

BTS Group Holdings Public Company Limited  
and its subsidiaries  
Report and consolidated financial statements  
31 March 2016

## **Independent Auditor's Report**

To the Shareholders of BTS Group Holdings Public Company Limited

I have audited the accompanying consolidated financial statements of BTS Group Holdings Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 March 2016, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of BTS Group Holdings Public Company Limited for the same period.

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

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

### **Auditor's Responsibility**

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

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

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

### **Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of BTS Group Holdings Public Company Limited and its subsidiaries and of BTS Group Holdings Public Company Limited as at 31 March 2016, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

### **Emphasis of matters**

I draw attention to the following matters:

- a) As discussed in Note 17.1.6 to the financial statements regarding the disposal of ordinary shares of subsidiaries and receipt of compensation in the form of newly issued ordinary shares and newly issued warrants to purchase the ordinary shares of an associate, and recording a gain on these swaps of Baht 3,459 million (Separate financial statements: Baht 4,715 million). This transaction is highly material to the financial statements and was not a regular transaction occurring in the normal course of business.
- b) As discussed in Note 55.8 h) to the financial statements regarding litigation, a company filed petitions with the Central Bankruptcy Court relating to the land that a jointly controlled entity purchased through an auction.

My opinion is not qualified in respect of these matters.

Siraporn Ouaanunkun  
Certified Public Accountant (Thailand) No. 3844

EY Office Limited  
Bangkok: 27 May 2016

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

**Statement of financial position**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
		31 March 2016	31 March 2015	31 March 2016	31 March 2015
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	2,364,653,518	10,111,920,166	381,354,351	605,765,222
Current investments	8	4,666,217,987	6,371,376,986	864,109,521	1,364,933,232
Bank account for advances from cardholders	9	284,785,698	210,533,123	-	-
Trade and other receivables	10	1,111,269,984	1,218,140,448	215,463,339	78,827,789
Current portion of receivable under concession agreement	11	94,584,365	92,205,164	-	-
Current portion of receivable under finance lease agreement	12	29,645,535	27,944,786	-	-
Advances to contractors					
Related party	6	-	-	3,185,552	19,476,105
Unrelated parties		28,847,640	20,684,029	4,196,356	8,837,540
Short-term loans to related parties	6	14,317,951	-	-	94,000,000
Current portion of long-term loan to related party	6	53,662,500	3,925,000	-	-
Real estate development costs	13	627,057,329	2,237,787,824	508,491,701	653,573,963
Assets awaiting transfer under rehabilitation plan	14	68,254,159	68,272,311	68,254,159	68,272,311
Investments in subsidiaries awaiting transfer under rehabilitation plan	15	224,342,586	224,342,586	197,438,333	197,438,333
Accrued income		205,607,301	577,916,264	-	-
Prepaid expenses		82,790,015	70,869,710	7,732,971	7,766,703
Withholding tax deducted at source and prepaid corporate tax		278,164,530	35,960,918	247,940,045	16,476,430
Other current assets		151,054,913	153,713,369	6,930,834	3,946,893
		10,285,256,011	21,425,592,684	2,505,097,162	3,119,314,521
Non-current assets classified as held for sale	17.1.6	-	4,576,221,926	-	4,696,154,680
<b>Total current assets</b>		<b>10,285,256,011</b>	<b>26,001,814,610</b>	<b>2,505,097,162</b>	<b>7,815,469,201</b>

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

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

**Statement of financial position (continued)**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
		31 March 2016	31 March 2015	31 March 2016	31 March 2015
<b>Non-current assets</b>					
Restricted deposits	32	1,269,298,813	1,184,497,895	1,183,680,000	1,183,680,000
Cash deposited as collateral for debt settlement	16	170,918,686	170,918,686	170,918,686	170,918,686
Loans to related parties	6	5,948,521,149	759,081,000	9,834,508,376	1,404,939,531
Investments in subsidiaries	17	-	-	35,493,998,977	35,207,559,959
Investments in joint ventures	18	638,098,504	113,984,165	-	100,000,000
Investments in associates	19	21,019,678,097	14,011,643,246	30,060,920,416	20,693,667,000
Other long-term investments	20	9,751,429,135	9,548,446,134	7,106,864,929	5,531,345,419
Project costs - media	21	2,297,384,634	2,326,510,864	-	-
Reusable spare parts	22	91,255,725	91,437,793	-	-
Land and projects awaiting development		1,283,247,832	263,977,595	-	-
Investment properties	23	1,410,502,051	1,479,950,701	1,645,629,727	2,299,752,362
Property, plant and equipment	24	5,673,905,418	5,510,409,576	419,002,281	233,888,132
Leasehold rights	25	10,881,352	11,661,900	6,340,744	6,737,579
Intangible assets	26	345,534,445	385,795,018	266,420	367,260
Goodwill		78,656,476	78,656,476	-	-
Unallocated costs of business acquisition	17.2.7	79,720,981	-	-	-
Deposit and advances for asset acquisitions		128,807,192	128,807,192	-	-
Accrued income	34	447,691,360	357,298,598	-	-
Rights of claim from acquisition of debts per rehabilitation plan	27	255,514,861	204,032,633	-	-
Receivable under concession agreement - net of current portion	11	3,520,646,530	3,615,230,895	-	-
Receivable under finance lease agreement - net of current portion	12	2,550,432	32,195,966	-	-
Deferred tax assets	49	38,228,299	149,017,228	267,838,536	26,942,338
Other non-current assets		420,965,415	384,889,483	13,184,411	12,198,973
<b>Total non-current assets</b>		<b>54,883,437,387</b>	<b>40,808,443,044</b>	<b>86,203,153,503</b>	<b>66,871,997,239</b>
<b>Total assets</b>		<b>65,168,693,398</b>	<b>66,810,257,654</b>	<b>88,708,250,665</b>	<b>74,687,466,440</b>

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

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

**Statement of financial position (continued)**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
		31 March 2016	31 March 2015	31 March 2016	31 March 2015
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loans from financial institutions	28	3,750,000,000	530,000,000	3,510,000,000	-
Bills of exchange payables	30	2,917,307,254	-	2,917,307,254	-
Trade and other payables	29	1,622,988,780	1,778,571,023	516,737,381	364,103,067
Advances received from cardholders		280,669,072	211,073,239	-	-
Short-term loan from related party	6	-	-	18,033,500,000	9,185,000,000
Current portion of long-term loan from related parties	6	35,668,585	-	-	-
Current portion of creditors per rehabilitation plan	31	610,667,765	683,616,959	610,667,765	683,616,959
Current portion of long-term loans	32	1,095,222,000	26,000,000	1,062,222,000	-
Current portion of long-term debentures	33	1,347,471,024	1,467,655,915	-	-
Liability awaiting final court order	31	-	181,869,687	-	181,869,687
Unearned revenues		133,284,074	100,498,252	-	-
Fare box revenues awaiting transfer		80,986,117	78,076,371	-	-
Income tax payable		294,872,892	495,243,959	-	19,295,404
Short-term provisions	35	58,952,543	227,411,297	-	-
Other current liabilities		227,342,305	263,946,155	40,741,570	50,488,460
		<u>12,455,432,411</u>	<u>6,043,962,857</u>	<u>26,691,175,970</u>	<u>10,484,373,577</u>
Liabilities directly associated with assets					
classified as held for sale	17.1.6	-	515,779,611	-	-
<b>Total current liabilities</b>		<u>12,455,432,411</u>	<u>6,559,742,468</u>	<u>26,691,175,970</u>	<u>10,484,373,577</u>
<b>Non-current liabilities</b>					
Unearned revenues		589,488,488	621,535,805	-	-
Creditors per rehabilitation plan - net of current portion	31	26,951,953	49,571,181	26,951,953	49,571,181
Long-term loans - net of current portion	32	173,000,000	1,187,084,000	-	981,084,000
Long-term debentures - net of current portion	33	-	1,345,124,380	-	-
Retention payable					
Related parties	6	16,679,113	-	13,017,287	7,471,414
Unrelated parties		120,164,245	178,432,447	5,521,226	4,996,803
Provision for transaction under equity method of					
investments in joint ventures	18	529,022,390	317,712,548	-	-
Provision for long-term employee benefits	34	782,395,543	575,700,610	67,221,787	27,248,542
Long-term provisions	35	1,324,715,991	1,244,025,921	-	-
Deferred tax liabilities	49	2,142,416,900	2,616,160,085	-	-
Other non-current liabilities		91,533,558	102,692,307	8,107,645	7,795,210
<b>Total non-current liabilities</b>		<u>5,796,368,181</u>	<u>8,238,039,284</u>	<u>120,819,898</u>	<u>1,078,167,150</u>
<b>Total liabilities</b>		<u>18,251,800,592</u>	<u>14,797,781,752</u>	<u>26,811,995,868</u>	<u>11,562,540,727</u>

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

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

**Statement of financial position (continued)**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		As at	As at	As at	As at
		31 March 2016	31 March 2015	31 March 2016	31 March 2015
<b>Shareholders' equity</b>					
Share capital	36				
Registered					
15,928,911,087 ordinary shares of Baht 4 each (2015: 15,913,136,180 ordinary shares of Baht 4 each)		<u>63,715,644,348</u>	<u>63,652,544,720</u>	<u>63,715,644,348</u>	<u>63,652,544,720</u>
Issued and fully paid					
11,929,349,186 ordinary shares of Baht 4 each (2015: 11,919,250,161 ordinary shares of Baht 4 each)		47,717,396,744	47,677,000,644	47,717,396,744	47,677,000,644
Share premium	36	1,834,603,129	1,807,590,613	1,834,603,129	1,807,590,613
Deficit on business combination under common control	38	(3,371,978,137)	(3,371,978,137)	(3,715,435,231)	(3,715,435,231)
Surplus on swap of investments in subsidiaries under common control	39	-	-	-	325,065,107
Surplus from business restructuring under common control	17.1.8	-	-	656,733,583	-
Adjustment of asset value as a result of business restructuring under common control	17.1.8	-	-	(479,140,100)	-
Surplus (deficit) from the changes in the ownership interests in subsidiaries	40	(59,586,583)	1,353,171,672	-	-
Surplus on sales of warrants of the subsidiary	41	494,317,120	494,317,120	-	-
Treasury shares	43	(925,479,618)	(925,479,618)	(925,479,618)	(925,479,618)
Retained earnings					
Appropriated - statutory reserve	44	2,163,731,005	1,835,982,926	2,163,731,005	1,835,982,926
Appropriated - treasury share reserve	43	925,479,618	925,479,618	925,479,618	925,479,618
Unappropriated (deficit)		(5,508,518,273)	(2,286,690,380)	13,229,896,076	14,262,722,164
Other components of shareholders' equity		2,187,384,108	2,639,391,121	488,469,591	1,006,999,490
Amount recognised in equities relating to assets classified as held for sale	17.1.6	-	579,587,121	-	(75,000,000)
Equity attributable to owners of the Company		<u>45,457,349,113</u>	<u>50,728,372,700</u>	<u>61,896,254,797</u>	<u>63,124,925,713</u>
Non-controlling interest of the subsidiaries		<u>1,459,543,693</u>	<u>1,284,103,202</u>	<u>-</u>	<u>-</u>
<b>Total shareholders' equity</b>		<u>46,916,892,806</u>	<u>52,012,475,902</u>	<u>61,896,254,797</u>	<u>63,124,925,713</u>
<b>Total liabilities and shareholders' equity</b>		<u>65,168,693,398</u>	<u>66,810,257,654</u>	<u>88,708,250,665</u>	<u>74,687,466,440</u>
		-	-	-	-

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

Directors

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

**Statement of comprehensive income**

**For the year ended 31 March 2016**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
<b>Continued operation</b>					
<b>Profit or loss:</b>					
<b>Revenues</b>					
Train procurement service income under concession agreement		-	49,792,926	-	-
Service income	45	4,967,181,509	5,676,550,917	136,470,771	124,552,045
Revenues from sales of real estate		297,680,390	410,596,252	43,228,600	44,465,400
<b>Other income</b>					
Management income		3,000,000	1,911,000	47,411,900	47,408,500
Dividend income		280,795,585	41,657,029	3,437,823,795	3,270,735,330
Interest income	46	501,404,458	1,054,045,416	241,225,287	176,176,642
Gain on sales of warrants	19.1.3	-	53,421,685	-	-
Gain on sales of investments		183,403,766	270,863,890	142,248,881	618,275,231
Gain on swap of investments	17.1.6	3,458,509,914	-	4,714,767,694	-
Gain on sales of assets	23, 35	97,224,131	367,559,995	-	-
Reversal of creditors per rehabilitation plan	31	95,568,422	-	95,568,422	-
Others		180,271,351	199,660,685	96,177,181	144,263,601
<b>Total revenues</b>		<b>10,065,039,526</b>	<b>8,126,059,795</b>	<b>8,954,922,531</b>	<b>4,425,876,749</b>
<b>Expenses</b>					
Cost of train procurement service under concession agreement		-	49,792,926	-	-
Cost of services		2,374,446,353	2,754,121,737	140,581,919	140,660,918
Cost of sales of real estate		178,207,074	243,890,805	30,639,677	31,762,351
Selling and servicing expenses		117,294,135	140,982,904	3,470,054	5,842,875
Administrative expenses		1,410,591,417	1,003,005,994	529,899,877	328,500,834
Other expenses	47	581,944,732	257,475,176	574,819,282	201,705,000
<b>Total expenses</b>		<b>4,662,483,711</b>	<b>4,449,269,542</b>	<b>1,279,410,809</b>	<b>708,471,978</b>
<b>Profit before share of profit (loss) from investments in joint ventures and associates, finance cost and income tax expenses</b>					
		5,402,555,815	3,676,790,253	7,675,511,722	3,717,404,771
Share of loss from investments in joint ventures	18.2	(339,633,490)	(14,455,790)	-	-
Share of profit from investments in associates	19.2	751,031,291	866,031,283	-	-
<b>Profit before finance cost and income tax expenses</b>		<b>5,813,953,616</b>	<b>4,528,365,746</b>	<b>7,675,511,722</b>	<b>3,717,404,771</b>
Finance cost		(289,694,082)	(403,476,064)	(313,840,858)	(57,026,596)
<b>Profit before income tax expenses</b>		<b>5,524,259,534</b>	<b>4,124,889,682</b>	<b>7,361,670,864</b>	<b>3,660,378,175</b>
Income tax expenses	49	(1,121,432,203)	(733,025,821)	(806,709,284)	(125,030,827)
<b>Profit from continued operation for the year</b>		<b>4,402,827,331</b>	<b>3,391,863,861</b>	<b>6,554,961,580</b>	<b>3,535,347,348</b>
<b>Discontinued operation</b>					
Profit (loss) from discontinued operation for the year	17.1.6	3,891,137	(51,644,316)	-	-
<b>Profit for the year</b>		<b>4,406,718,468</b>	<b>3,340,219,545</b>	<b>6,554,961,580</b>	<b>3,535,347,348</b>
<b>Other comprehensive income:</b>					
<i>Other comprehensive income to be reclassified to income statement in subsequent periods:</i>					
Exchange differences on translation of financial statements in foreign currency					
		(278,821)	1,492,280	-	-
Loss on changes in value of available-for-sale investments - net of income tax		(449,538,894)	(367,337,168)	(506,882,907)	(311,415,169)
Share of gain on changes in value of available-for-sale investments of associate	19.2	10,914,232	-	-	-
<b>Other comprehensive income to be reclassified to income statement in subsequent periods - net of income tax</b>		<b>(438,903,483)</b>	<b>(365,844,888)</b>	<b>(506,882,907)</b>	<b>(311,415,169)</b>
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial loss - net of income tax					
		(54,492,135)	-	(15,198,285)	-
Share of actuarial gain of associate	19.2	6,421,202	-	-	-
<b>Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax</b>		<b>(48,070,933)</b>	<b>-</b>	<b>(15,198,285)</b>	<b>-</b>
<b>Other comprehensive income for the period</b>		<b>(486,974,416)</b>	<b>(365,844,888)</b>	<b>(522,081,192)</b>	<b>(311,415,169)</b>
<b>Total comprehensive income for the year</b>		<b>3,919,744,052</b>	<b>2,974,374,657</b>	<b>6,032,880,388</b>	<b>3,223,932,179</b>

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



**BTS Group Holdings Public Company Limited and its subsidiaries**  
**Statement of comprehensive income (continued)**  
**For the year ended 31 March 2016**

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
<b>Profit (loss) attributable to:</b>				
Equity holders of the Company				
Profit from continued operation	4,137,188,838	2,995,677,059	6,554,961,580	3,535,347,348
Profit (loss) from discontinued operation	3,891,137	(51,644,316)	-	-
	<u>4,141,079,975</u>	<u>2,944,032,743</u>	<u>6,554,961,580</u>	<u>3,535,347,348</u>
Non-controlling interests of the subsidiaries				
Profit from continued operation	265,638,493	396,186,802		
	<u>265,638,493</u>	<u>396,186,802</u>		
	<u>4,406,718,468</u>	<u>3,340,219,545</u>		
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company				
Total comprehensive income from continued operation	3,651,988,318	2,631,252,590	6,032,880,388	3,223,932,179
Total comprehensive income from discontinued operation	3,891,137	(51,644,316)	-	-
	<u>3,655,879,455</u>	<u>2,579,608,274</u>	<u>6,032,880,388</u>	<u>3,223,932,179</u>
Non-controlling interests of the subsidiaries				
Total comprehensive income from continued operation	263,864,597	394,766,383		
	<u>263,864,597</u>	<u>394,766,383</u>		
	<u>3,919,744,052</u>	<u>2,974,374,657</u>		
<b>Earnings per share</b>				
	50			
Basic earnings per share				
Profit attributable to equity holders of the Company	0.350	0.248	0.554	0.298
Diluted earnings per share				
Profit attributable to equity holders of the Company	0.350	0.248	0.554	0.298
<b>Earnings per share from continued operation</b>				
	50			
Basic earnings per share				
Profit attributable to equity holders of the Company	0.350	0.253	0.554	0.298
Diluted earnings per share				
Profit attributable to equity holders of the Company	0.350	0.252	0.554	0.298

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

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

**Cash flow statement**

**For the year ended 31 March 2016**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
<b>Cash flows from operating activities</b>				
Profit before tax from continued operation	5,524,259,534	4,124,889,682	7,361,670,864	3,660,378,175
Less: Loss before tax from discontinued operation	3,891,137	(51,644,316)	-	-
Profit before tax	5,528,150,671	4,073,245,366	7,361,670,864	3,660,378,175
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	450,482,018	460,002,433	83,408,178	80,187,195
Unrealised loss (gain) on exchange	56,358,157	(2,156,162)	54,210,686	5,291,882
Share of loss from investments in joint ventures	339,633,490	14,455,790	-	-
Share of profit from investments in associates	(751,031,291)	(866,031,283)	-	-
Unearned revenue recognition	(36,984,914)	(36,883,863)	-	-
Provision for long-term employee benefits	45,521,578	31,951,127	6,112,216	3,512,968
Loss on provisions	75,394,663	113,932,293	-	-
Allowance for impairment of assets	-	125,650,546	-	-
Allowance for impairment of investments (reversal)	497,205,281	-	497,205,281	(11,000,000)
Written off withholding tax	16,476,431	-	16,476,431	-
Amortisation of premium on cross currency swap agreements	(16,408,574)	(60,899,067)	(16,408,574)	(21,940,496)
Reversal of creditors per rehabilitation plan	(95,568,422)	-	(95,568,422)	-
Allowance for doubtful account	9,344,787	17,892,357	77,614,001	201,705,000
Gain on sale of land	-	(367,559,995)	-	-
Gain on sale of warrants	-	(53,421,685)	-	-
Gain from sales of investments	(183,403,766)	(270,863,890)	(142,248,881)	(618,275,231)
Gain on swap of investments	(3,458,509,914)	-	(4,714,767,694)	-
Unrealised loss (gain) on changes in value of current investments in trading securities	14,269,191	2,431,462	(11,443,968)	-
Loss (gain) on sales of assets	(68,991,186)	26,873,853	5,511,982	-
Dividend income	(280,795,585)	(41,657,029)	(3,437,823,795)	(3,270,735,330)
Share-based payment transaction	9,302,498	14,772,623	1,551,199	2,463,334
Interest income	(501,404,458)	(1,054,045,416)	(241,225,287)	(176,176,642)
Interest expenses	283,013,132	388,282,005	313,840,858	57,026,596
Profit (loss) from operating activities before changes in operating assets and liabilities	1,932,053,787	2,515,971,465	(241,884,925)	(87,562,549)

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

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

**Cash flow statement (continued)**

**For the year ended 31 March 2016**

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Decrease (increase) in operating assets				
Bank account for advance from cardholders	(74,252,575)	(57,848,175)	-	-
Trade and other receivables	252,891,776	(346,767,991)	42,778,668	(35,715,629)
Receivable under concession agreement	92,205,164	40,227,369	-	-
Receivable under finance lease agreement	27,944,785	26,341,608	-	-
Real estate development costs	159,520,955	139,484,198	26,516,635	(28,821,834)
Advances to contractors	(8,163,611)	(7,001,046)	20,931,738	16,509,467
Other current assets	380,162,453	59,483,358	2,653,790	6,036,052
Other non-current assets	(36,321,783)	4,400,675	(985,437)	789,349
Increase (decrease) in operating liabilities				
Trade and other payables	(198,768,734)	(559,721,034)	(150,860,056)	(18,212,477)
Advances received from cardholders	69,595,833	60,022,634	-	-
Retention payable	(18,943,604)	6,181,030	6,070,296	13,907,727
Unearned income	39,114,830	12,075,944	-	-
Fare box revenues awaiting transfer	(1,949,504)	(8,314,930)	-	-
Provision for long-term employee benefits	(11,006,792)	(22,041,826)	14,863,173	(886,336)
Provisions	(264,088,023)	(53,406,850)	-	-
Other current liabilities	<u>(24,338,659)</u>	<u>93,673,591</u>	<u>6,466,529</u>	<u>8,719,709</u>
Cash from (used in) operating activities	2,315,656,298	1,902,760,020	(273,449,589)	(125,236,521)
Cash paid for interest expenses	(175,000,212)	(304,427,340)	(74,599,244)	(14,509,294)
Cash paid for corporate income tax	<u>(1,808,319,038)</u>	<u>(1,668,983,478)</u>	<u>(961,282,149)</u>	<u>(796,964,906)</u>
<b>Net cash from (used in) operating activities</b>	<b>332,337,048</b>	<b>(70,650,798)</b>	<b>(1,309,330,982)</b>	<b>(936,710,721)</b>

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

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

**Cash flow statement (continued)**

**For the year ended 31 March 2016**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<b>Cash flows from investing activities</b>				
Decrease in current investments	3,688,139,924	18,855,129,921	574,904,156	136,851,262
Increase in restricted deposits	(84,800,918)	(546,339,083)	-	(542,432,500)
Increase in short-term loans to related parties	-	-	(61,200,000)	(130,000,000)
Cash received from repayment of short-term loans to related parties	-	-	41,200,000	-
Increase in long-term loans to related parties	(6,751,170,380)	(1,162,656,000)	(7,690,158,208)	(1,925,171,120)
Cash received from repayment of long-term loans to related parties	1,514,792,731	399,650,000	2,033,367,730	1,856,000,000
Interest income	437,873,571	1,226,272,892	92,479,074	95,717,420
Increase in rights of claim from acquisition of debts per rehabilitation plan	(51,482,228)	-	-	-
Net cash paid for purchases of investments in subsidiaries	(26,697,448)	-	(2,848,108,984)	(4,759,556,995)
Net cash received from sales of investments in subsidiaries	690,227,513	-	769,018,703	1,032,974,595
Cash received from return of capital of subsidiary, joint venture and associate	655,092,000	148,533,000	593,592,000	148,533,000
Cash received from sales of warrants	-	129,213,216	-	-
Cash paid for purchases of investments in joint ventures	(500,000,000)	(133,750,000)	(450,000,000)	(100,000,000)
Cash received from sales of investment in a joint venture	38,750,000	-	-	-
Cash paid for purchases of investments in associates	(100,000,000)	(696,535,015)	-	-
Cash paid for purchases of other long-term investments	(6,014,809,136)	(11,300,986,474)	(5,550,966,221)	(9,615,814,628)
Cash received from sales of other long-term investments	2,886,892,369	6,189,329,375	2,886,892,369	6,189,329,375
Dividend received	1,580,613,399	1,258,357,636	2,799,367,806	2,327,548,151
Cash paid for purchases of land and projects awaiting development	(1,019,270,237)	-	-	-
Cash paid for purchases of property, plant and equipment	(559,343,597)	(1,102,502,857)	(150,958,553)	(50,024,494)
Cash received from sales of property, plant and equipment	56,463,667	8,390,010	62,701	196,262
Cash paid for purchases of investment properties	(4,292,501)	(541,051,684)	(90,421,956)	(369,162,467)
Cash received from sales of investment properties	31,500,000	1,412,254,950	-	1,264,950
Cash paid for purchases of intangible assets	(50,271,329)	(53,570,833)	(53,232)	(316,720)
Cash received from sales of intangible assets	22,096,531	-	-	-
Cash paid for advances for asset acquisitions	-	(83,807,192)	-	-
<b>Net cash from (used in) investing activities</b>	<b>(3,559,696,069)</b>	<b>14,005,931,862</b>	<b>(7,050,982,615)</b>	<b>(5,704,063,909)</b>
<b>Cash flows from financing activities</b>				
Increase in short-term loans from financial institutions	8,134,000,000	910,000,000	7,614,000,000	-
Cash paid for short-term loans from financial institutions	(4,914,000,000)	(380,000,000)	(4,104,000,000)	-
Increase in bills of exchange payables	3,405,688,907	-	3,405,688,907	-
Cash paid for bills of exchange payables	(500,000,000)	-	(500,000,000)	-
Increase in long-term loans from financial institution	-	973,734,000	-	973,734,000
Cash paid for long-term loans from financial institution	(26,000,000)	(8,000,000)	-	-
Increase in short-term loans from related parties	13,200,000	-	17,525,500,000	14,362,000,000
Cash paid for short-term loans from related parties	(13,200,000)	(20,000,000)	(8,067,000,000)	(4,245,000,000)
Cash received from exercised warrants	46,459,126	21,960,904	46,459,126	21,960,904
Cash received from sales of warrants of the subsidiary	-	634,000,000	-	-
Cash paid for liability awaiting final court order	(181,869,687)	-	(181,869,687)	-
Dividend paid	(7,557,430,618)	(6,028,140,354)	(7,557,430,618)	(6,028,140,354)
Cash paid for long-term debentures	(1,468,900,000)	(3,611,300,000)	-	-
Cash paid for treasury stock	-	(925,479,618)	-	(925,479,618)
Cash paid for transaction cost of business restructuring under common control	-	-	(45,445,002)	-
Cash paid for purchases of investments in subsidiaries	(1,543,182,388)	(4,653,556,994)	-	-
Cash received from sales of investment in subsidiary	-	1,032,974,595	-	-
Dividend paid by subsidiaries to non-controlling interests of subsidiaries	(173,714,541)	(403,401,279)	-	-
Cash received from non-controlling interests of subsidiary for exercised warrants	-	2,811,914	-	-
Cash received from non-controlling interests for issuance of ordinary shares of subsidiaries	190,740,000	29,000,000	-	-
<b>Net cash from (used in) financing activities</b>	<b>(4,588,209,201)</b>	<b>(12,425,396,832)</b>	<b>8,135,902,726</b>	<b>4,159,074,932</b>
Increase in translation adjustment	481,883	1,346,194	-	-
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(7,815,086,339)</b>	<b>1,511,230,426</b>	<b>(224,410,871)</b>	<b>(2,481,699,698)</b>
Cash and cash equivalents at beginning of the year	10,111,920,166	8,668,509,431	605,765,222	3,087,464,920
Cash and cash equivalents classified as assets held for sale at beginning of the period	67,819,691	(67,819,691)	-	-
<b>Cash and cash equivalents at end of the year</b>	<b>2,364,653,518</b>	<b>10,111,920,166</b>	<b>381,354,351</b>	<b>605,765,222</b>

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

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

**Cash flow statement (continued)**

**For the year ended 31 March 2016**

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<b>Supplemental cash flow information</b>				
Non-cash transactions				
Transfer equipment to spare parts	1,532,536	64,248,112	-	-
Transfer equipment to intangible assets	18,912,726	5,359,906	50,932	-
Transfer equipment to other current assets	2,557,172	11,519,308	-	-
Transfer real estate development cost to investment properties	-	172,490,471	-	-
Transfer property, plant and equipment to investment properties	-	-	1,578,920	308,030,247
Transfer investment properties to property, plant and equipment	6,046,381	4,562,560	11,912,873	28,340,569
Payable of acquisition of equipment	51,507,430	152,405,773	48,193,148	1,454,616
Receivable of sales of equipment	54,000,000	-	-	-
Payable of acquisition of investment properties	-	-	6,384,134	16,371,031
Payable of acquisition of intangible assets	2,915,491	2,897,964	-	-
Payable of acquisition of other long-term investments	28,532,345	116,586,246	28,532,345	116,586,246
Receivable from sales of investments	2,993,268	-	2,993,268	-
Increase in investment in associate from swap of investments in subsidiaries	9,468,845,000	-	9,468,845,000	-
Settle short-term loan from related party with dividend received	-	-	610,000,000	932,000,000
Settle interest payable with dividend received	-	-	11,963,019	2,348,262
Transfer equipment to settle other payables	31,231,951	-	-	-
Transfer intangible assets to settle other payables	26,631,430	-	-	-
Transfer other long-term investments to current investments	1,937,907,063	1,707,765,084	-	-
Transfer investments in subsidiary and associate to investments in joint ventures	-	-	687,207,808	-
Settle cash deposited as collateral for debt settlement with creditors per rehabilitation plan	-	61,739,042	-	61,739,042
Record provision for cost of construction of car park building and sky walk of investment properties	-	231,000,000	-	-
Transfer long-term loan to related parties and interest receivables to investments in subsidiaries	-	-	2,853,977,404	-
Transfer short-term loan to related party to long-term loan	-	-	114,000,000	-
Transfer land, investments, loans, to related parties and interest receivables to subsidiary as a result of business restructuring (Note 17.1.8)	-	-	4,773,642,216	-

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

Consolidated financial statements																					
Equity attributable to owners of the Company										Other components of equity											
Issued and paid-up share capital	Share premium	Deficit on business combination under common control	Surplus (deficit) from the change in the ownership interests in subsidiaries	Surplus on sales of warrants of the subsidiary	Treasury shares	Retained earnings			Other comprehensive income			Surplus on debenture conversion	Capital reserve on consolidation	Share premium on sales of company's shares held by subsidiaries	Capital reserve for share-based payment transaction	Total other components of shareholders' equity	Amount recognised in equities relating to assets classified as held for sale	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity	
						Statutory reserve	Treasury share reserve	Unappropriated (Deficit)	Translation adjustment	Revaluation surplus on assets	Deficit on changes in value of investments										
<b>Balance as at 1 April 2014</b>	47,656,922,100	1,797,237,616	(3,371,978,137)	4,448,284,107	-	-	1,659,215,559	-	1,919,209,857	(122,911,081)	2,376,688,438	(75,052,477)	1,356,596,955	2,685,013	8,525,682	30,568,195	3,577,100,725	-	57,685,991,827	1,856,185,552	59,542,177,379
Profit for the year	-	-	-	-	-	-	-	-	2,944,032,743	-	-	-	-	-	-	-	-	-	2,944,032,743	396,186,802	3,340,219,545
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	1,492,280	-	(365,916,749)	-	-	-	-	-	-	(364,424,469)	(1,420,419)	(365,844,888)
Total comprehensive income for the year	-	-	-	-	-	-	-	-	2,944,032,743	1,492,280	-	(365,916,749)	-	-	-	-	-	-	(364,424,469)	-	2,579,608,274
Exercised warrants (Note 36)	20,078,544	10,352,997	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(8,470,637)	(8,470,637)	21,960,904
Exercised warrants of the subsidiary by non-controlling interests of the subsidiary	-	-	-	2,811,914	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,811,914
Sales of warrants of the subsidiary (Note 17.2.1)	-	-	-	-	494,317,120	-	-	-	-	-	-	-	-	-	-	-	-	-	-	494,317,120	12,882,880
Purchases of investments in subsidiaries (Note 17.1.5 and 17.2.1)	-	-	-	(4,003,560,015)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(4,003,560,015)	(649,996,979)
Sales of investment in subsidiary (Note 17.2.1)	-	-	-	905,635,666	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	905,635,666	54,107,862
Issuance of ordinary shares of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	29,000,000	29,000,000
Dividend paid by subsidiaries to non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(412,842,496)
Share-based payment transaction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14,772,623	14,772,623	-	14,772,623	-	14,772,623
Dividend paid (Note 54)	-	-	-	-	-	-	-	-	(6,047,685,995)	-	-	-	-	-	-	-	-	-	-	(6,047,685,995)	(6,047,685,995)
Treasury shares purchased (Note 43)	-	-	-	-	(925,479,618)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(925,479,618)	(925,479,618)
Transferred to treasury share reserve (Note 43)	-	-	-	-	-	-	925,479,618	(925,479,618)	-	-	-	-	-	-	-	-	-	-	-	-	-
Retained earnings transferred to statutory reserve	-	-	-	-	-	176,767,367	-	(176,767,367)	-	-	-	-	-	-	-	-	-	-	-	-	-
Discontinued operation (Note 17.1.6)	-	-	-	-	-	-	-	-	-	-	(579,587,121)	-	-	-	-	-	-	-	-	(579,587,121)	579,587,121
<b>Balance as at 31 March 2015</b>	<b>47,677,000,644</b>	<b>1,807,590,613</b>	<b>(3,371,978,137)</b>	<b>1,353,171,672</b>	<b>494,317,120</b>	<b>(925,479,618)</b>	<b>1,835,982,926</b>	<b>925,479,618</b>	<b>(2,286,690,380)</b>	<b>(121,418,801)</b>	<b>1,797,101,317</b>	<b>(440,969,226)</b>	<b>1,356,596,955</b>	<b>2,685,013</b>	<b>8,525,682</b>	<b>36,870,181</b>	<b>2,639,391,121</b>	<b>579,587,121</b>	<b>50,728,372,700</b>	<b>1,284,103,202</b>	<b>52,012,475,902</b>
<b>Balance as at 1 April 2015</b>	47,677,000,644	1,807,590,613	(3,371,978,137)	1,353,171,672	494,317,120	(925,479,618)	1,835,982,926	925,479,618	(2,286,690,380)	(121,418,801)	1,797,101,317	(440,969,226)	1,356,596,955	2,685,013	8,525,682	36,870,181	2,639,391,121	579,587,121	50,728,372,700	1,284,103,202	52,012,475,902
Profit for the year	-	-	-	-	-	-	-	-	4,141,079,975	-	-	-	-	-	-	-	-	-	-	4,141,079,975	265,638,493
Other comprehensive income for the year	-	-	-	-	-	-	-	-	(44,840,499)	(278,821)	-	(440,081,200)	-	-	-	-	-	-	-	(440,360,021)	(1,773,896)
Total comprehensive income for the year	-	-	-	-	-	-	-	-	4,096,239,476	(278,821)	-	(440,081,200)	-	-	-	-	-	-	-	(440,360,021)	3,655,879,455
Exercised warrants (Note 36)	40,396,100	27,012,516	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(440,360,021)	263,864,597
Purchases of investments in subsidiaries (Note 17.1.4, 17.2.1 and 17.2.7)	-	-	-	(1,418,672,691)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,418,672,691)	(98,898,591)
Sales of investment in subsidiary without loss of control (Note 17.2.8)	-	-	-	5,914,436	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,914,436	2,005,564
Transfer of revaluation surplus on assets to retained earnings (Note 17.1.6)	-	-	-	-	-	-	-	579,587,121	-	-	-	-	-	-	-	-	-	-	(579,587,121)	-	7,920,000
Issuance of ordinary shares of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	190,740,000
Dividend paid by subsidiaries to non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(182,271,079)
Share-based payment transaction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,302,498	9,302,498	-	9,302,498	-	9,302,498	
Dividend paid (Note 54)	-	-	-	-	-	-	-	-	(7,569,906,411)	-	-	-	-	-	-	-	-	-	-	(7,569,906,411)	(7,569,906,411)
Retained earnings transferred to statutory reserve (Note 44)	-	-	-	-	-	-	327,748,079	(327,748,079)	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2016</b>	<b>47,717,396,744</b>	<b>1,834,603,129</b>	<b>(3,371,978,137)</b>	<b>(69,586,583)</b>	<b>494,317,120</b>	<b>(925,479,618)</b>	<b>2,163,731,005</b>	<b>925,479,618</b>	<b>(5,508,518,273)</b>	<b>(121,697,622)</b>	<b>1,797,101,317</b>	<b>(881,050,426)</b>	<b>1,356,596,955</b>	<b>2,685,013</b>	<b>8,525,682</b>	<b>25,223,189</b>	<b>2,187,384,108</b>	<b>-</b>	<b>45,457,349,113</b>	<b>1,459,543,693</b>	<b>46,916,892,806</b>

BTS Group Holdings Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 March 2016

(Unit: Baht)

	Separate financial statements															
											Other components of equity					
			Deficit on	Surplus on	Adjustment of asset value			Retained earnings			Other comprehensive income	Capital reserve for	Total other	Amount recognised		
	Issued and paid-up	Share	business	swap of investments	Surplus from business	as a result of	Treasury	Appropriated	Treasury share	Unappropriated	Deficit on	Surplus on	share-based	components of	in equities relating to	Total
share capital	premium	combination under	in subsidiaries under	restructuring under	business restructuring	shares	Statutory	reserve	reserve	changes in	debenture	payment	shareholders'	assets classified	shareholders'	
		common control	common control	common control	under common control		reserve			value of investments	conversion	transaction	equity	as held for sale	equity	
<b>Balance as at 1 April 2014</b>	47,656,922,100	1,797,237,616	(3,790,492,685)	250,065,107	-	-	1,659,215,559	-	17,877,307,796	(75,052,477)	1,356,596,955	30,568,195	1,312,112,673	-	66,762,368,166	
Profit for the year	-	-	-	-	-	-	-	-	3,535,347,348	-	-	-	-	-	3,535,347,348	
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	(311,415,169)	-	-	(311,415,169)	-	(311,415,169)	
Total comprehensive income for the year	-	-	-	-	-	-	-	-	3,535,347,348	(311,415,169)	-	-	(311,415,169)	-	3,223,932,179	
Exercised warrants (Note 36)	20,078,544	10,352,997	-	-	-	-	-	-	-	-	-	(8,470,637)	(8,470,637)	-	21,960,904	
Sales of investment in subsidiary (Note 17.2.1)	-	-	75,057,454	-	-	-	-	-	-	-	-	-	-	-	75,057,454	
Share-based payment transaction	-	-	-	-	-	-	-	-	-	-	-	14,772,623	14,772,623	-	14,772,623	
Dividend paid (Note 54)	-	-	-	-	-	-	-	-	(6,047,685,995)	-	-	-	-	-	(6,047,685,995)	
Treasury shares purchased (Note 43)	-	-	-	-	-	(925,479,618)	-	-	-	-	-	-	-	-	(925,479,618)	
Transferred to treasury share reserve (Note 43)	-	-	-	-	-	-	-	925,479,618	(925,479,618)	-	-	-	-	-	-	
Retained earnings transferred to statutory reserve	-	-	-	-	-	-	176,767,367	-	(176,767,367)	-	-	-	-	-	-	
Discontinued operation (Note 17.1.6)	-	-	-	75,000,000	-	-	-	-	-	-	-	-	-	(75,000,000)	-	
<b>Balance as at 31 March 2015</b>	<b>47,677,000,644</b>	<b>1,807,590,613</b>	<b>(3,715,435,231)</b>	<b>325,065,107</b>	<b>-</b>	<b>(925,479,618)</b>	<b>1,835,982,926</b>	<b>925,479,618</b>	<b>14,262,722,164</b>	<b>(386,467,646)</b>	<b>1,356,596,955</b>	<b>36,870,181</b>	<b>1,006,999,490</b>	<b>(75,000,000)</b>	<b>63,124,925,713</b>	
<b>Balance as at 1 April 2015</b>	<b>47,677,000,644</b>	<b>1,807,590,613</b>	<b>(3,715,435,231)</b>	<b>325,065,107</b>	<b>-</b>	<b>(925,479,618)</b>	<b>1,835,982,926</b>	<b>925,479,618</b>	<b>14,262,722,164</b>	<b>(386,467,646)</b>	<b>1,356,596,955</b>	<b>36,870,181</b>	<b>1,006,999,490</b>	<b>(75,000,000)</b>	<b>63,124,925,713</b>	
Profit for the year	-	-	-	-	-	-	-	-	6,554,961,580	-	-	-	-	-	6,554,961,580	
Other comprehensive income for the year	-	-	-	-	-	-	-	-	(15,198,285)	(506,882,907)	-	-	(506,882,907)	-	(522,081,192)	
Total comprehensive income for the year	-	-	-	-	-	-	-	-	6,539,763,295	(506,882,907)	-	-	(506,882,907)	-	6,032,880,388	
Exercised warrants (Note 36)	40,396,100	27,012,516	-	-	-	-	-	-	-	-	-	(20,949,490)	(20,949,490)	-	46,459,126	
Sale of investments in subsidiaries with loss of control	-	-	-	(325,065,107)	-	-	-	-	325,065,107	-	-	-	-	75,000,000	75,000,000	
Share-based payment transaction	-	-	-	-	-	-	-	-	-	-	-	9,302,498	9,302,498	-	9,302,498	
Dividend paid (Note 54)	-	-	-	-	-	-	-	-	(7,569,906,411)	-	-	-	-	-	(7,569,906,411)	
Business restructuring under common control (Note 17.1.8)	-	-	-	-	656,733,583	(479,140,100)	-	-	-	-	-	-	-	-	177,593,483	
Retained earnings transferred to statutory reserve (Note 44)	-	-	-	-	-	-	-	327,748,079	(327,748,079)	-	-	-	-	-	-	
<b>Balance as at 31 March 2016</b>	<b>47,717,396,744</b>	<b>1,834,603,129</b>	<b>(3,715,435,231)</b>	<b>-</b>	<b>656,733,583</b>	<b>(479,140,100)</b>	<b>(925,479,618)</b>	<b>2,163,731,005</b>	<b>925,479,618</b>	<b>13,229,896,076</b>	<b>(893,350,553)</b>	<b>1,356,596,955</b>	<b>25,223,189</b>	<b>488,469,591</b>	<b>61,896,254,797</b>	

The accompanying notes are an integral part of financial statements.

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

### **Notes to consolidated financial statements**

**For the year ended 31 March 2016**

#### **1. General information**

##### **1.1 The Company's general information**

BTS Group Holdings Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. Its major shareholder is the group of Keeree Kanjanapas. The Group is principally engaged in the mass transit business, property business, media business and service business. The registered office of the Company is at 21 Soi Choei Phuang, Viphavadi-Rangsit Road, Jompol, Jatujak, Bangkok.

##### **1.2 Additional information of the mass transit business**

The mass transit business operated by a subsidiary (Bangkok Mass Transit System Public Company Limited ("BTSC")) consists of the provision of operating services of the Core BTS Sky Train System as an operator, operating services under operating and maintenance service agreement of extension to the Core BTS Sky Train System and operating service under operating and bus procurement (BRT) agreement. The details are as follows:

- a) The operation of an elevated mass transit system in prime business areas in Bangkok over two routes ("the Core BTS Sky Train System"), which covers a distance of 23.5 km, comprising the 17 km of the Sukhumvit line from Mo-Chit to On-Nut stations, and the 6.5 km of the Silom line from National Stadium to Taksin Bridge stations, under the concession agreement dated 9 April 1992 and the amendment to the concession agreement between the Bangkok Metropolitan Authority and the subsidiary, for 30 years after commissioning under the concession granted by the Bangkok Metropolitan Administration ("BMA"). The commercial operations commenced on 5 December 1999. The concession stipulates that the civil works are to be structured on a build-transfer-operate basis whereby the subsidiary will transfer legal title of the assets to BMA as they are brought into service. The electrical and mechanical works are to be transferred to BMA on a build-operate-transfer basis at the expiry of the concession.



On 17 April 2013, the subsidiary and BTS Rail Mass Transit Growth Infrastructure Fund (“BTSGIF”) entered into the Net Revenue Purchase and Transfer Agreement in relation to the Bangkok Mass Transit System Concession Agreement, covering the remainder of the concession. From an accounting perspective, the subsidiary carefully and thoroughly considered these transactions and concluded that the sale of the rights to collect future fare box revenues was a true sale of an intangible asset (project cost). As a result, the subsidiary derecognised project cost and the related accounts from its books and recognised a gain on sale of future net fare box revenues in the financial statements for the year ended 31 March 2014. The agreement stipulates that the subsidiary continues to be the operator of the train services, overseen by BTSGIF, while decision-making authority as the owner belongs to BTSGIF. The subsidiary submits cash receipts of net fare box revenues to BTSGIF, as a middleman responsible only for the collection of fare box revenue. The subsidiary receives fees as the operator under the conditions as stipulated in the agreement.

However, from a tax perspective, the sale of future net fare box revenues was treated as borrowing from BTSGIF. The subsidiary remains the owner of the intangible asset (project cost) and fare box revenues and expenses still belong to the subsidiary. The subsidiary calculates corporate income tax based on taxable revenues and expenses determined in accordance with tax legislation.

- b) The provision of operation and maintenance services for the extension to the Core BTS Sky Train System under the Operation and Maintenance for Bangkok Mass Transit System Agreement dated 3 May 2012 made with Krungthep Thanakom Company Limited (“Krungthep Thanakom”) (established by the Bangkok Metropolitan Authority) and the amendment to the agreement, for 30 years from 8 May 2012 to 2 May 2042.
- c) The provision of operation and maintenance services under an operating and bus procurement (BRT) agreement dated 10 February 2010 with Krungthep Thanakom and the amendment to the agreement, for 7 years from 15 May 2010 to 15 May 2017.

## **2. Basis of preparation**

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

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

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

## 2.2. Basis of consolidation

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

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2016	2015
<b><u>Subsidiaries directly owned by the Company</u></b>				
Bangkok Mass Transit System Public Co., Ltd. ("BTSC")	Mass transit business	Thailand	97.46	97.46
Dnal Co., Ltd.	Office rental	Thailand	- <sup>1</sup>	100
Muangthong Assets Co., Ltd.	Hotel	Thailand	- <sup>1</sup>	100
PrannaKiri Assets Co., Ltd.	Property development	Thailand	- <sup>1</sup>	100
Yong Su Co., Ltd.	Dormancy	Thailand	- <sup>1</sup>	100
Tanayong Food and Beverage Co., Ltd.	Property development	Thailand	- <sup>1</sup>	100
Thana City Golf & Sports Club Co., Ltd.	Management of golf course and club house	Thailand	- <sup>1</sup>	100
Siam Paging and Communication Co., Ltd.	Property development	Thailand	- <sup>1</sup>	100
Tanayong Property Management Co., Ltd.	Building management	Thailand	- <sup>1</sup>	100
Tanayong International Ltd.	Dormancy	Cayman Island	100	100
HHT Construction Co., Ltd.	Construction services	Thailand	- <sup>1</sup>	51
Tanayong Hong Kong Ltd.	Investment in securities	Hong Kong	100	100
Rabbit Rewards Co., Ltd. (Formerly known as "Carrot Rewards Co., Ltd.")	CRM Loyalty Program and Coupon Kiosks	Thailand	100	100
Nuvo Line Agency Co., Ltd.	Property development	Thailand	-	100
BTS Assets Co., Ltd.	Hotel and property development	Thailand	-	100
BTS Land Co., Ltd.	Trademark development for property development and service businesses	Thailand	- <sup>1</sup>	100
Kamkoong Property Co., Ltd.	Property development	Thailand	-	100
Man Kitchen Co., Ltd.	Restaurant and related businesses	Thailand	70	70
Mak8 Co., Ltd.	Property development	Thailand	- <sup>1</sup>	87.50
Primary Kitchen Co., Ltd.	Restaurant and related businesses	Thailand	100	100
BSS Holdings Co., Ltd.	Investment in the securities of other companies	Thailand	100	100
Unicorn Enterprise Co., Ltd.	Investment in the securities of other companies	Thailand	100	-
<b><u>Subsidiaries indirectly owned by the Company</u></b>				
<b>Held by BTSC</b>				
VGI Global Media Public Co., Ltd. (23.30% held by the Company (2015: 18.58%))	Advertising services on Bangkok Mass Transit System (BTS), in department stores, in office buildings and others	Thailand	51	51
Bangkok Smartcard System Co., Ltd.	Provision for electronic payment services	Thailand	90	90

<sup>1</sup> held by Unicorn Enterprise Co., Ltd. as discussed in Note 17.1.8 to the financial statements

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2016	2015
<b><u>Subsidiaries indirectly owned by the Company</u></b>				
<b>(continued)</b>				
<b>Held by VGI Global Media Public Co., Ltd.</b>				
VGI Advertising Media Co., Ltd.	Management of advertising in department stores	Thailand	100	100
999 Media Co., Ltd.	Manufacturing of radio media	Thailand	-	100
888 Media Co., Ltd.	Management of advertising in department stores	Thailand	100	100
Point Of View (POV) Media Group Co., Ltd.	Managing and providing of the advertising	Thailand	100	100
VGI Advertising China Co., Ltd.	Managing and providing of the advertising	The People's Republic of China	-	100
<b>Held by BSS Holdings Co., Ltd.</b>				
Bangkok Payment Solutions Co., Ltd.	Developing software and providing technology services, including technology associated with Thailand's mass transit and payment systems	Thailand	60	-
RabbitPay System Co., Ltd.	Electronic payment services through any devices or networks, bill payment service, and investment in the securities of other companies	Thailand	80	-
Rabbit Internet Co., Ltd. (Formerly known as "ASK Hanuman Co., Ltd.")	Data management and processing	Thailand	25	-
ASK Direct Group Co., Ltd. <sup>2</sup>	Provision of direct sales services for all types of product via telesales and online channels	Thailand	51	-
ASK Broker Association Co., Ltd. <sup>2</sup>	Insurance broker	Thailand	51	-
<sup>2</sup> 49% held by Rabbit Internet Co., Ltd.				
<b>Held by BTS Land Co., Ltd.</b>				
Bangkok Payment Solutions Co., Ltd.	Developing software and providing technology services, including technology associated with Thailand's mass transit and payment systems	Thailand	-	60
<b>Held by Man Kitchen Co., Ltd.</b>				
Little Corner Co., Ltd.	Restaurant and related businesses	Thailand	69	75

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2016	2015
<b><u>Subsidiaries indirectly owned by the Company</u></b>				
<b>(continued)</b>				
<b>Held by Unicorn Enterprise Co., Ltd.</b>				
Dnal Co., Ltd.	Office rental	Thailand	100	-
Muangthong Assets Co., Ltd.	Hotel	Thailand	100	-
PrannaKiri Assets Co., Ltd.	Property development	Thailand	100	-
Yong Su Co., Ltd.	Dormancy	Thailand	100	-
Tanayong Food and Beverage Co., Ltd.	Property development	Thailand	100	-
Thana City Golf & Sports Club Co., Ltd.	Management of golf course and club house	Thailand	100	-
Siam Paging and Communication Co., Ltd.	Property development	Thailand	100	-
Tanayong Property Management Co., Ltd.	Building management	Thailand	100	-
HHT Construction Co., Ltd.	Construction services	Thailand	51	-
BTS Land Co., Ltd.	Trademark development for property development and service businesses	Thailand	100	-
Mak8 Co., Ltd.	Property development	Thailand	100	-
Keystone Estate Co., Ltd.	Property development	Thailand	100	-
Ratburana Property Co., Ltd.	Property development	Thailand	100	-
Kingkaew Assets Co., Ltd.	Property development	Thailand	100	-
The Community One Co., Ltd.	Property development	Thailand	100	-
The Community Two Co., Ltd.	Property development	Thailand	100	-
Nine Square Property Co., Ltd.	Property development	Thailand	100	-

- b) The Company and its subsidiaries are deemed to have control over an investee or subsidiaries if they have rights, or are exposed, to variable returns from their involvement with the investee, and they have the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) The assets and liabilities in the financial statements of an overseas subsidiary is translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses are translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statements of changes in shareholders' equity.
- f) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position.

- 2.3 The separate financial statements present investments in subsidiaries, joint venture and associates under the cost method.

### **3. New financial reporting standards**

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

#### **(a) Financial reporting standard that became effective in the current year**

The Company and its subsidiaries have adopted the revised (revised 2014) and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2015 (beginning on or after 1 April 2015 for the Company and its subsidiaries). These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements. However, some of these standards involve changes to key principles, which are summarised below.

##### **TAS 19 (revised 2014) Employee Benefits**

This revised standard requires that the entity recognise actuarial gains and losses immediately in other comprehensive income while the former standard allowed the entity to recognise such gains and losses immediately in either profit or loss or other comprehensive income, or to recognise them gradually in profit or loss.

This revised standard does not have any impact on the financial statements as the Company and its subsidiaries already recognise actuarial gains and losses immediately in other comprehensive income.

##### **TFRS 10 Consolidated Financial Statements**

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the content of TAS 27 Consolidated and Separate Financial Statements dealing with consolidated financial statements. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company and its subsidiaries have control over investees and determining which entities have to be included in preparation of the consolidated financial statements.

This standard does not have any impact on the Company's and its subsidiaries' financial statements.

### **TFRS 11 Joint Arrangements**

TFRS 11 supersedes TAS 31 Interests in Joint Ventures. This standard requires an entity investing in any other entity to determine whether the entity and other investors have joint control in the investment. When joint control exists, there is deemed to be a joint arrangement and the entity then needs to apply judgement to assess whether the joint arrangement is a joint operation or a joint venture and to account for the interest in the investment in a manner appropriate to the type of joint arrangement. If it is a joint operation, the entity is to recognise its shares of assets, liabilities, revenue and expenses of the joint operation, in proportion to its interest, in its separate financial statements. If it is a joint venture, the entity is to account for its investment in the joint venture using the equity method in the financial statements in which the equity method is applied or the consolidated financial statements (if any), and at cost in the separate financial statements.

This standard does not have any impact on the financial statements since the Company and its subsidiaries already apply the equity method to account for the investment in a joint venture.

### **TFRS 12 Disclosure of Interests in Other Entities**

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact on the financial statements of the Company and its subsidiaries.

### **TFRS 13 Fair Value Measurement**

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurement. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effects of the adoption of this standard are to be recognised prospectively.

This standard does not have any significant impact on the Company's and its subsidiaries' financial statements.

## **(b) Financial reporting standard issued during the period and not yet effective**

During the current year, the Federation of Accounting Professions issued a number of the revised (revised 2015) and new financial reporting standards and accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2016 (beginning on or after 1 April 2016 for the Company and its subsidiaries). These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards. The Company and its subsidiaries' management believes that the revised and new financial reporting standards and accounting treatment guidance will not have any significant impact on the financial statements when it is initially applied.

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

#### **4.1 Revenue recognition**

##### **Train procurement service income under concession agreement**

Train procurement service income under concession agreement is recognised when service has been rendered, taking into account the stage of completion.

##### **Service income**

###### Advertising income

Advertising income is recognised when services have been rendered, taking into account the stage of completion, charged is in accordance with service areas. The service charge depends on the area, the service charge per area and the period of service stipulated in the contracts.

###### Revenues from provision of operating services

Income from providing of operating services is recognised when services have been rendered taking into account the stage of completion, excluding value added tax. Service rate charged is in accordance with rates as stipulated in the contract.

###### Revenues from provision of space

Space rental income is income from the rental of advertising space and retail space. Space rental income is recognised on a straight-line basis over the lease term. The rental charge depends on the area rented, the rental rate charged per area, and the rental period stipulated in the contract.

###### Revenues from hotel and restaurant operations

Revenues from hotel and restaurant operations mainly comprise of room sales, food and beverage sales and revenues from auxiliary activities, and represent the invoiced value (excluding value added tax) of goods delivered and services rendered after deducting discounts and service charges.

### Other service income

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

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

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

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

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

### **Other income**

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

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

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

Finance lease income is recognised over the term of the agreement, using the effective interest rate, and income is recognised as the installments fall due irrespective of when actual collection is made. Finance lease income is presented under interest income in the profit or loss.

## **4.2 Expenses**

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

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

### **Cost of train procurement service under concession agreement**

Cost of train procurement service under concession agreement is recognised on an accrual basis.

## **4.3 Cash and cash equivalents**

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



#### **4.4 Accounts receivable**

- a) Accounts receivable are stated at the net realisable value.
- b) Receivables under concession and finance lease agreements are stated at the outstanding balance, net of deferred revenue.

Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experiences and analysis of debt aging.

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

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

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

#### **4.6 Investments**

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

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

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

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

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

#### **4.7 Project costs - media**

Project costs - media are stated at cost less any accumulated amortisation and any accumulated impairment losses (if any).

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

Amortisation is included in determining income.

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

Spare parts are consisted as follows:

- a) Consumable spare parts are valued at the lower of cost (weighted average method) and net realisable value and are charged through profit or loss whenever actually consumed.
- b) Reusable spare parts are stated at cost less accumulated amortisation. Amortisation of reusable spare parts is calculated by reference to their costs on the straight-line basis over the period of the operation and maintenance agreement for a mass transit system in Bangkok and is recorded through the profit or loss.

#### **4.9 Investment properties**

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

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

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

Depreciation of the investment properties is included in determining income.

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

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

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

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

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

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

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

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

Buildings and improvements	5 - 30	years
Leasehold improvement	5 - 20	years or the lower of lease term
Golf course development costs	5 - 20	years
Machinery and equipment	3 - 10	years
Furniture and office equipment	3 - 10	years
Motor vehicles	5	years

Depreciation is included in determining income.

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

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

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

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

Amortisation is included in determining income.

#### **4.12 Intangible assets**

Computer software is carried at cost less accumulated amortisation and allowance for impairment losses (if any).

Computer software is amortised on a systematic basis over the economic useful lives of 3 years and 5 years and tested for impairment whenever there is an indication that the computer software may be impaired. The amortisation period and the amortisation method of such computer software are reviewed at least at each financial year end. The amortisation expense is charged to the profit or loss.

#### **4.13 Goodwill**

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

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

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

#### **4.14 Borrowing costs**

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

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

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

An impairment loss is recognised in profit or loss.

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

#### **4.16 Provisions**

##### General

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

##### Major maintenance or restoration of elevated trains under service concession

The subsidiary has contractual obligations to maintain or restore the elevated trains under service concession to a specified level of service ability. The obligations 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.

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

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

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

#### **4.18 Long-term leases**

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

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

#### **4.19 Related party transactions**

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

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

#### **4.20 Foreign currencies**

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

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

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

Gains and losses on exchange are included in determining income.

#### **4.21 Employee benefits**

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

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

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

###### *Defined contribution plans*

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

### *Defined benefit plans*

The Company and its subsidiaries have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

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

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

#### **4.22 Assets held for sale and discontinued operations**

The Company classifies assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Gain or loss from discontinued operations are excluded from the results of continuing operations and are presented as a single amount in the profit or loss.

#### **4.23 Treasury share**

Treasury share is stated at cost and presented in statement of financial position as a reduction from shareholders' equity. Gains on disposal of treasury stock are determined by reference to its carrying amount and are taken to premium on treasury share, losses on disposal of treasury share are determined by reference to its carrying amount and are taken to premium on treasury share and retained earnings, consecutively.



#### **4.24 Service Concession Arrangements**

The subsidiary provides services to procure electric trains to be used in the provision of public services and to operate and maintain elevated trains under service concession 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 the 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.

#### **4.25 Income tax**

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

##### **Current tax**

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

##### **Deferred tax**

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

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

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

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

#### **4.26 Derivatives**

##### **Cross currency swap agreement/Forward exchange agreement**

Payables and receivables arising from cross currency swap agreement/ forward exchange agreement are translated into Baht at the rates of exchange ruling at the end of reporting period. Unrecognised gains and losses from the translation are recognised in profit or loss. Premiums or discounts on cross currency swap agreement/forward exchange agreement are amortized on a straight-line basis over the contract periods.

#### **4.27 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

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

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

**Leases**

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

**Allowance for doubtful accounts**

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

**Fair value of financial instruments**

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk (bank and counterparty, both) liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

**Impairment of investments**

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

**Property, plant and equipment and depreciation**

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

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

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

**Project costs - media and amortisation**

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

**Real estate development cost estimation**

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

**Goodwill and intangible assets**

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

**Deferred tax assets**

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

**Accrued expenses**

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

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

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

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

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

### **Provisions**

The subsidiaries determined the provisions using various assumptions relevant to each provision. Estimates are reviewed whenever circumstances change.

### **Allocation of assets and liabilities and revenues and expenses to BTSGIF**

The subsidiary allocated assets, liabilities, revenues and expenses in order to submit net fare box revenues to BTSGIF. In making these allocations the management needs to apply judgment, bases, information and various assumptions, regarding matters such as route length and the expenses reimbursable from BTSGIF. The allocations are reviewed whenever new transactions occur and circumstances change. In addition, the allocations have to be verified and approved by BTSGIF.

### **Corporate income tax of a subsidiary (BTSC)**

From a tax perspective, the sale of future net fare box revenues was treated as borrowing from BTSGIF and so in calculating corporate income tax, the subsidiary calculated interest expense based on the difference between the net fare box revenues submitted to BTSGIF and the amortisation of BTSGIF's investment in rights to receive fare box revenue of the Core Bangkok Mass Transit System of BTSGIF (calculated based on projections of numbers of passengers in the report prepared by an independent valuer). The estimate is reviewed whenever new transactions occur and circumstances change.

### **Litigation**

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

## 6. Related party transactions

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

(Unit: Million Baht)

	For the years ended 31 March				Pricing policy
	Consolidated financial statements		Separate financial statements		
	2016	2015	2016	2015	
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Sales of land and investments (Note 17.1.8)					
	-	-	2,992	-	Contract price
Interest income	-	-	73	95	At cost of funds plus margin
Management income	-	-	47	47	Contract price
Utility income	-	-	12	10	Contract price
Revenue from guarantee	-	-	57	59	Contract price
Commission income	-	-	-	43	Contract price
Rental income	-	-	50	42	Contract price
Dividend income	-	-	2,001	2,026	Announce rate
Management fee	-	-	7	20	Contract price
Rental expenses	-	-	12	5	Contract price
Interest expenses	-	-	284	57	At cost of funds plus margin
Purchases of fixed assets and investment properties					
	-	-	207	379	Contract price
Return of capital	-	-	501	-	Announce rate
<u>Transactions with jointly controlled entities and associates</u>					
Sale of land					
	-	1,411	-	-	Contract price
Interest income	145	6	119	6	At cost of funds plus margin
Service income	88	99	-	-	Contract price
Dividend income	1,316	1,226	1,292	1,207	Announce rate
Return of capital	656	149	93	149	Announce rate
Revenue sharing paid	1	1	-	-	Contract price
Management fee	34	44	13	17	Contract price
Special business tax paid	57	53	-	-	Contract price
Shortfall in revenues being lower than the minimum guaranteed amounts paid (Note 35)					
	188	-	-	-	Contract price
Net fare box revenues transferred	4,475	3,957	-	-	Contract price
<u>Transactions with related parties</u>					
Sale of investment (Note 17.1.5)					
	769	-	769	-	Contract price
Interest income	4	-	9	-	At cost of funds plus margin
Service income	31	9	-	-	Contract price
Revenue sharing paid	25	-	-	-	Contract price
Cost of service	-	7	-	-	Contract price
Management fee	12	11	4	-	Contract price
Purchases of fixed assets and investment properties					
	24	32	3	-	Contract price

As at 31 March 2016 and 2015, the balances of the accounts between the Company and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<b><u>Trade and other receivables - related parties (Note 10)</u></b>				
Subsidiary companies	-	-	50,714	23,281
Jointly controlled entities and associated companies	153,104	149,340	92,894	1,198
Related companies (common shareholders/shareholder of related company)	30,886	4,374	8,262	-
Total trade and other receivables - related parties	<u>183,990</u>	<u>153,714</u>	<u>151,870</u>	<u>24,479</u>
<b><u>Advance to contractor - related party</u></b>				
Subsidiary company	-	-	3,186	19,476
Total advance to contractor - related party	<u>-</u>	<u>-</u>	<u>3,186</u>	<u>19,476</u>
<b><u>Accrued income - related parties</u></b>				
Associated companies	447,723	357,299	-	-
Related company (common shareholders/shareholder of related company)	14	1,205	-	-
Total accrued income - related parties	<u>447,737</u>	<u>358,504</u>	<u>-</u>	<u>-</u>
<b><u>Trade and other payables - related parties (Note 29)</u></b>				
Subsidiary companies	-	-	316,941	91,400
Jointly controlled entities and associated companies	274	685	-	-
Related companies (common shareholders/shareholder of related company)	25,383	1,558	1,168	-
Total trade and other payables - related parties	<u>25,657</u>	<u>2,243</u>	<u>318,109</u>	<u>91,400</u>
<b><u>Unearned revenue - related party</u></b>				
Associated company	504,854	541,839	-	-
Total unearned revenue - related party	<u>504,854</u>	<u>541,839</u>	<u>-</u>	<u>-</u>
<b><u>Retention payable - related parties</u></b>				
Subsidiary company	-	-	13,017	7,471
Related company (shareholder of subsidiary company)	16,679	-	-	-
Total retention payable - related party	<u>16,679</u>	<u>-</u>	<u>13,017</u>	<u>7,471</u>
<b><u>Provision - related parties (Note 35)</u></b>				
Associated companies	1,171,299	1,208,163	-	-
Total provision - related party	<u>1,171,299</u>	<u>1,208,163</u>	<u>-</u>	<u>-</u>

## Loans to related parties and loans from related individuals and parties

As at 31 March 2016 and 2015, the balances of loans between the Company and those related individuals and parties and the movements are as follows:

(Unit: Thousand Baht)

		Consolidated financial statements			
Short-term loan to related parties	Related by	Balance as at 31 March 2015	Increase during the year	Decrease during the year	Balance as at 31 March 2016
EGV Co., Ltd.	Related company	4,018	-	-	4,018
Related individual	Director of subsidiaries	-	14,318	-	14,318
		4,018	14,318	-	18,336
Less: Allowance for doubtful debt		(4,018)	-	-	(4,018)
Net		-	14,318	-	14,318

(Unit: Thousand Baht)

		Separate financial statements			
Short-term loans to related parties	Related by	Balance as at 31 March 2015	Increase during the year	Decrease during the year	Balance as at 31 March 2016
Rabbit Rewards Co., Ltd. (Formerly known as "Carrot Rewards Co., Ltd.")	Subsidiary company	306,500	20,000	(326,500)	-
Man Kitchen Co., Ltd	Subsidiary company	-	30,800	(30,800)	-
Primary Kitchen Co., Ltd.	Subsidiary company	-	10,400	(10,400)	-
EGV Co., Ltd.	Related company	4,018	-	-	4,018
		310,518	61,200	(367,700)	4,018
Less: Allowance for doubtful debts		(216,518)	-	212,500	(4,018)
Net		94,000	61,200	(155,200)	-

(Unit: Thousand Baht)

		Consolidated financial statements			
Long-term loan to related parties	Related by	Balance as at 31 March 2015	Increase during the year	Decrease during the year	Balance as at 31 March 2016
Hwa Kay Thai (Thailand) Co., Ltd.	Related company	22,900	-	(2,800)	20,100
Midas Global Media Co., Ltd. <sup>(1)</sup>	Related company	39,250	80,000	(11,925)	107,325
BTS Sansiri Holding One Ltd.	Jointly controlled entity	350,000	160,000	(190,000)	320,000
BTS Sansiri Holding Two Ltd.	Jointly controlled entity	373,756	-	(247,068)	126,688
BTS Sansiri Holding Three Ltd.	Jointly controlled entity	-	400,000	(130,000)	270,000
BTS Sansiri Holding Four Ltd.	Jointly controlled entity	-	642,000	(420,000)	222,000
BTS Sansiri Holding Five Ltd.	Jointly controlled entity	-	175,000	(147,000)	28,000
BTS Sansiri Holding Six Ltd.	Jointly controlled entity	-	450,000	-	450,000
BTS Sansiri Holding Seven Ltd.	Jointly controlled entity	-	75,000	(70,000)	5,000
BTS Sansiri Holding Eight Ltd.	Jointly controlled entity	-	209,000	-	209,000
BTS Sansiri Holding Nine Ltd.	Jointly controlled entity	-	36,000	-	36,000
BTS Sansiri Holding Eleven Ltd.	Jointly controlled entity	-	283,000	(220,000)	63,000
BTS Sansiri Holding Twelve Ltd.	Jointly controlled entity	-	174,000	-	174,000
BTS Sansiri Holding Fourteen Ltd.	Jointly controlled entity	-	86,000	(76,000)	10,000
Nuvo Line Agency Co., Ltd.	Jointly controlled entity	-	50,000	-	50,000
ATS Rabbit Special Purpose Vehicle Co., Ltd.	Jointly controlled entity	-	29,870	-	29,870
Bayswater Co., Ltd.	Jointly controlled entity	-	3,901,300	-	3,901,300
		785,906	6,751,170	(1,514,793)	6,022,283
Less: Allowance for doubtful debts		(22,900)	-	2,800	(20,100)
		763,006	6,751,170	(1,511,993)	6,002,183
Less: Current portion		(3,925)	(61,662)	11,925	(53,662)
Net		759,081	6,689,508	(1,500,068)	5,948,521

<sup>(1)</sup> On 1 July 2015, the status of Midas Global Media Company Limited changed from a jointly controlled entity to a related company.



(Unit: Thousand Baht)

Long-term loans to related parties	Related by	Separate financial statements			
		Balance as at 31 March 2015	Increase during the year	Decrease during the year	Balance as at 31 March 2016
Yongsu Co., Ltd.	Subsidiary company	5,875	85	(5,960)	-
Tanayong Food and Beverage Co., Ltd.	Subsidiary company	243,139	66,983	(310,122)	-
Muangthong Assets Co., Ltd.	Subsidiary company	274,200	-	(274,200)	-
Tanayong International Ltd.	Subsidiary company	437,142	5,539	-	442,681
Tanayong Hong Kong Ltd.	Subsidiary company	3,752	66	-	3,818
Siam Paging and Communication Co., Ltd.	Subsidiary company	116,550	9,460	(126,010)	-
BTS Land Co., Ltd.	Subsidiary company	71,300	8,500	(79,800)	-
Thana City Golf & Sports Club Co., Ltd.	Subsidiary company	49,300	14,100	(63,400)	-
Unicorn Enterprise Co., Ltd.	Subsidiary company	-	6,895,909	(813,600)	6,082,309
Rabbit Rewards Co., Ltd. (Formerly known as "Carrot Rewards Co., Ltd.")	Subsidiary company	-	326,500	-	326,500
BTS Sansiri Holding One Ltd.	Jointly controlled entity	350,000	120,000	(470,000)	-
BTS Sansiri Holding Two Ltd.	Jointly controlled entity	373,756	-	(373,756)	-
BTS Sansiri Holding Three Ltd.	Jointly controlled entity	-	291,000	(291,000)	-
BTS Sansiri Holding Four Ltd.	Jointly controlled entity	-	600,000	(600,000)	-
BTS Sansiri Holding Five Ltd.	Jointly controlled entity	-	175,000	(175,000)	-
BTS Sansiri Holding Six Ltd.	Jointly controlled entity	-	330,000	(330,000)	-
BTS Sansiri Holding Seven Ltd.	Jointly controlled entity	-	75,000	(75,000)	-
BTS Sansiri Holding Eight Ltd.	Jointly controlled entity	-	169,000	(169,000)	-
Bayswater Co., Ltd.	Jointly controlled entity	-	3,901,300	-	3,901,300
		1,925,014	12,988,442	(4,156,848)	10,756,608
Less: Allowance for doubtful debts		(520,074)	(499,251)	97,225	(922,100)
Net		1,404,940	12,489,191	(4,059,623)	9,834,508

Note: During the current year, the Company novated loans to a subsidiary in accordance with the restructuring of the business under common control (Note 17.1.8).

(Unit: Thousand Baht)

Short-term loan from individual	Related by	Consolidated financial statements			
		Balance as at 31 March 2015	Increase during the year	Decrease during the year	Balance as at 31 March 2016
Individual	Shareholder of subsidiary company	-	13,200	(13,200)	-
Total		-	13,200	(13,200)	-

(Unit: Thousand Baht)

Short-term loans from related parties	Related by	Separate financial statements			
		Balance as at 31 March 2015	Increase during the year	Decrease during the year	Balance as at 31 March 2016
Bangkok Mass Transit System Plc.	Subsidiary company	9,185,000	17,308,500	(8,564,000)	17,929,500
Dnal Co., Ltd.	Subsidiary company	-	20,000	(20,000)	-
Mak8 Co., Ltd.	Subsidiary company	-	57,000	(57,000)	-
BSS Holding Co., Ltd.	Subsidiary company	-	140,000	(36,000)	104,000
Total		9,185,000	17,525,500	(8,677,000)	18,033,500

(Unit: Thousand Baht)

Long-term loan from related party	Related by	Separate financial statements			
		Balance as at 31 March 2015	Increase during the year	Decrease during the year	Balance as at 31 March 2016
Theory Ltd.	Shareholder of subsidiary company	-	35,669	-	35,669
Total (Current portion)		-	35,669	-	35,669

The loans to related parties and loans from related individuals and parties are not collateralised, except for the loan to Midas Global Media Co., Ltd., which is secured by assets and transfers of rights as stipulated in the agreement.

#### Directors' and management's benefits

During the years ended 31 March 2016 and 2015, the Company and its subsidiaries had employee benefit expenses to their directors and management as below.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Short-term employee benefits	321	270	113	78
Post-employment benefits	31	11	2	2
Share-based payment	3	6	1	1
<b>Total</b>	<b>355</b>	<b>287</b>	<b>116</b>	<b>81</b>

#### Guarantee obligation with related party

The Company has an outstanding guarantee obligation with its related party, as described in Note 55.7 d) to the financial statements.

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Cash	36,237	136,557	183	104
Current deposits and saving deposits	2,080,407	2,912,832	240,883	309,439
Fixed deposits with maturity date				
due not more than 3 months	37,516	2,108,724	4	4
Certificates of deposits	140,284	4,412,189	140,284	296,218
Bills of exchange	70,209	541,618	-	-
<b>Total</b>	<b>2,364,653</b>	<b>10,111,920</b>	<b>381,354</b>	<b>605,765</b>

As at 31 March 2016, cash and cash equivalents carried interests between 0.01 to 3.00% per annum (2015: 0.10 and 3.10% per annum) (Separate financial statements: between 0.10 to 1.25% per annum (2015: 0.13 and 1.50% per annum)).

## 8. Current investments

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<b>Fixed deposits with maturity</b>				
<b>date due more than 3 months</b>	1,169,708	2,289,947	-	-
<b>Held to maturity securities</b>				
Domestic private debt securities	1,368,225	1,870,965	-	230,674
Foreign private debt securities	605,052	1,134,259	597,416	1,134,259
	<u>1,973,277</u>	<u>3,005,224</u>	<u>597,416</u>	<u>1,364,933</u>
<b>Investments in trading securities</b>				
Investments in fixed income funds	891,963	497,866	-	-
Domestic marketable equity securities	255,250	296,258	255,249	-
Derivative warrants	129,983	-	-	-
Government and state-owned enterprise				
bonds	47,847	74,902	-	-
Domestic private debt securities	175,345	197,003	-	-
	<u>1,500,388</u>	<u>1,066,029</u>	<u>255,249</u>	<u>-</u>
Allowance for change in value	22,845	10,177	11,444	-
	<u>1,523,233</u>	<u>1,076,206</u>	<u>266,693</u>	<u>-</u>
Total	<u>4,666,218</u>	<u>6,371,377</u>	<u>864,109</u>	<u>1,364,933</u>

On 1 July 2015, a subsidiary (BTSC) transferred investments in domestic marketable equity securities held in the trading portfolio to the available-for-sale portfolio. At the transfer date, the fair value and the original cost amounted to approximately Baht 364 million and Baht 391 million, respectively.

The current investments of Baht 1,408 million were pledged to secure a bank guarantee issued by a bank on behalf of the subsidiary as security for the long-term debentures and for compliance with Contract for Establishment of Central Clearing House project.

The Company and its subsidiaries had sale and purchase transactions of investments in trading securities. The details were as follows:

(Unit: Million Baht)

For the years ended 31 March

	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Purchases of investments	20,287	1,235	2,167	-
Sales of investments	19,462	573	1,912	-

The Company and its subsidiary recognised gain or loss on the sales of investments in trading securities in the profit or loss. The details were as follows:

(Unit: Million Baht)

For the years ended 31 March

	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Gain on sales	90	18	5	-

#### 9. Bank account for advances from cardholders

In order to comply with the Notification of the Bank of Thailand applicable to electronic card businesses, the subsidiary (Bangkok Smartcard System Co., Ltd.) has to deposit cash received in advance from cardholders with a financial institution in an amount not less than the outstanding balance of the advance receipts at the end of each day. These funds cannot be used for any purposes other than making payment to goods or service providers on behalf of the cardholder. As at 31 March 2016, the balance of cash received in advance from cardholders was Baht 285 million (2015: Baht 211 million).

## 10. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<b><u>Trade receivables - related parties</u></b>				
Not yet due	2,514	4,350	-	-
Past due				
Up to 3 months	413	66	-	-
3 - 6 months	-	2	-	-
Total trade receivables - related parties	<u>2,927</u>	<u>4,418</u>	<u>-</u>	<u>-</u>
<b><u>Trade receivables - unrelated parties</u></b>				
Not yet due	585,370	676,442	-	-
Past due				
Up to 3 months	159,606	212,058	-	-
3 - 6 months	27,926	47,300	-	-
6 - 12 months	16,139	11,299	-	-
Over 12 months	63,808	26,142	-	-
Total	<u>852,849</u>	<u>973,241</u>	<u>-</u>	<u>-</u>
Posted date cheques	-	8,914	-	-
Less: Allowance for doubtful debts	<u>(59,054)</u>	<u>(49,759)</u>	<u>-</u>	<u>-</u>
Total trade receivables - unrelated parties - net	<u>793,795</u>	<u>932,396</u>	<u>-</u>	<u>-</u>
Total trade receivables - net	<u>796,722</u>	<u>936,814</u>	<u>-</u>	<u>-</u>
<b><u>Other receivables</u></b>				
Advances	12,535	6,410	1,169	20
Interest receivables - related parties	110,777	198	142,951	20,706
Interest receivables	29,702	75,285	6,786	9,955
Dividend receivables - related party	7,500	1,000	7,500	1,000
Dividend receivables	17,975	7,862	17,975	7,862
Other receivables - related parties	70,286	148,098	1,419	2,773
Other receivables	65,773	42,473	37,663	36,512
Total other receivables	<u>314,548</u>	<u>281,326</u>	<u>215,463</u>	<u>78,828</u>
Total trade and other receivables - net	<u>1,111,270</u>	<u>1,218,140</u>	<u>215,463</u>	<u>78,828</u>

## 11. Receivable under concession agreement

(Unit: Thousand Baht)

Consolidated  
financial statements

	<u>2016</u>	<u>2015</u>
Balance at the beginning of year	3,707,436	3,747,663
Addition	-	49,793
Repayment	(92,205)	(90,020)
Balance at the end of year	<u>3,615,231</u>	<u>3,707,436</u>
Current	94,584	92,205
Non-current	<u>3,520,647</u>	<u>3,615,231</u>
	<u>3,615,231</u>	<u>3,707,436</u>

The receivable represents a receivable from the provision of train procurement services for extension line - Silom and Sukhumvit, and the core line after the expiry of the existing concession, in accordance with an arrangement under the Operating and Maintenance of Bangkok Mass Transit System Agreement dated 3 May 2012 between Krungthep Thanakom Company Limited (“Krungthep Thanakom”) and a subsidiary (BTSC), and the amendment to that agreement, with a term of 30 years from 8 May 2012 to 2 May 2042.

The agreement stipulates that the subsidiary is to procure a number of trains for a specified period and will receive a monthly fixed payment. The subsidiary can negotiate adjustment of the compensation with Krungthep Thanakom. In addition, the subsidiary has obligations to perform major maintenance or restoration of these trains, and these are recorded under the provision accounts, as discussed in Note 35 to the financial statements. Krungthep Thanakom has a call option to purchase the trains at the end of the agreement at the rates stipulated in the agreement.

Baht 3,116 million of the receivable under the concession agreement is more than 5 years past due (2015: Baht 3,221 million), and this is subject to interest at rates of 0.58% and 6.12% per annum (2015: 0.58 and 6.12% per annum).

## 12. Receivable under financial lease agreement

(Unit: Thousand Baht)

	Consolidated financial statements		
	2016		
	Amounts due under the agreements		
	Less than		
	1 year	1 - 5 years	Total
Gross investment in the agreement	30,756	2,563	33,319
Less: Deferred revenue	(1,110)	(13)	(1,123)
Receivable under finance lease agreement	29,646	2,550	32,196
Current portion of receivable under finance lease agreement			29,646
Receivable under finance lease agreement - net of current portion			2,550

(Unit: Thousand Baht)

	Consolidated financial statements		
	2015		
	Amounts due under the agreements		
	Less than		
	1 year	1 - 5 years	Total
Gross investment in the agreement	30,756	33,319	64,075
Less: Deferred revenue	(2,811)	(1,123)	(3,934)
Receivable under finance lease agreement	27,945	32,196	60,141
Current portion of receivable under finance lease agreement			27,945
Receivable under finance lease agreement - net of current portion			32,196

The receivable represents a receivable from the provision of bus procurement services in accordance with an arrangement under the Operating and Bus Procurement (BRT) Agreement dated 10 February 2010 between a subsidiary (BTSC) and Krungthep Thanakom Company Limited and the amendment to the agreement, for 7 years, from 15 May 2010 to 15 May 2017.

### 13. Real estate development costs

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Land and construction development	628,329	2,239,060	509,764	654,846
Less: Reduce cost to net realisable value	(1,272)	(1,272)	(1,272)	(1,272)
Real estate development costs - net	<u>627,057</u>	<u>2,237,788</u>	<u>508,492</u>	<u>653,574</u>
Mortgaged as collateral for credit facilities	822	611,206	822	822

### 14. Assets awaiting transfer under rehabilitation plan

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Real estate development costs - net	39,921	39,921	39,921	39,921
Land and projects awaiting development - net	28,315	28,315	28,315	28,315
Property, plant and equipment - net	18	36	18	36
Total	<u>68,254</u>	<u>68,272</u>	<u>68,254</u>	<u>68,272</u>

The balance consists of land and condominium units mortgaged as collateral with a creditor per the rehabilitation plan of the Company. The Company has not yet transferred these assets to the creditor since certain debts are pending a final order from the Supreme Court.

### 15. Investments in subsidiaries awaiting transfer under rehabilitation plan

The balance consists of 72 million ordinary shares of BTSC pledged as collateral with a creditor per the rehabilitation plan of the Company. The Company has not yet transferred these assets to the creditor since certain debts are still pending a final order from the Supreme Court.

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

As at 31 March 2016, the Company had the outstanding balances of cash deposited with the Central Bankruptcy Court as guarantees of settlement of unsecured and secured creditors, amounting to Baht 130.2 million and Baht 40.7 million, respectively (2015: Baht 130.2 million and Baht 40.7 million, respectively), due to the debts pending final court judgement or comptroller's orders. Such amounts of cash deposited are still lower than the maximum amount of debt that may arise on a proportional basis of unsecured and secured creditors by Baht 48.8 million and Baht 416.5 million, respectively. The Company is obliged to pay or transfer assets to settle such debts as stipulated in the rehabilitation plan. However, the Company completely recorded such debts in its accounts and the secured creditors are provided guarantees by the mortgage of the Company's assets in full.



## 17. Investments in subsidiaries

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

(Unit: Thousand Baht)

Company's name	Paid-up capital		Percentage owned by the Company		Cost		Dividend income during the year	
	2016	2015	2016	2015	2016	2015	2016	2015
Bangkok Mass Transit System Public Co., Ltd. ("BTSC")	4,016,783	4,016,783	97.46	97.46	29,937,253	29,937,253	1,879,126	1,879,126
VGI Global Media Public Co., Ltd.* (51% held by BTSC)	686,432	686,398	23.30	18.58	7,850,276	6,337,095	119,127	125,985
Dnal Co., Ltd.	-	50,000	-	100	-	680,609	-	-
Muangthong Assets Co., Ltd.	-	125,000	-	100	-	503,695	-	-
PrannaKiri Assets Co., Ltd.	-	311,000	-	100	-	310,010	-	-
Yong Su Co., Ltd.	-	234,000	-	100	-	236,570	-	-
Tanayong Food and Beverage Co., Ltd.	-	1,000	-	100	-	1,000	-	-
Thana City Golf & Sports Club Co., Ltd.	-	20,000	-	100	-	77,472	-	-
Siam Paging and Communication Co., Ltd.	-	5,000	-	100	-	5,000	-	-
Tanayong Property Management Co., Ltd.	-	1,000	-	100	-	1,000	2,580	3,400
Tanayong International Ltd.	25	25	100	100	25	25	-	-
HHT Construction Co., Ltd.	-	25,000	-	51	-	12,750	-	17,850
Tanayong Hong Kong Limited	42	42	100	100	42	42	-	-
Rabbit Rewards Co., Ltd. (Formerly known as "Carrot Rewards Co., Ltd.")	2,000	2,000	100	100	2,000	2,000	-	-
BTS Assets Co., Ltd. <sup>(1)</sup>	-	800,000	-	100	-	1,424,078	-	-
BTS Land Co., Ltd.	-	10,000	-	100	-	10,000	-	-
Nuvo Line Agency Co., Ltd.	-	2,001,000	-	100	-	1,865,415	-	-
Kamkoong Property Co., Ltd. <sup>(1)</sup>	-	375,000	-	100	-	375,000	-	-
Man Kitchen Co., Ltd.	165,800	80,000	70	70	116,060	56,000	-	-
Mak8 Co., Ltd.	-	240,000	-	87.5	-	210,000	-	-
Primary Kitchen Co., Ltd.	93,844	10,000	100	100	93,844	10,000	-	-
BSS Holdings Co., Ltd.	1,200,000	75,000	100	100	1,200,000	75,000	-	-
Unicorn Enterprise Co., Ltd.	10,000	-	100	-	10,000	-	-	-
Total					39,209,500	42,130,014		
Less: Surplus on business combination under common control					(3,715,435)	(3,715,435)		
					35,494,065	38,414,579		
Less: Provision for loss on diminution in value					(66)	(1,407,941)		
					35,493,999	37,006,638		
Less: <sup>(1)</sup> Classified as assets held for sale (Note 17.1.6)					-	(1,799,078)		
Net					35,493,999	35,207,560		

\* As at 31 March 2016, the fair value of the ordinary shares and warrants that are listed on the Stock Exchange of Thailand, based on the latest bid price, is Baht 7,744 million (2015: Baht 7,012 million).

Details of investments in subsidiaries that have material non-controlling interests were as follows:

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit allocated to non-controlling interests during the year		Dividend paid to non-controlling interests during the year	
	2016	2015	2016	2015	2016	2015	2016	2015
	(%)	(%)						
Bangkok Mass Transit System Public Co., Ltd.	2.54	2.54	604	617	28	34	49	49
VGI Global Media Public Co., Ltd.	27.00 <sup>1</sup>	31.72 <sup>1</sup>	605	580	247	307	133	347

<sup>1</sup> Calculated based on the Company's 23.30% (2015: 18.58%) shareholding and BTSC's 51.00% (2015: 51.00%) shareholding in VGI

Summarised financial information that based on amounts before inter-company elimination about subsidiaries that have material non-controlling were as follows:

#### Summarised information about financial position

	(Unit: Million Baht)			
	Bangkok Mass Transit System Public Co., Ltd.		VGI Global Media Public Co., Ltd.	
	2016	2015	2016	2015
Current assets	24,217	24,998	837	1,042
Non-current assets	12,072	13,584	2,262	2,244
Current liabilities	(3,926)	(4,671)	(822)	(1,433)
Non-current liabilities	(6,347)	(7,792)	(35)	(24)

#### Summarised information about comprehensive income

	(Unit: Million Baht)			
	For the years ended 31 March			
	Bangkok Mass Transit System Public Co., Ltd.		VGI Global Media Public Co., Ltd.	
	2016	2015	2016	2015
Revenue	5,075	6,164	2,299	3,063
Profit	2,059	2,196	941	838
Other comprehensive income	18	(56)	(12)	-
Total comprehensive income	2,077	2,140	929	838

#### Summarised information about cash flow

	(Unit: Million Baht)			
	For the years ended 31 March			
	Bangkok Mass Transit System Public Co., Ltd.		VGI Global Media Public Co., Ltd.	
	2016	2015	2016	2015
Cash flow from operating activities	1,549	778	785	1,070
Cash flow from (used in) investing activities	(6,385)	7,733	(55)	(954)
Cash flow used in financing activities	(3,334)	(4,841)	(805)	(432)
Net increase (decrease) in cash and cash equivalents	(8,170)	3,670	(75)	(316)

## **17.1 Subsidiaries directly owned by the Company**

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

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, benefits and rights on an Operating and Maintenance of Bangkok Mass Transit System Agreement and an Operating and Bus Procurement (BRT) Agreement stipulated the Net Revenue Purchase and Transfer Agreement of the Core BTS Sky Train System) have been pledged with BTS Rail Mass Transit Growth Infrastructure Fund to secure its obligations under the Sponsor Support and Guarantee Agreement.

### **17.1.2 Man Kitchen Company Limited**

On 2 June 2015, the Extraordinary General Meeting of shareholders of a subsidiary passed a resolution to approve a Baht 220 million increase in its registered capital, from the existing registered capital of Baht 80 million to Baht 300 million, by issuing 2,200,000 new ordinary shares with a value of Baht 100 each, 39% called up. The Company acquired additional ordinary shares of the subsidiary in proportion to its existing holding, and as a result, its shareholding in the subsidiary is unchanged at 70%.

### **17.1.3 Primary Kitchen Company Limited**

On 2 June 2015, an Extraordinary General Meeting of the shareholders of a subsidiary passed a resolution to approve a Baht 90 million increase in the subsidiary’s registered capital, from Baht 10 million to Baht 100 million, by issuing 900,000 new ordinary shares with a value of Baht 100 each, 45% called up. Subsequently, on 27 November 2015, the subsidiary called up a further 48.16% of the registered share capital, amounting to Baht 43 million. The Company acquired all additional ordinary shares of the subsidiary, and as a result, its shareholding in the subsidiary is unchanged at 100%.

### **17.1.4 Mak8 Company Limited**

On 7 May 2015, the Company acquired 300,000 ordinary shares of a subsidiary, representing a 12.5% interest, from its existing shareholder at a price of Baht 30 million. As a result, the Company’s shareholding in the subsidiary increased from 87.5% to 100%.

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

	(Unit: Thousand Baht)
	Consolidated financial statements
	<u>                    </u>
Purchase price	30,000
Less: Non-controlling interests of subsidiary adjusted	<u>(29,990)</u>
Deficit from the change in the ownership interests in subsidiary	<u>          10</u>

As discussed in Note 17.1.8 to the financial statements, as a result of the restructuring of the property business unit, in December 2015, the Company transferred investment in the subsidiary to Unicorn.

Subsequently, on 9 May 2016, the Annual General Meeting of the subsidiary's shareholders passed a resolution to decrease the subsidiary's registered and issued share capital by Baht 89 million from Baht 240 million to Baht 151 million by decreasing number of ordinary shares from 2,400,000 ordinary shares to 1,510,000 ordinary shares with a par value of Baht 100 each.

#### **17.1.5 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 Company recorded surplus from the changes in the ownership interests in a subsidiary from purchase of ordinary shares amounting to Baht 214 million under the shareholders' equity in the consolidated statements of financial position as at 31 March 2015.

On 24 July 2015, the Extraordinary General Meeting of shareholders of a subsidiary passed a resolution to approve a decrease in its registered and issued share capital, from Baht 2,001 million to Baht 1,500 million.

Subsequently, on 25 September 2015, a meeting of the Executive Committee of the Company passed a resolution to approve the Company's disposal of 7,500,000 shares of the subsidiary with a par value of Baht 100 per share, representing a 50% shareholding, to Sansiri Public Company Limited. On 6 October 2015, the Company sold the shares for a total price of Baht 769 million.

The assessment of the Company's management was that, as a result of the disposal of ordinary shares, the Company had lost control over the subsidiary and that the assets and liabilities of the subsidiary as at 6 October 2015 and 30 September 2015 did not materially differ. Therefore, the Company has excluded the financial statements of the subsidiary from the consolidated financial statements since 30 September 2015.

Details of the book values of assets and liabilities of the subsidiary as at 30 September 2015 are as follows:

(Unit: Thousand Baht)

<b>Assets</b>	
Cash and cash equivalents	41,659
Current investment	87,130
Project development costs	1,451,210
Other current assets	309
Investment properties	29,646
Property, plant and equipment	189
Other non-current assets	651
<b>Total assets</b>	<b>1,610,794</b>
<b>Liabilities</b>	
Trade and other payables	34,883
Unearned revenue	1,315
Income tax payable	8,191
Other current liabilities	414
<b>Total liabilities</b>	<b>44,803</b>
<b>Net asset value</b>	<b>1,565,991</b>

As a result of the disposal of the investment in subsidiary, the Company remained a 50% shareholding in this company and it was considered as investment in a jointly controlled entity, held by the Company and Sansiri Public Company Limited. The management of the Company assessed that the acquisition of the jointly controlled entity was an asset acquisition because, applying the definition in TFRS 3 (revised 2014) Business Combinations, the assets acquired do not constitute a business.

The Company derecognised the investment in subsidiary and recognised investment in jointly controlled entity of Baht 682 million in the separate financial statements, while recording the investment in a jointly controlled entity at its fair value of Baht 769 million (equivalent to the selling price of the 50% interest in the subsidiary) in the consolidated financial statements. The Company recorded a gain on the sale of investment in the profit or loss for the year ended 31 March 2016, as detailed below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Selling price of investment in subsidiary	769,019	769,019
Fair value of investment in jointly controlled entity	769,019	-
Less: Book value of investment in subsidiary at 50%	-	(682,208)
Book value of subsidiary's net assets as at selling date	(1,565,991)	-
Gain (loss) on sale of investment	(27,953)	86,811

As discussed in Note 17.1.8 to the financial statements, as a result of the restructuring of the property business unit, in December 2015, the Company transferred investment in joint venture to Unicorn.

#### **17.1.6 BTS Assets Company Limited (“BTSA”) and Kamkoong Property Company Limited (“Kamkoong”)**

On 24 November 2014, a meeting of the Board of Directors of the Company passed a resolution to approve the Company’s disposal of all of the ordinary shares it held in BTSA and Kamkoong to U City Public Company Limited (“U City”) (Formerly known as “Natural Park Public Company Limited”) at a price of not less than Baht 8,616.47 million but not exceeding Baht 9,409.14 million. The final selling price of BTSA and Kamkoong’s shares will be determined based on the actual area of the land plots before the closing date. In return, the Company will be entitled to compensation in the form of newly issued ordinary shares of U City, with the number of these to be calculated based on the final selling price. This means not less than 183,329.13 million new shares of U City but not more than 200,194.38 million shares, with a par value of Baht 1 per share and at an offering price of Baht 0.047 per share (representing not less than 33.66% but not exceeding 35.66% of the total issued shares of U City as of the closing date). In addition, the Company will receive warrants to purchase ordinary shares of U City No. 2. To comply with the requirements of TFRS 5 (revised 2012) “Non-current Assets Held for Sale and Discontinued Operations”, the Company separately presented the assets, liabilities and equities relating to BTSA and Kamkoong under the caption of “Assets classified as held for sale”, “Liabilities directly associated with assets classified as held for sale” and “Amount recognised in equities relating to assets classified as held for sale” in the statement of financial position as at 31 March 2015.

As stipulated in the Share Purchase Agreement between the Company and U City dated 9 December 2014, on 3 April 2015, the Extraordinary General Meeting of shareholders of BTSA passed a resolution to approve a Baht 2,155 million increase in its registered capital, from the existing registered capital of Baht 800 million to Baht 2,955 million, by issuing 21,550,000 new ordinary shares with a value of Baht 100 each. The Company acquired all additional ordinary shares of BTSA, and as a result, its shareholding in BTSA is unchanged at 100%. In addition, on 3 April 2015, the Extraordinary General Meeting of shareholders of Kamkoong passed a resolution to approve a Baht 725 million increase in its registered capital, from the existing registered capital of Baht 375 million to Baht 1,100 million, by issuing 7,250,000 new ordinary shares with a value of Baht 100 each. The Company acquired all additional ordinary shares of Kamkoong, and as a result, its shareholding in Kamkoong is unchanged at 100%.

Subsequently on 20 April 2015, the Company transferred all of the ordinary shares it held in BTSA and Kamkoong to U City. In return, the Company has received compensation in the form of (i) the allotment of 200,086,877,212 new ordinary shares of U City (representing 35.64% of the total issued shares of U City), and (ii) 100,043,438,606 units of the newly issued warrants to purchase the ordinary shares of U City No. 2, at no cost (1 unit of warrant can be exercised to purchase 1 ordinary share of U City at a price of Baht 0.047 per share and the warrants are non-listed securities that cannot be traded on the Stock Exchange of Thailand).

Details of the book values of assets and liabilities of BTSA and Kamkoong as at 20 April 2015 are as follows:

	(Unit: Thousand Baht)		
	BTSA	Kamkoong	Total
<b>Assets</b>			
Cash and cash equivalents	100,509	629	101,138
Trade and other receivables	17,427	-	17,427
Prepaid expenses	4,822	-	4,822
Other current assets	45,352	771	46,123
Restricted deposits	5,000	-	5,000
Investment properties	804,036	1,050,952	1,854,988
Property, plant and equipment	2,567,640	-	2,567,640
Intangible assets	1,796	-	1,796
Other non-current assets	4,147	-	4,147
<b>Total assets</b>	<b>3,550,729</b>	<b>1,052,352</b>	<b>4,603,081</b>
<b>Liabilities</b>			
Trade and other payables	58,139	197	58,336
Income tax payable	55,045	-	55,045
Other current liabilities	4,498	218	4,716
Retention payable	1,306	-	1,306
Provision for long-term employee benefits	11,630	-	11,630
Long-term provision	231,000	-	231,000
Deferred tax liabilities	144,897	-	144,897
Other non-current liabilities	1,000	-	1,000
<b>Total liabilities</b>	<b>507,515</b>	<b>415</b>	<b>507,930</b>
<b>Net asset value</b>	<b>3,043,214</b>	<b>1,051,937</b>	<b>4,095,151</b>

The operating results of BTSA as presented under the heading of “Loss from discontinued operation for the year” (The Company did not present the discontinued operations of Kamkoong since it is not a significant line of business and its operations are not material to the consolidated financial statements) in the consolidated profit or loss were detailed below.

	(Unit: Thousand Baht)	
	For the period as from 1 April 2015 to 19 April 2015	For the year ended 31 March 2015
<b>Revenues</b>		
Service income	36,932	508,034
Other income	305	4,113
<b>Total revenues</b>	<b>37,237</b>	<b>512,147</b>
<b>Expenses</b>		
Cost of services	17,561	228,741
Selling and servicing expenses	1,512	18,834
Administrative expenses	14,273	316,216
<b>Total expenses</b>	<b>33,346</b>	<b>563,791</b>
<b>Profit (loss) from discontinued operation</b>	<b>3,891</b>	<b>(51,644)</b>

Cash flow information of BTSA is as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	For the period as from 1 April 2015 to 19 April 2015	For the year ended 31 March 2015
Cash flows from operating activities	4,316	80,366
Cash flows from (used in) investing activities	69	(6,507)

Details of earnings per share of the discontinued operation are as below.

	For the period as from 1 April 2015 to 19 April 2015	For the year ended 31 March 2015
Basic earnings (loss) per share (Baht)	0.0003	(0.0040)
Diluted earnings per share (Baht)	0.0003	-



In order to appropriately reflect the value of its investment in U City, the Company recorded the investment in U City as investment in associate at a fair value of ordinary shares and warrants of U City as at 20 April 2015, calculated based on the valuation report from an independent valuer, at a price of Baht 9,469 million. It also de-recognised its investments in BTSA and Kamkoong as at 20 April 2015 in the separate financial statements and de-recognised the net assets values of BTSA and Kamkoong as at 20 April 2015 from the consolidated financial statements. The Company recorded a gain on swap of investments in the profit or loss for the year ended 31 March 2016, as detailed below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Fair value of investment in U City	9,468,845	9,468,845
Less: Book value of investment in BTSA	-	(3,579,078)
Book value of investment in Kamkoong	-	(1,175,000) <sup>(2)</sup>
Net assets of BTSA and Kamkoong per books	(4,095,151)	-
Gain on swap of investments	5,373,694	4,714,767
Less: Deferred gain on swap of investments	(1,915,184) <sup>(1)</sup>	-
Gain on swap of investments - net	<u>3,458,510</u>	<u>4,714,767</u>

<sup>(1)</sup> Gain on swap of investments was eliminated in proportion to the Company's 35.64% shareholding in U City.

<sup>(2)</sup> After adjustment of deficit on swap of investment in subsidiary under common control.

The Company transferred revaluation surplus on assets of BTSA amounting to Baht 580 million to retained earnings in the consolidated financial statements.

#### **17.1.7 BSS Holdings Company Limited**

On 20 October 2015, the subsidiary called up the remaining 75% of the registered share capital, amounting to Baht 225 million, and on 20 November 2015, the subsidiary issued 2,000,000 new ordinary shares with a par value of Baht 100 each, 50% called up, amounting to Baht 100 million and on 23 February 2016, called up the remaining 50%, amounting to Baht 100 million.

Subsequently, on 10 March 2016, an Extraordinary General Meeting of the shareholders of a subsidiary passed a resolution to approve a Baht 700 million increase in the subsidiary's registered capital, from Baht 500 million to Baht 1,200 million, by issuing 7,000,000 new ordinary shares with a value of Baht 100 each, 100% called up. The Company acquired all additional ordinary shares of the subsidiary, and as a result, its shareholding in the subsidiary is unchanged at 100%.

### 17.1.8 Unicorn Enterprise Company Limited (“Unicorn”)

On 1 October 2015, the Company established Unicorn Enterprise Company Limited to engage in the investment in real estate business, with a registered share capital of Baht 10 million (100,000 ordinary shares with a par value of Baht 100 each), with the Company to hold a 100% interest. This company registered its incorporation on 1 October 2015.

Subsequently, Unicorn established subsidiaries to engage in real estate business, with a registered share capital of Baht 10 million each (100,000 ordinary shares with a par value of Baht 100 each), with Unicorn to hold a 100% interest as follows:

	<u>Registered date</u>
Keystone Estate Company Limited	7 October 2015
Ratburana Property Company Limited	21 December 2015
Kingkaew Assets Company Limited	21 December 2015
The Community One Company Limited	28 December 2015
The Community Two Company Limited	28 December 2015
Nine Square Property Company Limited	17 February 2016

A meeting of the Board of Directors of the Company on 9 November 2015 passed resolutions to approve the restructuring of the property business unit. In December 2015, the Company transferred certain plots of land, and investments in subsidiaries, associates and jointly controlled entities to Unicorn, and also novated loans to related companies together with interest receivables to Unicorn. Details of the land, investments and loans and interest receivables were as follows:

(Unit: Thousand Baht)

Land	<u>Separate financial statements</u>			
	Book value	Allowance for impairment	Net book value	Selling price
Real estate development costs	118,566	-	118,566	293,062
Investment properties	704,177	(27,624)	676,553	635,487
Total	<u>822,743</u>	<u>(27,624)</u>	<u>795,119</u>	<u>928,549</u>

(Unit: Thousand Baht)

Separate financial statements				
Investments	Book value	Allowance for impairment	Net book value	Selling price
Dnal Co., Ltd.	680,609	(680,609)	-	115,379
Muangthong Assets Co., Ltd.	503,694	(433,694)	70,000	51,775
PrannaKiri Assets Co., Ltd.	310,010	-	310,010	258,988
Yongsu Co., Ltd.	236,570	(236,570)	-	7,496
Tanayong Food and Beverage Co., Ltd.	1,000	(1,000)	-	-
Thana City Golf & Sports Club Co., Ltd.	77,472	(48,000)	29,472	-
Siam Paging and Communication Co., Ltd.	5,000	(5,000)	-	-
Tanayong Property Management Co., Ltd.	1,000	(1,000)	-	6,741
BTS Land Co., Ltd.	10,000	(2,000)	8,000	-
Mak8 Co., Ltd.	240,000	-	240,000	239,488
Absolute Hotel Services Co., Ltd.	4,000	-	4,000	22,711
HHT Construction Co., Ltd.	12,750	-	12,750	39,510
BTS Sansiri Holding One Ltd.	50,000	-	50,000	50,000
BTS Sansiri Holding Two Ltd.	50,000	-	50,000	50,000
BTS Sansiri Holding Three Ltd.	50,000	-	50,000	50,000
BTS Sansiri Holding Four Ltd.	50,000	-	50,000	50,000
BTS Sansiri Holding Five Ltd.	50,000	-	50,000	50,000
BTS Sansiri Holding Six Ltd.	50,000	-	50,000	50,000
BTS Sansiri Holding Seven Ltd.	50,000	-	50,000	50,000
BTS Sansiri Holding Eight Ltd.	50,000	-	50,000	50,000
BTS Sansiri Holding Nine Ltd.	50,000	-	50,000	50,000
BTS Sansiri Holding Eleven Ltd.	50,000	-	50,000	50,000
BTS Sansiri Holding Twelve Ltd.	50,000	-	50,000	50,000
Nuvo Line Agency Co., Ltd.	682,208	-	682,208	766,022
Bayswater Co., Ltd.	5,000	-	5,000	5,000
<b>Total</b>	<b>3,319,313</b>	<b>(1,407,873)</b>	<b>1,911,440</b>	<b>2,063,110</b>

(Unit: Thousand Baht)

Separate financial statements			
Loans and interest receivables	Book value	Allowance for doubtful	Net book value
Muangthong Assets Co., Ltd.	291,511	-	291,511
Yongsu Co., Ltd.	6,631	(6,631)	-
Tanayong Food and Beverage Co., Ltd.	399,467	(91,211)	308,256
Thana City Golf & Sports Club Co., Ltd.	66,410	-	66,410
Siam Paging and Communication Co., Ltd.	142,319	(21,100)	121,219
BTS Land Co., Ltd.	75,098	(75,098)	-
BTS Sansiri Holding One Ltd.	280,000	-	280,000
BTS Sansiri Holding Two Ltd.	126,688	-	126,688
BTS Sansiri Holding Three Ltd.	161,000	-	161,000
BTS Sansiri Holding Four Ltd.	180,000	-	180,000
BTS Sansiri Holding Five Ltd.	28,000	-	28,000
BTS Sansiri Holding Six Ltd.	330,000	-	330,000
BTS Sansiri Holding Seven Ltd.	5,000	-	5,000
BTS Sansiri Holding Eight Ltd.	169,000	-	169,000
<b>Total</b>	<b>2,261,124</b>	<b>(194,040)</b>	<b>2,067,084<sup>(1)</sup></b>

<sup>(1)</sup> Consisting of loan amounting to Baht 2,042 million and interest receivables amounting to Baht 25 million.

The restructuring of the property business unit was a restructuring of a business under common control. The Company therefore recorded gains or losses from the transfers of assets that formed part of the business restructuring, net of transaction costs, under the heading of “Surplus from business restructuring under common control” in shareholders’ equity in the separate financial statements. Details were as follows:

	(Unit: Thousand Baht)
Loans to Unicorn (equivalent to selling price of assets and value of loans and interest receivables transferred to Unicorn)	5,252,783
Less: Book values as at transaction date	
- Land	(795,119)
- Investments	(1,911,440)
- Loans and interest receivables	<u>(2,067,084)</u>
Surplus from business restructuring under common control (before transaction costs)	<u>479,140</u>

Surplus from business restructuring under common control net of transaction costs was detailed below.

	(Unit: Thousand Baht)
Surplus (deficit) from business restructuring under common control	
Land - Gain on transfer of land	105,806
- Reversal of allowance for diminution in value	27,624
Investments - Loss on transfer of investments	(1,256,203)
- Reversal of allowance for diminution in value	1,407,873
Loans and interest receivables - Reversal of allowance for doubtful debts	<u>194,040</u>
Total	479,140
Transaction costs - Land	(55,866)
- Investments	<u>233,460</u>
Surplus from business restructuring under common control - net	<u>656,734</u>

Transaction costs consisted of special business tax, transfer fees, stamp duty and related taxes.

In addition, to reflect the value of the existing assets before business restructuring under common control, the Company presented value of loans to Unicorn equivalent to the net book values of land, investments and loans and interest receivables before business restructuring under common control. The Company recorded the adjustment under the heading of “Adjustment of asset value as a result of business restructuring under common control” in shareholders’ equity in the separate financial statements. Details were as follows:

	(Unit: Thousand Baht)
Loans to Unicorn (equivalent to selling price of assets and value of loans and interest receivables transferred to Unicorn)	5,252,783
Less: Adjustment of asset value as a result of business restructuring under common control	(479,140)
Loans to Unicorn - net	4,773,643

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

### **17.2.1 VGI Global Media Public Company Limited (“VGI”) (51% held by BTSC)**

#### **Transactions for the year ended 31 March 2015**

##### Stock dividends

The Extraordinary General Meeting of the shareholders of VGI passed resolutions to pay stock dividends of 3,431,975,575 ordinary shares (577,511,696 ordinary shares distributed to the Company and 2,327,831,696 ordinary shares distributed to the Group).

##### Warrants

BTSC entered into the Warrant Sale and Purchase Agreements, whereby it is to sell 350 million warrants to purchase the newly issued ordinary shares of a subsidiary to an unrelated individual, at prices of Baht 1.50 - 2.20 per warrant, or for a total of Baht 507 million (net of related tax amounting to Baht 13 million). The Company believes that the transaction constitutes a change in the Company’s ownership interest in the subsidiary without loss of control. The Company therefore recorded the surplus on the sales of warrants of the subsidiary amounting to Baht 494 million under shareholders’ equity in the consolidated financial statements.

As at 31 March 2016, the Group has 184 million units (2015: 184 million units) (the Company: 96 million units (2015: 96 million units)) remaining warrants of VGI.

##### Purchase and sale transactions of investment in the subsidiary

The Company purchased 289 million ordinary shares of VGI at prices of Baht 11 - 14 per share and 120 million ordinary shares of VGI at Baht 6.1 - 6.3 per share for a total of Baht 4,426 million.

The Company recorded deficit from the changes in the ownership interests in a subsidiary from purchase of ordinary shares amounting to Baht 4,218 million under the shareholders' equity in the consolidated statements of financial position.

The Company sold 84 million ordinary shares of VGI at prices of Baht 12.3 per share for a total of Baht 960 million (net of related tax amounting to Baht 73 million).

The Company recorded surplus from the changes in the ownership interests in a subsidiary from sale of ordinary shares amounting to Baht 906 million under the shareholders' equity in the consolidated statements of financial position. The Company also reversed the surplus on business combination under common control of approximately Baht 75 million under shareholders' equity in the separate statements of financial position and recorded gain on sales of investments in subsidiary amounting to Baht 366 million in the separate profit or loss.

### **Transactions for the year ended 31 March 2016**

#### **Purchase transactions of investment in the subsidiary**

The Company purchased 324 million ordinary shares of the subsidiary at prices of Baht 4.22 - 5.05 per share. The purchase transactions are detailed below.

	(Unit: Thousand Baht)
	Consolidated
	<u>financial statements</u>
Purchase price	1,513,181
Less: Non-controlling interests of subsidiary adjusted	<u>(94,518)</u>
Deficit from the change in the ownership interests in subsidiary	<u>1,418,663</u>

As a result of the purchases of ordinary shares of the subsidiary, the Company's shareholding in the subsidiary increased from 18.58% to 23.30% (51% held by BTSC).

BTSC pledged all ordinary shares of VGI Global Media Public Company Limited and Bangkok Smartcard System Company Limited with the Company in accordance with an agreement relating to the Net Revenue Purchase and Transfer Agreement.

### **17.2.2 999 Media Company Limited (held by VGI Global Media Public Company Limited ("VGI"))**

On 5 June 2015, VGI entered into a share sale and purchase agreement with an unrelated party to sell its investment in the subsidiary at a price of Baht 3 million, in accordance with a resolution passed by the VGI's Board of Directors meeting No. 7/2015 on the same day. VGI received payment and transferred the shares to the buyer on 5 June 2015, on which the subsidiary had cash and cash equivalents amounting to Baht 4 million.

### **17.2.3 888 Media Company Limited (held by VGI)**

On 17 July 2015, the Extraordinary General Meeting of the subsidiary's shareholders No. 1/2015 passed a resolution to increase its share capital from Baht 5 million (0.5 million ordinary shares with a par value of Baht 10 each) to Baht 20 million (2 million ordinary shares with a par value of Baht 10 each). On 22 July 2015, the subsidiary registered the increase of the registered capital with the Ministry of Commerce.

### **17.2.4 VGI Advertising China Company Limited (held by VGI)**

On 2 March 2015, VGI entered into a share sale and purchase agreement with an unrelated party to sell its investment in VGI Advertising China Company Limited at a price of USD 2 million. Subsequently, on 29 September 2015, VGI received payment and transferred the shares to the buyer. VGI had gain on sale of the investment in VGI Advertising China Company Limited amounting to Baht 62 million, and this was included under the caption of "Gain on sales of investments" in the consolidated profit or loss.

### **17.2.5 Bangkok Payment Solutions Company Limited ("BPS") (held by BSS Holdings Company Limited)**

On 7 May 2015, BPS called up a further 50% of the registered share capital, amounting to Baht 12.5 million. BTS Land Company Limited ("BTSL") acquired additional ordinary shares of BPS in proportion to its existing holding, and as a result, its shareholding in BPS is unchanged at 60%. Subsequently, BTSL sold all of the ordinary shares it held in BPS to BSS Holdings Company Limited, at a price of Baht 16 million. BTSL has already transferred the ordinary shares.

### **17.2.6 RabbitPay System Company Limited (held by BSS Holdings Company Limited)**

On 18 November 2015, the subsidiary established RabbitPay System Company Limited ("RabbitPay") to engage in electronic payment services through any devices or networks, bill payment service, and investment in the securities of other companies, with a registered share capital of Baht 250 million (2,500,000 ordinary shares with a par value of Baht 100 each) (50% called up), with the subsidiary to hold an 80% interest. This company registered its incorporation on 18 November 2015.

On 22 January 2016, RabbitPay called up a further 50% of the registered share capital, amounting to Baht 125 million. Subsequently, on 15 March 2016, an Extraordinary General Meeting of the shareholders of RabbitPay passed a resolution to approve a Baht 550 million increase in RabbitPay's registered capital, from Baht 250 million to Baht 800 million, by issuing 5,500,000 new ordinary shares with a value of Baht 100 each, 100% called up. The subsidiary acquired additional ordinary shares of RabbitPay in proportion to its existing holding, and as a result, its shareholding in RabbitPay is unchanged at 80%.

On 31 March 2016, RabbitPay has executed a Share Subscription Agreement for the subscription of shares in Line Biz Plus Ltd. (“Line Biz Plus”) entered into among RabbitPay, Line Biz Plus, and the existing shareholders of Line Biz Plus (i.e., Line Biz+ PTE. Ltd. and Line Company (Thailand) Co., Ltd.) (the “Share Subscription Agreement”) where RabbitPay will subscribe 1,999,998 newly issued shares from Line Biz Plus and purchase 1 share from an existing shareholder, i.e., 1,999,999 shares in total, which is equivalent to 50% of the total shares, totaling Baht 750 million, in Line Biz Plus, a company engaging in the business of accepting electronic and online payments. The subscription of shares was completed on 25 April 2016.

#### **17.2.7 Rabbit Internet Company Limited (“RI”) (Formerly known as “ASK Hanuman Company Limited”) (held by BSS Holdings Company Limited)**

On 27 November 2015, the subsidiary invested in 1,001 newly issued preferred shares of RI, at a price of Baht 87,975 per share, or for a total of Baht 88 million. As a result, the subsidiary holds 25% of all issued shares of RI. In addition, the subsidiary agreed to grant a credit facility to RI in an amount not exceeding Baht 234,775,958 to be used as working capital of RI. The subsidiary has the right to convert the loan to capital of RI and is entitled to nominate 3 of 5 directors.

The subsidiary also invested in ordinary shares of the companies as follows:

- a) 510 ordinary shares of ASK Direct Group Company Limited (“ASKD”), at a price of Baht 1 per share, or for a total of Baht 510. As a result, the subsidiary holds 51% of all issued shares of ASKD. RI holds 489 shares in ASKD, representing 49% of the total shares in issue.
- b) 21,900 ordinary shares of ASK Broker Association Co., Ltd. (“ASKB”), at a price of Baht 1 per share, or for a total of Baht 21,900. As a result, the subsidiary holds 51% of all issued shares of ASKB. RI holds 21,000 shares in ASKB, representing 49% of total shares in issue.

In addition to these share purchase transactions, the subsidiary is entitled to subscribe to up to 2,666 additional preferred shares of RI to be issued in the future. Since the subsidiary has the power to direct the policies, management or operations of RI through RI’s board of directors, and rights to variable returns from RI, the subsidiary has classified this investment as investment in subsidiary.

The subsidiary’s management estimated that the assets and liabilities of RI Group as at 27 November 2015 and 31 December 2015 were not materially different. The subsidiary has therefore assumed that the date of the share acquisition was 31 December 2015 and included RI Group’s operating results in the Company’s consolidated financial statements as from 1 January 2016.



Details of the fair and book values of identifiable assets and liabilities of RI Group as at 31 December 2015 were as follows.

(Unit: Thousand Baht)

<b>Assets</b>	
Cash and cash equivalents	61,388
Trade and other receivables	15,760
Short-term loans to related parties	14,318
Others current assets	5,943
Other non-current assets	7,191
<b>Total assets</b>	<b>104,600</b>
<b>Liabilities</b>	
Trade and other payables	33,490
Other current liabilities	1,466
Long-term loans from related parties	35,669
<b>Total liabilities</b>	<b>70,625</b>
<b>Net asset value</b>	<b>33,975</b>
<b>Less: Non-controlling interests at their proportion</b>	<b>(25,611)</b>
<b>Net asset value at the subsidiary's proportion</b>	<b>8,364</b>
<b>Add: Excess of cost for the acquisition of subsidiary over its net asset value</b>	<b>79,721</b>
<b>Cost of acquisition of investment in subsidiary</b>	<b>88,085</b>
<b>Less: Cash and cash equivalents of subsidiary</b>	<b>(61,388)</b>
<b>Net cash paid for acquisition of investment in subsidiary</b>	<b>26,697</b>

At present, the subsidiary is in the process of assessing the fair value of the identifiable assets acquired and liabilities assumed at the acquisition date, in order to allocate costs of the business acquisition. The subsidiary therefore recorded the excess of cost for the acquisition of RI Group over its net asset value amount Baht 80 million under the caption of "Unallocated costs of business acquisition" as a separate item in non-current assets in the consolidated statement of financial position.

The consolidated statements of comprehensive income for the current year include revenue and loss of RI Group as from the acquisition date, amounting to Baht 13 million and Baht 25 million, respectively.

RI is a limited company incorporated and domiciled in Thailand and is principally engaged in the provision of data management and processing.

## 17.2.8 Little Corner Company Limited (“Little Corner”) (held by Man Kitchen Company Limited)

On 29 January 2016, a meeting of the Board of Directors of the subsidiary passed a resolution to sell 36,000 ordinary shares of Little Corner to unrelated party, representing a 6% interest, amounting to Baht 9 million. As a result, the subsidiary’s shareholding in Little Corner decreased from 75% to 69%.

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

	(Unit: Thousand Baht)
	Consolidated financial statements
Selling price	9,000
Less: Related taxes on consolidated financial statements	(1,080)
Net cash receipt from sale of investment in subsidiary	7,920
Less: Non-controlling interests of subsidiary adjusted	(2,006)
Surplus from the changes in the ownership interests in a subsidiary	5,914

## 18. Investments in joint ventures

### 18.1 Details of investments in joint ventures

Investments in joint ventures were as follows:

Company’s name	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	Equity method		Cost method	
	2016	2015	2016	2015
BTS Sansiri Holding One Ltd.	-	-	-	50,000
BTS Sansiri Holding Two Ltd.	36,811	49,675	-	50,000
BTS Sansiri Holding Four Ltd.	46,395	-	-	-
BTS Sansiri Holding Five Ltd.	47,308	-	-	-
BTS Sansiri Holding Six Ltd.	46,171	-	-	-
BTS Sansiri Holding Seven Ltd.	49,577	-	-	-
BTS Sansiri Holding Nine Ltd.	49,610	-	-	-
BTS Sansiri Holding Eleven Ltd.	49,340	-	-	-
BTS Sansiri Holding Twelve Ltd.	49,305	-	-	-
BTS Sansiri Holding Fourteen Ltd.	49,726	-	-	-
Nuvo Line Agency Co., Ltd. (Note 17.1.5)	205,304	-	-	-
Midas Global Media Co., Ltd.	-	64,289	-	-
ATS Rabbit Special Purpose Vehicle Co., Ltd.	8,551	20	-	-
Total	638,098	113,984	-	100,000

Note: The Company transferred investments to a subsidiary in accordance with business restructuring under common control (Note 17.1.8).

Investments under equity method presented under “Provision for transaction under equity method of investments in joint ventures” were detailed as follows:

Company's name	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2016	2015
BTS Sansiri Holding One Ltd.	444,799	317,713
BTS Sansiri Holding Three Ltd.	12,274	-
BTS Sansiri Holding Eight Ltd.	5,018	-
Bayswater Co., Ltd. <sup>(1)</sup>	66,931	-
Total	529,022	317,713

<sup>(1)</sup> Classified as investment in joint venture in accordance with a joint venture agreement and Article of Associate.

The Company presented the negative investment value based on equity method as "Provision for transaction under equity method of investments in joint ventures" in the consolidated statement of financial position. The negative investment value was resulted from elimination of gain on related party transactions in proportion to the Company's shareholding in jointly controlled entities.

#### 18.1.1 Jointly controlled entities between Unicorn and Sansiri Public Company Limited (“SIRI”)

Meetings of the Executive Committee of the Company passed a resolution approving the establishment of 50:50 joint venture companies with SIRI for the residential projects for sale under a strategic alliance framework agreement with SIRI dated 16 October 2014 (currently, the Company transferred investments in jointly controlled entities with SIRI to Unicorn as discussed in Note 17.1.8 to the financial statements). Each company has a registered share capital of Baht 100 million (1,000,000 ordinary shares with a par value of Baht 100 each). The details were as follows:

	Registered date
BTS Sansiri Holding One Ltd.	19 December 2014
BTS Sansiri Holding Two Ltd.	13 March 2015
BTS Sansiri Holding Three Ltd.	12 June 2015
BTS Sansiri Holding Four Ltd.	12 June 2015
BTS Sansiri Holding Five Ltd.	12 June 2015
BTS Sansiri Holding Six Ltd.	12 June 2015
BTS Sansiri Holding Seven Ltd.	14 July 2015
BTS Sansiri Holding Eight Ltd.	8 September 2015
BTS Sansiri Holding Nine Ltd.	28 September 2015
BTS Sansiri Holding Eleven Ltd.	14 December 2015
BTS Sansiri Holding Twelve Ltd.	14 December 2015
BTS Sansiri Holding Fourteen Ltd.	4 February 2016

In addition, Nuvo Line Agency Co., Ltd. is a joint venture company under the strategic alliance framework agreement.

### **18.1.2 Bayswater Company Limited (“Bayswater”) (held by Unicorn)**

Bayswater engaged in the property development business which was 50% held by Unicorn.

On 15 October 2015, Bayswater entered into a sale and purchase of land agreement with the Legal Execution Department, with a price of Baht 7,350 million, and Bayswater has now received transfer of ownership of the land. The Company has loans to Bayswater totaling to Baht 3,901 million (Note 6). However, a company filed petitions with the Central Bankruptcy Court relating to the land as discussed in Note 55.8 h) to the financial statements.

### **18.1.3 Midas Global Media Company Limited (“Midas”) (held by VGI)**

On 30 March 2015, the Extraordinary General Meeting of Midas Global Media Company Limited (“Midas”)’s shareholders No. 2/2015 approved an increase in Midas’ registered capital from Baht 262.5 million (26.25 million ordinary shares of Baht 10 each) to Baht 350 million (35 million ordinary shares of Baht 10 each), through the issuance of 8.75 million additional ordinary shares with a par value of Baht 10 each, to the existing shareholders of Midas, at a price of Baht 10 per share.

As at 31 March 2015, the subsidiary’s interest in Midas was 30%.

Subsequently, on 6 July 2015, the subsidiary’s Board of Directors meeting No. 8/2015 passed resolutions to sell the subsidiary’s 3,875,000 ordinary shares in Midas, at a price of Baht 10 per share, or for a total of Baht 38.75 million, and not to buy any additional ordinary shares of Midas, in order to reduce its shareholding in Midas. In addition, the meeting passed a resolution to terminate Midas’ shareholders agreement dated 5 February 2014 between the subsidiary and Deelight Multimedia Company Limited, the sole licensing agreement granting a license to find customers for advertising media dated 5 February 2014 between the subsidiary and Midas, and the sole licensing agreement granting a license to find customers for advertising media dated 5 February 2014 between the subsidiary and Deelight Multimedia Company Limited, effective from 1 July 2015.

In accordance with the above resolution passed by the subsidiary’s Board of Directors meeting, on 10 July 2015, the subsidiary entered into a share sale and purchase agreement with an unrelated party to sell its 3,875,000 ordinary shares in Midas, at a price of Baht 10 per share, or for a total of Baht 38.75 million. The subsidiary received a payment of Baht 19.375 million and transferred the first half of 1,937,500 shares to the buyer on the same date.

As a result, the subsidiary changed the status of Midas from a jointly controlled entity to a related party and reclassified its investment in Midas from investment in a joint venture, which was accounted for in the consolidated financial statements using the equity method, to other investment, which has been stated at cost (at fair value at the date when the control in the jointly controlled entity ceased in the consolidated financial statements) since 1 July 2015.

The subsidiary received the remaining payment of Baht 19.375 million and transferred the second half of 1,937,500 shares to the buyer on 31 October 2015.

The subsidiary had gain on sale totaling Baht 10 million and included this under the caption of "Gain on sales of investments" in the consolidated profit or loss.

In accordance with a resolution passed by the Extraordinary General Meeting of Midas' shareholders No. 2/2015 on 30 March 2015, Midas issued 3 million additional ordinary shares and registered the corresponding increase in its share capital to Baht 292.5 million (29.25 million ordinary shares of Baht 10 each) with the Ministry of Commerce on 4 August 2015. As a result, Midas had 5.75 million ordinary shares that remained unissued.

In addition, on 28 August 2015, the Extraordinary General Meeting of Midas' shareholders No. 3/2015 passed a resolution to cancel the outstanding additional registered capital of Midas, amounting to Baht 57.5 million (5.75 million ordinary shares of Baht 10 each), in accordance with a resolution passed by the Extraordinary General Meeting of Midas' shareholders No. 2/2015 on 30 March 2015, and approved an increase in Midas' registered capital from Baht 292.5 million (29.25 million ordinary shares of Baht 10 each) to Baht 482.5 million (48.25 million ordinary shares of Baht 10 each), through the issuance of 19 million additional ordinary shares with a par value of Baht 10 each. Subsequently, Midas issued 3 million additional ordinary shares and registered the corresponding increase in its share capital to Baht 322.5 million (32.25 million ordinary shares of Baht 10 each) with the Ministry of Commerce on 17 September 2015. Moreover, Midas issued 3.75 million additional ordinary shares and registered the corresponding increase in its share capital to Baht 360 million (36 million ordinary shares of Baht 10 each) with the Ministry of Commerce on 14 December 2015. As at 31 March 2016, the shareholding of the subsidiary remained at 11.11%

#### **18.1.4 ATS Rabbit Special Purpose Vehicle Company Limited (“ATS Rabbit”) (held by BSS Holdings Company Limited)**

On 2 February 2015, the Company, Bangkok Smartcard System Company Limited (“BSS”) and AEON Thana Sinsap (Thailand) Public Company Limited (“AEONTS”) entered into Memorandum of Understanding for Business Cooperation for the joint issue of the Co-Branded Rabbit Program, the securitisation project and the establishment of a special purpose vehicle (“SPV”). SPV is to be established under the securitisation project in a form of a jointly controlled entity between AEONTS and BSS Holdings Company Limited (“BSS Holdings”), the Company’s subsidiary, to carry out the securitization project in accordance with the Emergency Decree regarding Securitization B.E. 2540 (1997). This securitization project has a term of up to 10 years and a funding size of up to Baht 5,000 million. The Company will invest up to Baht 4,500 million in the debentures to be issued by the SPV, while BSS Holdings and AEONTS, the shareholders of the SPV, will provide the SPV with subordinated loans in equal amounts, up to an aggregate amount of Baht 500 million.

Subsequently, on 20 March 2015, ATS Rabbit was registered as a special purpose vehicle for the securitization project under the Civil and Commercial Code of Thailand with a registered capital of Baht 40,000. This consisted of 2 preferred shares with a par value of Baht 100 per share and 398 ordinary shares with a par value of Baht 100 per share, with 51% of shares held by BSS Holdings and the remaining 49% held by AEONTS. ATS Rabbit was granted approval for the securitization project by the SEC on 2 October 2015.

In accordance with the conditions stipulated in the Memorandum of Understanding for Business Cooperation, on 22 October 2015 the Company, ATS Rabbit and AEONTS entered into the Subscription Agreement, and on 31 March 2016 the Company invested approximately Baht 497 million in unsubordinated secured long-term debentures, bearing interest at a rate of 4% per annum, to be paid monthly commencing from 18 December 2015. The debentures will be redeemed beginning from 2023 and mature in 2025, with conditions permitting early redemption. In the event that a Put Trigger Event occurs, as defined in the agreement, AEONTS is to purchase and the Company is to sell the debentures at a price equal to the outstanding principal amount plus accrued interest at the purchase date.

In addition, on 22 October 2015, BSS Holdings entered into an agreement to provide a subordinated term loan to ATS Rabbit (Note 6). The term loan matures in the year 2025 and carries interest at a rate of 12% per annum, payable monthly.

## 18.2 Share of profit (loss)

During the years/period, the Company and its subsidiaries recognised their share of profit (loss) from investments in the joint ventures in the consolidated financial statements as follows:

	(Unit: Thousand Baht)	
<u>Jointly controlled entities</u>	<u>2016</u>	<u>2015</u>
BTS Sansiri Holding One Ltd.	(127,086)	(153)
BTS Sansiri Holding Two Ltd.	(12,863)	(325)
BTS Sansiri Holding Three Ltd.	(62,274)	-
BTS Sansiri Holding Four Ltd.	(3,605)	-
BTS Sansiri Holding Five Ltd.	(2,692)	-
BTS Sansiri Holding Six Ltd.	(3,829)	-
BTS Sansiri Holding Seven Ltd.	(423)	-
BTS Sansiri Holding Eight Ltd.	(55,018)	-
BTS Sansiri Holding Nine Ltd.	(390)	-
BTS Sansiri Holding Eleven Ltd.	(661)	-
BTS Sansiri Holding Twelve Ltd.	(695)	-
BTS Sansiri Holding Fourteen Ltd.	(274)	-
Nuvo Line Agency Co., Ltd.	(1,215)	-
Midas Global Media Co., Ltd.	(5,244)	(13,978)
ATS Rabbit Special Purpose Vehicle Co., Ltd. (“ATS Rabbit”)	8,531	-
Bayswater Co., Ltd. (“Bayswater”)	(71,896)	-
Total	<u>(339,634)</u>	<u>(14,456)</u>

Share of profit (loss) from investments in jointly controlled entities between Unicorn and SIRI, Bayswater and ATS Rabbit was determined based on financial statements reviewed by their auditors.

## 18.3 Return of capital

On 8 February 2016, the Extraordinary General Meeting of shareholders of Nuvo Line Agency Co., Ltd. (“Nuvo Line”) passed a resolution to approve a decrease of Baht 1,125 million in its registered and issued share capital, from Baht 1,500 million to Baht 375 million, by decreasing the number of ordinary shares from 15,000,000 ordinary shares with a par value of Baht 100 each to 3,750,000 ordinary shares with a par value of Baht 100. The subsidiary received return of capital from Nuvo Line amounting to Baht 563 million.

Subsequently, on 18 April 2016, the Extraordinary General Meeting of shareholders of Nuvo Line passed a resolution to approve a decrease of Baht 275 million in its registered and issued share capital, from Baht 375 million to Baht 100 million, by decreasing the number of ordinary shares from 3,750,000 ordinary shares with a par value of Baht 100 each to 1,000,000 ordinary shares with a par value of Baht 100.

## 18.4 Summarised financial information about material joint ventures

### Summarised information about financial position

(Unit: Million Baht)

	Jointly controlled entities between		Bayswater Co., Ltd.	
	Unicorn and SIRI			
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Cash and cash equivalents	768	332	74	-
Current assets	12,331	2,304	9	-
Non-current assets	158	-	7,824	-
Current liabilities	(1,565)	(1)	(203)	-
Long-term loans	(10,590)	(2,435)	(7,803)	-
<b>Net assets</b>	<b>1,102</b>	<b>200</b>	<b>(99)</b>	<b>-</b>
Shareholding percentage (%)	50	50	50	-
<b>Share of net assets</b>	<b>551</b>	<b>100</b>	<b>(50)</b>	<b>-</b>
Elimination of inter-transactions under equity method	(383)	(368)	(17)	-
<b>Carrying amounts of joint ventures based on equity method</b>	<b>168</b>	<b>(268)</b>	<b>(67)</b>	<b>-</b>

### Profit or Loss

(Unit: Million Baht)

	Jointly controlled entities between		Bayswater Co., Ltd.	
	Unicorn and SIRI			
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Loss	(515)	-	(108)	-

Jointly controlled entities between Unicorn and SIRI has mortgaged land and construction with a total net book value as at 31 March 2016 of approximately Baht 12,200 million (the Company's proportion: Baht 6,100 million) (2015: Baht 1,476 million (the Company's proportion: Baht 738 million)) as collateral for credit facilities granted by a bank.



## 19. Investments in associates

### 19.1 Details of associates

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			2016	2015	2016	2015	2016	2015
BTS Rail Mass Transit Growth Infrastructure Fund	Investment in infrastructure businesses	Thai	33.33	33.33	20,592,075	20,684,667	12,833,187	13,357,347
Absolute Hotel Services Co., Ltd.	Hotel management	Thai	50.00	50.00	4,000	4,000	17,255	18,749
Absolute Hotel Services Hong Kong Ltd. <sup>1</sup>	Hotel management	Hong Kong	50.00	50.00	3,049	3,049	-	-
Bayswater Co., Ltd. <sup>2</sup>	Property development	Thai	-	50.00	-	5,000	-	4,964
Master Ad Public Co., Ltd.	Advertising, leasing of property and the purchase/sale of electronic billboards	Thai	24.96	24.96	620,738	620,744	635,778	630,583
Aero Media Group Co., Ltd. (Formerly known as "LED Advance Co., Ltd.")	Advertising media in domestic airports	Thai	20.00	-	100,000	-	106,415	-
U City Public Co., Ltd.	Property development	Thai	35.64	-	9,468,845	-	7,427,043	-
<b>Total</b>					<b>30,788,707</b>	<b>21,317,460</b>	<b>21,019,678</b>	<b>14,011,643</b>

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Separate financial statements			
			Shareholding percentage		Cost	
			<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
BTS Rail Mass Transit Growth Infrastructure Fund	Investment in infrastructure businesses	Thai	33.33	33.33	20,592,075	20,684,667
Absolute Hotel Services Co., Ltd. <sup>3</sup>	Hotel management	Thai	-	50.00	-	4,000
Bayswater Co., Ltd. <sup>2</sup>	Property development	Thai	-	50.00	-	5,000
U City Public Co., Ltd.	Property development	Thai	35.64	-	9,468,845	-
Total					<u>30,060,920</u>	<u>20,693,667</u>

<sup>1</sup> 12.26% held by Tanayong Hong Kong Limited and 75.47% held by Absolute Hotel Services Co., Ltd.

<sup>2</sup> Classified as investment in joint venture in accordance with a joint venture agreement and Article of Associate.

<sup>3</sup> 50% held by Unicorn Enterprise Company Limited (2558: 50% held by the Company)

### 19.1.1 BTS Rail Mass Transit Growth Infrastructure Fund (“BTSGIF”) (held by the Company)

Investment in BTSGIF under equity/cost method was detailed below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	Equity method		Cost method	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Cost	20,833,200	20,833,200	20,833,200	20,833,200
Less: Gain on sale of future net fare box revenues in proportion to the Company’s investment	(6,748,791)	(6,748,791)	-	-
Add: Accumulated share of profit from investment	3,631,056	2,290,894	-	-
Less: Adjustment under equity method	(1,342,564)	(849,760)	-	-
Less: Accumulated dividend income	(3,298,590)	(2,019,663)	-	-
Less: Return of capital	(241,125)	(148,533)	(241,125)	(148,533)
Net	<u>12,833,187</u>	<u>13,357,347</u>	<u>20,592,075</u>	<u>20,684,667</u>

### 19.1.2 U City Public Co., Ltd. (“U City”) (Formerly known as “Natural Park Public Co., Ltd.”) (held by the Company)

As discussed in Note 17.1.6 to the interim financial statements, on 20 April 2015, the Company transferred all of the ordinary shares it held in BTSA and Kamkoong to U City. In return, the Company has received compensation in the form of the allotment of 200,086,877,212 new ordinary shares of U City (representing 35.64% of the total issued shares of U City), and 100,043,438,606 units of the newly issued warrants to purchase the ordinary shares of U City No. 2, at no cost (1 unit of warrant can be exercised to purchase 1 ordinary share of U City at a price of Baht 0.047 per share and the warrants are non-listed securities that cannot be traded on the Stock Exchange of Thailand).

In order to appropriately reflect the value of its investment in U City, the Company recorded the investment in U City as investment in associate at a fair value of ordinary shares and warrants of U City as at 20 April 2015, calculated based on the valuation report from an independent value, at a price of Baht 9,469 million.

U City is a public company incorporated and domiciled in Thailand and is principally engaged in the real estate business.

The Company completed measurement of the fair value of identifiable assets acquired and liabilities assumed at the acquisition date in the current year.

Details of the book values of assets and liabilities of the associate as at 20 April 2015 are as follows:

	(Unit: Thousand Baht)	
	Fair value	Book value
<b>Assets</b>		
Cash and cash equivalents	2,594,051	2,594,051
Short-term investments	3,688,776	3,688,776
Trade and other receivables	92,923	92,923
Real estate development costs	1,706,931	1,495,153
Other current assets	131,893	131,893
Non-current assets classified as held for sale	237,740	237,740
Investments in associates	40,956	47,703
Restricted deposits	51,864	51,864
Long-term loans to related parties	51,198	51,198
Land awaiting development	3,985,869	3,701,435
Investment properties	2,802,764	2,802,764
Property, plant and equipment	7,204,915	7,242,688
Goodwill	174,024	174,024
Other non-current assets	121,343	121,343
<b>Total assets</b>	<b>22,885,247</b>	<b>22,433,555</b>
<b>Liabilities</b>		
Trade and other payables	158,521	158,521
Deposits and advances received from customer	66,057	66,057
Other current liabilities	111,808	111,808
Creditors per rehabilitation plan	1,201,334	1,201,334
Long term loans	894,538	894,538
Provision for long-term employee benefits	32,319	32,319
Long-term provision	231,000	231,000
Deferred tax liabilities	954,384	848,410
Other non-current liabilities	10,192	10,192
<b>Total liabilities</b>	<b>3,660,153</b>	<b>3,554,179</b>
<b>Net asset value</b>	<b>19,225,094</b>	<b>18,879,376</b>
<b>The Company's proportion (%)</b>	<b>35.64</b>	
<b>Fair value of net asset value at the Company's proportion</b>	<b>6,851,823</b>	

Investment in U City under equity/cost method was detailed below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	Equity method		Cost method	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Cost	9,468,845	-	9,468,845	-
Less: Gain on swap of investments in proportion to the Company's investment	(1,915,184)	-	-	-
Share of loss from investment	(143,953)	-	-	-
Share of other comprehensive income	17,335	-	-	-
Net	<u>7,427,043</u>	<u>-</u>	<u>9,468,845</u>	<u>-</u>

### 19.1.3 Master Ad Public Company Limited (“MACO”) (held by VGI)

On 12 May 2014, the subsidiary invested in 73.5 million ordinary shares of Master Ad Public Company Limited (“MACO”), 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 held 24.43% of all issued shares of MACO, and classifies this investment as investment in an associate.

During the year ended 31 March 2015, the subsidiary gradually invested in a further number of MACO’s ordinary shares through the Stock Exchange of Thailand. As a result, the shareholding of the subsidiary increased from 24.43% to 24.96% of all issued shares of MACO.

On 19 November 2014, the subsidiary sold 187,250,000 warrants to purchase the newly issued ordinary shares of MACO to unrelated parties through the Stock Exchange of Thailand, at a price of approximately Baht 0.6828 per warrant, or for a total of approximately Baht 128 million. The subsidiary recognised an allocation of costs of the warrants from the cost of investments in the associate, with reference to the fair values of the warrants and the ordinary shares of MACO, and recorded a gain on the sale of the warrants amounting Baht 53 million, presenting it as a separate item in the consolidated profit or loss for the year ended 31 March 2015.

Furthermore, during the year ended 31 March 2015, the subsidiary gradually purchased warrants to purchase the newly issued ordinary shares of MACO through the Stock Exchange of Thailand, in accordance with a resolution passed by the subsidiary’s Board of Directors meeting No. 9/2014 on 28 November 2014. As a result, the subsidiary held 28,351,500 warrants to purchase the newly issued ordinary shares of MACO, acquired at prices of approximately Baht 0.4 per share, or for a total of Baht 11 million. The subsidiary classifies its investment in these warrants as investment in an associate.

Subsequently, on 16 March 2016, the subsidiary's Board of Directors meeting No. 2/2016 passed resolutions to make a share acquisition and a mandatory tender offer for all securities of MACO. Details are below.

- a) The acquisition of 375 million additional shares of MACO with a par value of Baht 0.1, or 12.46% of all issued shares of MACO, from existing shareholders, at a price of Baht 1.1 per share, or for a total of Baht 412.5 million. On 17 March 2016, in accordance with a resolution passed by the subsidiary's Board of Directors meeting No. 2/2016 on 16 March 2016, the subsidiary entered into a conditional share purchase and sale agreement with 3 sellers who are the existing shareholders of MACO based on the forms, agreements and conditions that the counterparties mutually agreed. Significant details of the conditions are below.
  - 1) The subsidiary was granted approval by a meeting of its shareholders to acquire MACO's shares in accordance with the share purchase and sale agreement.
  - 2) No changes occur that will have a significant adverse impact on the status of the business, operating results, assets and/or financial position of the MACO Group.
- b) A mandatory tender offer for all securities of MACO since, after the subsidiary acquires MACO's shares in accordance with the share purchase and sale agreement, including the 750,967,400 existing shares of MACO held by the subsidiary, the subsidiary will hold 1,125,967,400 shares of MACO, or 37.42% of all issued shares. In accordance with the Notification of the Capital Market Supervisory Board No. Thor Jor. 12/2554 Re: Rules, Conditions and Procedures for the Acquisition of Securities for Business Takeovers (Chain Principle) dated 13 May 2011 and relevant amendments, the subsidiary thus will have to make a mandatory tender offer for all securities of MACO. This mandatory tender offer will be for all of 1,883,002,100 remaining ordinary shares of MACO, or 62.58% of all issued shares of MACO, at a price of Baht 1.1 per share, or for a total of Baht 2,071 million.

In addition, the subsidiary's Board of Directors meeting No. 2/2016 passed a resolution to hold the Extraordinary General Meeting of the subsidiary's shareholders No. 1/2016 on 30 May 2016 in order to approve the above transactions and the subsidiary's takeover of MACO.

MACO 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.

#### 19.1.4 Aero Media Group Company Limited (“Aero”) (formerly known as “LED Advance Company Limited”) (held by VGI)

On 15 May 2015, the subsidiary invested in 15,000 ordinary shares of Aero, at a price of Baht 6,667 per share, or for a total of Baht 100 million, in accordance with a resolution passed by the subsidiary’s Board of Directors meeting No. 6/2015 on 6 May 2015. As a result, the subsidiary held 20% of all issued shares of Aero, and classifies this investment as investment in an associate.

However, the subsidiary is in the process of assessing the fair and book values of Aero’s identifiable assets and liabilities at the share acquisition date.

Aero is a limited company incorporated and domiciled in Thailand and is principally engaged in the provision of advertising media in 13 domestic airports.

#### 19.2 Share of comprehensive income

During the year/period, the Company and its subsidiaries have summarised their share of comprehensive income from investments in associates in the consolidated financial statements as follows:

Associates	(Unit: Thousand Baht)			
	Consolidated financial statements			
	Share of profit (loss)		Share of other comprehensive income	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
BTS Rail Mass Transit Growth Infrastructure Fund	847,359	828,670	-	-
Absolute Hotel Services Co., Ltd.	12,006	8,875	-	-
Bayswater Co., Ltd.	-	(78)	-	-
Master Ad Public Co., Ltd.	29,204	28,564	-	-
Aero Media Group Co., Ltd.	6,415	-	-	-
U City Public Co., Ltd.	(143,953)	-	17,335 <sup>(1)</sup>	-
Total	<u>751,031</u>	<u>866,031</u>	<u>17,335</u>	<u>-</u>

<sup>(1)</sup> Consisting of gain on changes in value of available-for-sale investments amounting to Baht 11 million and actuarial gain amounting to Baht 6 million.

Share of profit from investment in Aero was determined based on the financial statements prepared by Aero’s management, and share of loss from investment in U City was determined based on financial statements reviewed by U City’s auditor.

### 19.3 Dividends received and return of capital

Dividends received from the associates were as follows:

(Unit: Million Baht)

Company's name	For the years ended 31 March			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
BTS Rail Mass Transit Growth Infrastructure Fund	1,279	1,200	1,279	1,200
Absolute Hotel Services Co., Ltd.	13	7	13	7
Master Ad Public Co., Ltd.	24	19	-	-
Total	1,316	1,226	1,292	1,207

In addition, on 22 April 2016, the Annual General Meeting of MACO's shareholders passed a resolution to pay to the shareholders a cash dividend for 2015 of Baht 0.03 per share, or a total of Baht 90 million. The dividend will be paid on 13 May 2016 and the subsidiary received a dividend of Baht 23 million from MACO on that date.

Return of capital from the associate was as follows:

(Unit: Million Baht)

Company's name	For the years ended 31 March	
	Consolidated and separate financial statements	
	2016	2015
BTS Rail Mass Transit Growth Infrastructure Fund	93	149
Total	93	149

### 19.4 Fair value of the investments in the associates

Fair value based on the latest bid price of the investments in the associates, which are listed on the Stock Exchange of Thailand was as follows:

(Unit: Million Baht)

Company's name	2016	2015
BTS Rail Mass Transit Growth Infrastructure Fund	22,183	19,869
Master Ad Public Co., Ltd.	819	902
U City Public Co., Ltd.	6,003 <sup>(1)</sup>	-

<sup>(1)</sup> Excluding fair value of warrants which are not listed on the Stock Exchange of Thailand.



## 19.5 Summarised financial information about material associates

### Summarised information about financial position

(Unit: Million Baht)

	BTS Rail Mass Transit					
	Growth Infrastructure		Master Ad		U City Public Co., Ltd.	
	Fund		Public Co., Ltd.		U City Public Co., Ltd.	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Current assets	-	-	632	586	4,987	-
Non-current assets	66,836	65,739	302	304	17,075	-
Current liabilities	-	-	(108)	(133)	(228)	-
Non-current liabilities	(52)	(251)	(38)	(41)	(2,376)	-
<b>Net assets</b>	<b>66,784</b>	<b>65,488</b>	<b>788</b>	<b>716</b>	<b>19,458</b>	<b>-</b>
Shareholding percentage (%)	33.33	33.33	24.96	24.96	35.64	-
<b>Share of net assets</b>	<b>22,261</b>	<b>21,829</b>	<b>197</b>	<b>179</b>	<b>6,935</b>	<b>-</b>
Accumulated net unrealised gain on investments	(1,344)	(870)	-	-	-	-
Fair value adjustment of assets acquired and liabilities assumed	-	-	55	68	141	-
Goodwill	-	-	384	384	2,266	-
Elimination of inter-transactions under equity method	(8,084)	(7,602)	-	-	(1,915)	-
<b>Carrying amounts of associates based on equity method</b>	<b>12,833</b>	<b>13,357</b>	<b>636</b>	<b>631</b>	<b>7,427</b>	<b>-</b>

Note: Assets and liabilities of BTS Rail Mass Transit Growth Infrastructure Fund presented as non-current assets and non-current liabilities.

### Summarised information about comprehensive income

(Unit: Million Baht)

	BTS Rail Mass Transit					
	Growth Infrastructure		Master Ad		U City Public Co., Ltd.	
	Fund		Public Co., Ltd.		U City Public Co., Ltd.	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Revenue	4,497	3,984	740	657	1,075	-
Profit (loss)	4,020	3,520	173	133	(454)	-
Other comprehensive income	-	-	(2)	-	49	-
Total comprehensive income	4,020	3,520	171	133	(405)	-

## 20. Other long-term investments

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<b>Fixed deposits with maturity date due more than 1 year</b>	-	945,836	-	-
<b>Held-to-maturity securities</b>				
Domestic private debt securities	697,405	1,548,000	597,405	100,000
Foreign private debt securities	-	16,037	-	8,041
	<u>697,405</u>	<u>1,564,037</u>	<u>597,405</u>	<u>108,041</u>
<b>Investments in available for sale</b>				
Domestic marketable equity securities	5,593,720	4,591,368	5,186,334	4,591,368
Foreign marketable equity securities	3,629,624	2,326,219	1,524,224	641,047
	<u>9,223,344</u>	<u>6,917,587</u>	<u>6,710,558</u>	<u>5,232,415</u>
Less: Allowance for change in value	(1,114,911)	(552,988)	(1,116,689)	(483,085)
Allowance for impairment	(497,205)	-	(497,205)	-
	<u>7,611,228</u>	<u>6,364,599</u>	<u>5,096,664</u>	<u>4,749,330</u>
<b>Other investments</b>				
Domestic non-marketable equity securities	149,784	118,584	119,784	118,584
Foreign non-marketable equity securities	1,293,012	555,390	1,293,012	555,390
	<u>1,442,796</u>	<u>673,974</u>	<u>1,412,796</u>	<u>673,974</u>
Total	<u>9,751,429</u>	<u>9,548,446</u>	<u>7,106,865</u>	<u>5,531,345</u>

During the year, the Company recorded loss on impairment of available for sale investments amounting to Baht 497 million under the heading of “Other expenses” in profit or loss.

In addition, the Company sold available for sale investments and recognised gains on the sales in the profit or loss. The details were as follows:

	(Unit: Million Baht)	
	For the years ended 31 March	
	Consolidated and separate financial statements	
	<u>2016</u>	<u>2015</u>
Sales of investments	2,426	6,097
Gain on sales	50	252

## 21. Project costs - media

	(Unit: Thousand Baht)
	Consolidated
	financial statements
	<hr/>
<b>Cost</b>	
1 April 2014	2,371,456
31 March 2015	2,371,456
31 March 2016	2,371,456
<b>Accumulated amortization</b>	
1 April 2014	31,389
Amortisation for the year	13,556
31 March 2015	44,945
Amortisation for the year	29,126
31 March 2016	74,071
<b>Net book value</b>	
31 March 2015	2,326,511
31 March 2016	2,297,385
<b>Amortisation included in cost of services</b>	
2015	13,556
2016	29,126

Project costs - media represent the portion of costs of rights that relate to media that were allocated from the intangible asset (generating fare box revenues and advertising revenues to a subsidiary) derecognised from the books of account since the rights to receive future net fare box revenues were sold to BTSGIF. The costs were allocated in accordance with bases and assumptions set by the subsidiary's management. The subsidiary's management believes that these assumptions are appropriate under the current circumstances.

## 22. Reusable spare parts

As at the dates of the statements of financial position, the balances of reusable spare parts were comprised as follows:

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2016</u>	<u>2015</u>
Reusable spare parts	107,168	99,799
Less: Accumulated amortisation	(15,912)	(8,361)
Reusable spare parts - net	<u>91,256</u>	<u>91,438</u>
Amortisation included in cost of services	7,551	3,213

## 23. Investment properties

The net book value of investment properties as at 31 March 2016 and 2015 is presented below.

	Consolidated financial statements			Separate financial statements			
	Land	Buildings	Total	Land	Buildings and	Golf course	Total
	awaiting	for rent	Total	awaiting	Hotel	and	Total
	sales	for rent	Total	sales	for rent	for rent	Total
31 March 2016:							
Cost	1,704,075	269,898	1,973,973	840,991	902,402	1,459,143	3,202,536
<u>Less</u> Accumulated depreciation	-	(121,135)	(121,135)	-	(182,745)	(755,816)	(938,561)
<u>Less</u> Allowance for impairment	(405,423)	(36,913)	(442,336)	(397,071)	(45,707)	(175,567)	(618,345)
Net book value	<u>1,298,652</u>	<u>111,850</u>	<u>1,410,502</u>	<u>443,920</u>	<u>673,950</u>	<u>527,760</u>	<u>1,645,630</u>
31 March 2015:							
Cost	1,895,690	284,128	2,179,818	1,665,507	896,441	1,383,374	3,945,322
<u>Less</u> Accumulated depreciation	-	(114,099)	(114,099)	-	(146,323)	(724,854)	(871,177)
<u>Less</u> Allowance for impairment	(543,764)	(42,004)	(585,768)	(543,764)	(49,597)	(181,032)	774,393
Net book value	<u>1,351,926</u>	<u>128,025</u>	<u>1,479,951</u>	<u>1,121,743</u>	<u>700,521</u>	<u>477,488</u>	<u>2,299,752</u>

A reconciliation of the net book value of investment properties for the years 2016 and 2015 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Net book value at beginning of year	1,479,951	3,101,461	2,299,752	1,691,152
Acquisition of assets	4,292	771,740	96,806	385,533
Transfer in (out)	(6,046)	167,928	(10,381)	279,690
Disposals - net book value	(27,919)	(695,048)	(5,562)	(1,159)
Depreciation charged	(10,130)	(11,141)	(58,432)	(55,464)
Sale of investment in subsidiary (Note 17.1.5)	(29,646)	-	-	-
Classified as assets classified as held for sale (Note 17.1.6)	-	(1,854,989)	-	-
Transfer land to a subsidiary for the restructuring of the business (Note 17.1.8)	-	-	(676,553)	-
Net book value at end of year	<u>1,410,502</u>	<u>1,479,951</u>	<u>1,645,630</u>	<u>2,299,752</u>

The fair value of the investment properties as at 31 March 2016 stated below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Land awaiting sales	4,113,800	2,659,100
Buildings and hotel for rent	205,000	983,000
Golf course and construction for rent	-	1,727,000

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

- Land awaiting sales has been determined using market approach.
- Buildings and hotels for rent has been determined using the income approach and market approach.
- Golf course and construction for rent has been determined using the income approach.

The main assumptions used in the valuation of the buildings are yield rate, inflation rate and long-term growth rates.

On 15 October 2014, a meeting of the Executive Committee of the Company passed resolutions to approve the sale by the Company's wholly owned subsidiary of approximately 5 rai (8,000 sq.m.) of land to BTS Sansiri Holding One Ltd. for a consideration of Baht 1,411 million. The subsidiary recognized a gain on the sale of the land of Baht 368 million (after eliminating 50% in proportion to the Company's shareholding in BTS Sansiri Holding One Ltd. under the equity method) and presented this under the heading of "Gain on sales of assets" as a separate item in the consolidated profit or loss for the year ended 31 March 2015.

The Company and its subsidiaries have pledged investment properties amounting to approximately Baht 56 million (2015: Baht 85 million) (Separate financial statement: Baht 537 million (2015: Baht 486 million)) as collateral against credit and guarantee facilities received from a financial institution and a creditor per rehabilitation plan.

## 24. Property, plant and equipment

(Unit: Thousand Baht)

### Consolidated financial statements

	Land (revalued)	Buildings and improvements	Golf course development costs	Machinery and equipment	Furniture and office equipment	Motor vehicles	Construction in progress and assets under installation	Total
<b>Cost</b>								
1 April 2014	192,796	2,741,189	534,381	1,346,918	572,298	142,269	1,231,970	6,761,821
Additions	-	474,537	-	55,715	51,635	5,491	724,790	1,312,168
Disposals	-	(64,951)	-	(94,164)	(15,857)	(15,761)	(6,640)	(197,373)
Transfer in (out)	-	342,793	-	879,869	35,140	(2,004)	(1,352,159)	(96,361)
Translation adjustment	-	-	-	-	9	10	-	19
Classified as assets held for sale (Note 17.1.6)	(88,966)	(1,876,711)	-	(66,095)	(32,171)	-	-	(2,063,943)
31 March 2015	103,830	1,616,857	534,381	2,122,243	611,054	130,005	597,961	5,716,331
Additions	-	7,188	-	39,936	30,653	8,903	524,171	610,851
Acquisition of subsidiaries	-	3,149	-	-	5,369	465	-	8,983
Disposals	-	(11,240)	-	(376,070)	(15,166)	(866)	(105,144)	(508,406)
Transfer in (out)	-	89,110	-	241,774	34,458	-	(384,292)	18,950
Sale of investment in subsidiary	-	-	-	11,599	(8,297)	-	(177)	(20,073)
31 March 2016	103,830	1,705,064	534,381	2,016,284	658,071	138,507	632,519	5,788,656

(Unit: Thousand Baht)

## Consolidated financial statements

	Land (revalued)	Buildings and improvements	Golf course development costs	Machinery and equipment	Furniture and office equipment	Motor vehicles	Construction in progress and assets under installation	Total
<b>Accumulated depreciation</b>								
1 April 2014	-	567,853	277,036	711,213	417,220	110,303	-	2,083,625
Depreciation for the year	-	113,391	5,646	194,070	60,132	8,510	-	381,749
Depreciation on disposals	-	(8,101)	-	(84,191)	(15,752)	(15,761)	-	(123,805)
Depreciation on transfers	-	(116)	-	116	18,284	(1,110)	-	17,174
Translation adjustment	-	-	-	-	(131)	4	-	(127)
Classified as assets held for sale								
(Note 17.1.6)	-	(174,237)	-	(22,065)	(19,447)	-	-	(215,749)
31 March 2015	-	498,790	282,682	799,143	460,306	101,946	-	2,142,867
Depreciation for the year	-	55,209	5,662	206,815	59,876	9,718	-	337,190
Acquisition of subsidiaries	-	312	-	-	1,323	7	-	1,642
Depreciation on disposals	-	(8,113)	-	(320,492)	(14,370)	(866)	-	(343,841)
Depreciation on transfers	-	(581)	-	(2,103)	1,109	-	-	(1,575)
Sale of investment in subsidiary	-	-	-	(5,871)	(6,111)	-	-	(11,982)
31 March 2016	-	545,617	288,344	677,492	502,043	110,805	-	2,124,301



(Unit: Thousand Baht)

## Consolidated financial statements

	Land (revalued)	Buildings and improvements	Golf course development costs	Machinery and equipment	Furniture and office equipment	Motor vehicles	Construction in progress and assets under installation	Total
<b>Revaluation surplus on assets</b>								
1 April 2014	2,970,861	-	-	-	-	-	-	2,970,861
Classified as assets held for sale (Note 17.1.6)	(724,484)	-	-	-	-	-	-	(724,484)
31 March 2015	2,246,377	-	-	-	-	-	-	2,246,377
31 March 2016	2,246,377	-	-	-	-	-	-	2,246,377
<b>Allowance for impairment</b>								
1 April 2014	-	12,405	208,426	-	-	-	-	220,831
Addition	-	-	-	88,601	-	-	-	88,601
31 March 2015	-	12,405	208,426	88,601	-	-	-	309,432
Disposal	-	-	-	(72,605)	-	-	-	(72,605)
31 March 2016	-	12,405	208,426	15,996	-	-	-	236,827
<b>Net book value</b>								
31 March 2015	2,350,207	1,105,662	43,273	1,234,499	150,748	28,059	597,961	5,510,409
31 March 2016	2,350,207	1,147,042	37,611	1,322,796	156,028	27,702	632,519	5,673,905
<b>Depreciation for the years</b>								
2015								381,749
2016								337,190

(Unit: Thousand Baht)

## Separate financial statements

	Buildings and improvements	Machinery and equipment	Furniture and office equipment	Motor vehicles	Construction in progress and assets under installation	Total
<b>Cost</b>						
1 April 2014	50,520	40,166	42,569	101,732	434,206	669,193
Additions	1,510	-	6,383	-	43,586	51,479
Transfer in (out)	-	-	50,310	-	(306,613)	(256,303)
Disposals	(7,309)	-	(3,537)	(3,288)	-	(14,134)
31 March 2015	44,721	40,166	95,725	98,444	171,179	450,235
Additions	53	-	6,702	914	191,482	199,151
Transfer in (out)	-	-	10,784	-	(51)	10,733
Disposals	(1,084)	-	(282)	(295)	-	(1,661)
31 March 2016	43,690	40,166	112,929	99,063	362,610	658,458
<b>Accumulated depreciation</b>						
1 April 2014	39,526	35,401	33,543	75,886	-	184,356
Depreciation for the year	3,054	4,041	10,634	6,424	-	24,153
Depreciation for transfer	-	-	21,969	-	-	21,969
Depreciation on disposals	(7,309)	-	(3,534)	(3,288)	-	(14,131)
31 March 2015	35,271	39,442	62,612	79,022	-	216,347
Depreciation for the year	2,397	559	14,809	6,591	-	24,356
Depreciation for transfer	-	-	403	-	-	403
Depreciation on disposals	(1,084)	-	(270)	(296)	-	(1,650)
31 March 2016	36,584	40,001	77,554	85,317	-	239,456
<b>Net book value</b>						
31 March 2015	9,450	724	33,113	19,422	171,179	233,888
31 March 2016	7,106	165	35,375	13,746	362,610	419,002
<b>Depreciation for the years</b>						
2015						24,153
2016						24,356

Depreciation expenses for the year recorded in profit or loss are detailed below.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Costs of services	224	203	8	12
Administrative expenses	113	179	16	12
<b>Total</b>	<u>337</u>	<u>382</u>	<u>24</u>	<u>24</u>

The Company has mortgaged land and construction with net book value as at 31 March 2016 of Baht 2,742 million (2015: Baht 2,691 million) as collateral for credit and guarantee facilities from a financial institution.

As at 31 March 2016, certain assets have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation and allowance for impairment loss) of those assets amounted to approximately Baht 1,307 million (2015: Baht 1,240 million) (Separate financial statements: Baht 183 million (2015: Baht 139 million)).

## 25. Leasehold rights

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
<b>Cost</b>		
1 April 2014	33,494	26,004
31 March 2015	33,494	26,004
31 March 2016	33,494	26,004
<b>Accumulated amortisation</b>		
1 April 2014	19,636	17,454
Amortisation for the year	2,196	1,812
31 March 2015	21,832	19,266
Amortisation for the year	781	397
31 March 2016	22,613	19,663
<b>Net book value</b>		
31 March 2015	11,662	6,738
31 March 2016	10,881	6,341
<b>Amortisation included in administrative expenses</b>		
2015	2,196	1,812
2016	781	397

## 26. Intangible assets

	(Unit: Thousand Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
<b>Costs</b>		
1 April 2014	533,727	7,732
Additions	56,470	317
Disposals	(292)	-
Transfer in	5,456	96
Classified as assets classified as held for sale (Note 17.1.6)	(4,189)	-
31 March 2015	591,172	8,145
Additions	53,187	53
Increase from acquisition of subsidiary	521	-
Disposals	(52,080)	(102)
Transfer in	18,913	51
Sale of investment in subsidiary	(398)	-
31 March 2016	611,315	8,147
<b>Accumulated amortisation</b>		
1 April 2014	158,372	7,524
Amortisation for the year	49,547	158
Amortisation on disposals	(289)	-
Amortisation on transfers	96	96
Classified as assets classified as held for sale (Note 17.1.6)	(2,349)	-
31 March 2015	205,377	7,778
Amortisation for the year	60,604	205
Amortisation on disposals	(106)	(102)
Sale of investment in subsidiary	(94)	-
31 March 2016	265,781	7,881
<b>Net book value</b>		
31 March 2015	385,795	367
31 March 2016	345,534	266
<b>Amortisation included in administrative expenses</b>		
2015	49,547	158
2016	60,604	205

## 27. Rights of claim from acquisition of debts per rehabilitation plan

In order to comply with the rehabilitation plan, in 2009 the Company held an open auction of assets mortgaged as collateral with a group of creditors per the rehabilitation plan and a company successfully bid to purchase all of these assets.

In 2011, a subsidiary purchased rights of claim from a group of creditors and made payment totaling Baht 816 million for these rights. The subsidiary recorded this transaction under the heading of “Rights of claim from acquisition of debts per rehabilitation plan” in the consolidated statement of financial position. Subsequently, in 2012 and 2013, there were gradual transfers of ownership and redemption from mortgage of certain secured assets. The subsidiary, as a creditor holding rights of claim over debts and other rights under the rehabilitation plan, received proportionate settlement of debt, leaving a balance of “Rights of claim from acquisition of debts per rehabilitation plan” of Baht 256 million in the consolidated statement of financial position as at 31 March 2016 (2015: Baht 204 million).

## 28. Short-term loans from financial institutions

Short-term loans are subject to interest at a rate tied to the Minimum Overdraft Rate (MOR), not collateralised and to be repaid at call.

## 29. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Trade payables - related parties	12,710	614	-	-
Trade payables	330,487	369,547	-	5,122
Other payables - related parties	12,335	1,629	55,134	24,145
Other payables	104,150	118,177	11,726	8,151
Payable from acquisition of investment	28,532	116,586	28,532	116,586
Accrued interest expenses - related parties	612	-	254,390	40,169
Accrued interest expenses	11,414	19,535	1,439	-
Retention payable - related party	-	-	7,835	25,428
Retention payable	17,800	39,266	6,291	4,432
Deposit payable	234,193	195,057	30,000	30,000
Accrued expenses - related parties	-	-	750	1,658
Accrued expenses	581,020	650,538	31,520	31,768
Dividend payable	289,736	267,622	89,120	76,644
Total trade and other payables	<u>1,622,989</u>	<u>1,778,571</u>	<u>516,737</u>	<u>364,103</u>

### 30. Bills of exchange payables

Bills of exchange are subject to interest at rates of 2.18% - 2.65% per annum, not collateralised and mature during May to October 2016.

### 31. Creditors per rehabilitation plan/Liability awaiting final court order

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	2016	2015
Creditors per rehabilitation plan	637,620	733,188
Less: Current portion	(610,668)	(683,617)
Creditors per rehabilitation plan - net of current portion	<u>26,952</u>	<u>49,571</u>

Creditors per the rehabilitation plan consist of creditors who have debts pending a final order from the Supreme Court and undue debts under the rehabilitation plan.

In 2006, a creditor under the Company's business rehabilitation plan filed a petition with the Central Bankruptcy Court, asking the court to overturn the order of the official receiver regarding the revocation of claims for settlement of debt. However, the Central Bankruptcy Court dismissed the claim. The creditor filed an appeal with the Supreme Court, who has now issued an order dismissing the creditor's petition. The Company therefore reversed creditors per the rehabilitation plan amounting to Baht 96 million, and presented this under the heading of "Reversal of creditors per rehabilitation plan" in profit or loss. In addition, the Company made payments of Baht 28 million to a creditor and Baht 154 million to a subsidiary, as a creditor holding rights of claim over debts and other rights under the rehabilitation plan, from cash reserved for payment to creditors under the Central Bankruptcy Court's order, leaving no balance of "Liability awaiting final court order" in the consolidated statement of financial position as at 31 March 2016 (2015: Baht 182 million).

The Company has been unable to transfer to creditors the Company's 39,332,125 ordinary shares with a par value of Baht 4 each that were temporarily registered in the name of a subsidiary, part of which are deposited with the Central Bankruptcy Court as a guarantee of debt settlement, since there are still undue debts and debts pending a final court judgment or comptroller's order. As a result, the number of shares allocated to each creditor is still uncertain as the debt ratio might be altered to accord with the final court judgment or comptroller's order. However, the creditors will still receive the total number of ordinary shares stipulated in the rehabilitation plan and the Company has already recorded the issuance of ordinary shares for debt settlement by offsetting them against the Company's debts during the year ended 31 March 2007.

## 32. Long-term loans

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Long-term loans	1,268,222	1,213,084	1,062,222	981,084
Less: Current portion	<u>(1,095,222)</u>	<u>(26,000)</u>	<u>(1,062,222)</u>	<u>-</u>
Long-term loans - net of current portion	<u>173,000</u>	<u>1,187,084</u>	<u>-</u>	<u>981,084</u>

Details of the long-term loans are as follows:

### The Company

A facility of USD 30 million, subject to interest at LIBOR plus a margin stipulated in the agreement, and secured by a fixed deposit of the Company of RMB 215 million. As at 31 March 2016, the outstanding balance of this loan was USD 30 million, equivalent to Baht 1,062 million (2015: USD 30 million, equivalent to Baht 981 million), but in April 2016, the Company repaid the loan.

### A subsidiary (Bangkok Smartcard System Company Limited)

On 17 October 2011, a subsidiary (Bangkok Smartcard System Co., Ltd.) entered into a long-term loan agreement with a local commercial bank for total credit facilities of Baht 300 million which are subject to interest at the Minimum Loan Rate (MLR) minus a certain spread stipulated in the agreement and the principal is to be repaid in monthly installments, from November 2014 to October 2021.

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

### 33. Long-term debentures

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

	Maturity date	Interest rate p.a. %	(Unit: Thousand Baht) Consolidated financial statements	
			<u>2016</u>	<u>2015</u>
Debenture - Tranche 4	21 August 2015	6.25	-	1,468,900
Debenture - Tranche 5	21 August 2016	6.75	1,348,450	1,348,450
Total			1,348,450	2,817,350
Less: Issuing costs			(979)	(4,570)
Total long-term debentures			1,347,471	2,812,780
Less: Current portion of long-term debentures*			(1,347,471)	(1,467,656)
Long-term debentures - net of current portion			-	1,345,124

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

The debentures were secured by the letter of guarantee provided by a bank of Baht 1,394 million (the letter of guarantee was secured by the current investments and other long-term investments of a subsidiary (BTSC)).

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.



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

Provision for long-term employee benefits as at 31 March 2016 and 2015, which is compensations on employees' retirement, was as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Balance at beginning of year	575,701	557,624	27,249	24,622
Current service cost	57,637	44,434	4,367	2,535
Interest cost	24,613	21,931	1,745	978
Included in other comprehensive income:				
Actuarial loss (gain) arising from				
Demographic assumptions changes	(31,733)	-	(2,422)	-
Financial assumptions changes	156,414	-	9,886	-
Experience adjustments	(3,345)	-	11,534	-
Benefits paid during the year	(11,007)	(22,042)	-	(886)
	768,280	601,947	52,359	27,249
Increase from acquisition of subsidiary	683	-	-	-
Transfer from related company	14,863	-	14,863	-
Decrease from sale of investment in subsidiary	(1,431)	-	-	-
Classified as liabilities directly associated with assets classified as held for sale (Note 17.1.6)	-	(26,246)	-	-
Balance at end of year	<u>782,395</u>	<u>575,701</u>	<u>67,222</u>	<u>27,249</u>

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

	(Unit: Thousand Baht)			
	For the years ended 31 March			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Current service cost	57,637	44,434	4,367	2,535
Interest cost	24,613	21,931	1,745	978
Total expense recognised in profit or loss	<u>82,250</u>	<u>66,365</u>	<u>6,112</u>	<u>3,513</u>
Line items under which such expenses are included in profit or loss				
Cost of services	48,799	43,491	-	-
Administrative expenses	33,451	22,874	6,112	3,513

The Net Revenue Purchase and Transfer Agreement stipulates that a subsidiary (BTSC) can claim costs related to long-term employee benefits of employees, which represents compensation payable to employees when they retire from BTSGIF, since BTSGIF will be responsible for the long-term employee benefits of employees who retire during the remaining period of the Core Mass Transit System. Therefore, the subsidiary recorded these transactions as assets, presenting them as accrued income in the statement of financial position, in accordance with bases and assumptions that were determined by the subsidiary's management. The subsidiary's management believes that these bases and assumptions are appropriate under the current circumstances. The details are as follows:

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2016</u>	<u>2015</u>
Balance as at beginning of year	357,299	324,969
Increase	36,728	34,414
Payment from BTSGIF	-	(2,084)
Recognised in other comprehensive income	53,664	-
Balance as at end of year	<u>447,691</u>	<u>357,299</u>

Long-term employee benefits that can be claimed from BTSGIF in the future (presented net of long-term employee benefit expenses in profit or loss) amounted to Baht 37 million (2015: Baht 34 million).

The Company and its subsidiaries expect to pay Baht 15 million of long-term employee benefits during the next year (Separate financial statements: Baht 5 million) (2015: Baht 11 million (separate financial statements: Nil)).

As at 31 March 2016, the weighted average duration of the liabilities for long-term employee benefit is 19 years (Separate financial statements: 19 years) (2015: 26 years (Separate financial statements: 26 years)).

Significant actuarial assumptions are summarised below:

	Consolidated and separate	
	financial statements	
	<u>2016</u>	<u>2015</u>
	(% per annum)	(% per annum)
Discount rate	2.4	4.1
Salary increase rate	5.0 - 6.0	5.0

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 March 2016 are summarised below:

(Unit: million Baht)

	Consolidated financial statements		Separate financial statements	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Discount rate	(97)	116	(6)	7
Salary increase rate	111	(95)	7	(6)

### 35. Provisions

(Unit: Thousand Baht)

	Consolidated financial statements				
	Special business tax	Major maintenance or restoration of elevated trains under service concession	Construction cost of car park building and sky walk	Damage loss	Total
Balance as at 1 April 2014	1,083,484	229,246	-	-	1,312,730
Increase during the year	98,181	55,112	231,000	166,729	551,022
Decrease during the year	(53,407)	-	-	-	(53,407)
Revision of provision	26,467	(134,376)	-	-	(107,909)
Reclassified as liabilities directly associated with assets classified as held for sale (Note 17.1.6)	-	-	(231,000)	-	(231,000)
Balance as at 31 March 2015	1,154,725	149,982	-	166,729	1,471,436
Increase during the year	100,925	62,388	-	-	163,313
Decrease during the year	(56,860)	-	-	(207,228)	(264,088)
Revision of provision	(27,491)	-	-	40,499	13,008
Balance as at 31 March 2016	1,171,299	212,370	-	-	1,383,669
As at 31 March 2016					
Current	58,953	-	-	-	58,953
Non-current	1,112,346	212,370	-	-	1,324,716
	1,171,299	212,370	-	-	1,383,669
As at 31 March 2015					
Current	60,682	-	-	166,729	227,411
Non-current	1,094,043	149,982	-	-	1,244,025
	1,154,725	149,982	-	166,729	1,471,436

### Special Business Tax of BTS Rail Mass Transit Growth Infrastructure Fund (“BTSGIF”)

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

During the current year, the subsidiary reversed Baht 27 million of the provision for special business tax (2015: Recorded an additional Baht 26 million), since BTSGIF revised its projections of net future fare box revenues and passengers over the remaining period of the Core Bangkok Mass Transit System in accordance with the valuation report of an independent valuer dated 29 April 2016, and these projections are one of the assumptions used in calculating the provision for special business tax. The subsidiary’s management believes that the assumptions are appropriate under the current circumstances.

### Major maintenance or restoration of elevated trains under service concession

A subsidiary (BTSC) recognises a provision for its contractual obligation to perform major maintenance or restoration on elevated trains under the service concession.

During the current year, the subsidiary recorded provision for major maintenance or restoration of elevated trains under the service concession amounting to Baht 62 million (2015: reversal of Baht 79 million).

### Damage loss

Damage loss is provisions set aside by a subsidiary (VGI) for losses resulting from the termination of agreements with a counterpart that is the owner of a department store and for the shortfall in revenues compared to the minimum guaranteed compensation under another agreement that the subsidiary made with a related company.

As a result of the termination of the agreements with the department store, during the year ended 31 March 2015, the subsidiary recognised allowance for impairment loss on equipment and other assets related to the agreement amounting to Baht 102 million including in the heading of “Other expenses” in the consolidated profit or loss.

During the current year, the subsidiary and the counterpart negotiated and reached a settlement of their disputes related to the termination of the agreements with the department store, and on 11 August 2015 that subsidiary entered into an agreement with the subsidiary to purchase the advertising equipment installed in the department store at a price of Baht 79 million. The subsidiary received the first payment of Baht 25 million in September 2015 and is to receive the balance within December 2018 in 3 installments of Baht 18 million each. The equipment had a net book value of Baht 5 million at the disposal date (net of allowance for impairment loss amounting to Baht 52 million) and the subsidiary therefore had a gain on the sale of the equipment amounting to Baht 74 million. This was included in the consolidated profit or loss, under the caption of “Gain on sales of assets”.

The subsidiary’s management believes that the termination will not have any significant adverse impact on the subsidiary, other than the actual amounts of severance pay and other expenses incurred during the current year, amounting to Baht 19 million. Therefore, the subsidiary reversed the provision for losses from the termination of the agreements of Baht 94 million, and as at 31 March 2016, there was no balance of provision for damage loss (2015: Baht 113 million).

In addition, the subsidiary revisited the provision for the shortfall in revenues compared to the minimum guaranteed compensation, because the actual amounts of certain revenues were lower than the amounts estimated. As a result, additional provision amounting to Baht 135 million was recorded, resulting in a total provision of Baht 188 million (2015: Baht 53 million). During the current year, the subsidiary paid the amount set aside as provision of Baht 188 million to the related subsidiary.

Loss on provisions, which is presented under the heading of “Other expenses” in profit or loss, is detailed below.

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2016</u>	<u>2015</u>
Loss on provision for special business tax (reversal)	(27,491)	26,467
Loss on provision for major maintenance or restoration of elevated trains under service concession (reversal)	62,388	(79,264)
Loss on provision for terminating agreements (reversal)	(94,382)	113,291
Loss on provision for shortfall in revenues being lower than the minimum guaranteed amounts	134,881	53,438
Total loss on provisions	<u>75,396</u>	<u>113,932</u>

### 36. Share capital / Share premium

As at 31 March 2015, the Company's issued and fully paid share capital has increased from Baht 47,656,922,100 (11,914,230,525 ordinary shares with a par value of Baht 4 each) to Baht 47,677,000,644 (11,919,250,161 ordinary shares with a par value of Baht 4 each) as a result of the exercise of the warrants (BTS-WA) to ordinary shares amounting to Baht 20,078,544 (5,019,636 ordinary shares with a value of Baht 4 each), resulting in an increase in total share premium to Baht 1,807,590,613 (including adjustment to transfer amounting to Baht 8,470,637 of capital reserve for share-based payment transaction to share premium).

The Company registered the corresponding increase in its paid-up capital with the Ministry of Commerce on 3 October 2014.

On 24 July 2015, the Annual General Meeting of the shareholders of the Company passed the following significant resolutions:

- a) Decrease its registered share capital from Baht 63,652,544,720 to Baht 63,651,644,348 by cancellation of 225,093 unissued ordinary shares with a par value of Baht 4 each.
- b) Increase its registered share capital from Baht 63,651,644,348 to Baht 63,715,644,348 by issuing 16,000,000 ordinary shares with a par value of Baht 4 each to accommodate the exercise of the warrants to be issued and offered to the employees of the Company and its subsidiaries under the BTS Group ESOP 2015 Scheme (BTS-WC).

The Company registered the decrease and increase in its registered capital with the Ministry of Commerce on 27 July 2015 and 28 July 2015, respectively.

As at 31 March 2016, the Company's issued and fully paid share capital has increased from Baht 47,677,000,644 (11,919,250,161 ordinary shares with a par value of Baht 4 each) to Baht 47,717,396,744 (11,929,349,186 ordinary shares with a par value of Baht 4 each) as a result of the exercise of the warrants (BTS-WA) to ordinary shares amounting to Baht 20,946,780 (5,236,695 ordinary shares with a value of Baht 4 each) and the warrants (BTS-WB) to ordinary shares amounting to Baht 19,449,320 (4,862,330 ordinary shares with a value of Baht 4 each), resulting in an increase in total share premium to Baht 1,834,603,129 (including adjustment to transfer amounting to Baht 20,949,490 of capital reserve for share-based payment transaction to share premium).

The Company registered the corresponding increase in its paid-up capital with the Ministry of Commerce on 7 July 2015 and 13 October 2015.

### 37. Warrants

The warrants are detailed as follows:

	BTS-W3	BTS-WA	BTS-WB
	Units	Units	Units
Outstanding as at 31 March 2014	3,944,626,464	69,144,900	16,000,000
Exercised during the year	-	(31,372,725)	-
Outstanding as at 31 March 2015	3,944,626,464	37,772,175	16,000,000
Exercised during the year	-	(31,546,425)	(4,862,330)
Outstanding as at 31 March 2016	3,944,626,464	6,225,750	11,137,670

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

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

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

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

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

Date of grant	18 August 2011
Number granted (Units)	100,000,000
Contractual lives	5 years from the issued date
Exercisable	Last business day of each quarter, after completion of a 2-year period from the issued date
Exercise price per 1 ordinary share	4.22 Baht
Exercise ratio (warrant to ordinary shares)	1:0.166

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

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

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

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

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

**38. Deficit on business combination under common control**

Deficit on business combination under common control consisted of the following:

- a) Differences between the cost of a business combination under common control and the equity interest of the Company in the net book value of a subsidiary (BTSC) on the acquisition date in the consolidated and separate financial statements.
- b) Differences between considerations paid from purchase of investment and cost of investment under common control in the separate financial statements.



The details were as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Balance at beginning of year	3,371,978	3,371,978	3,715,435	3,790,493
Sales of investment in subsidiary under common control	-	-	-	(75,058)
Balance at end of year	<u>3,371,978</u>	<u>3,371,978</u>	<u>3,715,435</u>	<u>3,715,435</u>

**39. Surplus on swap of investments in subsidiaries under common control**

Surplus on swap of investments in subsidiaries under common control represents difference of costs of investments in subsidiaries under common control at exchange date. The details were as follows:

	(Unit: Thousand Baht)	
	Separate financial statements	
	<u>2016</u>	<u>2015</u>
Balance at beginning of year	325,065	250,065
Reclassified as amount recognised in equities relating to assets classified as held for sale (Note 17.1.6)	-	75,000
Decrease from sale of subsidiary	<u>(325,065)</u>	<u>-</u>
Balance at end of year	<u>-</u>	<u>325,065</u>

#### 40. Surplus from the changes in the ownership interests in subsidiaries

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

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

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	<u>2016</u>	<u>2015</u>
Balance at beginning of year	1,353,172	4,448,284
Purchase of investment in the subsidiary (Note 17.1.4, 17.1.5 and 17.2.1)	(1,418,673)	(4,003,560)
Sales of investment in the subsidiary (Note 17.2.1 and 17.2.8)	5,914	905,636
Warrants exercised of the subsidiary	-	2,812
Balance at end of year	<u>(59,587)</u>	<u>1,353,172</u>

#### 41. Surplus from sales of warrants of the subsidiary

Surplus from sales of warrants of the subsidiary represents the considerations received as a result of sales of warrants of the subsidiary constituting a change in the Company's ownership interest in the subsidiary without loss of control. The details were as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	<u>2016</u>	<u>2015</u>
Balance at beginning of year	494,317	-
Sales of warrants of the subsidiary (Note 17.2.1)	-	494,317
Balance at end of year	<u>494,317</u>	<u>494,317</u>

#### 42. Revaluation surplus on assets

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

#### 43. Treasury shares / Appropriated retained earnings for treasury shares

On 8 August 2014, the Board of Directors of the Company passed a resolution to approve a program to repurchase up to 600 million shares (par value of Baht 4 each), or 5% of the total number of shares in issue, with a budget of Baht 6,000 million, for liquidity surplus management purposes. The shares are to be repurchased on the Stock Exchange of Thailand within the period of 6 months, starting from 25 August 2014 to 24 February 2015, and can be resold more than 6 months after completing the repurchase. As at 31 March 2016, the Company had purchased back 95.8 million ordinary shares, for a total of approximately Baht 925.4 million (2015: Baht 925.4 million) or 0.8% of the total number of shares in issue.

According to letter No. Gor Lor Tor. Chor Sor. (Vor) 2/2548 of the Office of the Securities and Exchange Commission, dated 14 February 2005, concerning the acquisition of treasury shares, a public limited company may purchase back treasury shares in an amount not exceeding the amount of its retained earnings and is to appropriate an equal amount of retained earnings to a reserve for treasury shares, which must be maintained until the Company either sells the treasury shares or reduces its paid-up share capital by an amount equal to the value of the treasury shares which it could not sell. As at 31 March 2016, the Company appropriated the full required amount of retained earnings to a reserve for the treasury shares.

#### 44. Statutory reserve

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

#### 45. Service income

Details of service income are as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	financial statements
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Advertising income	1,620,116	2,428,150	-	-
Revenues from provision of operating services	1,630,291	1,596,214	-	-
Revenues from provision of spaces	659,257	622,401	64,807	58,154
Revenues from hotel and restaurant operations	561,338	409,573	-	-
Other service income	496,180	620,213	71,664	66,398
Total	<u>4,967,182</u>	<u>5,676,551</u>	<u>136,471</u>	<u>124,552</u>

#### 46. Interest income

Details of interest income are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Interest income under concession agreement	129,998	132,183	-	-
Interest income under finance lease agreement	2,811	4,415	-	-
Interest income from financial institutions	219,330	911,328	41,321	74,763
Interest income from related parties	149,265	6,119	199,904	101,414
Total	<u>501,404</u>	<u>1,054,045</u>	<u>241,225</u>	<u>176,177</u>

#### 47. Other expenses

Details of other expenses are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Allowance for doubtful accounts	9,344	17,892	77,614	201,705
Allowance for impairment loss of assets	-	125,651	-	-
Allowance for diminution in value of investment	497,205	-	497,205	-
Loss on provisions	75,396	113,932	-	-
Total	<u>581,945</u>	<u>257,475</u>	<u>574,819</u>	<u>201,705</u>

#### 48. Expenses by nature

Significant expenses by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<b>Continued operation:</b>				
Salaries, wages and other benefits	1,218,033	1,164,553	225,465	133,404
Depreciation and amortisation	458,116	394,269	83,408	80,187
Consultation, project management and professional fee	104,134	119,803	56,185	74,560
Allowance for doubtful accounts	9,344	17,892	77,614	201,705
Allowance for impairment loss of assets	-	125,651	-	-
Allowance for impairment loss of investment	497,205	-	497,205	-
Loss on provisions	75,396	113,932	-	-
Premise tax and other taxes	109,602	105,301	28,906	21,891
Rental expenses from operating lease agreements	31,540	37,031	41,827	30,996
Repair and maintenance expenses	265,570	163,446	6,290	6,007
Utility expenses	260,604	236,041	23,196	21,463
Advertising and promotional expenses	85,330	65,720	261	2,856
Subcontractor expenses for train operating service	20,077	23,442	-	-
Concession fee	152,497	618,864	-	-
Costs of advertising services	83,622	130,827	-	-
Real estate development during the year	18,686	104,407	4,123	60,584
Change in real estate development costs	159,521	139,484	26,517	(28,822)
<b>Discontinued operation:</b>				
Salaries, wages and other benefits	9,556	172,864	-	-
Depreciation and amortisation	5,083	82,543	-	-

## 49. Income tax

Income tax expenses for the years ended 31 March 2016 and 2015 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<b>Current income tax:</b>				
Current income tax charge	1,364,458	1,095,154	916,192 <sup>(1)</sup>	118,115
Adjustment in respect of income tax of previous year	(4,620)	6,759	893	59
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(238,406)	(368,887)	(110,376)	6,857
<b>Income tax expense reported in the statement of comprehensive income</b>	<u>1,121,432</u>	<u>733,026</u>	<u>806,709</u>	<u>125,031</u>

<sup>(1)</sup> Baht 223 million presented under shareholders' equity in the separate financial statements in accordance with the business restructuring as discussed in Note 17.1.8 to the financial statements.

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 March 2016 and 2015 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Deferred tax relating to:				
Increase in loss on change in value of available-for-sale investments	112,385	91,834	126,721	77,854
Loss from actuarial loss	13,180	-	3,799	-
	<u>125,565</u>	<u>91,834</u>	<u>130,520</u>	<u>77,854</u>

Reconciliations between accounting profit and income tax expenses are detailed below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Profit before income tax expenses from				
continued operation	5,524,260	4,124,889	7,361,671	3,660,378
Profit (loss) before income tax expenses from				
discontinued operation	3,891	(51,644)	-	-
Accounting profit before income tax expenses	<u>5,528,151</u>	<u>4,073,245</u>	<u>7,361,671</u>	<u>3,660,378</u>
Applicable tax rate at 20%	1,105,630	814,649	1,472,334	732,076
Tax effect of:				
Unrecognised deferred tax on temporary				
differences	45,884	79,579	21,928	43,387
Utilisation of previously unrecognised				
deferred tax on temporary differences	(17,104)	(76,118)	(11,299)	(4,032)
Non-deductible expenses	15,111	34,937	8,100	395
Deductible expenses	(2,015)	(2,333)	(1,239)	(175)
Non-taxable income	(47,051)	(118,177)	(693,596)	(646,697)
Taxable income	16,130	-	16,130	-
Difference of tax rates in group companies	(58)	50	-	-
Others	4,905	439	(5,649)	77
Income tax expenses	<u>1,121,432</u>	<u>733,026</u>	<u>806,709</u>	<u>125,031</u>

The tax rate enacted at the end of the reporting period of the Company and its subsidiaries consists of 20% and 25% (2015: 20% and 25%).

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
<b>Deferred tax assets</b>				
Allowance for doubtful accounts	12,908	10,151	1,259	362
Allowance for asset impairment	140,400	160,459	-	-
Allowance for impairment of investment	99,441	-	99,441	-
Unrealised loss on changes in value of investments	224,685	110,598	221,049	96,617
Provision for damage loss	-	33,346	-	-
Provision for long-term employee benefits	148,083	111,680	10,472	5,450
Transactions under concession and finance lease agreements	38,529	29,677	-	-
Unused tax loss	18,354	11,160	-	-
Deferred gain on sale of land to jointly controlled entity	73,512	73,512	-	-
Others	18,050	19,291	508	330
<b>Total</b>	<b>773,962</b>	<b>559,874</b>	<b>332,729</b>	<b>102,759</b>
<b>Deferred tax liabilities</b>				
Revaluation surplus on land	449,275	449,275	-	-
Prepaid duty stamp	30,407	31,579	-	-
Transactions relating to sale of future net fare box revenues	2,333,579	2,464,371	-	-
Differences of forward and closing exchange rates	1,339	11,480	1,339	11,360
Differences of tax and accounting from depreciation calculation of assets	58,879	59,200	58,879	59,200
Others	4,672	11,112	4,672	5,257
<b>Total</b>	<b>2,878,151</b>	<b>3,027,017</b>	<b>64,890</b>	<b>75,817</b>
<b>Net</b>	<b>(2,104,189)</b>	<b>(2,467,143)</b>	<b>267,839</b>	<b>26,942</b>
<b>Presented as</b>				
Deferred tax assets - net	38,228	149,017	267,839	26,942
Deferred tax liabilities - net	(2,142,417)	(2,616,160)	-	-
<b>Net</b>	<b>(2,104,189)</b>	<b>(2,467,143)</b>	<b>267,839</b>	<b>26,942</b>

As at 31 March 2016, the Company and its subsidiaries have deductible temporary differences and unused tax losses totaling Baht 3,330 million (2015: Baht 4,758 million) (Separate financial statements: Baht 2,653 million (2015: Baht 4,126 million)), on which deferred tax assets have not been recognised as the Company and its subsidiaries believe they may not utilise the deferred tax asset or their future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

The unused tax losses of the subsidiaries amounting to Baht 639 million (2015: Baht 590 million) will expire by 2020.



## 50. Earnings per share

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

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

Details of calculation of earnings per share for the years ended 31 March 2016 and 2015 are as below.

	Consolidated financial statements					
	Profit		Weighted average number of ordinary shares		Earnings per share	
	2016	2015	2016	2015	2016	2015
	Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht
<b>Basic earnings per share</b>						
Profit attributable to equity holders of the Company	4,141,080	2,944,033	11,829,813	11,862,162	0.350	0.248
<b>Effect of dilutive potential ordinary shares</b>						
Warrants (BTS-WA)	-	-	1,971	4,523		
Warrants (BTS-WB)	-	-	5,168	5,923		
<b>Diluted earnings per share</b>						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	4,141,080	2,944,033	11,836,952	11,872,608	0.350	0.248
	Separate financial statements					
	Profit		Weighted average number of ordinary shares		Earnings per share	
	2016	2015	2016	2015	2016	2015
	Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht
<b>Basic earnings per share</b>						
Profit attributable to equity holders of the Company	6,554,962	3,535,347	11,829,813	11,862,162	0.554	0.298
<b>Effect of dilutive potential ordinary shares</b>						
Warrants (BTS-WA)	-	-	1,971	4,523		
Warrants (BTS-WB)	-	-	5,168	5,923		
<b>Diluted earnings per share</b>						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	6,554,962	3,535,347	11,836,952	11,872,608	0.554	0.298

Details of calculation of earnings per share from continued operation for the years ended 31 March 2016 and 2015 are as below.

	Consolidated financial statements					
	Profit		Weighted average number of ordinary shares		Earnings per share	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht
<b>Basic earnings per share</b>						
Profit attributable to equity holders of the Company	4,137,189	2,995,677	11,829,813	11,862,162	<u>0.350</u>	<u>0.253</u>
<b>Effect of dilutive potential ordinary shares</b>						
Warrants (BTS-WA)	-	-	1,971	4,523		
Warrants (BTS-WB)	-	-	5,168	5,923		
<b>Diluted earnings per share</b>						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>4,137,189</u>	<u>2,995,677</u>	<u>11,836,952</u>	<u>11,872,608</u>	<u>0.350</u>	<u>0.252</u>
	Separate financial statements					
	Profit		Weighted average number of ordinary shares		Earnings per share	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht
<b>Basic earnings per share</b>						
Profit attributable to equity holders of the Company	6,554,962	3,535,347	11,829,813	11,862,162	<u>0.554</u>	<u>0.298</u>
<b>Effect of dilutive potential ordinary shares</b>						
Warrants (BTS-WA)	-	-	1,971	4,523		
Warrants (BTS-WB)	-	-	5,168	5,923		
<b>Diluted earnings per share</b>						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	<u>6,554,962</u>	<u>3,535,347</u>	<u>11,836,952</u>	<u>11,872,608</u>	<u>0.554</u>	<u>0.298</u>

The exercise price of the warrants (BTS-W3) is higher than the average market price of the Company's ordinary shares for the years ended 31 March 2016 and 2015. Therefore, the Company has not assumed conversion of the warrants in the calculation of diluted earnings per share in the consolidated and separate financial statements for the years ended 31 March 2016 and 2015.

## **51. Promotional privileges**

A subsidiary (Bangkok Payment Solutions Company Limited) has received promotional privileges from the Board of Investment for the software development, pursuant to the investment promotion certificate No. 58-2513-1-00-2-0 issued on 24 November 2015. Subject to certain imposed conditions, the privileges include an exemption from corporate income tax for a period of 5 years from the date the promoted operations begin generating revenues (15 December 2015).

The subsidiary's revenues of promoted operations and non-promoted operations for the year ended 31 March 2016 amounted to Baht 20 million and Baht 56 million, respectively (2015: revenues of non-promoted operations amounting to Baht 23 million).

## **52. Segment information**

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

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

- 1) Mass transit segment, which is the provision of service as operator of the Core BTS Sky Train System, service under the operating and maintenance service agreement of extension to the Core BTS Sky Train System, and service under the operating and bus procurement (BRT) agreement
- 2) Media segment, which provides advertising services on Bangkok Mass Transit System (BTS), in department stores, in office buildings and others
- 3) Property segment, which consists of hotel and condominium
- 4) Service segment, which is the provision of services of Rabbit Card and other services not included in the other major segments

The Company and its subsidiaries have aggregated the operating segments of mass transit segment and service segment and presented them as the reportable segment of service segment. The aggregated operating segments have similar economic characteristics and are similar in the other respects required by the standard.

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

The following table presents revenue and profit information regarding the Company and its subsidiaries' operating segments for the years ended 31 March 2016 and 2015.

(Unit: Million Baht)

	For the years ended 31 March								Consolidated	
	Media segment		Property segment		Service segment		Elimination		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Revenues from external customers	2,075	2,937	298	411	2,892	2,789	-	-	5,265	6,137
Inter-segment revenues	31	26	-	-	442	348	(473)	(374)	-	-
Total revenues	<u>2,106</u>	<u>2,963</u>	<u>298</u>	<u>411</u>	<u>3,334</u>	<u>3,137</u>	<u>(473)</u>	<u>(374)</u>	<u>5,265</u>	<u>6,137</u>
Segment profit	1,476	1,751	119	167	1,117	1,170	-	-	2,712	3,088
Unallocated revenues and expenses:										
Management income									3	2
Dividend income									281	42
Interest income									501	1,054
Gain from sales of investments									183	271
Gain on sale of warrants									-	53
Gain on swap of investments									3,459	-
Gain on sales of assets									97	368
Reversal of creditors per rehabilitation plan									96	-
Other income									180	199
Servicing and selling expenses									(117)	(141)
Administrative expenses									(1,410)	(1,003)
Other expenses									(582)	(257)
Share of loss from investments in joint ventures									(340)	(14)
Share of profit from investments in associates									751	866
Finance cost									(290)	(403)
Income tax expenses									(1,121)	(733)
Gain (loss) from discontinued operation									4	(52)
Profit for the year									<u>4,407</u>	<u>3,340</u>
Non-controlling interests of the subsidiaries									<u>(266)</u>	<u>(396)</u>
Profit attributable to equity holders of the Company									<u>4,141</u>	<u>2,944</u>

### Geographic information

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

During the year ended 31 March 2016, a subsidiary (VGI Global Media Public Company Limited) has revenues from top 10 major customers in total amount of Baht 1,403 million, arising from media segment (2015: Baht 2,020 million).

### **53. Provident fund**

The Company, its subsidiaries and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company and its subsidiaries contributed to the fund monthly at the rate of 5-15% of basic salary. The fund, which is managed by BBL Asset Management Co., Ltd., will be paid to employees upon termination in accordance with the fund rules. During the year ended 31 March 2016, the Company and its subsidiaries recognized the contributions as expenses amounting to Baht 40 million (2015: Baht 48 million) (Separate financial statements: Baht 4 million (2015: Baht 2 million)) (Baht 21 million (2015: Baht 19 million) claimed from BTSGIF).

### **54. Dividends**

<u>Dividends</u>	<u>Approved by</u>	<u>Total dividends</u>	<u>Dividend per share</u>
		(Million Baht)	(Baht)
Final dividends for 2013/2014	Annual General Meeting of the shareholders on 25 July 2014	2,501	0.21
Interim dividends for 2014/2015	Board of Directors' meeting on 9 January 2015	3,547	0.30
Total for the year ended 31 March 2015		<u>6,048</u>	
Final dividends for 2014/2015	Annual General Meeting of the shareholders on 24 July 2015	3,548	0.30
Interim dividends for 2015/2016	Board of Directors' meeting on 11 January 2016	4,022	0.34
Total for the year ended 31 March 2016		<u>7,570</u>	

## **55. Commitments and contingent liabilities**

As at the date of the statements of financial position, the Company and its subsidiaries had commitments and contingent liabilities as follows:

### **55.1 Capital commitments**

- a) The Company and its subsidiaries (HHT Construction Company Limited and Muangthong Assets Company Limited) had outstanding commitments of approximately Baht 491 million and HKD 2 million (2015: Baht 291 million and HKD 5 million) in respect of agreements of consultation, design and construction projects.
- b) The Company and its subsidiary (Muangthong Assets Company Limited) had outstanding commitments with a subsidiary (HHT Construction Company Limited) approximately Baht 53 million (2015: Baht 224 million) in respect of renovation and development of golf course and construction in progress.
- c) The Company had outstanding commitments of USD 29 million (2015: USD 38 million) in respect of overseas investments.
- d) The subsidiaries (Dnal Company Limited and Siam Paging and Communication Company Limited) had outstanding commitments of approximately Baht 953 million (2015: Baht 953 million) relating to the agreements to purchase and to sell of land and building.
- e) A subsidiary (BTSC) had capital commitments totaling Baht 30 million (2015: SGD 1 million and Baht 35 million) in respect of improvements of BTS Sky train System.
- f) A subsidiary (BTSC) had capital commitments of Baht 13 million (2015: Baht 33 million) in respect of the renovation of office building.
- g) A subsidiary (Bangkok Smartcard System Company Limited) had capital commitments of Baht 14 million (2015: RMB 5 million) relating to the installation of common ticketing systems, management information system and development of website.
- h) A subsidiary (VGI Global Media Public Company Limited) had capital commitments of Baht 47 million (2015: Nil), relating to the acquisition of equipment and software computer
- i) A subsidiary (Rabbit 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.

Obligations as discussed in e) and f) 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. The subsidiary's management believes that these bases and assumptions are appropriate under the current circumstances.

## 55.2 Operating lease commitments

The Company and its subsidiaries have entered into several lease agreements in respect of the lease of land, office building space, motor vehicles and equipment.

The Company and its subsidiaries have future minimum lease payments required under these non-cancellable operating lease contracts were as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Payable:				
Up to 1 year	53	46	40	23
Over 1 and up to 5 years	158	147	119	93
Over 5 years	297	331	222	247

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. The subsidiary's management believes that these bases and assumptions are appropriate under the current circumstances.

## 55.3 Service contract commitments

- a) A subsidiary (BTSC) had commitments of approximately Baht 53 million (2015: Baht 76 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).
- b) The Company and its subsidiaries had committed to pay fees totaling Baht 270 million (2015: Baht 350 million) (Separate financial statements: Baht 21 million (2015: Baht 13 million)) relating to service agreements.

Obligations as discussed in b) 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. The subsidiary's management believes that these bases and assumptions are appropriate under the current circumstances.

#### **55.4 Commitments under maintenance contract**

On 15 September 2014, a subsidiary (BTSC) entered into a fifteen-year maintenance contract with a contractor. Under the contract, the subsidiary has capital commitments in respect of the cost of maintenance and spares supply service fees in relation to the project over a period of 15 years. The amount to be paid for the first year is approximately Baht 253 million and EUR 3 million and in the future years, the amount to be paid will be adjusted upwards with reference to the consumer price index. The contract is effective from 1 January 2015.

For the year ended 31 March 2016, the subsidiary had expenses under these contracts amounting to Baht 259 million and EUR 3 million (2015: Baht 218 million and EUR 2 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. The subsidiary's management believes that these bases and assumptions are appropriate under the current circumstances.

#### **55.5 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 with consultation and hotel business management-related services. Under the conditions of the agreement, the Company is to pay service fees of Baht 1.4 million per month. The fees for the year ended 31 March 2016 amounted to approximately Baht 16 million (2015: Baht 17 million).
- b) The Company entered into a management agreement with its subsidiary (Tanayong Property Management Company Limited), which is to furnish the Company with systems management services. Under the conditions of the agreement, the Company is to pay service fees at the rate specified in the agreement. The fees for the year ended 31 March 2016 amounted to Baht 7 million (2015: Baht 20 million).
- c) A subsidiary (Muangthong Assets Company Limited) entered into service agreements with an associate (Absolute Hotel Services Company Limited), which is to furnish the subsidiary with royalty and hotel business management - related services. The subsidiary are to pay service fees at a rate as stipulated in the agreements. The fees for the year ended 31 March 2016 amounted to approximately Baht 16 million (2015: Baht 26 million).
- d) A subsidiary (BTSC) had commitments of Baht 8,627 million (2015: 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 as stipulated in the agreements as follows:

- 1) Concession agreements for the installation and management of advertising media in buildings with a related company and unrelated companies, whereby it is to install, and manage the provision of advertising through, LCD screens in these buildings.
- 2) Concession agreements for the management and provision of advertising space, and other related agreements.

The subsidiary had outstanding commitments with respect to minimum guarantees under concession agreements. Fees are payable as follows:

	(Unit: Million Baht)	
	<u>2016</u>	<u>2015</u>
Fees payable:		
Up to 1 year	59	96
Over 1 and up to 5 years	117	82
Over 5 years	10	-

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

f) A subsidiary (BTSC) had outstanding commitments under the concession agreements of the Bangkok Mass Transit System project for extension line - Silom (S7-S8) and Sukhumvit (E10-E14), for a period of 15 years. Compensation which is payable throughout the terms of the agreements expected to be risen every three years in accordance with the passenger growth rate, but at least 10%. The amount to be paid for the 1-3 year is approximately Baht 79 million.

For the year ended 31 March 2016, the subsidiary paid compensation amounting to Baht 24 million (2015: Nil).

## 55.6 Other commitments

- a) The Company and its subsidiary (BTSC) had commitments in respect of compliance with the Net Revenue Purchase and Transfer Agreement and other agreements relating to infrastructure fund transaction.
- b) A subsidiary (BTSC) had commitments of approximately Baht 48 million (2015: Nil) to a subsidiary (Bangkok Payment Solutions Company Limited) in respect of compliance with Establishment of Central Clearing House Project (CCH) Agreement.

## 55.7 Guarantees

- a) There was a bank guarantee of Baht 23 million (2015: Baht 23 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 57 million (2015: Baht 57 million) to guarantee electricity use and Baht 1,394 million (2015: Baht 2,999 million) to guarantee the long-term debentures. In addition, there was an outstanding bank guarantee of Baht 40 million (2015: Baht 40 million) issued by a bank on behalf of the subsidiary to guarantee compliance with Contract for Establishment of Central Clearing House Project (CCH). A current investment of Baht 14 million has been pledged as collateral. BTS Rail Mass Transit Growth Infrastructure Fund will be responsible for the bank guarantees amounting to Baht 38 million (2015: Baht 38 million) issued by a bank on behalf of the subsidiary to the Metropolitan Electricity Authority to guarantee electricity use.
- c) The Company and its subsidiaries had additional bank guarantees issued by banks as required in their normal operations of approximately Baht 274 million (Separate financial statements: Baht 3 million) (2015: Baht 205 million (Separate financial statements: Baht 2 million)).
- d) The Company provided a guarantee on BTSC's compliance to BTS Rail Mass Transit Growth Infrastructure Fund as discussed in Sponsor Support and Guarantee Agreement.

## 55.8 Litigations

- a) The Company and its 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 business 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 creditor under the Company's business rehabilitation plan filed a petition with the Central Bankruptcy Court, asking the court to overturn the order of the official receiver regarding the amount of debt settlement it is entitled to receive. The Central Bankruptcy Court ordered the amendment of the amounts of the debt settlement entitlements. The creditor appealed the order of the Central Bankruptcy Court to the Supreme Court, and the case is currently being considered by the Supreme Court. The maximum amount of payment or transfer of assets that the Company would have to make under the plan amounts to approximately Baht 587 million, and a cash amount equal to the amount payable has been deposited with the Central Bankruptcy Court as collateral. However, the Company has already recorded this liability in its accounts.
- c) A creditor under the Company's business rehabilitation plan filed a petition with the Central Bankruptcy Court, asking the court to order the Company to make payment of debt under the rehabilitation plan. The Central Bankruptcy Court ordered the Company to make such payment but both the creditor and the Company subsequently filed separate appeals with the Supreme Court. In order to stay execution of the court's order, the Company placed land and a condominium building with the Central Bankruptcy Court as collateral for the amount that the Company would have to pay under the court order, together with interest at a rate of 7.5% per annum, totaling Baht 66.3 million. In the meantime, the Central Bankruptcy Court instructed Thailand Securities Depository Company Limited to sequester the 3,896,518 shares of the Company arising from the conversion of debt to equity. The case is currently being considered by the Supreme Court. However, the Company has already recorded this liability in its accounts.

- d) 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 Supreme Court is considering the lawsuit. However, the subsidiary believes that no significant loss will result from this case.
- e) Creditors under the business rehabilitation plan of a subsidiary (BTSC) have filed petitions with the Central Bankruptcy Court with respect to their claims totaling approximately Baht 307 million, of which the official receiver ordered the subsidiary to pay approximately Baht 21 million. However, the Court dismissed the petitions and currently, the cases are being considered by the Supreme Court. The subsidiary believes that no significant loss will result from this case.
- f) Bangkok Metropolitan Administration has called for a subsidiary (BTSC) to pay Baht 86 million (already recorded in the account) for the use of state owned land, together with penalties and surcharges on the outstanding amount at a rate of 18% per annum, and a letter of guarantee fee for a building construction contract amounting to approximately Baht 8.2 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 Thai Arbitration Institute has ordered that the dispute be temporarily removed from the case list in order to await the Supreme Court's decision in the business rehabilitation case as mentioned in e). The subsidiary believes that it will suffer no significant loss as a result of this litigation.
- g) A subsidiary (BTSC) was sued together with Bangkok Metropolitan Administration and the Bangkok Governor in an administrative case seeking to have elevators and facilities for the disabled installed at 23 elevated train stations and on elevated trains. The Administrative Court of First Instance dismissed the case since, in their opinion, when the Concession Agreement was concluded there were no laws requiring that the defendants build elevators and facilities for the disabled. Subsequently, the plaintiffs appealed to the Supreme Administrative Court and on 21 January 2015, the Supreme Administrative Court issued an order reversing the decision of the Administrative Court of First Instance and ordering the Bangkok Governor, on behalf of the Bangkok Metropolitan Administration, to provide elevators and facilities for the disabled at 23 elevated train stations within 1 year and ordered the subsidiary to cooperate. Currently, the Bangkok Metropolitan Administration is implementing these actions.

h) On 15 October 2015, a jointly controlled company (Bayswater Co., Ltd.) purchased land through an auction organized by the official receiver for a price of Baht 7,350 million. However, a company who is a debtor under the bankruptcy action and the original landowner (not related to the Company and its subsidiaries) (“Debtor”) petitioned the Central Bankruptcy Court (“the Court”) seeking an order to cease the auction of assets of the debtor. On 22 September 2015, the Court dismissed the petition on the grounds that there was no legal basis to permit the petition. Subsequently, on 23 September 2015, the debtor lodged an appeal of the Court’s order with the Supreme Court, asking for permission to appeal. Currently, the Supreme Court is considering whether to order cessation of the auction.

Subsequently, on 14 October 2015 the debtor company filed petitions asking the Court to order the official receiver to accept an application for a composition of debt for processing in accordance with the law, and to order the postponement or cessation of the auction that was to be held on 15 October 2015 and the following day, based on the auction announcement. The Court dismissed the petition on 28 January 2016. Subsequently, on 4 March 2016, the debtor lodged an appeal of the Court’s order with the Supreme Court, asking for permission to appeal. Currently, the Supreme Court is considering whether to grant the appeal.

In addition, on 29 October 2015 the debtor company and its 2 unsecured creditors filed petitions asking the Court to order the cancelation of the auction of assets and to cease compulsory of litigation result during consideration of the petitions of cancelation of the auction of assets. The Court dismissed the petition on 28 January 2016. Subsequently, on 18 February 2016, the debtor and its creditors lodged an appeal of the Court’s order with the Supreme Court, asking for permission to appeal. Currently, the Supreme Court is considering whether to grant the appeal.

The Company and the jointly controlled company believe that no significant losses will result from these cases.

## 56. Fair value hierarchy

As at 31 March 2016, the Company and its subsidiaries had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated Financial Statements			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Held for trade investments				
Equity instruments (fixed income fund)	-	902	-	<b>902</b>
Equity instruments	267	-	-	<b>267</b>
Debt instruments	-	228	-	<b>228</b>
Derivative warrants	127	-	-	<b>127</b>
Available-for-sale investments				
Equity instruments	6,576	1,035	-	<b>7,611</b>
Land	-	2,350	-	<b>2,350</b>
<b>Assets for which fair value are disclosed</b>				
Investment properties	-	4,114	205	<b>4,319</b>
Investments in listed associates	29,005	-	-	<b>29,005</b>
Derivative				
Forward exchange agreement	-	11	-	<b>11</b>
<b>Liabilities for which fair value are disclosed</b>				
Derivatives				
Cross currency swap agreements	-	16	-	<b>16</b>

(Unit: Million Baht)

	Separate Financial Statements			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Held for trade investments				
Equity instruments	267	-	-	<b>267</b>
Available-for-sale investments				
Equity instruments	4,062	1,035	-	<b>5,097</b>
<b>Assets for which fair value are disclosed</b>				
Investment properties	-	2,659	2,710	<b>5,369</b>
Investment in listed subsidiary	7,744	-	-	<b>7,744</b>
Investments in listed associates	28,186	-	-	<b>28,186</b>
Derivatives				
Forward exchange agreement	-	11	-	<b>11</b>
<b>Liabilities for which fair value are disclosed</b>				
Derivatives				
Cross currency swap agreements	-	16	-	<b>16</b>

## 57. Financial instruments

### 57.1 Financial risk management

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

#### Financial assets

- Cash and cash equivalents
- Current investments
- Bank account for advances from cardholders
- Trade and other receivables
- Receivable under concession agreement
- Receivable under finance lease agreement
- Advances to contractors
- Short-term loans
- Accrued income
- Restricted deposits
- Cash deposited as collateral for debt settlement
- Long-term loans
- Other long-term investments
- Deposits and advances for asset acquisitions

#### Financial liabilities

- Short-term loans from financial Institutions
- Bills of exchange payables
- Trade and other payables
- Advance received from cardholders
- Short-term loans
- Creditors per rehabilitation plan
- Long-term loans
- Long-term debentures
- Retention payable

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

#### **Credit risk**

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

#### **Interest rate risk**

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

Significant financial assets and liabilities as at 31 March 2016 and 2015 classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the re-priced date (if this occurs before the maturity date).

(Unit: Million Baht)

As at 31 March 2016								
Consolidated financial statements								
Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Interest rate (% p.a.)		
Within 1 year	1-5 years	Over 5 years						
<u>Financial assets</u>								
Cash and cash equivalents	248	-	-	2,080	37	2,365	0.01 - 3.00	
Current investments	3,318	-	-	-	1,348	4,666	0.90 - 4.98	
Bank account for advances from cardholders	-	-	-	285	-	285	0.38 - 2.00	
Trade and other receivables	-	-	-	-	1,111	1,111	-	
Receivable under concession agreement	94	405	3,116	-	-	3,615	0.58 - 6.12	
Receivable under finance lease agreement	30	2	-	-	-	32	5.92	
Advances to contractors	-	-	-	-	29	29	-	
Short-term loan to related party	-	-	-	-	14	14	-	
Accrued income	-	-	-	-	654	654	-	
Restricted deposits	1,154	-	-	-	115	1,269	5.20	
Cash deposited as collateral for debt settlement	-	-	-	-	171	171	-	
Long-term loans to related parties	54	5,949	-	-	-	6,003	MLR-0.5	
Other long-term investments	-	-	697	-	9,054	9,751	4.38	
Deposits and advances for asset acquisitions	-	-	-	-	129	129	-	
	<u>4,898</u>	<u>6,356</u>	<u>3,813</u>	<u>2,365</u>	<u>12,662</u>	<u>30,094</u>		
<u>Financial liabilities</u>								
Short-term loans from financial institutions	3,750	-	-	-	-	3,750	1.96 - 2.60	
Bills of exchange payables	2,917	-	-	-	-	2,917	2.18 - 2.65	
Trade and other payables	-	-	-	-	1,623	1,623	-	
Advance received from cardholders	-	-	-	-	281	281	-	
Loan from related party	-	-	-	-	36	36	-	
Creditors per rehabilitation plan	-	-	-	-	638	638	-	
Long-term loans from financial institutions	-	-	-	1,268	-	1,268	MLR-1, LIBOR+0.8	
Long-term debentures	1,347	-	-	-	-	1,347	6.75	
Retention payable	-	-	-	-	137	137	-	
	<u>8,014</u>	<u>-</u>	<u>-</u>	<u>1,268</u>	<u>2,715</u>	<u>11,997</u>		



(Unit: Million Baht)

As at 31 March 2015

## Consolidated financial statements

	Fixed interest rates					Total	Interest rate (% p.a.)
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non-interest bearing		
<u>Financial assets</u>							
Cash and cash equivalents	7,062	-	-	2,913	137	10,112	0.10 - 3.10
Current investments	5,567	-	-	-	804	6,371	0.70 - 6.00
Bank account for advances from cardholders	-	-	-	211	-	211	0.38 - 2.80
Trade and other receivables	-	-	-	-	1,218	1,218	-
Receivable under concession agreement	92	394	3,221	-	-	3,707	0.58 - 6.12
Receivable under finance lease agreement	28	32	-	-	-	60	5.92
Advances to contractors	-	-	-	-	21	21	-
Accrued income	-	-	-	-	935	935	-
Restricted deposits	1,154	-	-	-	31	1,185	5.20
Cash deposited as collateral for debt settlement	-	-	-	-	171	171	-
Long-term loans to related parties	4	759	-	-	-	763	2.50 - 4.50
Other long-term investments	-	2,310	200	-	7,038	9,548	3.45 - 4.89
Deposits and advances for asset acquisitions	-	-	-	-	129	129	-
	<u>13,907</u>	<u>3,495</u>	<u>3,421</u>	<u>3,124</u>	<u>10,484</u>	<u>34,431</u>	
<u>Financial liabilities</u>							
Short-term loans from financial institutions	530	-	-	-	-	530	2.60 - 2.90
Trade and other payables	-	-	-	-	1,779	1,779	-
Advance received from cardholders	-	-	-	-	211	211	-
Creditors per rehabilitation plan	-	-	-	-	733	733	-
Long-term loan from financial institution	-	-	-	1,213	-	1,213	MLR-2, LIBOR+0.8
Long-term debentures	1,468	1,345	-	-	-	2,813	6.25 - 6.75
Retention payable	-	-	-	-	178	178	-
	<u>1,998</u>	<u>1,345</u>	<u>-</u>	<u>1,213</u>	<u>2,901</u>	<u>7,457</u>	

(Unit: Million Baht)

As at 31 March 2016

## Separate financial statements

	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1-5 years	Over 5 years				
<b>Financial assets</b>							
Cash and cash equivalents	140	-	-	241	-	381	0.10 - 1.25
Current investments	864	-	-	-	-	864	0.90 - 4.89
Trade and other receivables	-	-	-	-	215	215	-
Advances to contractors	-	-	-	-	7	7	-
Restricted deposits	1,154	-	-	-	30	1,184	5.20
Cash deposited as collateral for debt settlement	-	-	-	-	171	171	-
Long-term loans to related parties	-	9,835	-	-	-	9,835	MLR-0.5, 3.00 - 3.40
Other long-term investments	-	-	597	-	6,510	7,107	4.00 - 4.375
	<u>2,158</u>	<u>9,835</u>	<u>597</u>	<u>241</u>	<u>6,933</u>	<u>19,764</u>	
<b>Financial liabilities</b>							
Short-term loans from financial institutions	3,510	-	-	-	-	3,510	1.96 - 2.60
Bills of exchange payables	2,917	-	-	-	-	2,917	2.18 - 2.65
Trade and other payables	-	-	-	-	517	517	-
Short-term loan from related party	-	-	-	18,033	-	18,033	1.50 - 2.03
Creditors per rehabilitation plan	-	-	-	-	638	638	-
Long-term loan from financial institutions	-	-	-	1,062	-	1,062	LIBOR+0.8
Retention payable	-	-	-	-	19	19	-
	<u>6,427</u>	<u>-</u>	<u>-</u>	<u>19,095</u>	<u>1,174</u>	<u>26,696</u>	

(Unit: Million Baht)

As at 31 March 2015

## Separate financial statements

	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	1-5 years	Over 5 years				
<b>Financial assets</b>							
Cash and cash equivalents	296	-	-	310	-	606	0.13 - 1.50
Current investments	1,365	-	-	-	-	1,365	0.70 - 2.60
Trade and other receivables	-	-	-	-	79	79	-
Advances to contractors	-	-	-	-	28	28	-
Short-term loan to related party	94	-	-	-	-	94	2.50 - 2.75
Restricted deposits	1,154	-	-	-	30	1,184	-
Cash deposited as collateral for debt settlement	-	-	-	-	171	171	-
Long-term loans to related parties	-	1,405	-	-	-	1,405	2.50 - 3.25
Other long-term investments	-	8	100	-	5,423	5,531	4.375 - 4.89
	<u>2,909</u>	<u>1,413</u>	<u>100</u>	<u>310</u>	<u>5,731</u>	<u>10,463</u>	
<b>Financial liabilities</b>							
Trade and other payables	-	-	-	-	364	364	-
Short-term loan from related party	-	-	-	9,185	-	9,185	2.27 - 2.42
Creditors per rehabilitation plan	-	-	-	-	733	733	-
Long-term loan from financial institution	-	-	-	981	-	981	LIBOR+0.8
Retention payable	-	-	-	-	12	12	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,166</u>	<u>1,109</u>	<u>11,275</u>	

## Foreign currency risk

The Company's and subsidiaries' exposure to foreign currency risk arises mainly from cash at banks, investments, loans and purchases of spare parts and equipment that are denominated in foreign currencies.

As at 31 March 2016 and 2015, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currencies	Consolidated financial statements				Separate financial statements				Average exchange rate	
	Financial assets		Financial liabilities		Financial assets		Financial liabilities			
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
USD	76	75	30	31	51	54	30	30	35.2392	32.5551
EUR	31	22	1	1	-	-	-	-	39.8996	35.2178
SGD	-	-	1	2	-	-	-	-	26.0867	23.6597
RMB	247	247	-	-	215	215	-	-	5.5143	5.2508

As at 31 March 2016 and 2015, the Company has entered into cross currency swap and sale forward exchange agreements amounting to USD 24 million and RMB 215 million under which the contractual rates are Baht 31.25 - 32.69 per USD and Baht 5.3772 per RMB, respectively.

### 57.2 Fair value of financial instruments

The fair value of the Company and its subsidiaries' financial instruments are not expected to differ materially from the amounts presented in the statement of financial position.

The estimated fair value of the derivatives was as follows:

	(Unit: Million Baht)	
	<u>2016</u>	<u>2015</u>
	<u>Fair value</u>	<u>Fair value</u>
	Gain (Loss)	Gain
<b><u>Derivatives</u></b>		
Sale forward exchange agreement	11	-
Cross currency swap agreements	(16)	39

The methods and assumptions used by the Company and its subsidiaries in estimating the fair value of financial instruments are as follows:

- a) For financial assets and liabilities which have short-term maturity, including cash and cash at banks, accounts receivable, accrued income, loans to related companies, investments, accounts payable, loans from unrelated companies, bills of exchange and debentures, their carrying amounts in the statement of financial position approximate their fair value.
- b) For debt and equity securities and derivative warrants, their fair value is generally derived from quoted market prices and net assets value.
- c) For held to maturity debt securities carrying interest approximate to the market rate, their carrying amounts in the statement of financial position approximates their fair value.
- d) For derivatives, their fair value has been determined by using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies, yield curves of the respective currencies and interest rate yield curves. The Company had considered to counterparty credit risk when determining the fair value of derivatives.

During the current year, there were no transfers within the fair value hierarchy.

## **58. Capital management**

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

According to the statement of financial position as at 31 March 2016, the Group's debt-to-equity ratio was 0.39:1 (2015: 0.28:1) and the Company's was 0.43:1 (2015: 0.18:1).

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

Significant subsequent events are detailed below.

- 59.1 On 8 April 2016, the Company established KMJ 2016 Company Limited to engage in restaurant, food and beverage businesses, with a registered share capital of Baht 41 million (410,000 ordinary shares with a par value of Baht 100 each), with the Company to hold a 51% interest.
- 59.2 On 11 May 2016, the Board of Directors of a subsidiary (VGI Global Media Public Company Limited) passed a resolution to approve payment of dividend of Baht 755 million in respect of its operating results for the year ended 31 March 2016. The subsidiary has paid interim dividend totaling approximately Baht 343 million. The outstanding dividend of Baht 412 million (at a rate of Baht 0.06 per share) will be paid to the shareholders.

59.3 On 18 May 2016, the Board of Directors of a subsidiary (BTSC) passed the following significant resolutions:

- a) Payment of dividend of Baht 1,446 million in respect of its operating results for the year ended 31 March 2016. The subsidiary has paid interim dividend totaling approximately Baht 643 million. The outstanding dividend of Baht 803 million (at a rate of Baht 0.05 per share) will be paid to the shareholders.
- b) Approved the issue and offer of up to Baht 30,000 million of debentures, or the equivalent amount in other currencies. The subsidiary's Board of Directors or authorised persons have the authority to stipulate details of the debentures.

59.4 On 18 May 2016, the Company established Man Food Products Company Limited to engage in producing and selling food, with a registered share capital of Baht 100 million (1,000,000 ordinary shares with a par value of Baht 100 each), with the Company to hold a 100% interest.

59.5 On 23 May 2016, a subsidiary (BTSC) entered into agreements to purchase elevated trains and related assets amounting to EUR 270 million, equivalent to Baht 10,918 million.

59.6 On 27 May 2016, the Board of Directors of the Company passed the following significant resolutions:

- a) Payment of dividend of Baht 8,048 million in respect of its operating results for the year ended 31 March 2016. The Company has paid interim dividend totaling approximately Baht 4,022 million. The outstanding dividend of Baht 4,026 million (at a rate of Baht 0.34 per share) will be paid to the shareholders.
- b) Approved the issue and offer of up to Baht 30,000 million of debentures, or the equivalent amount in other currencies. The Company's Board of Directors or authorised persons have the authority to stipulate details of the debentures.

## **60. Approval of financial statements**

These financial statements were authorised for issue by the Company's Board of Directors on 27 May 2016.