 4 each) | | | | | |
| | <u>63,652,545</u> | <u>63,652,545</u> | <u>47,945,776</u> | <u>63,652,545</u> | <u>63,652,545</u> |
| Issued and fully paid | | | | | |
| 11,914,230,525 ordinary shares of Baht 4 each | | | | | |
| (1 April 2013: 11,106,634,594 ordinary shares of Baht 4 each) | | | | | |
| | 47,656,922 | 47,656,922 | 44,426,538 | 47,656,922 | 47,656,922 |
| Share premium | 1,797,238 | 1,797,238 | 1,486,058 | 1,797,238 | 1,797,238 |
| Share subscriptions received in advance | - | - | 1,295,600 | - | - |
| Deficit on business combination under common control | (3,371,978) | (3,371,978) | (3,371,978) | (3,790,493) | (3,790,493) |
| Surplus on swap of investment in subsidiary under common control | - | - | - | 250,065 | 250,065 |
| Surplus from the changes in the ownership interests in subsidiaries | 3,581,019 | 4,448,284 | 2,811,213 | - | - |
| Retained earnings | | | | | |
| Appropriated - statutory reserve | | | | | |
| | 2,760,301 | 2,760,301 | 1,750,523 | 1,659,215 | 1,659,215 |
| Retained earnings (deficit) | | | | | |
| | 1,468,329 | 818,125 | (3,633,118) | 18,224,448 | 17,877,308 |
| Other components of shareholders' equity | <u>3,495,921</u> | <u>3,577,101</u> | <u>3,663,498</u> | <u>1,229,257</u> | <u>1,312,113</u> |
| Equity attributable to owners of the Company | <u>57,387,752</u> | <u>57,685,993</u> | <u>48,428,334</u> | <u>67,026,652</u> | <u>66,762,368</u> |
| Non-controlling interest of the subsidiaries | <u>1,472,786</u> | <u>1,856,186</u> | <u>1,901,802</u> | <u>-</u> | <u>-</u> |
| Total shareholders' equity | <u>58,860,538</u> | <u>59,542,179</u> | <u>50,330,136</u> | <u>67,026,652</u> | <u>66,762,368</u> |
| Total liabilities and shareholders' equity | <u>77,125,008</u> | <u>76,711,143</u> | <u>67,260,493</u> | <u>69,985,702</u> | <u>68,744,382</u> |
| | - | - | - | - | - |

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

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Directors
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(Unaudited but reviewed)

BTS Group Holdings Public Company Limited and its subsidiaries**Statement of comprehensive income****For the three-month period ended 30 June 2014**

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

| | Note | Consolidated financial statements | | Separate financial statements | |
|--|------|-----------------------------------|--------------------|-------------------------------|----------------|
| | | 2014 | 2013 (Restated) | 2014 | 2013 |
| Continued operation | | | | | |
| Profit or loss: | | | | | |
| Revenues | | | | | |
| Train procurement service income under concession agreement | 2 | 49,793 | 131,793 | - | - |
| Service income | 23 | 1,505,279 | 1,414,136 | 21,296 | 25,433 |
| Revenues from sales of real estate | | 130,983 | 757,365 | - | 18,200 |
| Other income | | | | | |
| Management income | | - | - | 11,850 | 11,850 |
| Dividend income | | 24,047 | 2,849 | 318,309 | 2,849 |
| Interest income | | 333,884 | 312,029 | 53,522 | 44,752 |
| Gain on sales of investments | 11 | 83,637 | - | 80,163 | 425,000 |
| Gain on sales of future net fare box revenues | | - | 13,497,581 | - | - |
| Others | | 44,514 | 36,366 | 26,613 | 14,386 |
| Total revenues | | 2,172,137 | 16,152,119 | 511,753 | 542,470 |
| Expenses | | | | | |
| Cost of train procurement service under concession agreement | 2 | 49,793 | 131,793 | - | - |
| Cost of services | | 719,246 | 703,188 | 29,641 | 17,523 |
| Costs of sales of real estate | | 80,591 | 461,958 | - | 12,313 |
| Selling and servicing expenses | | 41,482 | 128,610 | 1,546 | 3,732 |
| Administrative expenses | | 341,280 | 303,968 | 111,356 | 68,980 |
| Total expenses | | 1,232,392 | 1,729,517 | 142,543 | 102,548 |
| Profit before share of income (loss) from investments in joint venture and associates, finance cost and income tax expenses | | 939,745 | 14,422,602 | 369,210 | 439,922 |
| Share of loss from investment in a joint venture | | (3,336) | - | - | - |
| Share of income from investments in associates | | 171,751 | 125,813 | - | - |
| Profit before finance cost and income tax expenses | | 1,108,160 | 14,548,415 | 369,210 | 439,922 |
| Finance cost | | (133,594) | (192,518) | - | (207,140) |
| Profit before income tax expenses | | 974,566 | 14,355,897 | 369,210 | 232,782 |
| Income tax expenses | 24 | (212,251) | (3,036,806) | (22,070) | (46,166) |
| Profit from continued operation for the period | | 762,315 | 11,319,091 | 347,140 | 186,616 |
| Discontinued operation | | | | | |
| Profit from discontinued operation for the period | | - | 30,376 | - | - |
| Profit for the period | | 762,315 | 11,349,467 | 347,140 | 186,616 |
| Other comprehensive income: | | | | | |
| Exchange differences on translation of financial statements in foreign currency | | 1,676 | 283 | - | - |
| Gain on changes in value of available for sale investments - sold portion | | (27,743) | - | (27,743) | - |
| Gain (loss) on changes in value of available-for-sale investments | | (58,796) | 2,994 | (58,796) | 2,994 |
| Other comprehensive income for the period | | (84,863) | 3,277 | (86,539) | 2,994 |
| Total comprehensive income for the period | | 677,452 | 11,352,744 | 260,601 | 189,610 |

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

(Unaudited but reviewed)

BTS Group Holdings Public Company Limited and its subsidiaries**Statement of comprehensive income (continued)****For the three-month period ended 30 June 2014**

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

| Note | Consolidated financial statements | | Separate financial statements | |
|--|--|---------------------------|--------------------------------------|----------------|
| | <u>2014</u> | <u>2013</u> (Restated) | <u>2014</u> | <u>2013</u> |
| Profit attributable to: | | | | |
| Equity holders of the Company | | | | |
| Profit from continued operation | 650,204 | 10,778,741 | 347,140 | 186,616 |
| Profit from discontinued operation | - | 29,605 | - | - |
| | <u>650,204</u> | <u>10,808,346</u> | <u>347,140</u> | <u>186,616</u> |
| Non-controlling interests of the subsidiaries | | | | |
| Profit from continued operation | 112,111 | 540,350 | | |
| Profit from discontinued operation | - | 771 | | |
| | <u>112,111</u> | <u>541,121</u> | | |
| | <u>762,315</u> | <u>11,349,467</u> | | |
| Total comprehensive income attributable to: | | | | |
| Equity holders of the Company | | | | |
| Total comprehensive income from continued operation | 565,341 | 10,782,018 | 260,601 | 189,610 |
| Total comprehensive income from discontinued operation | - | 29,605 | | - |
| | <u>565,341</u> | <u>10,811,623</u> | <u>260,601</u> | <u>189,610</u> |
| Non-controlling interests of the subsidiaries | | | | |
| Total comprehensive income from continued operation | 112,111 | 540,350 | | |
| Total comprehensive income from discontinued operation | - | 771 | | |
| | <u>112,111</u> | <u>541,121</u> | | |
| | <u>677,452</u> | <u>11,352,744</u> | | |
| Earnings per share | | | | |
| | 25 | | | |
| Basic earnings per share | | | | |
| Profit attributable to equity holders of the Company | <u>0.05457</u> | <u>0.94731</u> | <u>0.02914</u> | <u>0.01636</u> |
| Diluted earnings per share | | | | |
| Profit attributable to equity holders of the Company | <u>0.05453</u> | <u>0.92697</u> | <u>0.02912</u> | <u>0.01600</u> |
| Earning per share from continued operation | | | | |
| | 25 | | | |
| Basic earnings per share | | | | |
| Profit attributable to equity holders of the Company | <u>0.05457</u> | <u>0.94472</u> | <u>0.02914</u> | <u>0.01636</u> |
| Diluted earnings per share | | | | |
| Profit attributable to equity holders of the Company | <u>0.05453</u> | <u>0.92443</u> | <u>0.02912</u> | <u>0.01600</u> |

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

(Unaudited but reviewed)

BTS Group Holdings Public Company Limited and its subsidiaries**Cash flow statement****For the three-month period ended 30 June 2014**

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|--|---------------------------|--------------------------------------|-------------|
| | <u>2014</u> | <u>2013</u> (Restated) | <u>2014</u> | <u>2013</u> |
| Cash flows from operating activities | | | | |
| Profit before tax from continued operation | 974,566 | 14,355,897 | 369,210 | 232,782 |
| <u>Plus</u> Profit before tax from discontinued operation | - | <u>30,376</u> | - | - |
| Profit before tax | 974,566 | 14,386,273 | 369,210 | 232,782 |
| Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities: | | | | |
| Depreciation and amortisation | 112,145 | 91,897 | 18,533 | 15,217 |
| Unrealised loss on exchange | 7,287 | 24,830 | 8,531 | - |
| Provision for maintenance or restoration of infrastructure | 22,355 | 22,026 | - | - |
| Share of income from investments in associates | (171,751) | (125,813) | - | - |
| Share of loss from investment in a joint venture | 3,336 | - | - | - |
| Allowance for doubtful debts | 1,311 | 444 | 31,084 | 689 |
| Amortisation of deferred debenture issuing costs | 3,532 | 5,109 | - | - |
| Provision for long-term employee benefits | 11,737 | 8,837 | 878 | 832 |
| Amortisation of premium on cross currency swap agreements | (9,917) | - | (9,496) | - |
| Gain on sales of assets | (438) | (976) | (302) | (561) |
| Dividend income | (24,047) | (2,849) | (318,309) | (2,849) |
| Share-based payment | 3,683 | 3,375 | 614 | 442 |
| Gain on disposal of investment in subsidiary | - | (21,193) | - | - |
| Gain on sales of investments | (83,637) | - | (80,163) | (425,000) |
| Unrealised gain on changes in value of current investments in trading securities | (785) | - | - | - |
| Recognition of unearned revenue | (9,196) | (7,579) | - | - |
| Gain on sale of net future fare box revenues | - | (13,497,581) | - | - |
| Interest income | (333,884) | (312,029) | (53,522) | (44,752) |
| Interest expenses | 125,272 | 147,985 | - | 175,890 |
| Profit (loss) from operating activities before changes in operating assets and liabilities | 631,569 | 722,756 | (32,942) | (47,310) |

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

(Unaudited but reviewed)

BTS Group Holdings Public Company Limited and its subsidiaries**Cash flow statement (continued)****For the three-month period ended 30 June 2014**

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|--|---------------------------|--------------------------------------|---------------|
| | <u>2014</u> | <u>2013</u> (Restated) | <u>2014</u> | <u>2013</u> |
| Decrease (increase) in operating assets | | | | |
| Bank account for advances from cardholders | (9,022) | (14,481) | - | - |
| Trade and other receivables | (206,129) | (357,418) | (9,051) | (5,874) |
| Receivable under concession agreement | (27,439) | (113,119) | - | - |
| Finance lease receivable | 6,440 | 6,071 | - | - |
| Spare parts | (1,342) | (1,820) | - | - |
| Real estate development costs | 65,975 | 427,068 | (9,780) | 11,324 |
| Advances to contractors | (11,741) | (6,613) | 12,441 | (3,035) |
| Other current assets | 288,161 | 59,513 | 3,739 | 1,628 |
| Other non-current assets | (5,653) | 5,666 | 596 | 68 |
| Increase (decrease) in operating liabilities | | | | |
| Trade and other payables | (311,975) | 148,516 | (6,976) | (13,924) |
| Advances received from cardholders | 12,745 | 15,363 | - | - |
| Accrued costs of construction | 233 | 7,071 | (216) | (317) |
| Retention payable | (5,608) | (9,240) | 1,940 | 2,055 |
| Unearned revenues | (4,291) | (89,088) | - | - |
| Fare box revenues awaiting transfer | (8,986) | 25,454 | - | - |
| Provision for long-term employee benefits | (6,489) | - | - | - |
| Other current liabilities | 72,370 | 56,903 | (1,135) | 50,666 |
| Cash from (used in) operating activities | 478,818 | 882,602 | (41,384) | (4,719) |
| Cash paid for interest expenses | (99,075) | (145,619) | - | (4,327) |
| Cash paid for corporate income tax | (25,352) | (59,602) | (1,148) | (1,515) |
| Returning of withholding tax | - | 28,026 | - | 28,026 |
| Net cash from (used in) operating activities | 354,391 | 705,407 | (42,532) | 17,465 |

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

(Unaudited but reviewed)

BTS Group Holdings Public Company Limited and its subsidiaries**Cash flow statement (continued)****For the three-month period ended 30 June 2014**

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|--|--|---------------------------|--------------------------------------|---------------------|
| | <u>2014</u> | <u>2013</u> (Restated) | <u>2014</u> | <u>2013</u> |
| Cash flows from investing activities | | | | |
| Decrease (increase) in current investments | (216,315) | (27,586,858) | 222,582 | 912,460 |
| Decrease (increase) in restricted deposits | (542,439) | (373,054) | (542,433) | 122 |
| Increase in short-term loans to related parties | - | - | (40,000) | (15,000) |
| Increase in loans to related parties | - | - | (37,820) | (1,070,128) |
| Cash received from loan to related party | - | - | 10,000 | - |
| Interest income | 191,994 | 129,864 | 30,676 | 25,253 |
| Dividend income | 321,113 | - | 318,309 | - |
| Decrease in advances for asset acquisitions | - | 11,965 | - | - |
| Cash received from sale of investment in subsidiary | - | 600,000 | - | 600,000 |
| Cash received from sales of other long-term investments | 840,366 | - | 840,366 | - |
| Cash paid for purchases of investment in subsidiaries | (1,367,776) | - | (1,367,776) | - |
| Cash paid for purchases of investments in associates | (681,150) | (20,833,200) | - | (20,833,200) |
| Cash paid for purchases of other long-term investments | (1,087,978) | (6,628,000) | (1,087,978) | - |
| Cash paid for purchases of property, plant and equipment | (172,053) | (399,083) | (52,701) | (69,352) |
| Cash received from sales of property, plant and equipment | 483 | 415 | 196 | - |
| Cash paid for purchases of investment properties | (832) | (59,018) | (9,854) | (6) |
| Cash received from sales of investment properties | 1,265 | 1,111 | 1,265 | 1,111 |
| Cash paid for purchases of leasehold rights | - | (4,730) | - | (4,730) |
| Cash paid for purchases of intangible assets | (428) | (2,023) | - | - |
| Proceed from sale of future net fare box revenues | - | 61,399,000 | - | - |
| Expenses for sales of net future fare box revenues | - | (36,391) | - | - |
| Net cash from (used in) investing activities | (2,713,750) | 6,219,998 | (1,715,168) | (20,453,470) |
| Cash flows from financing activities | | | | |
| Increase in short-term loans from financial institutions | 200,000 | 20,833,200 | - | 20,833,200 |
| Cash paid for short-term loans from financial institution | - | (21,950,200) | - | (20,833,200) |
| Increase in long-term loans from financial institutions | 973,734 | 99,000 | 973,734 | - |
| Cash paid for long-term loans from financial institutions | - | (1,557,040) | - | - |
| Increase in short-term loans from related company | - | - | - | 22,133,200 |
| Cash paid for short-term loans from related company | (20,000) | - | - | (1,068,000) |
| Dividend paid | - | (2,046,025) | - | (2,046,025) |
| Cash received from exercised warrants | - | 539,926 | - | 539,926 |
| Cash received from non-controlling interests for issuance of ordinary shares of subsidiary | 5,000 | - | - | - |
| Net cash from (used in) financing activities | 1,158,734 | (4,081,139) | 973,734 | 19,559,101 |
| Increase in translation adjustment | 1,605 | 283 | - | - |
| Net increase (decrease) in cash and cash equivalents | (1,199,020) | 2,844,549 | (783,966) | (876,904) |
| Cash and cash equivalents at beginning of the period | 8,668,510 | 3,513,282 | 3,087,465 | 1,628,918 |
| Cash and cash equivalents at end of the period | 7,469,490 | 6,357,831 | 2,303,499 | 752,014 |
| | - | - | - | - |

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

(Unaudited but reviewed)

BTS Group Holdings Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the three-month period ended 30 June 2014

(Unit: Thousand Baht)

| | <u>Consolidated financial statements</u> | | <u>Separate financial statements</u> | |
|---|--|---------------------------|--------------------------------------|-------------|
| | <u>2014</u> | <u>2013</u> (Restated) | <u>2014</u> | <u>2013</u> |
| Supplemental cash flow information | | | | |
| Non-cash transactions | | | | |
| Transfer investment properties to property, plant and equipment | 1,758 | - | 28,341 | - |
| Transfer leasehold rights to property, plant and equipment | 773 | 773 | 773 | 773 |
| Transfer investment properties to land and projects awaiting development | - | 266,548 | - | - |
| Transfer property, plant and equipment to intangible assets | 3,419 | - | - | - |
| Transfer property, plant and equipment to other assets | 13,153 | 11,682 | - | - |
| Net decrease in liability of purchase of equipment | (62,560) | (135,888) | (18,972) | (2,964) |
| Net increase (decrease) in liability of purchase of investment properties | - | - | 4,259 | - |
| Transfer other long-term investments to current investments | 45,283 | - | - | - |

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

(Unaudited but reviewed)

BTS Group Holdings Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the three-month period ended 30 June 2014

(Unit: Thousand 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 from the change in the ownership interests in subsidiaries | Retained earnings (deficit) | | Translation adjustment | Other comprehensive income | | Share premium | | | | | | | Total equity attributable to the Company | Equity attributable to non-controlling interests of the subsidiaries |
| Appropriated | | | | | | Unappropriated | Revaluation surplus on assets | | Revaluation surplus on changes in value of investments | Surplus on debenture conversion | Capital reserve on consolidation | on sales of company's shares held by subsidiaries | Capital reserve for share-based payment transaction | Total other components of shareholders' equity | | | | | |
| Balance as at 1 April 2013 - as previously reported | 44,426,538 | 1,486,058 | 1,295,600 | (3,371,978) | 2,811,213 | 1,750,523 | (3,465,898) | (121,976) | 2,376,688 | 19,041 | 1,356,597 | 2,685 | 8,526 | 21,937 | 3,663,498 | 48,595,554 | 1,906,160 | 50,501,714 | |
| Cumulative effect of change in accounting policies for service concession arrangements and finance lease agreement (Note 2) | - | - | - | - | - | - | (167,220) | - | - | - | - | - | - | - | - | (167,220) | (4,358) | (171,578) | |
| Balance as at 1 April 2013 - as restated | 44,426,538 | 1,486,058 | 1,295,600 | (3,371,978) | 2,811,213 | 1,750,523 | (3,633,118) | (121,976) | 2,376,688 | 19,041 | 1,356,597 | 2,685 | 8,526 | 21,937 | 3,663,498 | 48,428,334 | 1,901,802 | 50,330,136 | |
| Exercised warrants | 1,184,636 | 111,060 | (1,295,600) | - | - | - | - | - | - | - | - | - | - | - | - | 96 | - | 96 | |
| Share subscription received in advance | - | - | 539,926 | - | - | - | - | - | - | - | - | - | - | - | - | 539,926 | - | 539,926 | |
| Dividend paid | - | - | - | - | - | - | (2,052,161) | - | - | - | - | - | - | - | - | (2,052,161) | - | (2,052,161) | |
| Sales of investment in subsidiary | - | - | - | - | 567,834 | - | - | - | - | - | - | - | - | - | - | 567,834 | 32,166 | 600,000 | |
| Share-based payment transaction | - | - | - | - | - | - | - | - | - | - | - | - | - | 3,375 | 3,375 | 3,375 | - | 3,375 | |
| Total comprehensive income for the period | - | - | - | - | - | - | 10,808,346 | 283 | - | 2,994 | - | - | - | - | 3,277 | 10,811,623 | 541,121 | 11,352,744 | |
| Balance as at 30 June 2013 | <u>45,611,174</u> | <u>1,597,118</u> | <u>539,926</u> | <u>(3,371,978)</u> | <u>3,379,047</u> | <u>1,750,523</u> | <u>5,123,067</u> | <u>(121,693)</u> | <u>2,376,688</u> | <u>22,035</u> | <u>1,356,597</u> | <u>2,685</u> | <u>8,526</u> | <u>25,312</u> | <u>3,670,150</u> | <u>58,299,027</u> | <u>2,475,089</u> | <u>60,774,116</u> | |
| Balance as at 1 April 2014 - as previously reported | 47,656,922 | 1,797,238 | - | (3,371,978) | 4,448,284 | 2,760,301 | 1,032,668 | (122,911) | 2,376,688 | (75,052) | 1,356,597 | 2,685 | 8,526 | 30,568 | 3,577,101 | 57,900,536 | 1,861,777 | 59,762,313 | |
| Cumulative effect of change in accounting policies for service concession arrangements and finance lease agreement (Note 2) | - | - | - | - | - | - | (214,543) | - | - | - | - | - | - | - | - | (214,543) | (5,591) | (220,134) | |
| Balance as at 1 April 2014 - as restated | 47,656,922 | 1,797,238 | - | (3,371,978) | 4,448,284 | 2,760,301 | 818,125 | (122,911) | 2,376,688 | (75,052) | 1,356,597 | 2,685 | 8,526 | 30,568 | 3,577,101 | 57,685,993 | 1,856,186 | 59,542,179 | |
| Purchases of investments in subsidiaries (Note 8) | - | - | - | - | (867,265) | - | - | - | - | - | - | - | - | - | - | (867,265) | (500,511) | (1,367,776) | |
| Increase in non-controlling interests of subsidiary (Note 8) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 5,000 | 5,000 | |
| Share-based payment transaction | - | - | - | - | - | - | - | - | - | - | - | - | - | 3,683 | 3,683 | 3,683 | - | 3,683 | |
| Total comprehensive income for the period | - | - | - | - | - | - | 650,204 | 1,676 | - | (86,539) | - | - | - | - | (84,863) | 565,341 | 112,111 | 677,452 | |
| Balance as at 30 June 2014 | <u>47,656,922</u> | <u>1,797,238</u> | <u>-</u> | <u>(3,371,978)</u> | <u>3,581,019</u> | <u>2,760,301</u> | <u>1,468,329</u> | <u>(121,235)</u> | <u>2,376,688</u> | <u>(161,591)</u> | <u>1,356,597</u> | <u>2,685</u> | <u>8,526</u> | <u>34,251</u> | <u>3,495,921</u> | <u>57,387,752</u> | <u>1,472,786</u> | <u>58,860,538</u> | |

The accompanying notes are an integral part of financial statements.

(Unaudited but reviewed)

BTS Group Holdings Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the three-month period ended 30 June 2014

(Unit: Thousand Baht)

| | Separate financial statements | | | | | | | | | | | | |
|---|-------------------------------------|------------------|--|---|---|-------------------|-------------------|---|---------------------------------------|---------------|--|---|----------------------------------|
| | | | | | | | | | Other components of equity | | | | |
| | | | | | | | | | Other comprehensive income | | Capital reserve for share-based payment transaction | Total other components of shareholders' equity | Total shareholders' equity |
| | Issued and paid-up share capital | Share premium | Share subscription received in advance | Deficit on business combination under common control | Surplus on swap of investment in subsidiary under common control | Retained earnings | | Revaluation surplus (deficit) on changes in value of investments | Surplus on debenture conversion | | | | |
| | | | | | Appropriated | Unappropriated | | | | | | | |
| Balance as at 1 April 2013 | 44,426,538 | 1,486,058 | 1,295,600 | (4,812,209) | 250,065 | 649,538 | 5,829,948 | 19,040 | 1,356,597 | 21,938 | 1,397,575 | 50,523,113 | |
| Exercised warrants | 1,184,636 | 111,060 | (1,295,600) | - | - | - | - | - | - | - | - | 96 | |
| Share subscription received in advance | - | - | 539,926 | - | - | - | - | - | - | - | - | 539,926 | |
| Dividend paid | - | - | - | - | - | - | (2,052,161) | - | - | - | - | (2,052,161) | |
| Sales of investment in subsidiary | - | - | - | 146,963 | - | - | - | - | - | - | - | 146,963 | |
| Share-based payment transaction | - | - | - | - | - | - | - | - | - | 3,375 | 3,375 | 3,375 | |
| Total comprehensive income for the period | - | - | - | - | - | - | 186,616 | 2,994 | - | - | 2,994 | 189,610 | |
| Balance as at 30 June 2013 | 45,611,174 | 1,597,118 | 539,926 | (4,665,246) | 250,065 | 649,538 | 3,964,403 | 22,034 | 1,356,597 | 25,313 | 1,403,944 | 49,350,922 | |
| Balance as at 1 April 2014 | 47,656,922 | 1,797,238 | - | (3,790,493) | 250,065 | 1,659,215 | 17,877,308 | (75,052) | 1,356,597 | 30,568 | 1,312,113 | 66,762,368 | |
| Share-based payment transaction | - | - | - | - | - | - | - | - | - | 3,683 | 3,683 | 3,683 | |
| Total comprehensive income for the period | - | - | - | - | - | - | 347,140 | (86,539) | - | - | (86,539) | 260,601 | |
| Balance as at 30 June 2014 | 47,656,922 | 1,797,238 | - | (3,790,493) | 250,065 | 1,659,215 | 18,224,448 | (161,591) | 1,356,597 | 34,251 | 1,229,257 | 67,026,652 | |

The accompanying notes are an integral part of financial statements.

BTS Group Holdings Public Company Limited and its subsidiaries

Notes to consolidated interim financial statements

For the three-month period ended 30 June 2014

1. General information

1.1 Corporate information

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

1.2 Basis for preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2012) "Interim Financial Reporting", with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity and cash flows in the same format as that used for the annual financial statements.

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

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

1.3 Basis of consolidation

These consolidated financial statements included the financial statements of BTS Group Holdings Public Company Limited and its subsidiaries (“the Group”) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 March 2014. However, on 3 April 2014, the Company’s Executive Committee Meeting passed a resolution to let BTS Land Company Limited, which is a 100%-held subsidiary, jointly invest in Bangkok Payment Solutions Company Limited, as discussed in Note 8 to the interim financial statements.

1.4 New accounting standards

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

The Company and its subsidiaries disclosed the accounting standards, financial reporting standards, accounting standard interpretations and financial reporting standard interpretations that are effective for fiscal years beginning on or after 1 January 2014 (beginning on or after 1 April 2014 for the Company and its subsidiaries), in the notes to the financial statements for the year ended 31 March 2014.

The Company and its subsidiaries' management have assessed the effects of the above accounting standards, financial reporting standard, accounting standard interpretations and financial reporting standard interpretations, and believes that they are not relevant to the business of the Company and its subsidiaries or do not have a significant impact, except TFRIC 4, TFRIC 12 and TSIC 29, as described below.

Thai Financial Reporting Standard Interpretations 12 *Service Concession Arrangements* and Thai Accounting Standard Interpretation 29 *Service Concession Arrangements: Disclosures*

TSIC 29 provides guidelines on disclosures related to service concession arrangements, while TFRIC 12 provides accounting guidelines for concession operators for recognising and measuring the obligations and related rights in public-to-private service concession arrangements under which the grantor controls and regulates the services provided; to whom they are provided; and at what price; and also controls any significant residual interest in the related infrastructure at the end of the agreement term. The operators are to recognise the consideration received or receivable at its fair value, as the right in a financial asset or in an intangible asset, depending on the conditions of the service concession arrangement.

The subsidiary's management considers the arrangement under an Operating and Maintenance of Bangkok Mass Transit System Agreement to be within the scope of TFRIC 12. The subsidiary changed its accounting policy in the current period and has restated the prior period's financial statements, presented as comparative information, as though the subsidiary had initially applied this TFRIC and TSIC. The cumulative effect of this change in accounting policy has been presented in Note 2 to the interim financial statements. In addition, The subsidiary's management considers the arrangement under an Operating and Bus Procurement (BRT) Agreement to be outside the scope of TFRIC 12.

Thai Financial Reporting Standard Interpretations TFRIC 4 *Determining Whether an Arrangement Contains a Lease*

This Financial Reporting Standard Interpretations provides guidelines on determining whether an arrangement is or contains a lease. If so, the Company and its subsidiaries is required to apply Accounting Standard No. 17 Leases.

The subsidiary's management considers the arrangement under an Operating and Bus Procurement (BRT) Agreement to be within the scope of TFRIC 4. The agreement contains components of a lease, and based on the principles of Accounting Standard No. 17 Leases, content of the agreement is a finance lease. Lessors shall recognise assets held under a finance lease in their statements of financial position and present them as a receivable at an amount equal to the net investment in the lease. The subsidiary changed its accounting policy in the current period and has restated the prior period's financial statements, presented as comparative information, as though the subsidiary had initially applied this TFRIC. The cumulative effect of this change in accounting policy has been presented in Note 2 to the interim financial statements.

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

The Company and its subsidiaries have disclosed the financial reporting standard that will be effective in the future in the notes to the financial statements for the year ended 31 March 2014.

The Company and its subsidiaries' management have assessed the effect of this financial reporting standard and believe that it is not relevant to the business of the Company and its subsidiaries.

1.5 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 March 2014, except for the change in the accounting policies due to the adoption of TFRIC 4 *Determining Whether an Arrangement Contains a Lease*, TFRIC 12 *Service Concession Arrangements* and TSIC 29 *Service Concession Arrangements: Disclosures* as follows:

Service Concession Arrangements

Operating and Maintenance of Bangkok Mass Transit System Agreement

The subsidiary provides services to procure electric trains (infrastructure) to be used in the provision of public services and to operate and maintain this infrastructure for a specified period of time under an Operating and Maintenance of Bangkok Mass Transit System Agreement. The subsidiary is paid for its services over the period of the arrangement, and the arrangement is governed by a contract that sets out performance standards. Such arrangement is a public-to-private service concession arrangement.

The subsidiary recognises the consideration received or receivable for its provision of train procurement services as a financial asset (receivable under concession agreement) to the extent that it has an unconditional contractual right to receive cash or another financial asset for the services from or at the direction of the grantor. Receivables are measured at fair value upon initial recognition. Receivable under concession agreement is presented and measured at amortised cost. Interest is calculated using the effective interest method to be recognised in profit or loss.

Borrowing costs attributable to the arrangement are recognised as an expense in the period in which they are incurred in case the subsidiary recognises the consideration as financial asset.

Income from train procurement services is recognised when service has been rendered, taking into account the stage of completion.

Contractual obligations to maintain or restore infrastructure, except for any upgrade element, are recognised and measured at the best estimate of the expenditure that would be required to settle the present obligation at the end of the reporting period.

Finance lease receivable and finance lease income

Operating and Bus Procurement (BRT) Agreement

The subsidiary recognises finance lease income over the term of the agreement, using the effective interest rate and income is recognised as the installments fall due irrespective of actual collections. The finance lease income is presented under interest income in the profit of loss.

Finance lease receivable is stated at outstanding balance, net of deferred revenue.

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

During the current period, the subsidiary made the change described in Note 1.4 to the interim financial statements to its significant accounting policies, as a result of the adoption of TFRIC 4 *Determining Whether an Arrangement Contains a Lease*, TFRIC 12 *Service Concession Arrangements* and TSIC 29 *Service Concession Arrangements: Disclosures*. The cumulative effect of the change in the accounting policies has been separately presented in the statements of changes in shareholders' equity.

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

| | Consolidated financial statements | | |
|--|-----------------------------------|---------------|--------------|
| | 30 June 2014 | 31 March 2014 | 1 April 2013 |
| Statements of financial position | | | |
| Increase in current portion of receivable under concession agreement | 90,501 | 90,020 | 77,597 |
| Increase in current portion of finance lease receivable | 26,734 | 26,342 | 24,830 |
| Decrease in equipment | (3,889,003) | (3,880,068) | (2,718,315) |
| Increase in receivable under concession agreement - net of current portion | 3,684,601 | 3,657,643 | 2,880,814 |
| Increase in finance lease receivable - net of current portion | 53,309 | 60,141 | 86,482 |
| Decrease in advances for acquisitions of assets | - | - | (424,737) |
| Increase in deferred tax assets | - | - | 42,895 |
| Increase in provisions | 251,601 | 229,246 | 141,144 |
| Decrease in deferred tax liabilities | (57,091) | (55,034) | - |
| Decrease in unappropriated retained earnings | (222,567) | (214,543) | (167,220) |
| Decrease in non-controlling interests of the subsidiaries | (5,801) | (5,591) | (4,358) |

(Unit: Thousand Baht)

| | For the three-month periods ended 30 June | |
|--|---|-------------|
| | Consolidated financial statements | |
| | <u>2014</u> | <u>2013</u> |
| Statements of comprehensive income | | |
| Increase in train procurement service income under concession agreement | 49,793 | 131,793 |
| Decrease in service income | (63,240) | (56,281) |
| Increase in interest income | 34,446 | 31,536 |
| Increase in cost of train procurement service under concession agreement | 49,793 | 131,793 |
| Decrease in cost of services | (18,502) | (4,916) |
| Decrease in income tax | (2,058) | (3,966) |
| Decrease in profit attributable to non-controlling interests of the subsidiaries | (209) | (403) |
| Decrease in profit attributable to equity holders of the Company | (8,025) | (15,460) |
| Decrease in basic earnings per share (Baht) | (0.00067) | (0.00136) |
| Decrease in diluted earnings per share (Baht) | (0.00067) | (0.00133) |

(Unaudited but reviewed)

3. Related party transactions

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

(Unit: Million Baht)

| | For the three-month periods ended 30 June | | | | Pricing policy |
|---|---|----------------------|----------------------|----------------------|---|
| | Consolidated | | Separate | | |
| | financial statements | financial statements | financial statements | financial statements | |
| | <u>2014</u> | <u>2013</u> | <u>2014</u> | <u>2013</u> | |
| <u>Transactions with subsidiaries</u> | | | | | |
| (Eliminated from the consolidated financial statements) | | | | | |
| Interest income | - | - | 24 | 33 | At cost of funds |
| Management income | - | - | 12 | 12 | Contract price |
| Revenue from guarantee | - | - | 15 | 13 | Contract price |
| Utility income | - | - | 3 | 1 | Contract price |
| Rental income | - | - | 5 | 10 | Contract price |
| Purchases of fixed assets | - | - | 30 | 35 | Contract price |
| Management fee | - | - | 5 | 6 | Contract price |
| Rental expenses | - | - | 1 | 1 | Contract price |
| Interest expenses | - | - | - | 176 | At cost of funds |
| <u>Transactions with associates</u> | | | | | |
| Sale of future net fare box revenues | - | 61,399 | - | - | Contract price |
| Service income | 22 | 22 | - | - | Contract price |
| Dividend income | 297 | - | 297 | - | Approved by the meeting of Board of Directors |
| Management fee | 9 | 9 | 4 | 4 | Contract price |
| Special business tax paid | 7 | 8 | - | - | Manual agreement |
| <u>Transactions with related parties</u> | | | | | |
| Purchases of fixed assets | 8 | 7 | - | - | Contract price |

(Unaudited but reviewed)

As at 30 June 2014 and 31 March 2014, the balances of the accounts between the Company and those related parties are as follows:

| | Consolidated | | (Unit: Thousand Baht) | |
|--|----------------------|------------------|----------------------------------|------------------|
| | financial statements | | Separate financial statements | |
| | 30 June 2014 | 31 March 2014 | 30 June 2014 | 31 March 2014 |
| | | (Audited) | | (Audited) |
| <u>Trade and other receivables - related parties (Note 6)</u> | | | | |
| Subsidiary companies | - | - | 341,522 | 306,750 |
| Associated companies | 4,312 | 51,019 | - | - |
| Related company (common shareholders) | 62 | 144 | - | - |
| Total trade and other receivables - related parties | <u>4,374</u> | <u>51,163</u> | <u>341,522</u> | <u>306,750</u> |
| <u>Advance to contractor - related party</u> | | | | |
| Subsidiary company | - | - | 32,382 | 44,823 |
| Total advance to contractor - related party | <u>-</u> | <u>-</u> | <u>32,382</u> | <u>44,823</u> |
| <u>Retention receivable - related party</u> | | | | |
| Subsidiary company | - | - | 1,200 | 1,200 |
| Total retention receivable - related party | <u>-</u> | <u>-</u> | <u>1,200</u> | <u>1,200</u> |
| <u>Refundable deposits - related party</u> | | | | |
| Subsidiary company | - | - | 1,354 | 1,354 |
| Total refundable deposits - related party | <u>-</u> | <u>-</u> | <u>1,354</u> | <u>1,354</u> |
| <u>Accrued income - related party</u> | | | | |
| Associated company | 332,837 | 324,969 | - | - |
| Total accrued income - related party | <u>332,837</u> | <u>324,969</u> | <u>-</u> | <u>-</u> |
| <u>Trade and other payables - related parties (Note 17)</u> | | | | |
| Subsidiary companies | - | - | 28,363 | 46,068 |
| Associated companies | 190,233 | 684 | - | - |
| Related companies (common shareholders) | 1,975 | 3,576 | - | - |
| Total trade and other payables - related parties | <u>192,208</u> | <u>4,260</u> | <u>28,363</u> | <u>46,068</u> |

(Unaudited but reviewed)

(Unit: Thousand Baht)

| | Consolidated | | Separate | |
|---|----------------------|------------------|----------------------|---------------|
| | financial statements | | financial statements | |
| | 30 June | 31 March | 30 June | 31 March |
| | 2014 | 2014 | 2014 | 2014 |
| | (Audited) | | (Audited) | |
| <u>Unearned revenue - related party</u> | | | | |
| Associated company | 569,527 | 578,723 | - | - |
| Total unearned revenue - related party | <u>569,527</u> | <u>578,723</u> | <u>-</u> | <u>-</u> |
| <u>Retention payable - related party</u> | | | | |
| Subsidiary company | - | - | 20,964 | 19,155 |
| Total retention payable - related party | <u>-</u> | <u>-</u> | <u>20,964</u> | <u>19,155</u> |
| <u>Provision - related party (Note 22)</u> | | | | |
| Associated company | 1,095,345 | 1,083,484 | - | - |
| Total provision - related party | <u>1,095,345</u> | <u>1,083,484</u> | <u>-</u> | <u>-</u> |

Loans to related parties and loans from related parties

As at 30 June 2014 and 31 March 2014, the balances of loans between the Company and those related companies and the movement are as follows:

(Unit: Thousand Baht)

| | | Consolidated financial statements | | | |
|-----------------------------------|-----------------|-----------------------------------|-------------------|-------------------|---------------|
| | | Balance as at | Increase | Decrease | Balance as at |
| Short-term loan to related party | Related by | 31 March 2014 | during the period | during the period | 30 June 2014 |
| EGV Co., Ltd. | Related company | 4,018 | - | - | 4,018 |
| Less: Allowance for doubtful debt | | (4,018) | - | - | (4,018) |
| Total | | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

(Unit: Thousand Baht)

| | | Separate financial statements | | | |
|-------------------------------------|--------------------|-------------------------------|-------------------|-------------------|----------------|
| | | Balance as at | Increase | Decrease | Balance as at |
| Short-term loans to related parties | Related by | 31 March 2014 | during the period | during the period | 30 June 2014 |
| Carrot Rewards Co., Ltd. | Subsidiary company | 176,500 | 40,000 | - | 216,500 |
| EGV Co., Ltd. | Related company | 4,018 | - | - | 4,018 |
| | | 180,518 | 40,000 | - | 220,518 |
| Less: Allowance for doubtful debts | | (4,018) | - | - | (4,018) |
| Total | | <u>176,500</u> | <u>40,000</u> | <u>-</u> | <u>216,500</u> |

(Unaudited but reviewed)

(Unit: Thousand Baht)

| | | Consolidated financial statements | | | |
|------------------------------------|-----------------|-----------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Long-term loan to related party | Related by | Balance as at 31 March 2014 | Increase during the period | Decrease during the period | Balance as at 30 June 2014 |
| Hwa Kay Thai (Thailand) Co., Ltd. | Related company | 24,635 | - | (135) | 24,500 |
| Less: Allowance for doubtful debts | | (24,635) | - | 135 | (24,500) |
| Total | | - | - | - | - |

(Unit: Thousand Baht)

| | | Separate financial statements | | | |
|---|--------------------|--------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Long-term loans to related parties | Related by | Balance as at 31 March 2014 | Increase during the period | Decrease during the period | Balance as at 30 June 2014 |
| Yongsu Co., Ltd. | Subsidiary company | 5,770 | 20 | - | 5,790 |
| Tanayong Food and Beverage Co., Ltd. | Subsidiary company | 243,139 | - | - | 243,139 |
| Muangthong Assets Co., Ltd. | Subsidiary company | 83,700 | 30,500 | - | 114,200 |
| Tanayong International Ltd. | Subsidiary company | 436,870 | 14 | - | 436,884 |
| Tanayong Hong Kong Limited | Subsidiary company | 3,702 | - | - | 3,702 |
| Siam Paging and Communication Co., Ltd. | Subsidiary company | 32,700 | - | - | 32,700 |
| Kamkoong Property Co., Ltd. | Subsidiary company | 158,270 | - | - | 158,270 |
| BTS Asset Co., Ltd. | Subsidiary company | 3,299,500 | - | (10,000) | 3,289,500 |
| BTS Land Co., Ltd. | Subsidiary company | 67,000 | 4,100 | - | 71,100 |
| Thana City Golf & Sports Club Co., Ltd. | Subsidiary company | 21,400 | 3,200 | - | 24,600 |
| | | 4,352,051 | 37,834 | (10,000) | 4,379,885 |
| Less: Allowance for doubtful debts | | (528,306) | (30,534) | - | (558,840) |
| Total | | 3,823,745 | 7,300 | (10,000) | 3,821,045 |

(Unit: Thousand Baht)

| | | Consolidated financial statements | | | |
|---------------------------------|--------------------------------------|-----------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Short-term loan from individual | Related by | Balance as at 31 March 2014 | Increase during the period | Decrease during the period | Balance as at 30 June 2014 |
| Individual | Shareholder of subsidiary company | 20,000 | - | (20,000) | - |
| Total | | 20,000 | - | (20,000) | - |

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

Directors' and managements' benefits

During the three-month periods ended 30 June 2014 and 2013, the Company and its subsidiaries had employee benefit expenses payable to their directors and managements as below.

(Unit: Million Baht)

| | Consolidated financial statements | | Separate financial statements | |
|------------------------------|--------------------------------------|------|----------------------------------|------|
| | 2014 | 2013 | 2014 | 2013 |
| Short-term employee benefits | 52 | 37 | 16 | 11 |
| Post-employment benefits | 7 | 2 | 1 | 1 |
| Share-based payment | - | 1 | - | - |
| Total | 59 | 40 | 17 | 12 |

Guarantee obligation with related party

The Company has an outstanding guarantee obligation with its related party, as described in Note 28.6 d) to the interim financial statements.

4. Cash and cash equivalents

As at 30 June 2014, outstanding balances of cash and cash equivalents totaling Baht 182 million (31 March 2014: Baht 182 million) are waiting to be paid to the creditors per the Company's rehabilitation plan when the judgment of the court is final.

5. Current investments

| | (Unit: Thousand Baht) | | | |
|---|-----------------------|-------------------|----------------------|------------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 30 June 2014 | 31 March 2014 | 30 June 2014 | 31 March 2014 |
| | (Audited) | | (Audited) | |
| Fixed deposits with maturity | | | | |
| date due more than 3 months | 18,096,434 | 18,726,880 | - | 981,697 |
| Held to maturity securities | | | | |
| Private debt securities | 5,000,406 | 4,353,839 | 1,273,027 | 514,573 |
| Investments in trading securities | | | | |
| Domestic marketable equity securities | 438,112 | 178,903 | - | - |
| Government and state-owned enterprise bonds | 65,048 | 92,751 | - | - |
| Private debt securities | 160,220 | 131,328 | - | - |
| | 663,380 | 402,982 | - | - |
| Add : Allowance for change in value | 2,464 | 12,609 | - | - |
| | 665,844 | 415,591 | - | - |
| Total | 23,762,684 | 23,496,310 | 1,273,027 | 1,496,270 |

The current investments of Baht 3,846 million were pledged to secure a bank guarantee issued by a bank on behalf of subsidiary as security for the long-term debentures.

(Unaudited but reviewed)

6. Trade and other receivables

| | (Unit: Thousand Baht) | | | |
|---|-----------------------|------------------|----------------------|------------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 30 June 2014 | 31 March 2014 | 30 June 2014 | 31 March 2014 |
| | (Audited) | | (Audited) | |
| <u>Trade receivables - related parties</u> | | | | |
| Not yet due | 3,365 | 3,747 | - | - |
| Past due | | | | |
| Up to 3 months | 1,009 | - | - | - |
| Total trade receivables - related parties | 4,374 | 3,747 | - | - |
| <u>Trade receivables - unrelated parties</u> | | | | |
| Not yet due | 777,100 | 525,266 | - | - |
| Past due | | | | |
| Up to 3 months | 146,575 | 149,405 | - | - |
| 3 - 6 months | 42,304 | 39,282 | - | - |
| 6 - 12 months | 2,396 | 9,859 | - | - |
| Over 12 months | 32,236 | 31,363 | - | - |
| Total | 1,000,611 | 755,175 | - | - |
| Posted date cheques | 31,883 | 9,157 | - | - |
| Less: Allowance for doubtful debts | (33,643) | (32,895) | - | - |
| Total trade receivables - unrelated parties, net | 998,851 | 731,437 | - | - |
| Total trade receivables - net | 1,003,225 | 735,184 | - | - |
| <u>Other receivables</u> | | | | |
| Advances | 4,435 | 4,195 | 735 | 787 |
| Interest receivable - related parties | - | - | 308,742 | 285,835 |
| Interest receivable | 385,829 | 243,849 | 18,269 | 18,240 |
| Dividend receivable | - | 2,445 | - | 2,445 |
| Retention receivable | 1,777 | 2,748 | 1,777 | 2,748 |
| Other receivables - related parties | - | 47,416 | 32,780 | 20,915 |
| Other receivables | 24,243 | 38,618 | 20,807 | 23,162 |
| Total other receivables - net | 416,284 | 339,271 | 383,110 | 354,132 |
| Trade and other receivables - net | 1,419,509 | 1,074,455 | 383,110 | 354,132 |

(Unaudited but reviewed)

7. Real estate development costs

(Unit: Thousand Baht)

| | Consolidated financial statements | | Separate financial statements | |
|---|-----------------------------------|---------------|-------------------------------|---------------|
| | 30 June 2014 | 31 March 2014 | 30 June 2014 | 31 March 2014 |
| | | (Audited) | | (Audited) |
| Land and construction development | 2,485,060 | 2,551,034 | 635,804 | 626,024 |
| Less: Reduce cost to net realisable value | (1,272) | (1,272) | (1,272) | (1,272) |
| Real estate development costs - net | 2,483,788 | 2,549,762 | 634,532 | 624,752 |
| Mortgaged as collateral for credit facilities | 578,740 | 571,691 | - | - |

8. 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 | |
|--|-----------------|---------------|---------------------------------|---------------|--------------|---------------|
| | 30 June 2014 | 31 March 2014 | 30 June 2014 | 31 March 2014 | 30 June 2014 | 31 March 2014 |
| | | (Audited) | | (Audited) | | (Audited) |
| Bangkok Mass Transit System Public Co., Ltd. ("BTSC") | 4,016,783 | 4,016,783 | 97.46 | 97.46 | 29,937,253 | 29,937,253 |
| VGI Global Media Public Co., Ltd. (51% held by BTSC) | 343,197 | 343,197 | 13.65 | 10.84 | 3,718,133 | 2,577,858 |
| 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 |
| Tanayong Property Management Co., Ltd. | 1,000 | 1,000 | 100 | 100 | 1,000 | 1,000 |
| Tanayong International Ltd. | 25 | 25 | 100 | 100 | 25 | 25 |
| HHT Construction Co., Ltd. | 25,000 | 25,000 | 51 | 51 | 12,750 | 12,750 |
| Tanayong Hong Kong Limited | 42 | 42 | 100 | 100 | 42 | 42 |
| Carrot Rewards Co. Ltd. | 2,000 | 2,000 | 100 | 100 | 2,000 | 2,000 |
| BTS Assets Co., Ltd. | 800,000 | 800,000 | 100 | 100 | 1,424,078 | 1,424,078 |
| BTS Land Co., Ltd. | 10,000 | 10,000 | 100 | 100 | 10,000 | 10,000 |
| Nuvo Line Agency Co., Ltd. | 2,001,000 | 2,001,000 | 100 | 80 | 1,865,415 | 1,637,915 |
| Kamkoong Property Co., Ltd. | 375,000 | 375,000 | 100 | 100 | 375,000 | 375,000 |
| Man Kitchen Co., Ltd. | 50,000 | 50,000 | 70 | 70 | 35,000 | 35,000 |
| Mak8 Co., Ltd. | 240,000 | 240,000 | 87.5 | 87.5 | 210,000 | 210,000 |
| Total | | | | | 39,405,052 | 38,037,277 |
| Less: Surplus on business combination under common control | | | | | (3,790,493) | (3,790,493) |
| | | | | | 35,614,559 | 34,246,784 |
| Less: Provision for loss on diminution in value | | | | | (1,418,899) | (1,418,899) |
| Net | | | | | 34,195,660 | 32,827,885 |

Subsidiaries directly owned by the Company

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

On 16 May 2014, the Board of Directors of BTSC passed a resolution to approve payment of dividends of Baht 18,198 million in respect of its operating results in the past. BTSC 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 (Baht 939 million paid to the Company). BTSC paid the dividend already. BTSC’s Board of Directors proposed this resolution to the Annual General Meeting of its shareholders for approval on 10 July 2014 (Note 30.2).

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.

Nuvo Line Agency Company Limited

On 27 May 2014, the Company acquired an additional 4,002,000 ordinary shares of a subsidiary, representing a 20% interest, from its existing shareholder at a price of Baht 227.5 million. As a result, the Company’s shareholding in the subsidiary increased from 80% to 100%.

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

| | (Unit: Thousand Baht) |
|---|-------------------------|
| Purchase price | 227,500 |
| Less: Non-controlling interests of subsidiary adjusted | <u>(441,875)</u> |
| Surplus from the changes in the ownership interests in subsidiary | <u><u>(214,375)</u></u> |

Subsidiaries indirectly owned by the Company

VGI Global Media Public Company Limited (held by BTSC)

On 9 May 2014, the Board of Directors of a subsidiary 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 from the existing registered capital of Baht 343,198,880 to Baht 343,197,363, 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 85,799,341, from the existing registered capital of Baht 343,197,363 to Baht 428,996,703, 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.

The subsidiary's Board of Directors proposed this resolution to the Annual General Meeting of its shareholders for approval on 3 July 2014 (Note 30.1).

(Unaudited but reviewed)

Purchase transactions of investments in the subsidiary

During the three-month period ended 30 June 2014, the Company purchased 96 million ordinary shares of the subsidiary at prices of Baht 11 - Baht 13 per share. The purchase transactions are detailed below.

| | |
|---|-----------------------|
| | (Unit: Thousand Baht) |
| Purchase price | 1,140,276 |
| Less: Non-controlling interests of subsidiary adjusted | <u>(58,636)</u> |
| Deficit from the changes in the ownership interests in subsidiary | <u>1,081,640</u> |

As a result of the purchases of ordinary shares of the subsidiary, the Company's shareholding in the subsidiary increased from 10.84% to 13.65% (51% held by BTSC).

Bangkok Payment Solutions Company Limited (held by BTS Land Company Limited)

On 3 April 2014, the Company's Executive Committee Meeting passed a resolution to let BTS Land Company Limited, which is a 100%-held subsidiary, jointly invest in Bangkok Payment Solutions Company Limited, which is 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, 50% called up (5 million ordinary shares with a par value of Baht 5 each). The subsidiary held a 60% interest in this company, which registered its incorporation on 30 April 2014.

9. 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) | | | |
| | Consolidated financial statements | | | |
| | Carrying amounts based on | | | |
| Jointly controlled entity | Cost | | equity method | |
| | 30 June 2014 | 31 March 2014 | 30 June 2014 | 31 March 2014 |
| | | (Audited) | | (Audited) |
| Midas Global Media Co., Ltd. | <u>45,329</u> | <u>45,329</u> | <u>41,181</u> | <u>44,517</u> |

(Unaudited but reviewed)

10. Investments in associates

| Company's name | (Unit: Thousand Baht) | | | |
|---|-----------------------|------------|----------------------|------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | Equity method | | Cost method | |
| 30 June | 31 March | 30 June | 31 March | |
| 2014 | 2014 | 2014 | 2014 | |
| | (Audited) | | (Audited) | |
| BTS Rail Mass Transit Growth Infrastructure Fund | | | | |
| Cost | 13,746,345 | 13,877,048 | 20,833,200 | 20,833,200 |
| Absolute Hotel Services Co., Ltd. | 17,550 | 16,875 | 4,000 | 4,000 |
| Absolute Hotel Services Hong Kong Ltd. ⁽¹⁾ | - | - | - | - |
| Bayswater Co., Ltd. | 4,958 | 5,042 | 5,000 | 5,000 |
| Master Ad Public Company Limited | 685,947 | - | - | - |
| Total | 14,454,800 | 13,898,965 | 20,842,200 | 20,842,200 |

⁽¹⁾ held by Tanayong Hong Kong Limited and Absolute Hotel Services Company Limited

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

In June 2014, the Company received a dividend of Baht 297 million from BTSGIF (at a rate of Baht 0.154 per share) in respect of its operating results from 1 January 2014 to 31 March 2014.

Investment in BTSGIF under equity method was detailed below.

| | (Unit: Thousand Baht) | |
|---|-----------------------|---------------|
| | Consolidated | |
| | financial statements | |
| | 30 June 2014 | 31 March 2014 |
| | | (Audited) |
| Cost | 20,833,200 | 20,833,200 |
| Add: Accumulated share of profit from investment | 778,827 | 612,464 |
| Less: Gain on sale of future net fare box revenues in proportion to the Company's investment | (6,748,791) | (6,748,791) |
| Less: Accumulated dividend income | (1,116,891) | (819,825) |
| Net | 13,746,345 | 13,877,048 |

Master Ad Public Company Limited

On 12 May 2014, the subsidiary (VGI Global Media Public Company Limited) invested in 73.5 million ordinary shares of Master Ad Public Company Limited, at a price of Baht 9 per share, or for a total of Baht 661.5 million, through the big lot board in the Stock Exchange of Thailand, in accordance with a resolution passed by the subsidiary's Board of Directors meeting No. 3/2014 on 9 May 2014. As a result, the subsidiary holds 24.43% of all issued shares of this company, and classifies its investment in such company as investment in an associate.

Subsequently, in June 2014, the subsidiary gradually invested in a further 1.4 million ordinary shares of the associate, at prices of approximately Baht 14 per share, or for a total of Baht 19.65 million. As a result, the shareholding of the subsidiary increased from 24.43% to 24.89% of all issued shares of the associate.

The associate is a public company incorporated and domiciled in Thailand and is principally engaged in advertising, leasing of property and the purchase/sale of electronic billboards.

The subsidiary's management believed that the assets and liabilities of the associate as at 30 June 2014 and at the share acquisition dates were not significantly different. Details of the book values of identifiable assets and liabilities of the associate as at 30 June 2014 are as follows.

| | (Unit: Thousand Baht) |
|---|-----------------------|
| | <u>Book value</u> |
| Assets | |
| Cash and cash equivalents | 191,744 |
| Short-term investments | 188,738 |
| Trade and other receivables | 197,095 |
| Inventories | 6,695 |
| Other current assets | 8,882 |
| Investments in a joint venture and associates | 27,457 |
| Restricted deposits at financial institutions | 6,452 |
| Investment property | 35,317 |
| Buildings and equipment | 123,882 |
| Goodwill | 13,998 |
| Deferred tax assets | 3,306 |
| Prepaid rent for billboard space | 13,297 |
| Other non-current assets | 48,501 |
| Total assets | <u>865,364</u> |

(Unaudited but reviewed)

(Unit: Thousand Baht)

Book value

Liabilities

| | |
|--|----------------|
| Bank overdrafts and short-term loans from financial institutions | 35,000 |
| Trade and other payables | 98,447 |
| Income tax payable | 10,345 |
| Undue output VAT | 10,599 |
| Other current liabilities | 2,701 |
| Provision for long-term employee benefits | 13,320 |
| Other non-current liabilities | 2,853 |
| Total liabilities | 173,265 |
| Net asset value | 692,099 |

However, currently, the subsidiary is in the process of assessing the fair values of the identifiable assets and liabilities of the associate at the share acquisition dates.

In addition, as at 30 June 2014, the fair value of the investment in the associate, which is listed on the Stock Exchange of Thailand, amounted to approximately Baht 1,011 million.

11. Other long-term investments

(Unit: Thousand Baht)

| | Consolidated | | Separate | |
|---|----------------------|-----------|----------------------|-----------|
| | financial statements | | financial statements | |
| | 30 June | 31 March | 30 June | 31 March |
| | 2014 | 2014 | 2014 | 2014 |
| | | (Audited) | | (Audited) |
| Fixed deposits with maturity date due more than 1 year | 1,037,702 | 1,082,281 | - | - |
| Held-to-maturity securities | | | | |
| Private debt securities | 3,136,729 | 3,137,522 | 108,318 | 108,408 |
| Investments in available for sale | | | | |
| Domestic marketable equity securities | 297,622 | 878,815 | 297,622 | 878,815 |
| Foreign marketable equity securities | 641,047 | 641,047 | 641,047 | 641,047 |
| | 938,669 | 1,519,862 | 938,669 | 1,519,862 |
| Add : Allowance for change in value | (201,988) | (93,815) | (201,988) | (93,815) |
| | 736,681 | 1,426,047 | 736,681 | 1,426,047 |
| Other investments | | | | |
| Domestic non-marketable equity securities | 118,583 | 118,583 | 118,583 | 118,583 |
| Foreign non-marketable equity securities | 1,382,137 | 473,751 | 1,382,137 | 473,751 |
| | 1,500,720 | 592,334 | 1,500,720 | 592,334 |
| Total | 6,411,832 | 6,238,184 | 2,345,719 | 2,126,789 |

(Unaudited but reviewed)

During the current period, the Company sold available for sale investments totaling Baht 840 million and recorded a gain on the sales of investments amounting to Baht 80 million, presenting it as a separate item in the profit or loss.

The other long-term investments of Baht 2,955 million were pledged to secure a bank guarantee issued by a bank on behalf of the subsidiary as security for the long-term debentures.

12. Project costs - media

Movements of the project costs - media account during the three-month period ended 30 June 2014 are summarised below.

| | (Unit: Thousand Baht) |
|-----------------------------------|-----------------------------|
| | Consolidated |
| | <u>financial statements</u> |
| Net book value as at 1 April 2014 | 2,340,067 |
| Amortisation for period | <u>(9,307)</u> |
| Net book value as at 30 June 2014 | <u><u>2,330,760</u></u> |

13. Investment properties

Movements of the investment property account during the three-month period ended 30 June 2014 are summarised below.

| | (Unit: Thousand Baht) | |
|--|-----------------------------|-----------------------------|
| | Consolidated | Separate |
| | <u>financial statements</u> | <u>financial statements</u> |
| Net book value as at 1 April 2014 | 3,101,461 | 1,691,151 |
| Additions during the period - at cost | 832 | 14,113 |
| Disposal during the period - net book value of disposal date | (1,159) | (1,159) |
| Transfer to property, plant and equipment | (1,758) | (28,341) |
| Depreciation for the period | <u>(2,815)</u> | <u>(13,344)</u> |
| Net book value as at 30 June 2014 | <u><u>3,096,561</u></u> | <u><u>1,662,420</u></u> |

The Company and its subsidiaries have pledged investment properties amounting to approximately Baht 85 million (31 March 2014: Baht 1,157 million) (Separate financial statement: Baht 347 million (31 March 2014: Baht 382 million)) as collateral against credit and guarantee facilities received from a financial institution and a creditor per rehabilitation plan.

(Unaudited but reviewed)

14. Property, plant and equipment

Movements of the property, plant and equipment account during the three-month period ended 30 June 2014 are summarised below.

| | (Unit: Thousand Baht) | |
|---|-----------------------|----------------------|
| | Consolidated | Separate |
| | financial statements | financial statements |
| Net book value as at 1 April 2014 - restated | 7,673,962 | 484,837 |
| Additions during the period - at cost | 109,105 | 33,729 |
| Capitalised interest | 226 | - |
| Disposal / write-off during the period - net book value of disposal / write-off date | (151) | - |
| Transfer from (to) other assets | (14,041) | 29,113 |
| Depreciation for the period | (93,113) | (5,038) |
| Translation adjustments | 137 | - |
| Net book value as at 30 June 2014 | <u>7,676,125</u> | <u>542,641</u> |

The Company and its subsidiary (BTS Assets Co., Ltd.) have mortgaged land and construction thereon with net book value as at 30 June 2014 of Baht 5,119 million (31 March 2014: Baht 5,179 million) as collateral for credit and guarantee facilities from a financial institution.

15. Leasehold rights

Movements of the leasehold right account during the three-month period ended 30 June 2014 are summarised below.

| | (Unit: Thousand Baht) | |
|---|-----------------------|----------------------|
| | Consolidated | Separate |
| | financial statements | financial statements |
| Net book value as at 1 April 2014 | 77,655 | 8,550 |
| Transfer to property, plant and equipment | (773) | (773) |
| Amortisation for the period | (1,364) | (98) |
| Net book value as at 30 June 2014 | <u>75,518</u> | <u>7,679</u> |

(Unaudited but reviewed)

16. Intangible assets

Movements of the intangible asset account during the three-month period ended 30 June 2014 are summarised below.

| | (Unit: Thousand Baht) | |
|---------------------------------------|--------------------------------------|----------------------------------|
| | Consolidated financial statements | Separate financial statements |
| Net book value as at 1 April 2014 | 65,823 | 208 |
| Additions during the period - at cost | 428 | - |
| Transfer from other assets | 3,419 | - |
| Amortisation for the period | (4,640) | (46) |
| Net book value as at 30 June 2014 | 65,030 | 162 |

17. Trade and other payables

| | (Unit: Thousand Baht) | | | |
|------------------------------------|-----------------------|-----------|----------------------|-----------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 30 June | 31 March | 30 June | 31 March |
| | 2014 | 2014 | 2014 | 2014 |
| | | (Audited) | | (Audited) |
| Trade payables - related parties | 349 | 495 | - | - |
| Trade payables | 362,239 | 527,808 | - | 1,762 |
| Other payables - related parties | 191,859 | 3,765 | 27,902 | 45,624 |
| Other payables | 146,761 | 203,602 | 24,777 | 6,856 |
| Accrued interest expenses | 43,862 | 41,751 | - | - |
| Retention payable | 187,510 | 227,208 | 4,290 | 3,321 |
| Deposit payable | 178,940 | 161,288 | 30,000 | 30,000 |
| Accrued expenses | 497,815 | 817,889 | 5,404 | 29,583 |
| Accrued expenses - related parties | - | - | 461 | 444 |
| Dividend payable | 238,486 | 238,636 | 57,008 | 57,099 |
| Total trade and other payables | 1,847,821 | 2,222,442 | 149,842 | 174,689 |

18. Short-term loan from a financial institution

During the current period, a subsidiary issued a promissory note of Baht 200 million to a financial institution. The interest rate is 2.9% per annum and the note is to be repaid within September 2014.

(Unaudited but reviewed)

19. Long-term loans

(Unit: Thousand Baht)

| | Consolidated | | Separate | |
|--|----------------------|----------------|----------------------|-----------|
| | financial statements | | financial statements | |
| | 30 June | 31 March | 30 June | 31 March |
| | 2014 | 2014 | 2014 | 2014 |
| | | (Audited) | | (Audited) |
| Long-term loans | 1,217,958 | 240,000 | 977,958 | - |
| Less: Current portion | (16,000) | (10,000) | - | - |
| Long-term loans - net of current portion | <u>1,201,958</u> | <u>230,000</u> | <u>977,958</u> | <u>-</u> |

Movements of the long-term loan account during the three-month period ended 30 June 2014 are summarised below.

(Unit: Thousand Baht)

| | Consolidated | Separate |
|----------------------------|----------------------|----------------------|
| | financial statements | financial statements |
| Balance as at 1 April 2014 | 240,000 | - |
| Add: Additional borrowings | 977,958 | 977,958 |
| Balance as at 30 June 2014 | <u>1,217,958</u> | <u>977,958</u> |

During the current period, the Company entered into a new loan agreement with a financial institution, granting a facility of USD 30 million, subject to interest at LIBOR plus a margin stipulated in the agreement. The loan is to be repaid within April 2016 and is secured by the Company's fixed deposit. As at 30 June 2014, the outstanding balance of this loan was USD 30 million, equivalent to Baht 978 million.

Under the loan agreement, there are normal covenants relating to various matters as required in the normal course of business.

20. Long-term debentures

(Unit: Thousand Baht)

| | Consolidated financial statements | |
|---|-----------------------------------|------------------|
| | 30 June 2014 | 31 March 2014 |
| | | (Audited) |
| Long-term debentures | 6,418,618 | 6,415,086 |
| Less: Current portion | (3,609,832) | (3,607,630) |
| Long-term debentures - net of current portion | <u>2,808,786</u> | <u>2,807,456</u> |

(Unaudited but reviewed)

Movement of the long-term debenture account during the three-month period ended 30 June 2014 are summarised below.

| | (Unit: Thousand Baht) |
|--|--------------------------------------|
| | Consolidated financial statements |
| Balance as at 1 April 2014 | 6,415,086 |
| Amortisation of deferred debenture issuing costs | 3,532 |
| Balance as at 30 June 2014 | 6,418,618 |

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.

The debentures were secured by the letter of guarantee provided by a bank of Baht 6,801 million which the letter of guarantee was secured by the subsidiary's current investments and other long-term investments.

21. Provision for long-term employee benefits

Movements in the provision for long-term employee benefit account during the three-month period ended 30 June 2014 are summarised below.

| | (Unit: Thousand Baht) | |
|---------------------------------|--------------------------------------|----------------------------------|
| | Consolidated financial statements | Separate financial statements |
| Balance as at 1 April 2014 | 557,624 | 24,622 |
| Current service cost | 14,759 | 634 |
| Interest cost | 5,581 | 244 |
| Benefits paid during the period | (6,489) | - |
| Balance as at 30 June 2014 | 571,475 | 25,500 |

Long-term employee benefit expenses included in the profit or loss for the three-month period ended 30 June 2014 amounted to Baht 20 million (Separate financial statements: Baht 1 million).

During the three-month period ended 30 June 2014, long-term employee benefits that can be claimed from BTS Rail Mass Transit Growth Infrastructure Fund in the future, in accordance with the bases and assumptions of the management, amounted to Baht 8 million (2013: Baht 8 million).

(Unaudited but reviewed)

22. Provisions

Movements in provision account during the three-month period ended 30 June 2014 are summarised below.

(Unit: Thousand Baht)

| | Consolidated financial statements | | |
|---------------------------------------|-----------------------------------|--|------------------|
| | Special business tax | Maintenance or restoration of infrastructure | Total |
| Balance as at 1 April 2014 - restated | 1,083,484 | 229,246 | 1,312,730 |
| Increase during the period | 24,312 | 22,355 | 46,667 |
| Decrease during the period | (12,451) | - | (12,451) |
| Balance as at 30 June 2014 | <u>1,095,345</u> | <u>251,601</u> | <u>1,346,946</u> |
| As at 30 June 2014 | | | |
| Current | 71,351 | - | 71,351 |
| Non-current | <u>1,023,994</u> | <u>251,601</u> | <u>1,275,595</u> |
| | <u>1,095,345</u> | <u>251,601</u> | <u>1,346,946</u> |

As a result of the adoption of TFRIC 12 *Service Concession Arrangements*, during the current period, the subsidiary recorded provision for its contractual obligations to maintain or restore infrastructure and restated the prior period's financial statements, presented as comparative information, as though the subsidiary had initially used this TFRIC.

23. Service income

Details of service income are as follows:

(Unit: Thousand Baht)

| | For the three-month periods ended 30 June | | | |
|---|---|------------------|----------------------------------|---------------|
| | Consolidated financial statements | | Separate financial statements | |
| | <u>2014</u> | <u>2013</u> | <u>2014</u> | <u>2013</u> |
| | | (Restated) | | |
| Advertising income | 627,038 | 726,035 | - | - |
| Revenue from providing of train operation services | 387,751 | 290,555 | - | - |
| Revenue from servicing of spaces | 170,426 | 144,517 | - | - |
| Other service income | <u>320,064</u> | <u>253,029</u> | <u>21,296</u> | <u>25,433</u> |
| Total | <u>1,505,279</u> | <u>1,414,136</u> | <u>21,296</u> | <u>25,433</u> |

24. Income tax

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

Income tax expenses for the three-month periods ended 30 June 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) | | |
| Current income tax: | | | | |
| Interim corporate income tax charge | 219,909 | 276,479 | 8,123 | - |
| Deferred tax: | | | | |
| Relating to origination and reversal of temporary differences | (7,658) | 2,760,327 | 13,947 | 46,166 |
| Income tax expense reported in the statements of comprehensive income | <u>212,251</u> | <u>3,036,806</u> | <u>22,070</u> | <u>46,166</u> |

The amounts of income tax relating to each component of other comprehensive income for the three-month periods ended 30 June 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> |
| Deferred tax relating to loss on changes in value of available-for-sale investments | 21,634 | - | 21,634 | - |

25. Basic earnings per share

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

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

(Unaudited but reviewed)

Details of calculation of earnings per share for the three-month periods ended 30 June 2014 and 2013 are as below.

(Unit: Thousand Baht)

| Consolidated financial statements | | | | | | |
|--|------------------|---|--------------------|--------------------|-------------|---------|
| For the three-month periods ended 30 June | | | | | | |
| Profit | | Weighted average number of ordinary shares | | Earnings per share | | |
| <u>2014</u> | <u>2013</u> | <u>2014</u> | <u>2013</u> | <u>2014</u> | <u>2013</u> | |
| Thousand Baht | Thousand Baht | Thousand shares | Thousand shares | Baht | Baht | |
| Basic earnings per share | | | | | | |
| Profit attributable to equity holders of the Company | 650,204 | 10,808,346 | 11,914,231 | 11,409,504 | 0.05457 | 0.94731 |
| Effect of dilutive potential ordinary shares | | | | | | |
| Warrants (BTS-W2) | - | - | - | 243,009 | | |
| Warrants (BTS-WA) | - | - | 5,328 | 7,346 | | |
| Warrants (BTS-WB) | - | - | 3,498 | - | | |
| Diluted earnings per share | | | | | | |
| Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares | 650,204 | 10,808,346 | 11,923,057 | 11,659,859 | 0.05453 | 0.92697 |

(Unit: Thousand Baht)

| Separate financial statements | | | | | | |
|--|------------------|---|--------------------|--------------------|-------------|---------|
| For the three-month periods ended 30 June | | | | | | |
| 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 | Thousand shares | Thousand shares | Baht | Baht | |
| Basic earnings per share | | | | | | |
| Profit attributable to equity holders of the Company | 347,140 | 186,616 | 11,914,231 | 11,409,504 | 0.02914 | 0.01636 |
| Effect of dilutive potential ordinary shares | | | | | | |
| Warrants (BTS-W2) | - | - | - | 243,009 | | |
| Warrants (BTS-WA) | - | - | 5,328 | 7,346 | | |
| Warrants (BTS-WB) | - | - | 3,498 | - | | |
| Diluted earnings per share | | | | | | |
| Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares | 347,140 | 186,616 | 11,923,057 | 11,659,859 | 0.02912 | 0.01600 |

(Unaudited but reviewed)

Details of calculation of earnings per share from continued operation for the three-month periods ended 30 June 2014 and 2013 are as below.

(Unit: Thousand Baht)

| | Consolidated financial statements | | | | | |
|--|---|--------------------|---|-------------------|--------------------|----------------|
| | For the three-month periods ended 30 June | | | | | |
| | Profit | | Weighted average number of ordinary shares | | Earnings per share | |
| | <u>2014</u> | <u>2013</u> | <u>2014</u> | <u>2013</u> | <u>2014</u> | <u>2013</u> |
| Thousand Baht | Thousand Baht | Thousand shares | Thousand shares | Baht | Baht | |
| Basic earnings per share | | | | | | |
| Profit attributable to equity holders of the Company | 650,204 | 10,778,741 | 11,914,231 | 11,409,504 | <u>0.05457</u> | <u>0.94472</u> |
| Effect of dilutive potential ordinary shares | | | | | | |
| Warrants (BTS-W2) | - | - | - | 243,009 | | |
| Warrants (BTS-WA) | - | - | 5,328 | 7,346 | | |
| Warrants (BTS-WB) | - | - | 3,498 | - | | |
| Diluted earnings per share | | | | | | |
| Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares | <u>650,204</u> | <u>10,778,741</u> | <u>11,923,057</u> | <u>11,659,859</u> | <u>0.05453</u> | <u>0.92443</u> |

(Unit: Thousand Baht)

| | Separate financial statements | | | | | |
|--|---|--------------------|---|-------------------|--------------------|----------------|
| | For the three-month periods ended 30 June | | | | | |
| | 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 | Thousand shares | Thousand shares | Baht | Baht | |
| Basic earnings per share | | | | | | |
| Profit attributable to equity holders of the Company | 347,140 | 186,616 | 11,914,231 | 11,409,504 | <u>0.02914</u> | <u>0.01636</u> |
| Effect of dilutive potential ordinary shares | | | | | | |
| Warrants (BTS-W2) | - | - | - | 243,009 | | |
| Warrants (BTS-WA) | - | - | 5,328 | 7,346 | | |
| Warrants (BTS-WB) | - | - | 3,498 | - | | |
| Diluted earnings per share | | | | | | |
| Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares | <u>347,140</u> | <u>186,616</u> | <u>11,923,057</u> | <u>11,659,859</u> | <u>0.02912</u> | <u>0.01600</u> |

An exercise price of the warrant to purchase the ordinary shares of the Company (BTS-W3) was higher than the average market price of the Company's shares for the three-month period ended 30 June 2014. Therefore, the Company has not assumed conversion of the warrant in the calculation of diluted earnings per share.

26. Dividends

On 23 May 2014, the meeting of the Company's Board of Directors 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.

The Company's Board of Directors proposed this resolution to the Annual General Meeting of its shareholders for approval on 25 July 2014 (Note 30.4).

27. Foreign currency assets/liabilities

As at 30 June 2014 and 31 March 2014, the Company and subsidiaries had assets and liabilities in foreign currency as follows:

| Consolidated financial statements | | | | | |
|-----------------------------------|---------------------|--------------------------|---------------------|--------------------------|---|
| Foreign currency | 30 June 2014 | | 31 March 2014 | | Average exchange rate as at 30 June 2014 (Baht per 1 Foreign currency unit) |
| | Financial assets | Financial liabilities | Financial assets | Financial liabilities | |
| | (Million) | (Million) | (Million) | (Million) | |
| USD | 65 | 31 | 77 | 4 | 32.4550 |
| EUR | - | 1 | - | 4 | 44.2748 |
| SGD | - | 2 | - | 2 | 25.9865 |
| HKD | - | 5 | - | 5 | 4.1874 |
| AUD | - | 1 | - | - | 30.5673 |
| RMB | 2,344 | 22 | 1,713 | 22 | 5.2274 |

| Separate financial statements | | | | | |
|-------------------------------|---------------------|--------------------------|---------------------|--------------------------|---|
| Foreign currency | 30 June 2014 | | 31 March 2014 | | Average exchange rate as at 30 June 2014 (Baht per 1 Foreign currency unit) |
| | Financial assets | Financial liabilities | Financial assets | Financial liabilities | |
| | (Million) | (Million) | (Million) | (Million) | |
| USD | 57 | 30 | 76 | - | 32.4550 |
| RMB | 215 | - | 188 | - | 5.2274 |

As at 30 June 2014, the Company and its subsidiary have entered into cross currency swap and forward exchange agreements amounting to USD 50 million and RMB 2,344 million (Separate financial statement: USD 42 million and RMB 215 million) (31 March 2014: 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 5.22 - 5.45 per RMB, respectively (Separate financial statement: Baht 31.25 - 33.10 per USD and Baht 5.3772 per RMB, respectively) (31 March 2014: 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)).

28. Commitments and contingent liabilities

As at 30 June 2014, the Company and its subsidiaries had commitments and contingent liabilities as follows:

28.1 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 366 million (31 March 2014: Baht 380 million) in respect of agreements of consultation, design and construction projects.
- b) The Company and its subsidiaries (BTS Assets Company Limited, Nuvo Line Agency Company Limited and Muangthong Assets Company Limited) had outstanding commitments with a subsidiary (HHT Construction Company Limited) approximately Baht 338 million (31 March 2014: Baht 406 million) in respect of renovation and development of golf course and construction in progress.
- c) The Company entered into agreements with the Ministry of Finance to lease land for building construction, which the Company must completed in no more than 3 years. During the construction, the Company is to pay rental of Baht 0.1 million per month for land usage, and after handing over the building, the Company is committed to pay an annual rental for 30 years. The rental charge is Baht 0.8 million per year and will be increased by 15% every 5 years of the lease period.
- d) The Company had outstanding commitments of USD 12 million (31 March 2014: USD 40 million) in respect of overseas investments.
- e) A subsidiary (BTSC) had capital commitments of Baht 12 million (31 March 2014: Baht 20 million) in respect of a change and improvement of signaling system for elevated train operation.

(Unaudited but reviewed)

- f) A subsidiary (BTSC) had commitments of EUR 3 million and USD 1 million (31 March 2014: EUR 6 million and USD 1 million) in respect of the acquisition of spare parts.
- g) A subsidiary (BTSC) had capital commitments of AUD 1 million and Bath 5 million (31 March 2014: AUD 1 million and Bath 7 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 (31 March 2014: 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 (31 March 2014: RMB 5 million) relating to development costs for common ticketing system.
- j) A subsidiary (Carrot Rewards Company Limited) entered into a contract for implementation and management the privileges card of the common ticketing system and installation of related equipment. Under the contract, the subsidiary is committed to pay a service fee in the future and comply with certain conditions as specified in the agreement.
- k) A subsidiary (VGI Global Media Public Company Limited) had outstanding commitments of approximately SGD 10 million and Baht 53 million (31 March 2014: SGD 10 million and Baht 46 million), relating to the acquisition and installation of equipment.
- l) A subsidiary (Dnal Company Limited) had an outstanding commitment of Baht 255 million (31 March 2014: Baht 255 million) relating to the agreement to purchase and to sell of a building.

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

28.2 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 (31 March 2014: Baht 5 million) in respect of a 14 years land and building lease agreement.
- c) A subsidiary (BTSC) had commitments of approximately Baht 198 million (31 March 2014: Baht 194 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 2 million (31 March 2014: Baht 6 million) 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, RMB 1 million and Baht 333 million (31 March 2014: SGD 2 million, RMB 1 million, HKD 1 million and Baht 419 million) relating to lease and service agreements.

Certain 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.

28.3 Commitments under maintenance contract

On 30 December 2004, a subsidiary (BTSC) entered into a ten-year maintenance contract with a contractor. Under the contract, the subsidiary has capital commitments in respect of the cost of maintenance and spare supply service fees in relation to the project over a period of 10 years. The amount to be paid for the first year is approximately Baht 195.7 million and EUR 1.7 million and in the future years, the amount to be paid will be adjusted upwards with reference to the consumer price index. During the three-month period ended 30 June 2014, the subsidiary paid the cost of maintenance and spare supply service fees amounting to Baht 50 million (2013: Baht 49 million).

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

28.4 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 three-month period ended 30 June 2014 amounted to approximately Baht 4 million (2013: Baht 4 million).
- b) The Company entered into a management agreement with its subsidiaries (Tanayong Property Management Company Limited and BTS Assets Company Limited), which is to furnish the subsidiaries with systems management services. Under the conditions of the agreement, the Company is to pay service fees at the rate specified in the agreement. During the three-month period ended 30 June 2014, the Company paid management fee amounted to Baht 5 million (2013: Baht 6 million).

(Unaudited but reviewed)

- 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 three-month period ended 30 June 2014 amounted to approximately Baht 5 million (2013: Baht 5 million).
- d) A subsidiary (BTSC) had commitments of Baht 8,627 million (31 March 2014: Baht 8,627 million) in respect of acquisitions of elevated train carriages required for future compliance with the operation and maintenance contract for a mass transit system in Bangkok.
- e) A subsidiary (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.

| | <u>30 June 2014</u> | <u>31 March 2014</u> (Audited) |
|--------------------------|---------------------|-----------------------------------|
| Fees payable: | | |
| Up to 1 year | 381 | 536 |
| Over 1 and up to 5 years | 77 | 86 |

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

28.5 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.

28.6 Guarantees

- a) There was a bank guarantee of Baht 17 million (31 March 2014: 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.
- b) A subsidiary (BTSC) had outstanding bank guarantees issued by a bank on behalf of the subsidiary amounting to Baht 42 million to guarantee electricity use (31 March 2014: Baht 42 million) and Baht 6,801 million to guarantee the long-term debentures (31 March 2014: Baht 6,896 million). In addition, there was an outstanding bank guarantee of Baht 20 million issued by a bank on behalf of BSV Consortium by Bangkok Mass Transit System Public Company Limited as Lead Firm (31 March 2014: Nil) as the bond for a bid for an Establishment of Central Clearing House project (CCH). A saving account of Baht 20 million has been pledged as collateral.

In addition, the subsidiary had Letter of Credit facilities from a local commercial bank amounting to EUR 3 million and RMB 22 million (31 March 2014: EUR 3 million and RMB 22 million) in respect of acquisitions of elevated trains and elevated train carriages for the subsidiary's operation.

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 (31 March 2014: 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".

28.7 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. 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.

(Unaudited but reviewed)

- 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.
- e) Bangkok Metropolitan Administration has called for a subsidiary (BTSC) to pay Baht 85 million for the use of state owned land, together with penalties amounting to Baht 88 million and a letter of guarantee fee for a building construction contract amounting to Baht 11 million, or a total of Baht 184 million. The subsidiary is arguing that the subsidiary has no obligation to pay these expenses because, under its concession agreement, the subsidiary has the right to use such land of the Bangkok Mass Transit System without liability for payment of any rental, fees and other expenses. Currently, the case is being arbitrated under an arbitration process. The subsidiary believes that it will have no significant impact.

29. Segment information

The Company and its subsidiaries are organised into business units based on its products and services. During the current period, the Company and its subsidiaries have not changed the organisation of their reportable segments.

The following table presents revenue and profit information regarding the Company and its subsidiaries' operating segments for the three-month periods ended 30 June 2014 and 2013.

| | | | | | | | | | (Unit: Million Baht) | |
|--|---------------|------------|------------------|------------|-----------------|------------|-------------|-------------|-----------------------------------|---------------|
| | Media segment | | Property segment | | Service segment | | Elimination | | Consolidated financial statements | |
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| Revenues from external customers | 757 | 847 | 131 | 757 | 798 | 699 | - | - | 1,686 | 2,303 |
| Inter-segment revenues | 5 | 2 | - | - | 72 | 64 | (77) | (66) | - | - |
| Total revenues | <u>762</u> | <u>849</u> | <u>131</u> | <u>757</u> | <u>870</u> | <u>763</u> | <u>(77)</u> | <u>(66)</u> | <u>1,686</u> | <u>2,303</u> |
| Segment profit | 446 | 507 | 50 | 295 | 340 | 204 | - | - | 836 | 1,006 |
| Unallocated revenues and expenses: | | | | | | | | | | |
| Dividend income | | | | | | | | | 24 | 3 |
| Interest income | | | | | | | | | 334 | 312 |
| Gain on sales of investments | | | | | | | | | 83 | - |
| Gain on sale of net future fare box revenues | | | | | | | | | - | 13,498 |
| Other income | | | | | | | | | 44 | 36 |
| Servicing and selling expenses | | | | | | | | | (41) | (129) |
| Administrative expenses | | | | | | | | | (341) | (304) |
| Share of loss from investment in a joint venture | | | | | | | | | (3) | - |
| Share of income from investments in associates | | | | | | | | | 172 | 126 |
| Finance cost | | | | | | | | | (134) | (192) |
| Income tax expenses | | | | | | | | | (212) | (3,037) |
| Profit from discontinued operation | | | | | | | | | - | 30 |
| Profit for the period | | | | | | | | | 762 | 11,349 |
| Non-controlling interest of the subsidiaries | | | | | | | | | (112) | (541) |
| Profit attributable to equity holders of the Company | | | | | | | | | <u>650</u> | <u>10,808</u> |

30. Events after the reporting period

- 30.1 On 3 July 2014, the Annual General Meeting of the shareholders of a subsidiary (VGI Global Media Public Company Limited) passed the resolutions to approve payment of dividends, issuance and allocation of the warrants to purchase the newly issued ordinary shares of the subsidiary, reduction and increase of the registered capital and allocation of newly issued ordinary shares, as discussed in Note 8 to the interim financial statements.
- 30.2 On 10 July 2014, the Annual General Meeting of shareholders of a subsidiary (BTSC) passed a resolution to approve payment of dividends in respect of its operating results in the past, as discussed in Note 8 to the interim financial statements.
- 30.3 On 10 July 2014, a meeting of Board of Directors of a subsidiary (BTSC) passed a resolution to approve the sale of 150 million units of warrants to purchase the newly issued ordinary shares of a subsidiary (VGI Global Media Public Company Limited). On 14 July 2014, the subsidiary entered into the Warrant Purchase Agreement with an unrelated individual.
- 30.4 On 25 July 2014, the Annual General Meeting of the Company's shareholders passed a resolution to approve payment of dividends in respect of its operating results for the year ended 31 March 2014, as discussed in Note 26 to the interim financial statements.
- 30.5 On 5 August 2014, a meeting of Board of Directors of a subsidiary (BTSC) passed a resolution to approve the opening of loan facility (promissory note) of Baht 1,500 million with a financial institution.
- 30.6 On 8 August 2014, a meeting of Board of Directors of the Company passed a resolution to approve the share repurchase (treasury stock) program for financial management. The maximum amount of the share repurchase is Baht 6,000 million and the maximum number of shares to be repurchased is 600 million, or equal to 5% of the total issued shares.
- 30.7 On 8 August 2014, a meeting of Board of Directors of a subsidiary (VGI Global Media Public Company Limited ("VGI")) passed a resolution to propose to the Extraordinary General Meeting of the subsidiary to acquire 640 million ordinary shares of Tong Hua Communications Public Company Limited ("TH") that are offered via a private placement at a price of Baht 1.431 each, totaling approximately Baht 916 million. Assuming the private placement is fully subscribed, the subsidiary will hold a 27.06% interest in TH after TH increases its share capital. The completion of the transaction is subject to conditions precedent not limited to the approval of VGI and TH shareholders.

31. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 8 August 2014.