

Annual Report 2007



# BANGKOK LAND

Public Company Limited

## CORPORATE INFORMATION

<b>Name</b>	Bangkok Land Public Company Limited
<b>Registration No</b>	0107536001222
<b>Share Capital</b>	Authorized 20,584,720,864 ordinary shares of Baht 1 each Registered, issued and paid up 15,698,028,723 ordinary shares of Baht 1 each, fully paid
<b>Registered Office</b>	47/569-576 Moo 3, 10 <sup>th</sup> Floor, New Geneva Industry Condominium, Popular 3 Road, Tambol Bannmai, Amphur Pakkred, Nonthaburi 11120 Tel. (662) 5044949 Fax. (662) 5044986
<b>Business</b>	Real Estate Development and Exhibition Services
<b>Share Register</b>	Thailand Securities Depository Company Limited 4 <sup>th</sup> , 7 <sup>th</sup> Floor, The Stock Exchange of Thailand Building, 62 Rachadapisek Road, Klongtoey, Bangkok 10110 Tel. (662) 2292800 Fax. (662) 3591262-3
<b>Auditor</b>	Karin Audit Company Limited B1, 6 <sup>th</sup> Floor Boonmitr Building 138 Silom Road, Bangrak, Bangkok 10500 Tel. (662)6342484 Fax. (662) 6342668

## REPORT OF THE CHAIRMAN

I am pleased to present to the shareholders report on the operation of the Company for the year ended 31 March 2007.

### RESULT AND DIVIDEND

Net profit for the year ended 31 March 2007 was Baht 291 million. Accumulated deficit of the Company was Baht 67 million and the board of directors has therefore resolved that no dividend can be paid for the year ended 31 March 2007.

### OPERATIONS

#### Exhibition and Convention

Amid negative political and economic factors in Thailand, cancellation of scheduled events, in particular those sponsored by the government, drove space utilization down in the year under review. Our Impact business had experienced the quietest year since business commenced in 2000. However, Impact continued to report a growth of revenue by 7.7% to Baht 1,407 million for the year ended 31 March 2007.

At the close of the year, we agreed with an oversea financial investor for the sale of 40% of the Impact Center (value of Impact agreed at Baht 17.5 billion) for a price of Baht 7 billion. This transaction was completed in April 2007. The agreed Impact value of Baht 17.5 billion represents an increase of capital value by 70% of Baht 7.2 billion compared with our book cost of Baht 10.3 billion. The appreciation in capital value of Impact shall allow the Group to account for an extraordinary gain of Baht 2.88 billion in the coming financial year ending 31 March 2008.

#### Real Estate Development

As reported last year, the Company had the view of a difficult property market and maintained its position in delaying start-ups of new housing projects. With no projects under development, the Company has not been affected by the current dramatic down cycle of the property market in Thailand. The Company shall continue to monitor closely the conditions of the economic and market conditions as to identify the right moment to launch new housing projects.

### FINANCE

Overall, net profit before extraordinary item totaled Baht 291 million (2006 - Baht 236 million). The financial position of the Company continued to improve with shareholders' equity increased by 11% to Baht 15 billion.

The Group's performance has been dominated for years by non-operating transactions resulting mainly from debt settlement with financial institutions, reverse of profits from uncompleted housing projects, interest expenses on defaulted debts and foreign currency exchange difference. With the proceeds of Baht 7 billion from the sale of Impact, the Company would be able to make further debt settlements as to complete its multi-year plan of debt reduction.

## **OUTLOOK**

In the year ahead, we anticipate a much stronger balance sheet. The Company shall continue to focus on more business opportunities and expand its sources of revenue. In the absence of any unforeseen circumstances, I remain optimistic on the potential of the Company in the years ahead.

## **APPRECIATION**

On behalf of the board, I would like to extend our appreciation and thanks to all shareholders and look forward to reporting to you next year again.



Anant Kanjanapas  
Chairman  
19 June 2007

## FINANCIAL HIGHLIGHTS

	2005	2006	2007
<b>Performance (Million Baht)</b>			
Total Assets	41,493	38,712	39,139
Total Liabilities	31,503	25,165	24,067
Shareholders' Equity	9,990	13,547	15,072
Total Revenue	7,944	4,582	2,589
Net Profit (Loss)	(2,008)	2,585	291
<b>Ratios</b>			
Current Ratio	0.08	0.04	0.07
Debt/Equity Ratio	3.15	1.86	1.59
Return on Equity(%)	(20.10)	19.08	0.02
Return on Assets(%)	(4.84)	6.68	0.74
<b>Per Share Data</b>			
Net Profit (Loss) per Share	(0.20)	0.20	0.02
Book Value per Share	0.83	0.97	0.96
Dividend per Share	-	-	-

## AUDIT COMMITTEE REPORT

Chairman:	Mr. Pongtorn	Palivanich
Member:	Mr. Karn	Karnjanawatee
	Mr. Tongpao	Boon-long

The responsibilities of the Audit Committee are:-

1. Review the sufficiency, credibility and objectivity of financial reporting.
2. Review the adequacy and effectiveness of internal control system.
3. Review compliance with the Securities and Exchange Acts, regulation of the SET, and any other relevant laws.
4. Consider and advise the appointment of the external auditors.
5. Consider compliance with all connected transaction disclosures or the conflict-of-interests disclosures.
6. Take care of any other matters assigned to it by the board of directors.
7. Report the activities of the audit committee in the Company's annual report.

During the year the Audit Committee held meetings to discuss and review the activities and financial reporting of the Company within the scope of the audit committee's duties. The Audit Committee has the opinion that internal control, financial reporting and regulatory compliance are considered sufficient and adequate.



Pongtorn Palivanich  
Chairman of Audit Committee  
28 May 2007

## REPORT OF THE BOARD OF DIRECTORS'

### RESPONSIBILITIES FOR FINANCIAL STATEMENTS

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The Board of Directors acknowledges that it is their responsibility to prepare financial statements for each financial year and to present them annually to the Company's shareholders at the Annual General Shareholders Meeting.

The Company's financial statements have been prepared in accordance with generally accepted accounting principles and reviewed by an independent audit firm. The Directors consider that suitable accounting policies applied consistently with prudent judgement and estimates have been used in preparing the financial statements. All other relevant information relating to the performance of the Company is properly disclosed in the supplemented notes to the financial statements of the Company.



Anant Kanjanapas  
Chairman  
28 May 2007

# CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS





## AUDITOR'S REPORT

To the Shareholders and the Board of Directors of Bangkok Land Public Company Limited

I have audited the accompanying consolidated balance sheets of Bangkok Land Public Company Limited and its subsidiaries as at March 31, 2007 and 2006, and the consolidated statements of income, changes in shareholders' equity and cash flows for years then ended, and the balance sheets of Bangkok Land Public Company Limited as at March 31, 2007 and 2006, and the statements of income, changes in shareholders' equity and cash flows for years then ended. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial positions of Bangkok Land Public Company Limited and subsidiaries as at March 31, 2007 and 2006, the results of their operations and their cash flows for the years then ended, and the financial positions of Bangkok Land Public Company Limited as at March 31, 2007 and 2006, the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

Without qualifying my opinion, I draw your attention to Note 3.6 to financial statements, on December 30, 2005, the Company and certain related parties signed the debt set off agreement and the Company recorded additional provision of Baht 442 million for uncompleted construction work under its contractual obligation of certain property sales agreements. The management estimated that the maximum amount of construction cost to complete the properties would not be higher than Baht 804 million.



(Jadesada Hungsapruet)  
Certified Public Accountant  
Registration No. 3759  
Karin Audit Company Limited

Bangkok

May 28, 2007

**BANGKOK LAND PUBLIC COMPANY LIMITED**  
**BALANCE SHEETS**  
**AS AT MARCH 31, 2007 AND 2006**

		In Baht			
		Consolidated		Company	
Notes		2007	2006	2007	2006
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents		691,365,165	211,737,877	331,377,392	82,646,399
Accounts receivable, net	4	231,004,699	237,440,659	-	-
Advance and receivables from related parties, net	3.2	-	-	3,483,409,439	4,595,861,672
Short-term loans to related parties, net	3.3	-	-	93,777,583	2,650,864,765
Short-term loans to outsiders, net		-	90,000,000	-	90,000,000
Other current assets, net		426,253,374	241,488,391	110,491,787	15,904,850
Total current assets		1,348,623,238	780,666,927	4,019,056,201	7,435,277,686
<b>Non-current assets</b>					
Accounts receivable, net	4	45,244,803	45,224,218	45,224,218	45,224,218
Unbilled completed works, net	5	8,833,794	2,681,907	-	-
Real estate development cost, net	6	17,853,799,672	17,998,929,759	15,662,224,613	15,742,740,336
Investments in subsidiaries, at equity method	7	-	-	19,469,642,388	8,683,131,629
Investment property	8	791,216,000	810,631,000	160,280,000	2,936,771,000
Property, plants and equipment, net	9	11,768,904,308	11,719,718,202	516,891,261	4,289,694,811
Idle land	10	7,285,035,600	7,285,035,600	7,285,035,600	7,285,035,600
Other non-current assets, net		37,589,575	69,003,720	2,347,872	36,478,532
Total non-current assets		37,790,623,752	37,931,224,406	43,141,645,952	39,019,076,126
<b>TOTAL ASSETS</b>		<b>39,139,246,990</b>	<b>38,711,891,333</b>	<b>47,160,702,153</b>	<b>46,454,353,812</b>

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

**BANGKOK LAND PUBLIC COMPANY LIMITED**  
**BALANCE SHEETS**  
**AS AT MARCH 31, 2007 AND 2006**

		In Baht			
		Consolidated		Company	
	Notes	2007	2006	2007	2006
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>Current liabilities</b>					
Bank overdrafts and short-term loans					
from financial institutions	11	26,872,906	326,875,915	-	300,003,009
Payables to contractors		1,255,154,769	1,497,638,007	1,156,981,273	724,476,662
Accounts payable - others		133,858,822	146,990,031	-	-
Payable from related parties	3.4	663,107,054	707,771,437	7,218,580,626	6,751,715,399
Short-term loans and					
advances from directors	3.9	702,435,402	724,749,077	647,328,467	666,382,947
Current portion of:					
- Long-term loans from financial institutions	12	114,312,329	114,312,329	114,312,329	114,312,329
- Loans under debt restructuring agreements	13	1,338,320,429	611,221,034	472,000,000	400,000,000
- Long-term debt instruments	14	7,691,948,120	8,136,149,430	-	-
- Long-term loans from related parties	3.5	-	-	11,957,053,974	12,514,788,346
Liability arisen from					
investments in subsidiaries	7	-	-	3,204,968,435	3,050,033,824
Accrued interest expenses		2,509,258,440	2,690,136,575	44,726,725	349,771,246
Advances and deposits from customers		1,539,883,317	1,692,385,074	1,161,557,318	1,283,908,034
Unearned income		380,956,520	429,115,287	380,956,520	429,115,287
Other current liabilities	3.6	2,402,486,153	1,697,581,869	1,183,278,835	1,093,478,576
Total current liabilities		18,758,594,261	18,774,926,065	27,541,744,502	27,677,985,659
<b>Non-current liabilities</b>					
Loans under debt restructuring agreements, net					
of current-portion	13	4,285,566,442	4,633,109,089	3,795,321,492	3,557,928,464
Deferred income tax	15	317,581,323	1,035,976,495	46,131,195	820,336,458
Other non-current liabilities	16	705,941,747	720,941,747	705,941,747	720,941,747
Total non-current liabilities		5,309,089,512	6,390,027,331	4,547,394,434	5,099,206,669
<b>Total liabilities</b>		<b>24,067,683,773</b>	<b>25,164,953,396</b>	<b>32,089,138,936</b>	<b>32,777,192,328</b>

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

**BANGKOK LAND PUBLIC COMPANY LIMITED**  
**BALANCE SHEETS**  
**AS AT MARCH 31, 2007 AND 2006**

	Notes	In Baht			
		Consolidated		Company	
		2007	2006	2007	2006
<b>Shareholders' equity</b>					
Share capital					
Share capital - common shares Baht 1 par value					
Authorized share capital					
20,584,720,864 shares as at					
March 31, 2007 and 2006		<u>20,584,720,864</u>	<u>20,584,720,864</u>	<u>20,584,720,864</u>	<u>20,584,720,864</u>
Issued and fully paid - up share					
15,698,028,723 shares as at March 31, 2007					
and 13,948,028,723 shares as at					
March 31, 2006	17	15,698,028,723	13,948,028,723	15,698,028,723	13,948,028,723
Premium on share capital		1,548,916,101	1,548,916,101	1,548,916,101	1,548,916,101
Discount on share capital		(2,137,150,617)	(1,618,650,617)	(2,137,150,617)	(1,618,650,617)
Net book value of subsidiaries exceed investment					
as of purchasing date		28,184,195	28,184,195	28,184,195	28,184,195
Currency translation differences		1,192,100	(153,922)	1,192,100	(153,922)
Deficit		(67,607,285)	(359,386,543)	(67,607,285)	(229,162,996)
<b>Total shareholders' equity</b>		<u>15,071,563,217</u>	<u>13,546,937,937</u>	<u>15,071,563,217</u>	<u>13,677,161,484</u>
<b>TOTAL LIABILITIES AND</b>					
<b>SHAREHOLDERS' EQUITY</b>		<u>39,139,246,990</u>	<u>38,711,891,333</u>	<u>47,160,702,153</u>	<u>46,454,353,812</u>

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

**BANGKOK LAND PUBLIC COMPANY LIMITED**  
**STATEMENTS OF INCOME**  
**FOR THE YEARS ENDED MARCH 31, 2007 AND 2006**

		In Baht			
		Consolidated		Company	
	Notes	2007	2006	2007	2006
<b>REVENUES</b>	3.1				
Sales		409,080,895	714,221,599	11,611,575	237,534,619
Rental and service revenues		1,378,590,934	1,235,497,297	264,317,054	219,322,502
Gains on repurchase of exchangeable notes for cancellation	14	-	139,493,316	-	-
Gain on exchange rate, net		646,941,815	674,175,420	857,064,700	1,481,874,667
Gain on sale of assets		15,987,438	590,095,893	1,832,667,833	79,892,000
Interest income		12,001,512	7,600,300	277,543,799	247,364,476
Reversal of allowance for doubtful account		-	627,713,722	-	580,077,628
Other revenues		126,550,004	593,300,113	55,768,382	622,383,019
<b>Total revenues</b>		<b>2,589,152,598</b>	<b>4,582,097,660</b>	<b>3,298,973,343</b>	<b>3,468,448,911</b>
<b>EXPENSES</b>	3.1				
Costs of sales	20	295,334,187	780,698,018	9,737,183	464,926,739
Cost of rental and services		624,602,935	422,583,035	-	-
Selling and administrative expenses		1,311,733,602	1,065,343,653	748,881,245	547,740,581
Equity in loss in subsidiaries, net"		-	-	2,282,484,006	150,914,069
Loss on revaluation of investment property	8	19,415,000	-	102,085,500	-
Loss on investment redemption	10	-	416,331,161	-	416,331,161
Provision for losses on uncompleted work	3.6	-	804,422,415	-	804,422,415
<b>Total expenses</b>		<b>2,251,085,724</b>	<b>3,489,378,282</b>	<b>3,143,187,934</b>	<b>2,384,334,965</b>
Profit before interest expense and income tax		338,066,874	1,092,719,378	155,785,409	1,084,113,946
Interest expense	3.1	(759,787,933)	(809,911,522)	(768,434,961)	(898,333,373)
Income tax		713,500,317	(46,035,497)	774,205,263	50,991,786
<b>Profit before extraordinary item</b>		<b>291,779,258</b>	<b>236,772,359</b>	<b>161,555,711</b>	<b>236,772,359</b>
Extraordinary item - gain on debt restructuring (net of applicable income tax of Baht nil)	13	-	2,348,107,862	-	2,348,107,862
<b>Net profit</b>		<b>291,779,258</b>	<b>2,584,880,221</b>	<b>161,555,711</b>	<b>2,584,880,221</b>
<b>Basic earnings per share (Baht)</b>	19				
Profit before extraordinary item		0.02	0.02	0.02	0.02
Extraordinary item - gain on debt restructuring		-	0.18	-	0.18
<b>Net profit</b>		<b>0.02</b>	<b>0.20</b>	<b>0.02</b>	<b>0.20</b>
2007 : 14,386 million shares					
2006 : 12,633 million shares					

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

**BANGKOK LAND PUBLIC COMPANY LIMITED**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEARS ENDED MARCH 31, 2007 AND 2006**

	In Baht						
	Consolidated						
	Issued and paid-up share capital	Premium on share capital	Discount on share capital	Net book value of subsidiaries exceed investment as of purchasing date	Currency translation differences	Deficit	Total
<b>Balance as at March 31, 2005</b>							
Increase in share capital	12,010,025,272	1,548,916,101	(1,007,375,510)	28,184,195	(153,922)	(2,944,266,764)	9,635,329,372
Net profit	1,938,003,451	-	(611,275,107)	-	-	-	1,326,728,344
	-	-	-	-	-	2,584,880,221	2,584,880,221
<b>Balance as at March 31, 2006</b>	13,948,028,723	1,548,916,101	(1,618,650,617)	28,184,195	(153,922)	(359,386,543)	13,546,937,937
Increase in share capital	17 1,750,000,000	-	(518,500,000)	-	-	-	1,231,500,000
Currency translation differences	-	-	-	-	1,346,022	-	1,346,022
Net profit	-	-	-	-	-	291,779,258	291,779,258
<b>Balance as at March 31, 2007</b>	15,698,028,723	1,548,916,101	(2,137,150,617)	28,184,195	1,192,100	(67,607,285)	15,071,563,217

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

**BANGKOK LAND PUBLIC COMPANY LIMITED**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEARS ENDED MARCH 31, 2007 AND 2006**

		In Baht					
		Company					
Notes		Issued and paid-up share capital	Premium on share capital	Discount on share capital	Net book value of subsidiaries exceed investment as of purchasing date	Currency translation differences	Deficit
	<b>Balance as at March 31, 2005</b>	12,010,025,272	1,548,916,101	(1,007,375,510)	28,184,195	(153,922)	(2,814,043,217)
	Increase in share capital	1,938,003,451	-	(611,275,107)	-	-	-
	Net profit	-	-	-	-	-	2,584,880,221
	<b>Balance as at March 31, 2006</b>	13,948,028,723	1,548,916,101	(1,618,650,617)	28,184,195	(153,922)	(229,162,996)
17	Increase in share capital	1,750,000,000	-	(518,500,000)	-	-	-
	Currency translation differences	-	-	-	-	1,346,022	-
	Net profit	-	-	-	-	-	161,555,711
	<b>Balance as at March 31, 2007</b>	15,698,028,723	1,548,916,101	(2,137,150,617)	28,184,195	1,192,100	(67,607,285)
							15,071,563,217

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



**BANGKOK LAND PUBLIC COMPANY LIMITED**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED MARCH 31, 2007 AND 2006**

	In Baht			
	Consolidated		Company	
	2007	2006	2007	2006
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net profit	291,779,258	2,584,880,221	161,555,711	2,584,880,221
Net adjustments to reconcile net profit to cash provided by operating activities:				
Depreciation				
- property and equipment	367,405,619	258,578,574	111,185,002	112,201,606
- infrastructure	64,844,646	64,544,656	64,844,646	64,844,656
Amortisation on interest expense by effective rate	136,526,875	130,174,553	136,526,875	130,174,553
Reversal of allowance for doubtful account	-	(627,713,722)	-	(577,491,428)
Allowance for doubtful accounts	64,663,671	-	63,647,829	-
Equity in net loss in subsidiaries	-	-	2,282,484,006	150,914,069
Deferred income tax	(718,395,172)	(53,300,336)	(774,205,263)	(50,991,786)
Interest expense under debt restructuring agreements	81,329,375	30,399,953	-	-
Unrealised gain on exchange rate	(647,300,631)	(709,604,432)	(856,232,969)	(1,525,547,295)
Loss on sales cancellation of project	-	95,841,456	-	95,736,000
Gain on repurchase of exchangeable notes for cancellation	-	(139,324,836)	-	-
Gain on sale of fixed assets	(15,897,438)	(590,095,893)	(1,832,667,833)	(79,892,000)
Loss on devaluation of investment property	19,415,000	-	102,085,500	-
Provision for losses on uncompleted work	-	804,422,415	-	804,422,415
Reversal of income on uncompleted works	-	166,600,189	-	166,600,189
Loss on investment redemption	-	416,331,161	-	416,331,161
Gain on reversal of outstanding payable	(27,946,468)	(202,618,962)	(27,946,468)	(202,618,962)
Gain on debt restructuring	-	(2,348,107,862)	-	(2,348,107,862)
Net profit provided by (used in) operating activities before changes in operating assets and liabilities	(383,575,265)	(118,992,865)	(568,722,964)	(258,544,463)
(Increase) decrease in operating assets				
Account receivable	6,415,375	(195,479,008)	-	39,048,069
Unbilled completed works	(6,151,888)	(102,813,184)	-	(174,910,769)
Real estate development cost	25,781,141	(99,668,729)	14,063,038	(122,579,830)
Loans to and amounts due from related parties	-	-	740,885,229	(771,883,395)
Other current assets	(159,428,653)	41,800,516	(94,586,937)	(4,523,535)
Other non-current assets	31,414,145	(53,737,434)	34,130,660	(30,305,974)
Increase (decrease) in operating liabilities				
Payables to contractors	(214,536,770)	139,512,442	460,451,079	(26,910,693)
Account payable - trade	(13,131,209)	104,419,116	-	-
Short-term loans and advances from directors	9,257,974	(72,775,080)	12,517,170	305,801,338
Short-term loans from and amount due to related parties	(16,602,600)	(230,338,825)	788,151,876	(74,978,072)
Other current liabilities	776,511,438	321,295,066	(77,419,841)	161,281,602
Other non-current liabilities	(15,000,000)	(759,460)	(15,000,000)	(3,750,000)
Net cash provided by (used in) operating activities	40,953,688	(267,537,445)	1,294,469,310	(962,255,722)

**BANGKOK LAND PUBLIC COMPANY LIMITED**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED MARCH 31, 2007 AND 2006**

	In Baht			
	Consolidated		Company	
	2007	2006	2007	2006
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Decrease (increase) in short-term loans to related parties	-	-	2,557,087,182	(1,576,827,609)
Increase in investment in subsidiaries	-	-	(7,288,680,132)	-
Proceeds from sale of assets	17,505,478	-	2,892,505,477	-
Cash paid for purchase and construction of fixed assets	(363,695,463)	(2,156,950,609)	(2,680,084)	(342,000)
Net cash used in investing activities	(346,189,985)	(2,156,950,609)	(1,841,767,557)	(1,577,169,609)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Decrease in bank overdrafts and short-term loans from financial institutions	(3,009)	(86,703,377)	(3,009)	(55,970,001)
Decrease in long-term debts	(446,633,406)	(408,381,682)	(435,467,751)	(335,100,209)
Decrease in long-term loans from related parties	-	(11,800,000)	-	(61,325,451)
Cash paid for repurchase of exchangeable notes	-	(126,225,961)	-	-
Proceeds from issue of ordinary shares	1,231,500,000	1,326,728,344	1,231,500,000	1,326,728,344
Net cash provided by financing activities	784,863,585	693,617,324	796,029,240	874,332,683
<b>Net increase(decrease) in cash and cash equivalents</b>	479,627,288	(1,730,870,730)	248,730,993	(1,665,092,648)
<b>Cash and cash equivalents at beginning of the period</b>	211,737,877	1,942,608,607	82,646,399	1,747,739,047
<b>Cash and cash equivalents at end of the period</b>	691,365,165	211,737,877	331,377,392	82,646,399

Supplemental Disclosures of Cash Flows Information:

1. Cash paid during the periods:

Interest expense	188,583,445	130,805,860	156,343,750	110,908,411
Income tax	53,136,680	85,741,805	-	-

2. Non-cash Transactions:

- 2.1 In 2007, the Company invested in the increased share capital of its subsidiary by transferring its assets of Baht 5,624 million.
- 2.2 In 2007, the Company classified short-term loans from financial institutions of Baht 300 million and related accrued interest of Baht 348 million to loans under debt restructuring agreements (Note 13 e).
- 2.3 As described in note 3.7, the Company set off amounts due by a related company, Yee Hing Company Limited.
- 2.4 For the year ended March 31, 2006, the Company classified its net accounts receivable amounting to Baht 260 million, which might not have been transferred the right of property to its customers, to the account of cost of real estate development, and classified long-term investment in a foreign property fund to idle land.

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

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**1. General information**

Bangkok Land Public Company Limited ("the Company") is incorporated and domiciled in Thailand. The Company is listed on the Stock Exchange of Thailand.

The address of its registered office is 47/569-576 Moo 3, 10<sup>th</sup> Floor New Geneva Industry Condominium, Popular 3 Road, Tambol Bannmai, Amphur Pakkred, Nonthaburi.

The principal business operations of the Company and its subsidiaries ("The Group") are the development of real estate for sale. Other business activities include retail business, building maintenance, management services, property rental as well as exhibition and convention facilities and services.

The Group mainly operates its business in Thailand and employed 1,506 people as at March 31, 2007 (2006: 1,361 people)

The major shareholders of the Company (shareholdings in excess of 6% of the issued shares) at March 31, 2007 and 2006 were:

	Percentage of holding(%)	
	2007	2006
Thailand Securities Depository Company Limited for depositors	60.65	65.28
Addon Holding Limited	12.74	10.75
Ecwin Investments Limited	7.96	-
Mr. Mongkol Kanjanapas	6.72	7.56
Yee Hing Co., Ltd.	6.01	6.77

**2. Basis of preparation of the consolidated and company financial statements and accounting policies**

**a) Basis of preparation of financial statements**

These consolidated and company financial statements are prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission. In addition, International Accounting Standards (IAS) has being applied in certain areas.

The consolidated and company financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies.

An English version of the consolidated and company financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

**b) Consolidation**

Subsidiary are companies in which significantly controlled by Bangkok Land Public Company Limited.

The consolidated financial statements incorporate the financial statements of Bangkok Land Public Company Limited and its subsidiaries, by eliminating intercompany balances, related party transactions, investment in subsidiaries and the share capital of subsidiaries.

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The Company's subsidiaries included in the consolidated financial statements comprise the following:

		Percentage of holding	
	Principal business	2007	2006
<b>Direct investment :</b>			
Bangkok Airport Industry Company Limited	Property development	100.00	100.00
Sinpornchai Company Limited	Property development	100.00	100.00
Bangkok Land (Cayman Islands) Limited	Financing	100.00	100.00
Muang Thong Services and Management Limited	Project management service	97.00	97.00
Muang Thong Building Services Limited	Building maintenance service	97.00	97.00
Impact Exhibition Management Company Limited	International exhibition hall	99.99	99.97
Spooner Limited	Dormant	100.00	100.00
Direct and indirect investment :			
Bangkok Land Agency Limited	Retail and space rental business	99.30	99.30

Except for the Bangkok Land (Cayman Islands) Limited, which is incorporated in Cayman Islands, and Spooner Limited, which is incorporated in Hong Kong, all subsidiaries are incorporated in Thailand.

In April 2007 the Company sold part of its investment in Impact Exhibition Management Company Limited (Note 24).

**c) Use of estimates**

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses in the reported periods. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

**d) Revenue recognition**

Property development business

Revenues from sales of condominium under development and sales of land and land with houses to third parties are recognised on signed legally binding contracts of sale and purchase using the percentage of completion method, based on the percentage of project costs incurred to total estimated project costs, excluding land cost.

For contracts signed from 1 April 1994 onwards, revenues from sales are recognised when down payments and installments received are not less than 20% of the contract value, and revenue recognition is discontinued when more than three consecutive installments are overdue for payment. For contracts signed prior to 1 April 1994 such revenues were recognised when down payments received were not less than 10% of the contract value, and revenue recognition discontinued when more than six consecutive installments are overdue for payment.

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Installments due under contracts but not yet received is shown as “Accounts receivable”. The excess of revenue recognised under the percentage of completion method over the amount of installment payment due under contracts is shown as “Unbilled completed works”.

Retail business

Sales of goods are principally on cash terms and are recognised as revenues upon delivery of products and customer acceptance.

Property rental business

Rental income is recognised as revenue over the period of the lease term.

Service business

Service revenues are recognised when the amount of revenue reference to the stage of completion of the transaction at the balance date can be measured reliably.

Interest income is recognised on the accrual basis unless collectibility is in doubt.

**e) Real estate development cost**

Real estate development cost is stated at cost less allowance for loss on projects and impairment loss. Costs include costs of land, development and construction of real estate project, infrastructure, project management fee and related borrowing costs.

The Group recognises real estate development cost as cost of sales using the percentage of completion method except infrastructure for public use which is depreciated on a straight line method over 20 years, and such depreciation is charged to cost of sales.

**f) Cash and cash equivalents**

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand and at banks and deposits at financial institutions with original maturity of three months or less.

Cash restricted in use is shown as other non-current assets.

**g) Trade receivables**

Trade receivables are carried at anticipated realisable value after allowance for doubtful receivables. An allowance is estimated on the basis of management’s assessment of long overdue debts which may not be collectible. Bad debts are written off during the year in which they are identified.

**h) Investments in subsidiaries**

Investments in subsidiaries are accounted for in the company financial statements by the equity method. Equity accounting involves recognising in the statement of income from the Company’s share of the subsidiaries’ profit or loss for the year. The Company’s interest in the subsidiary is carried in the balance sheet at an amount that reflects its share of the net assets of the subsidiaries and includes goodwill on acquisition.

Where a subsidiary undertaking is acquired and held exclusively with a view to be subsequently disposed of in the near future, such subsidiary is not consolidated.

In cases where subsidiary companies incur a loss in excess of the Company’s cost of investment, the Company will reduce the investments in subsidiary companies to zero and recognise further losses as a liability included in current liabilities in case the Group has incurred obligations or made payments on behalf of subsidiaries.

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**i) Long-term investments**

Investments in non-marketable equity securities which are classified as general investments are carried at cost less allowance for impairment, if any.

A test for impairment is carried out when there is a factor indicating that such investments might be impaired. If the carrying value of the investments is higher than its recoverable amount, impairment loss is charged to the statement of income.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of income.

When disposing of part of the Group's holding of a particular investment or equity securities, the carrying amount of the disposed part is determined from the weighted average carrying amount of the total holding of investments.

**j) Capitalisation of borrowing costs**

Borrowing costs are capitalised to the extent that the Company has incurred borrowing costs on assets that require a period of time to get them ready for sale or for intended use. Capitalisation ceases when the assets are ready for sale or for intended use.

**k) Investment property**

Investment property comprises land held for capital appreciation rather than for sale in the ordinary course of business. Investment property is stated at fair value, representing open market value determined by independent valuation and the Group's directors. Changes in the fair value of investment property, net of deferred income tax, is included in the statement of income for the period in which it arises.

Fair value is determined using open market value determined by independent valuers who are approved by the Stock Exchange of Thailand.

**l) Property and equipment**

Land is stated at cost and buildings are presented in the balance sheet at cost less accumulated depreciation.

Depreciation is calculated on the straight line method to write off the cost of each asset, except for land which is considered to have an indefinite life, to its residual value over the estimated useful lives as follows:

Impact Exhibition Hall and Convention Centers - structure	50 years
Impact Exhibition Hall and Convention Centers - electrical and interior equipment	20 years
Buildings and other constructions	20 years
Other fixed assets	5 years

When an asset is retired, the asset and the related accumulated depreciation are written off from the accounts, and any gain or loss from retirement of the asset is recognised in the statement of income.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Expenditures incurred for additions, renewals or betterments, which result in a substantial increase in an assets current replacement value, is capitalised. Repair and maintenance costs are recognised as expenses when incurred.

**m) Deferred income tax**

Deferred income tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred income tax. Deferred tax liabilities primarily arise from income recognition in the real estate business and unrealised revaluation surpluses on property and deferred tax assets principally arise from allowances for doubtful debts.

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Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deferred tax assets can be utilised.

**n) Other non-current assets**

Commitment fees on the Company's long-term loans are amortised on the straight-line basis over the period of the loans.

**o) Foreign currency translation**

Foreign currency transactions are accounted for at the exchange rates prevailing at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date including assets and liabilities of a foreign subsidiary which is identified as a part of the Company's operation are translated into Baht at the exchange rates ruling at that date. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in the statement of income.

The financial statements of a foreign subsidiary are translated into Baht by the average exchange rates of the year for the statement of income and by the exchange rate at the balance sheet date for balance sheet items. The resulting translation adjustment is accumulated as a component of shareholders' equity as "Currency Translation Differences".

**p) Financial instruments**

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and financial liability or an equity instrument of another enterprise.

Financial assets carried on the balance sheet include cash on hand and at banks, short-term investments, trade receivables, unbilled completed works, loans to and amounts due from related parties and certain balance of other assets. Financial liabilities include trade creditors, borrowings and advances receipts from customers and certain balances of other liabilities. The accounting policy in respect of those items, where applicable, are stated in the related notes to financial statements.

The Group has no significant outstanding derivative financial instruments as at March 31, 2007 and 2006.

**q) Provisions**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

The Group does not provide for employee benefits under the Thai Labour Law, and there is no Provident Fund.

**r) Impairment of assets**

The company has determined the impairment of asset if there is indicator that the carrying amount of asset exceeds its recoverable amount. An impairment loss on the assets carrying at cost is recorded as expense in statements of income, while an impairment loss on revalued asset is recognized against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount held in the revaluation surplus for the same asset.

**3. Transactions with related parties**

**3.1 Significant transactions with related parties**

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Portion of revenues and expenses arose from transactions with related parties for the year ended March 31, 2007 and 2006 are summarized as follows:

		In Million Baht			
Pricing Policy		Consolidated		Company	
		2007	2006	2007	2006
<b>Sale</b>	Appraised value				
<b>Related parties</b>					
Yee Hing Company Limited		-	340	-	164
<b>Sale of property, plants and equipment</b>	Appraised value				
<b>Subsidiaries</b>					
Impact Exhibition Management Company Limited		-	-	6,104	-
<b>Sale of investment property</b>	Appraised value				
<b>Subsidiaries</b>					
Impact Exhibition Management Company Limited		-	-	2,395	-
<b>Related parties</b>					
Yee Hing Company Limited		-	215	-	215
<b>Total</b>		-	215	2,395	215
<b>Rental and service income :</b>					
<b>Subsidiaries</b>					
Bangkok Land Agency Company Limited		-	-	1	2
Impact Exhibition Management Company Limited *		-	-	255	252
		-	-	256	254
		In Million Baht			
Pricing Policy		Consolidated		Company	
		2007	2006	2007	2006
<b>Interest Income :</b>	3.13% - 10.25% p.a.				
<b>Subsidiaries</b>					
Impact Exhibition Management Company Limited		-	-	241	172
Bangkok Airport Industry Company Limited		-	-	21	63
Sinpornchai Company Limited		-	-	6	6
<b>Total interest income</b>		-	-	268	241
<b>Purchase of assets :</b>	Appraised value				
<b>Subsidiary</b>					
Bangkok Airport Industry Company Limited		-	-	340	934
Sinpornchai Company Limited		-	-	-	325
<b>Total purchase of assets</b>		-	-	340	1,259
<b>Interest expense :</b>	3.00% - 5.75% p.a.				
<b>Subsidiaries</b>					
Bangkok Land (Cayman Islands) Limited		-	-	396	419
<b>Related parties</b>					
Stelux Property B.V.		8	17	4	7
Yee Hing Company Limited		-	14	-	14
<b>Total interest expense</b>		8	31	400	440

\* A fixed rate of 15% on total revenue derived by that subsidiary and fixed rental charging of Bath 5 million per month.



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**3.2 Advances and other receivables from related parties, net**

The balances of receivables from related parties as at March 31, 2007 and 2006 are as follows:

	In Million Baht			
	Consolidated		Company	
	2007	2006	2007	2006
<b>Accrued income :</b>				
<b>Subsidiaries</b>				
Impact Exhibition Management Company Limited	-	-	-	765
Bangkok Land Agency Company Limited	-	-	3	2
<b>Total accrued income</b>	-	-	3	767
<b>Advances and other receivables :</b>				
<b>Subsidiaries</b>				
Bangkok Land Agency Company Limited	-	-	202	202
Spooner Limited	-	-	10	26
Muang Thong Services and Management Company Limited	-	-	13	13
Less: Allowance for doubtful accounts	-	-	-	(26)
<b>Total advances and other receivables</b>	-	-	225	215
<b>Interest receivables :</b>				
<b>Subsidiaries</b>				
Bangkok Airport Company Limited	-	-	3,198	3,223
Impact Exhibition Management Company Limited	-	-	-	340
Sinporchai Company Limited	-	-	33	27
Bangkok Land Agency Company Limited	-	-	23	23
Muang Thong Building Services Company Limited	-	-	1	1
<b>Total interest receivable</b>	-	-	3,255	3,614
<b>Total</b>	-	-	3,483	4,596

**3.3 Short-term loans to related parties, net**

The balances of short-term loans to related parties as at March 31, 2007 and 2006 are as follows:

	In Million Baht			
	Consolidated		Company	
	2007	2006	2007	2006
<b>Subsidiaries</b>				
Bangkok Airport Industry Company Limited	-	-	-	277
Impact Exhibition Management Company Limited	-	-	-	2,301
Sinporchai Company Limited	-	-	94	73
<b>Total</b>	-	-	94	2,651

Loans to subsidiaries and related parties carry interest at 3.13% - 10.25% per annum. The loans are unsecured and have no fixed repayment dates.

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**3.4 Payables to related parties**

The balances of payables to related parties as at March 31, 2007 and 2006 are as follows:

		In Million Baht			
		Consolidated		Company	
		2007	2006	2007	2006
<b>Interest payable :</b>					
<b>Subsidiary</b>					
Bangkok Land (Cayman Islands) Company Limited		-	-	6,307	6,210
<b>Total interest payable</b>		-	-	6,307	6,210
<b>Accrued management fee :</b>					
<b>Subsidiaries</b>					
Bangkok Land Agency Company Limited		-	-	235	235
Bangkok Land (Cayman Islands) Company Limited		-	-	50	50
<b>Related parties</b>					
Stelux Consultants B.V.	*	435	476	190	208
<b>Total accrued management fee</b>		435	476	475	493

\* These amounts included related accrued interest expense with bear interest rate of 3% per annum.

		In Million Baht			
		Consolidated		Company	
		2007	2006	2007	2006
<b>Advances and other payables :</b>					
<b>Subsidiaries</b>					
Bangkok Airport Industry Company Limited		-	-	391	-
Muang Thong Services and Management Company Limited		-	-	4	4
Muang Thong Building Services Company Limited		-	-	4	4
<b>Related parties</b>					
Stelux Property Agency		22	24	22	24
Kanjanapas Company Limited		191	191	-	-
Stelux Property		8	9	8	9
Others		7	8	8	8
<b>Total advances and other payables</b>		228	232	437	49
<b>Total payables to related parties</b>		663	708	7,219	6,752

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**3.5 Long-term loans from related parties**

Long-term loans from related companies as at March 31, 2007 and 2006 comprise:

Due date	Interest rate per annum	Company			
		2007		2006	
		Original currency	Million Baht	Original currency	Million Baht
<u>Loans from Bangkok Land (Cayman Islands) Limited (BL Cayman)</u>					
1. October 2003	4.50%	11.20 million U.S. Dollars	393	12.75 million U.S. Dollars	496
2. March 2001	3.125%	399.35 million Swiss Francs	11,564	399.35 million Swiss Francs	12,019
			11,957		12,515

The Company established a wholly-owned subsidiary, BL Cayman, in October 1992 with a registered capital of USD 10,000. BL Cayman issued exchangeable notes in foreign capital markets, guaranteed by the Company and the entire proceeds of the notes were lent to the Company on equivalent financial terms (Note 14).

The Company entered into a loan agreement with BL Cayman on October 13, 1993, whereas in the event that the Company should have failed to meet its payment obligation which would have caused BL Cayman not able to make its payment to the note holders, the Company agreed to pay BL Cayman a penalty interest of 1% above the normal interest rate per annum on the amount due by the Company. However, the management assesses that no liabilities will be incurred as during the past years BL Cayman has been redeeming the notes at a price substantially lower than its face value and no claim has been made against the Company. The Company therefore has not accounted for the penalty interest in its financial statements.

**3.6 Provision for uncompleted construction work**

In 1992 the Company sold a number of condominium units ("the Properties") in one of the Company's projects at Muang Thong Thani ("The Project") to a group of third party investors and the rights of the agreements were subsequently resold by the investors to Kanjanapas Company Limited (KCL). The Properties were legally transferred to KCL before full completion of the construction work as required under the agreements. KCL has therefore withheld the final payment of Baht 362 million.

On December 30, 2005, Yee Hing, KCL and the Company signed a debt set off agreement whereas Yee Hing agreed to pay Baht 362 million to the Company by a set off of the same amount against debts owed by the Company to Yee Hing. On the other hand, the Company agreed either to complete the unfinished construction work of the Properties or repay Yee Hing an amount equivalent to the costs valued by an independent appraiser ("Construction Cost Consultants Limited Partnership"), to finish the construction work of the uncompleted Properties or any other amount by mutual agreement between the parties. In October 2005, an independent construction cost appraiser employed by the Company has assessed the current construction cost as to complete the Project as Baht 884 million. The pro-rata value attributable to the properties under the agreements with KCL was Baht 804 million. With Baht 362 million already provided for as allowance for doubtful accounts, accordingly, net effect on the statement of income for the year ended March 31, 2007 and 2006 amounted Baht 442 million and the total amount of Baht 804 million was shown under "Other Current Liabilities" in the financial statements of the Company.

In July 2006, the Company appointed TAP Valuation Co., Ltd., a second independent appraiser approved by the Office of Securities and Exchange Commission of Thailand, to appraise the construction cost as to complete the project. The appraised cost amounted to Baht 882 million which is not materially different from the prior appraised cost by Construction Cost Consultants Limited Partnership.

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The Company estimated that the maximum exposure of construction cost to complete the properties would not be higher than Baht 804 million.

**3.7 Significant transactions with Yee Hing**

Movements of amounts due to Yee Hing in the financial statement of the Company only for the year ended March 31, 2006 are as follows :

The Company (In Million Baht)					
		Long-term	Short-term	Accrued	
	Notes	loan	loan	Interest	Total
<b>Balance as of March 31, 2005</b>		953	161	753	1,867
Debt set off for sale of property to Yee Hing	(1)				(382)
Debt set off for amounts due by KCL					
a) sale of property to KCL	(2)				(176)
b) June 2005	(3)				(324)
c) July 2005	(4)				(12)
d) September 2005 and December 2005	(5)				(11)
e) December 2005	(6)				(937)
Debt set off amounts due by K.P.Y	(7)				(103)
Interest, gain (loss) on exchange rate and others					78
Net movements for the period					(1,867)
<b>Balance as of March 31, 2006</b>					

The long-term loan payable to Yee Hing Company Limited (Yee Hing) has been overdue since October 2003 and the lender has ceased charging the Company interest since July 1, 2002 and resume charging interest since January 1, 2005. At the demand of Yee Hing, the Company has made the following repayment totalling Baht 1,867 million to Yee Hing during the year ended March 31, 2006:

- (1) On April 4, 2005 Yee Hing has entered into a property sale and purchase agreement with the Company to buy properties in the sum of Baht 82 million. At the request of Yee Hing, these properties were transferred to the Legal Execution Department in respect of a debt restructuring agreement between one of its related companies and the Central Bankruptcy Court of Thailand. In settlement of this transaction Yee Hing Company Limited has authorized the Company to set off Baht 82 million against the debts owed to them. Together with the sales amount of Baht 298 million, as part of the selling price of a property sale agreement between the Company and Yee Hing dated December 30, 2004 in which Yee Hing agreed to purchase from the Company Baht 348 million of properties. The remaining properties of Baht 298 million under this sale agreement has also been transferred in April 2005 to the Legal Execution Department, the Company has set off Baht 382 million against debts due to Yee Hing and recorded the same amount as sales of properties to Yee Hing in year ended March 31, 2006.

Selling price of these transactions were based on the valuation valued by independent property appraisers.

- (2) As detailed under Note 16 of the financial statements, The Company has set off against the debt owed to Yee Hing of Baht 176 million in respect of sales of properties to Kanjanapas Company Limited in year ended March 31, 2006.
- (3) Debt set off under letter of guarantee issued to the Company by Yee Hing Company on May 27, 2004 and letter authorizing set off against its debts on March 1, 2005.
- (4) On July 29, 2005 the Company paid Baht 12 million to the Legal Execution Department on behalf of KCL. On the same date Yee Hing issued a letter authorizing the Company to set off Baht 12 million against the debts owed to them.

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- (5) The Company, as guarantor of certain KCL's bank borrowings which were under restructuring with the TAMC, paid Baht 11 million to TAMC. The Company has set off against its debt due to Yee Hing in accordance with the guarantee given to the Company by Yee Hing.
- (6) As at December 30, 2005, KCL owed the Company the following debts:-
- a) Advances and Other receivables of Baht 362 million (Note 3.6); and
  - b) Baht 725 million for an obligation assumed by the Company under a loan restructuring agreement between KCL and the TAMC.

On the other hand, the Company has an accounts payable of Baht 150 million due to KCL. As a result, the net balance due by KCL to the Company was Baht 937 million.

On December 30, 2005, the Company, Yee Hing and KCL signed a debt settlement agreement whereas Yee Hing agreed to repay the net amount of debt due by KCL to the Company by set off of Baht 937 million against debts owed by the Company to Yee Hing.

- (7) As at December 30, 2005, the Company owed KPY a short term loan of Baht 47 million with accrued interest of Baht 60 million. On the other hand, KPY owed the Company Baht 243 million in respect of an obligation assumed by the Company in transferring of land and condominium units to TAMC under a loan restructuring agreement between KPY and TAMC. As a result, the net balance due by KPY to the Company was Baht 136 million.

On December 30, 2005, the Company, Yee Hing and KPY signed a debt settlement agreement whereas Yee Hing agreed to pay the net amount of Baht 136 million due by KPY to the Company by set off of:-

- a) Baht 103 million against debts owed by the Company to Yee Hing; and
- b) Baht 33 million against debts owed by Sinpornchai Company Limited (Sinpornchai), a wholly owned subsidiary of the Company, to Yee Hing.

**Movements of amounts due to Yee Hing in consolidated financial statements for the year ended March 31, 2006 are as follows :**

	Notes	Consolidated (In Million Baht)
Balance as of March 31, 2005		1,959
The Company net movements	(1) to (7)	(1,867)
Debt set off with Yee Hing and KCL	(8)	(29)
Debt set off for amount due by KPY	(7)(b)	(33)
Interest, gain/(loss) on exchange rates and others		(30)
Net movements for the year		(1,959)
Balance as of March 31, 2006		-

- (8) As at December 31, 2005, Sinpornchai has the following debts with Yee Hing and KCL:-

- a) Baht 81 million payable to Yee Hing; and
- b) Baht 29 million receivable from KCL.

On December 30, 2005, Yee Hing, KCL and Sinpornchai signed a debt settlement agreement whereas Yee Hing agreed to pay the debt due by KCL to Sinpornchai by set off of Baht 29 million against the debt of Baht 81 million owed by Sinpornchai to Yee Hing.

**3.8 Sale and transfer of land and buildings of the Company to Impact Exhibition Management Company Limited**

At the Extraordinary Shareholders Meeting held on 21 February 2007, the shareholders approved the transfer of ownership of all assets relating to the group's Exhibition and Convention facilities to Impact Exhibition Management Company Limited, a subsidiary of the Company at a market price of Baht 9,219 million appraised by American Appraisal (Thailand) Limited.

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As at 31 March 2007 Baht 8,499 million of land and buildings has been transferred to Impact. The Company and Bangkok Airport Industry Co. Ltd. have realized gains on transfer of such assets of Baht 1,817 million and Baht 234 million respectively for the year ended 31 March 2007.

The remaining balance of Baht 720 million represent land plots which shall be transferred to Impact after 31 March 2007.

### 3.9 Short-term loans and advances from directors

The loans and advances from directors are for the purposes of financing construction cost and interest on loans from financial institutions. From April 2003 to June 2003, the loans carried interest at rates of 5.25% - 7.50% per annum. The loans have no fixed repayment terms. Effective July 1, 2002, the directors have suspended charging interest to the Company. However, the directors have recommenced charging interest to the Company from January 2005 at MLR per annum onwards.

### 4. Accounts receivable, net

The aging of installments due as at March 31, 2007 and 2006 are as follows:

	In Million Baht			
	Consolidated		Company	
	2007	2006	2007	2006
Up to 3 months	113	113	-	-
3 - 6 months	30	31	-	-
6 - 12 months	68	63	-	-
Over 12 months	112	119	-	-
Less : Allowance for doubtful accounts	(92)	(89)	-	-
<b>Total accounts receivable presented</b>				
<b>as current assets</b>	231	237	-	-
Over 12 months	109	109	109	109
Less : Allowance for doubtful accounts	(64)	(64)	(64)	(64)
<b>Accounts receivable presented</b>				
<b>as non - current assets</b>	45	45	45	45

### 5. Unbilled completed works, net

The aging of unbilled completed works as at March 31, 2007 and 2006 are as follows:

	In Million Baht			
	Consolidated		Company	
	2007	2006	2007	2006
Up to 3 months	-	-	-	-
3 - 6 months	-	-	-	-
6 - 12 months	5	-	-	-
Over 12 months	3	3	-	-
	8	3	-	-
Less: Allowance for doubtful account	-	-	-	-
Unbilled completed works, net	8	3	-	-
Total value of contracts signed	29,550	29,778	18,063	18,311
Sales recognition to date	28,571	28,546	17,156	17,144
Less: Installments due to date	(28,944)	(29,011)	(17,537)	(17,612)
Sales recognized over installments to date	(373)	(465)	(381)	(468)
Unbilled completed works	8	3	-	-
Installments due	(381)	(468)	(381)	(468)
	(373)	(465)	(381)	(468)

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**6. Real estate development cost, net**

Real estate development cost as at March 31, 2007 and 2006 comprises:

	In Million Baht			
	Consolidated		Company	
	2007	2006	2007	2006
Land	11,901	11,956	11,646	11,648
Construction in progress	18,341	18,345	8,210	8,215
Infrastructure cost				
- areas for sale	491	487	474	473
- public areas	1,303	1,303	1,303	1,303
Project management fee	991	991	488	488
Borrowing costs	5,315	5,315	2,830	2,830
Other related costs	282	282	268	268
	38,624	38,679	25,219	25,225
Less: Transfer to cost of sales to date				
- Cost based on percentage of completion	(18,082)	(18,057)	(8,553)	(8,543)
- Accumulated depreciation of common area infrastructure	(567)	(502)	(567)	(502)
Allowance for net realisable value discounts	(2,121)	(2,121)	(437)	(437)
Total real estate development cost, net	17,854	17,999	15,662	15,743

Part of the above land and condominium units have mortgaged with banks as collateral for loans facilities of the Group, related companies and other companies (Note 3) and have been pledged as collateral with the Courts (Note 22). The mortgaged land and condominium units, as a percentage of the total land areas/total units, is as follows:

	Consolidated		Company	
	2007	2006	2007	2006
Percentage of land mortgaged	15	14	16	14
Percentage of condominium units mortgaged	93	91	59	41

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**7. Investment in subsidiaries, at equity**

As at March 31, 2007 and 2006 investment in subsidiaries comprise of:

	Company					
	Paid-up share capital		Percentage of holding (%)		In Million Baht	
	Million Baht				At Equity	
	2007	2006	2007	2006	2007	2006
<b><u>Investment in subsidiaries</u></b>						
Bangkok Land (Cayman Islands) Limited	USD 0.01	USD 0.01	100	100	-	7,888
Impact Exhibition Management Company Limited	12,953	40	99	99	12,953	11,348
Sinporchai Company Limited	30	30	100	100	30	161
Muang Thong Building Services Company Limited	12	12	97	97	15	21
Muang Thong Services and Management Company Limited	25	25	97	97	10	16
Bangkok Land Agency Limited	200	200	99	99	120	36
Spooner Limited	-	-	100	100	-	-
<b>Total</b>					13,128	19,470
					215	8,683
<b><u>Liability exceeding investment cost</u></b>						
Bangkok Airport Industry Company Limited	5,320	5,320	100	100	5,820	(3,205)
Spooner Limited	-	-	100	100	-	-
<b>Total</b>					5,820	(3,205)
					5,820	(3,050)

In March 2007, Impact Exhibition Management Company Limited increased its registered and paid-up share capital from Baht 40 million to Baht 12,953 million and the Company invested in the entire amount of the capital increment.

In April 2007, the Company sold part of its investments in Impact Exhibition Management Company Limited (Note 24).



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**8. Investment property**

As at March 31, 2007 and 2006, investment property consisted of:

	In Million Baht			
	Consolidated		Company	
	2007	2006	2007	2006
Land at historical cost	68	53	9	175
Surplus on revaluation	723	758	151	2,762
<b>Total investment property</b>	<b>791</b>	<b>811</b>	<b>160</b>	<b>2,937</b>

For the year ended March 31, 2006, the Company sold Baht 215 million of investment properties to Yee Hing. Settlement of this transaction was effected by set off against debt owned by the Company to Yee Hing (Note 3.7).

The Company's investment properties were revalued in September 2006 by independent appraisers, TAP Valuation Co. Ltd. and First Star Consulting Co. Ltd. The reappraised value (market approach) was Baht 2,834 million (March 31, 2006 : Baht 2,937 million) and as a result, a net loss of Baht 102 million has been taken to the Company's statement of income for the year ended March 31, 2006.

As discussed in Note 3.8, on March 28, 2007, the Company sold land under "Investment property" with book value of Baht 2,675 million to its wholly owned subsidiary, Impact Exhibition Management Company Limited.

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**9. Property and equipment, net**

	Consolidated (In Million Baht)									
	At Cost			Accumulated Depreciation				Net		
	March 31, 2006	Increase	Decrease	March 31, 2007	March 31, 2006	Increase	Decrease	March 31, 2007	Beginning	Ending
Land	2,970	53	-	3,023	-	-	-	-	2,970	3,023
Buildings and other construction	3,381	-	-	3,381	175	90	-	265	3,206	3,116
Leasehold improvements	2,214	167	-	2,381	246	115	-	361	1,968	2,020
Construction equipment and furniture & fixtures	411	178	23	566	251	51	12	290	160	276
Motor vehicles	55	4	-	59	42	5	-	47	13	12
Impact Hall interior systems	844	-	-	844	295	42	-	337	549	507
Impact Hall structure	3,264	-	-	3,264	457	64	-	521	2,807	2,743
Construction in progress	47	278	253	72	-	-	-	-	47	72
Total	13,186	680	276	13,590	1,466	367	12	1,821	11,720	11,769

The Group has depreciation for the years ended March 31, 2007 and 2006 amounting to Baht 367 million and Baht 286 million, respectively

The Group has mortgaged part of its land and construction thereon with local banks as collateral for loan facilities.

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**Company (In Million Baht)**

	At Cost			Accumulated Depreciation				Net	
	March 31, 2006	Increase	Decrease	March 31, 2007	March 31, 2006	Increase	Decrease	March 31, 2007	Beginning Ending
Land	908	344	1,201	51	-	-	-	-	908 51
Buildings and other construction	59	-	-	59	38	3	-	41	21 18
Leasehold improvements	16	-	-	16	16	-	-	16	- -
Construction equipment and furniture & fixtures	54	-	-	54	50	2	-	52	4 2
Motor vehicles	22	3	-	25	22	-	-	22	- 3
Impact Hall interior systems	844	-	844	-	295	42	337	-	549 -
Impact Hall structure	3,264	-	2,737	527	457	64	437	84	2,807 443
Total	5,167	347	4,782	732	878	111	774	215	4,289 517

The Company has depreciation for the years ended March 31, 2007 and 2006 amounting to Baht 111 million and Baht 112 million, respectively

The Company has mortgaged part of its land and construction thereon with local banks as collateral for loan facilities.

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**10. Idle Land**

Previously, the Company invested in an overseas property fund, The New Land Fund (NALF), incorporated in Bermuda. Pursuant to the agreement of the fund holders, NALF had commenced to distribute all its assets in 2002 to each of NALF's unit holders, including the Company, in exchange for the unit holders returning their units to NALF. The asset distribution is based on the percentage of holding of each unit holder.

As at March 31, 2006, as a result of the liquidation of NALF, the fund transferred plots of land totaling Baht 7,285 million to the Company and the Company has incurred loss of Baht 416 million and recognized the same as a "Loss on investment redemption" in the statement of income for the year ended March 31, 2006.

Presently, the Company is considering to launch a new project on such land.

**11. Bank overdrafts and short-term loans from financial institutions**

Bank overdrafts and short-term loans from financial institutions as at March 31, 2007 and 2006 comprise:

	In Million Baht			
	Consolidated		Company	
	2007	2006	2007	2006
Bank overdrafts	27	27	-	-
Short-term loans from financial institutions	-	300	-	300
<b>Total</b>	<b>27</b>	<b>327</b>	<b>-</b>	<b>30</b>

The bank overdrafts bear interest at the rates of MOR to 18.00% per annum, and are guaranteed by the directors of the Group.

**12. Long-term loans from financial institutions**

Long-term loans from financial institutions as at March 31, 2007 and 2006 comprise:

	Consolidated/ Company (Million Baht)	
	2007	2006
On February 25, 2004, Primary Court issued an order for the Company to pay Baht 114 million plus interest 12% p.a. of Baht 60 million starting from February 16, 2002 to the date paid. However, the Company has appealed to the Appeal Court dated March 25, 2004. The result of this case has not yet finalized and the Company records according to the Primary Court. The Company has mortgaged certain land plots as collateral for this loan.	114	114
	114	114

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**13. Loans under debt restructuring agreements**

Loans under debt restructuring agreements as at March 31, 2007 and 2006 comprise:

	In Million Baht			
	Consolidated		Company	
	2007	2006	2007	2006
Loans under debt restructuring agreements	5,624	5,244	4,267	3,957
Less: Current-portion due within one year	(1,338)	(611)	(472)	(400)
Net	4,286	4,633	3,795	3,557

During 2003 to 2005, the Company and subsidiaries concluded and signed trouble debt restructuring agreements with several financial institutions. Under the agreements, the lenders agreed to reduce the outstanding principal and accrued interest and the Company and subsidiaries have to settle a portion of debts by transferring the Company and subsidiaries' properties.

Loans under these restructuring agreements are secured by mortgages of part of the Group's land and condominiums. Some of these debts are also guaranteed by certain directors of the Group.

The summary of outstanding principal and related accrued interest at restructuring date are as follows:

		(In Million Baht)					
		As per restructuring agreement	Paid since the agreement date up to March 31, 2007	Gain on debt restructuring up to March 31, 2006	Remaining at March 31, 2007		
Agreement No.	Company				Principal	Accrued interest	Total
1 <sup>st</sup>	BLAND	6,144	(4,479)	(1,665)	-	-	-
2 <sup>nd</sup>	BLAND	2,420	(839)	-	1,581	127	1,708
3 <sup>rd</sup>	BLAND	1,145	(462)	(683)	-	-	-
4 <sup>th</sup>	BLAND	2,246	(235)	-	2,011	-	2,011
5 <sup>th</sup>	BLAND	648	(100)	-	548	-	548
Total	BLAND	12,603	(6,115)	(2,348)	4,140	127	4,267
6 <sup>th</sup>	BAIC	597	(65)	-	532	-	532
7 <sup>th</sup>	BAIC	728	(38)	-	690	135	825
Total	BAIC	1,325	(103)	-	1,222	135	1,357
		13,928	(6,218)	(2,348)	5,362	262	5,624

**a) 1st agreement**

On June 18, 2003, April 21, 2004, June 24, 2004 and September 2, 2004, the Company concluded and signed an original troubled debt restructuring agreement and amendments respectively with the Thai Asset Management Corporation ("TAMC") covering a number of long term loan facilities for outstanding debts up to restructuring date. The Company agreed to fully settle the debt by transferring the land to TAMC at a total price of Baht 4,099 million. The transfer price was determined by mutual agreement with TAMC at an agreed discount on the fair value of the land.

However, within 3 years after the settlement date, of TAMC wishes to dispose of assets received from the Company, TAMC will inform and offer a purchasing option to the Company 15 days in advance. The offer price of the assets must not be lower than the appraisal price on the offering date plus the carrying cost which must not be lower than the average MLR of 5 commercial banks from settlement date to buy back date. The Company agreed to extend repayment term from March 31, 2004 to August 31, 2005 and the interest has been calculated on outstanding debts starting from September 1, 2004.

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On September 30, 2005 the Company fulfilled all conditions of the said restructuring agreement and realized a gain on debt restructuring of Baht 1,655 million in the statements of income for the year ended March 31, 2006.

**b) 2nd agreement**

On December 24, 2003 and February 9, 2005 the Company concluded and signed a troubled debt restructuring agreement with a commercial bank in Thailand covering a number of long-term loan facilities for outstanding debt as at January 1, 2005. The Company agreed to settle the debt and to modify the terms of the remaining debts as follows:

1. Transferring of land at fair value of Baht 85 million
2. The Bank will waive accrued interest amounting to Baht 38 million at year end of 2005 and amounting to Baht 699 million when the Company can fulfil the repayment conditions under the agreement.
3. Reduction of interest rate from 14% to MLR starting from January 1, 2005
4. The Company agreed to settle remaining debts (quarterly) and accrued interest (monthly) within 6 years starting from January 2005 to December 2010.

**c) 3rd agreement**

On January 14, 2005 the Company concluded and signed a compromising agreement covering a previously restructured debt as the Company had failed to satisfy all conditions agreed under the previous restructuring agreement with the financial creditor. Under this compromising agreement, the Company agreed to settle debt as follows:

1. Cash settlement of Baht 63 million in January 2005
2. Transferring of land of the Company which the Company agreed to repurchase within February 2007 with amounting to Baht 83 million
3. Transferring of land and construction thereon of a subsidiary for settlement debt of Baht 325 million

In December 2005, the Company has completely fulfilled all conditions under the agreement and recognized gain on debt restructuring of Baht 683 million in the statement of income for the year ended March 31, 2006.

**d) 4th agreement**

On December 2, 2005, the Company concluded and signed a compromising agreement with Sukhumvit Asset Management Co., Ltd (SAM), covering a previously restructured debt as the Company had failed to satisfy all conditions agreed under the previous restructuring agreement dated September 4, 2003 with the financial creditor. Under this compromising agreement, the Company agreed to settle debt as follows:

1. The Company agrees to settle remaining debts and accrued interest not less than Baht 750 million within years since the agreement date by
  - 1.1 Initial payment on the agreement date of Baht 100 million.
  - 1.2 Make 5 annual instalments for the remaining amount not less than Baht 130 million p.a. starting on December 2, 2006.
2. The Company agrees to pay (monthly) interest bear MLR since the agreement date to the repayment date by computing on the remaining amount of each instalment.

**e) 5th agreement**

On March 16, 2007, , the Company concluded and signed a compromising agreement with Sathorn Asset Management Co., Ltd, covering a previously restructured debt as the Company had failed to satisfy all conditions agreed under the previous restructuring agreement with the financial creditor. Under this compromising agreement, the Company agreed to settle debt as follows:

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1. The Company agrees to settle remaining debts and accrued interest not less than Baht 312 million(principal of Baht 300 million and related accrued interest of Baht 12 million) within 3 years since the agreement date by:
  - 1.1 Initial payment on the agreement date of Baht 100 million.
  - 1.2 Quarterly installments for the remaining amount not less than Baht 18 million within 3 years starting on June 2007.
2. The Company agrees to pay monthly interest at MLR rate since the agreement date to the repayment date by computing on the remaining amount of each installment.

**f) 6th agreement**

On December 27, 2006 a mentioned subsidiary (BAIC) has entered into a loan restructuring agreement with conditions as follows:

1. Interest rate is MLR – 1 % during the period of December 1, 2006 to December 31, 2006, commencing on January 1, 2007, interest rate will be charged at MLR.
2. Monthly instalment as amount specified in the agreement commencing in December 2006 to December 2009.

**g) 7th agreement**

On January 7, 2004, BAIC, a subsidiary, agreed revisions to a troubled debt restructuring arrangements with a commercial bank in Thailand covering a number of long term loan facilities. Such subsidiary agreed to modify the terms of the remaining debts as follows:

1. Reduction of interest rate from 14% to MLR.
2. Such Subsidiary agree to repay annually remaining debts and monthly accrued interest totalling Baht 59 million within 5 years starting from January 2004 to December 2008.
3. The Bank will waive accrued interest amounting to Baht 187 million when such subsidiary completely settle debts under the agreement.

Presently, such bank has assigned to a fund all rights of claim for repayment. However, all conditions of repayment have not been changed and during the year ended March 31, 2007, a subsidiary suspended repayment of loan and accrued interest. Therefore, such subsidiary presented such loan under “current – portion of loans under debt restructuring agreements” in the balance sheet as at March 31, 2007.

In case that the Company are able to satisfy all conditions of 2<sup>nd</sup>, 4<sup>th</sup>, 5<sup>th</sup> and 6<sup>th</sup> agreements, the Company expect the future repayment amounts to be lower than amounts recorded by Baht 1,883 million (the Company : 1,825 million). However, the Company and such subsidiary have not yet realized such profit from debt restructuring until all conditions are completely fulfilled.

**14. Long-term debt instruments**

	Consolidated					
	2007				2006	
	Maturity date	Interest rate per annum	Amount of loan		Amount of loan	
			Original Currency	Million Baht	Original Currency	Million Baht
1. Exchangeable Notes	October 2003	4.50 %	52.77 million U.S. Dollars	1,854	52.77 million U.S. Dollars	2,055
2. Exchangeable Notes	March 2001	3.125%	194.75 million Swiss Francs	5,639	194.75 million Swiss Francs	5,861
				7,493		7,916
Provision for premium on bond redemption				199		220
Total long-term debt instruments presented as current portion				7,692		8,136

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The notes have been classified to current liabilities due to the fact that Bangkok Land (Cayman Islands) Limited has defaulted on interest and principal repayments. Accrued interest on the notes has been calculated at the coupon rates under the contract.

Exchangeable Notes under item 1

In 1993, Bangkok Land (Cayman Islands) Limited (BL Cayman) issued guaranteed exchangeable bonds of USD 150 million due 2003 that were guaranteed by the Company. The notes bear interest at the rate of 4.5% per annum and the noteholders had the option to redeem the notes in October 1998 at 110.73 percent of the principal amount and to exchange to common shares of Bangkok Land Public Company Limited during the period of February 21, 1994 to June 16, 2000.

BL Cayman has been in default on interest payment and principal redemption of the exchangeable notes from October 13, 1998 to date.

Exchangeable Notes under item 2

In 1994, Bangkok Land (Cayman Islands) Limited (BL Cayman) issued guaranteed exchangeable bonds of Swiss Francs 400 million that were guaranteed by the Company. The notes bear interest at the rate of 3.125% per annum and due on March 31, 2001. The noteholders had the option to redeem the notes in March 1999 at the principal amount and to exchange to common shares of Bangkok Land Public Company Limited during the period of November 15, 1993 to August 13, 2003.

BL Cayman has been in default on interest payment on exchangeable notes from March 31, 1998 to date. Under the terms of the note, in the event of default for more than 14 days on payment of interest, the bondholders can give notice to the issuer and the guarantor, and the bonds shall be immediately due and repayable. In May 1998, the noteholders called BL Cayman and the company (as guarantor of the exchangeable note) to repay the principal amount of the notes outstanding together with accrued interest in the sum of SFr 370 million.

However, the Group has been unable to redeem the remaining notes and continues to be in default of the terms and conditions of the notes.

The Company has not hedged any long-term liabilities denominated in foreign currencies.

**15. Deferred income tax**

Deferred income taxes are calculated in full on temporary differences under the liability method using a principal tax rate of 30% (2006: 30%).

Deferred income tax as at March 31, 2007 and 2006 comprises:

	In Million Baht			
	Consolidated		Company	
	2007	2006	2007	2006
Deferred income tax liabilities				
- income recognition of real estate business	120	111	20	11
- revaluation of investment property	216	944	45	828
	336	1,055	65	839
Deferred income tax assets				
- allowance for doubtful accounts	(19)	(19)	(19)	(19)
Deferred income tax liabilities, net	317	1,036	46	820



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The movement on the deferred income tax is as follows:

	In Million Baht			
	Consolidated		Company	
	2007	2006	2007	2006
At beginning of the year	1,036	1,087	820	871
Statement of income (credit)/charge	(719)	(51)	(774)	(51)
At end of the year	317	1,036	46	820

Deferred income tax assets are recognised for tax loss carried forwards only to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group has unrecognised tax losses in excess of Baht 2,496 million (2006: in excess of Baht 6,907 million), which may carry forward against future taxable income.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right and the income taxes relate to the same fiscal authority.

**16. Other non-current liabilities**

The balance of other non-current liabilities as at March 31, 2007 and 2006 are as follows:

		Consolidated / Company (In Million Baht)				
		Original		Balance at		Balance at
		balance	Repayment	March31,	Repayment	March31,
				2006		2007
Thai Asset Management Corporation (TAMC)	(KCL agreement)	725	(4)	721	(15)	706
Thai Asset Management Corporation (TAMC)	(KPY agreement)	243	(243)	-	-	-
		968	(247)	721	(15)	706

- a) On May 20, 2005 KCL signed a debt restructuring agreement with TAMC ("Agreement"). According to the Agreement, the Company as guarantor of the former loans, agreed to settle a total amount, before interest, of Baht 913 million by (1) cash payment of Baht 524 million by quarterly installment for a period of 7 years starting from June 2005 to May 2012 with interest charge at rates from MLR less 4% to MLR; and (2) transferring properties with appraised value of Baht 389 million determined by an independent property appraiser.

In June 2005 KCL bought Baht 176 million of properties from Bangkok Airport Industry Company Limited and requested the Group to transfer the properties to the TAMC as partial settlement under the Agreement. The purchase price was settled by set off of Baht 176 million against debts owed by the Company to Yee Hing (Note 3.7 (2))

During the year ended March 31, 2006, the Company paid Baht 11 million to TAMC as partial settlement of the KCL agreement. This amount has been set off with debts due by the Company to Yee Hing (Note 3.7 (5)).

For the year ended March 31, 2007, the Company has made repayment totalling Baht 15 million to TAMC.

Taking all the above together, the remaining balance of debt under the Agreement. Upon signing of a debt set off agreement with Yee Hing and KCL as reported in note 3.7 (6), the debt owed by KCL has thereafter reclassified as a loan due to TAMC and grouped under "Other non-current liabilities" in the financial statements.

On January 23, 2007, the Company has entered into a new debt restructuring agreement with TAMC, however, the term and conditions of repayment schedule of the Company's portion have not been changed.

- b) On May 20, 2005, KPY signed a debt restructuring agreement with the TAMC. According to the agreement, the Company, as a guarantor of the former loans of KPY, agreed to transfer land and condominium units at the net book value of Baht 243 million (value appraised as Baht 123 million by TAMC). Upon signing of a debt set off agreement with Yee Hing and KPY as reported in note 3.7 (7), the debt owed by KPY has thereafter reclassified as a loan due to TAMC and grouped under "Other non-current liabilities" in the financial statements. On March 9, 2006, the Company transferred the properties to TAMC in order to settle such loan.

## **17. Share capital and warrants**

### **a. Share capital**

On May 6, 2005, the shareholders at the Extraordinary General Meeting of the Shareholders No. 1/2548 passed the following resolutions:

1. Approve the reduction of the registered capital from Baht 15,542,220,062 to Baht 12,080,986,517 by cancellation of the 3,461,233,545 authorized but unissued shares at a par value of Baht 1 each.
2. Approve the increase of the registered capital from Baht 12,080,986,517 to Baht 20,584,720,864 by issuing 8,503,734,347 new ordinary shares at a par value of Baht 1 each.
3. Approve the allotment of 8,503,734,347 new ordinary shares at a par value of Baht 1 each as follows:
  - (1) 5,147,058,824 shares will be allotted for issuance and offering for sale to existing shareholders of the Company listed in the shareholder register as at April 18, 2005 pro-rata to their shareholding 2.37:1. The existing shareholders are able to subscribe shares more than their buying rights. However, they must subscribe and pay for the additional shares by the time that they subscribe and pay for share subscription according to their rights to buy shares at the offering price of Baht 0.68; and
  - (2) 2,000,000,000 shares will be allotted and reserved for exercise by the holder of warrants and
  - (3) 1,356,675,523 shares will be allotted for issuance and offering for sale to McCarthy Ventures (BVI) Ltd. and Quam Securities Nominee (Singapore) Pte Ltd. in accordance with a Placement Agreement and Share Subscription Agreement with these 2 companies. The offering price will be calculated from the mathematical formula approved at the Extraordinary General Meeting of the Shareholders No. 1/2547. According to the approved formula, 70,961,237 shares will be offered at Baht 0.70461 each, and 285,714,286 shares will be offered at Baht 0.70 each, and one billion shares will be offered in accordance with Share Subscription Contract at Baht 1.85 each; and
  - (4) In case there are remaining shares from the share offering to existing shareholders in (1) or to the said investors in (3) above, the Board of Directors and/or the Chairman of the Board and/or any person(s) entrusted by the Board of Directors or the Chairman of the Board is empowered to have the authority to offer the remaining shares to the investors on a private placement basis which will include the sale of shares to institutional investors or an offer of such remaining shares to other interested investors, provided that the Board of Director shall have the power to determine and fixing the offering price which will be in accordance and comply with the SEC Notification No. Kor Jor 12/2543 and if the said offering price is lower than the par value of the shares, such offering price must not be in any event less than Baht 0.68 per share. The remaining shares can be offered for sales by allotments or one-time sale.

The Company registered the increased registered share capital with the Ministry of Commerce on May 13, 2005.

During the year ended March 31, 2007, there was cash receipt of Baht 1,232 million for the sale of 1,750 million common shares. The Company already registered the increased paid-up share capital with the Ministry of Commerce on September 19, 2006.

**BANGKOK LAND PUBLIC COMPANY LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2007 AND 2006**

**b. Warrants**

As of January 22, 2007, warrants to purchase ordinary shares of the Company has been listed on the Stock Exchange of Thailand (trading commencement on January 22, 2007) with major characteristics as follows:

Number of Warrants:	1,998,534,653 Units
Underlying Shares:	2,000,000,000 Shares
Offering:	Offered to existing shareholders whose name appeared on the registration book as at October 20, 2003 at the ratio of 3 existing shares to 1 unit of warrant.
Rights of Warrants:	The holder of warrant certificate has the right to purchase ordinary share of the Company of 1 warrant for 1 new share at an Exercise Price of Baht 1.80 per share
Type of Warrants:	Named certificate and freely transferable
Term of Warrants:	3 years from the issuance date of January 8, 2007 with the last exercise date being January 7, 2010.

As at March 31, 2007, the outstanding of unexercised warrants was 1,998,534,653 units.

**18. Segment information**

	Consolidated ( In Million Baht )				
	For the year ended March 31, 2007				
	Real estate business	Retail business	Exhibition center business	Other services	Total
Segment revenue	65	197	1,407	119	1,788
Segment profit (loss)	(752)	1	520	(22)	(253)
Interest income					12
Interest expense					(760)
Gain on exchange rate, net					647
Gain on sale of assets					16
Allowance for doubtful account					(64)
Loss on revaluation of investment property					(19)
Income tax					713
Net profit for year					292
Property, plant and equipment as at March 31, 2007	1,129	186	10,404	50	11,769

**BANGKOK LAND PUBLIC COMPANY LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2007 AND 2006**

	Consolidated ( In Million Baht )				
	For the year ended March 31, 2007				
	Real estate business	Retail business	Exhibition center business	Other services	Total
Segment revenue	357	175	1,306	111	1,949
Segment profit (loss)	(315)	2	679	(92)	274
Interest income					8
Interest expense					(810)
Gain from repurchase of bond					139
Gain on exchange rate, net					674
Gain on sale of assets					590
Reversal of allowance for doubtful debt					628
Provision for losses on uncompleted work					(804)
Loss on investment redemption					(416)
Income tax					(46)
Net profit before extraordinary item					237
Extraordinary item-gain on debt restructuring					2,348
Net profit for year					2,585
Property, plant and equipment as at March 31, 2006	1,176	176	10,312	56	11,720

**19. Earnings per share**

**Basic earnings per shares**

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by weighted average number of ordinary shares issued during the year.

**Diluted earnings per share**

Diluted earnings per share is calculated weighted average dividing the net profit attributable to common shareholders by the number of ordinary shares issued during the year adjusted for the effect of shares options on issue.

	Consolidated		Company	
	2007	2006	2007	2006
Net profit attributable to shareholders (million Baht)	292	2,585	162	2,585
Weighted average number of ordinary shares issued during the year (million shares)	13,948	12,633	13,948	12,633
Basic earnings per share				
Profit for the year before extraordinary item	0.02	0.02	0.02	0.02
Extraordinary item – Gain on debt restructuring	-	0.18	-	0.18
Net profit for the year attributable to shareholders	0.02	0.20	0.02	0.20

The Company did not calculate diluted earnings per share for the year ended March 31, 2007 because the fair value of an ordinary share is lower than the exercised price of a warrant.

## **BANGKOK LAND PUBLIC COMPANY LIMITED**

### **NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2007 AND 2006**

#### **20. Cost of sales**

In the consolidated financial statements, cost of sales for the year ended March 31, 2006 included the reversal of prior periods' profits amounting to Baht 391 million, resulting from the cancellations of certain purchase and sale contracts.

In the Company financial statements, the reversals of prior periods' profit for the year ended March 31, 2006 was Baht 375 million.

#### **21. Financial instruments**

As at March 31, 2007 and 2006 the Group has the following risks relating to significant financial instruments:

##### **a) Interest rate risk**

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Group has long-term loans from banks, and the value of such loans will fluctuate due to changes in market interest rates.

##### **b) Currency risks**

Currency risk is the risk that the value of the financial instrument will fluctuate due to changes in currency exchange rates.

The Group faced currency exchange risk relating to Exchangeable Notes denominated in Swiss Francs and U.S. Dollars. The Group had not hedged its foreign currency liabilities relative to these Exchangeable Notes as repayment date of debts remains uncertain following the default by the Group in payment of interest and principal which caused the total amount of debts to become due for repayment as explained in Note 14.

##### **c) Liquidity risk**

Liquidity risk or funding risk is the risk that the Group will encounter difficulty in raising fund to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly or close to its fair value.

##### **d) Fair value of financial assets and liabilities**

The carrying amounts of all financial assets and liabilities of the Group as at March 31, 2007 and 2006 as presented in the consolidated financial statements and company financial statements approximate to their fair values except for the fair value of loans under debt restructuring agreements and long-term debt instruments cannot be calculated, accordingly, no disclosure is made.

#### **22. Contingent liabilities**

As at March 31, 2007 and 2006, the Company has contingent liabilities

- i) A number of the Group's customers have filed civil lawsuits demanding that the Company and Bangkok Airport Industry Company Limited, its subsidiary, to return deposits and installments funds, in the aggregate amount of approximately Baht 203 million alleging that the Company and Bangkok Airport Industry Company Limited had breached the purchase and sales agreements (March 31, 2006 : Baht 206 million). As at March 31, 2007, Baht 198 million is recorded in the financial statements (March 31, 2006: Baht 206 million).
- ii) A major customer has filed a civil lawsuit demanding the Group to return deposits and installments funds including interest in the amount of Baht 359 million alleging that the Group had breached purchase and sales agreements. As at March 31, 2007, the deposits and installments funds recorded in the financial statements amounted to Baht 238 million (March 31, 2006: Baht 238 million).

**BANGKOK LAND PUBLIC COMPANY LIMITED****NOTES TO FINANCIAL STATEMENTS****MARCH 31, 2007 AND 2006**

iii) Two major contractors have filed civil lawsuits demanding the Group to repay a total debt of Baht 381 million (Baht 192 million and Baht 189 million) together with interest of 15% per annum to be calculated from the date of filing of lawsuits until the date of settlement. The contractors have alleged that the Company had defaulted on payment of debt under certain construction contracts. In respect of the case of Baht 192 million, the Primary Court decided in July 2005 that the Company has to pay Baht 32 million together with interest to be calculated at 7.5% per annum from February 13, 2004 to the date of repayment. Consequently, the Appeal Court confirmed the Primary Court's judgement on February 20, 2007 and this case is presently in the consideration of the Supreme Court. Based on the judgment of the Primary Court, the Company has written back its payable to contractors in the sum of Baht 160 million in the statements of income for the year ended March 31, 2006. As at March 31, 2007, the outstanding principal, excluding interest, payables to these contractors recorded in the financial statements amounted to Baht 154 million (March 31, 2006: Baht 154 million).

Presently, the ultimate outcomes of the cases are still pending. However, the Group's management has provided accrued interest for the cases under items i), ii) and iii) up to March 31, 2007 of Baht 469 million.

**23. Reconciliation of net profit**

Reconciliation of net profit for the year ended March 31, 2007 and 2006 between the consolidated and Company financial statements is as follows:

	In Million Baht	
	2007	2006
<b>Net profit for the year - Consolidated</b>	292	2,585
Reversal of gain on revaluation of investment property	(130)	-
<b>Net profit for the year - Company</b>	162	2,585

**24. Subsequent events**

On 18 April 2007, the Company entered into a share sale and purchase agreement for the sale of 40% of the total shares of its wholly owned subsidiary, Impact Exhibition Management Co. Ltd. (Impact), to Juutland Limited at a price of Baht 7,000 million.

The sale and purchase of the Impact Shares was completed on April 25, 2007.

**25. Reclassifications**

As a result of reclassifications of certain items in financial statements as at March 31, 2006 the comparative figures for the financial statements as at March 31, 2007 have been amended accordingly.

**26. Approval of financial statement**

These financial statements have been approved by the Management of the Company.

## SUBSIDIARIES AND ASSOCIATE COMPANIES

	Address	Principal Activities	Paid-up Capital (Million Baht)
<b>Subsidiaries</b>			
Bangkok Airport Industry Company Limited (100%)	47/569-576, Moo 3, 10 <sup>th</sup> Floor New Geneva Industry Condominium, Popular 3 Road, Bannmai, Pakkred, Nonthaburi. 11120 Tel. (02) 5044949 Fax. (02)5044982	Property development for sale	5,320
Sinpornchai Company Limited (100%)	47/569-576, Moo 3, 10 <sup>th</sup> Floor New Geneva Industry Condominium, Popular 3 Road, Bannmai, Pakkred, Nonthaburi. 11120 Tel. (02) 5044949 Fax. (02)5044982	Property investment and development for rental and sale	30
Bangkok Land Agency Company Limited (100%)	47/217-222, 9 <sup>th</sup> Floor, Kimpo Building Chaengwattana Road, Bannmai, Pakkred, Nonthaburi 11120 Tel. (02) 5035040-1 Fax. (02)5035064	Property management	200
Bangkok Land (Cayman Islands) Limited (100%)	Ground Floor, Caledonian House, Mary Street, P.O.Box 1043, Grand Cayman, Cayman Islands Tel. (345) 9490050	Issuer of US \$ 150 million and SFr 400 million exchangeable bonds	US \$ 10,000
Muang Thong Services and Management Company Limited (100%)	47/273-280, 9 <sup>th</sup> Floor, Kimpo Building Chaengwattana Road, Bannmai, Pakkred, Nonthaburi 11120 Tel. (02) 9805500 Fax. (02) 5034784	Infrastructure and city management services	100
Muang Thong Building Services Company Limited (100%)	47/273-280, 9 <sup>th</sup> Floor, Kimpo Building Chaengwattana Road, Bannmai, Pakkred, Nonthaburi 11120 Tel. (02) 9805500 Fax. (02) 5034784	Building management services	50
Impact Exhibition Management Company Limited (100%)	99 Popular Road, Bannmai, Pakkred, Nonthaburi 11120 Tel. (02) 5045050 Fax.(02)5044445	Exhibition and convention services	12,953
Spooner Limited	27/F Stelux house, 698 Prince Edward Road East, San Po Kong Kowloon, Hong Kong	Dormant	100

## MANAGEMENT

### 1) **Board of Directors**



Mr. Anant Kanjanapas  
Chairman



Mr. Direk Mahadamrongkul  
Director



Mr. Sui Hung Kanjanapas  
Director



Mr. Shui Pang Kanjanapas  
Director



Mr. Burin Wongsanguan  
Director



Mr. Sakorn Kanjanapas  
Director



Mr. Wattanasak Sanitwong  
Director



Mr. Tawin Boonruangkhaio  
Director



Mr. Pongtorn Palivanich  
Chairman of Audit Committee



Mr. Karn Kajanawatee  
Audit Committee



Mr. Tongpao Boon-long  
Audit Committee



The directors as at 31 March 2007 were:-

Name		Title	Number of Shares
Mr. Anant	Kanjanapas	Chairman	843,788,669
Mr. Direk	Mahadamrongkul	Director	36,570
Mr. Burin	Wongsanguan	Director	-
Mr. Sakorn	Kanjanapas	Director	69,142,857
Mr. Sui Hung	Kanjanapas	Managing Director	10
Mr. Shui Pang	Kanjanapas	Director	1,050,010
Mr. Wattanasak	Sanitwongse	Director	-
Mr. Tawin	Boonruangkhaio	Director	-
Mr. Pongtorn	Palivanich	Chairman of Audit Committee	-
Mr. Karn	Karnjanawatee	Audit Committee	2,000
Mr. Tongpao	Boon-long	Audit Committee	-

## 2) Selection of Directors and Executives

The member of the Board of Directors shall be elected by the general meeting of the shareholders. Directors of the Company are not required to be shareholders and the Company shall have no less than 5 Directors.

## 3) Directors' Remuneration

	Monetary	Other
<u>No. of Directors</u>	<u>Remuneration</u>	<u>Remuneration</u>
11	9,016,000	-

The Company also provided company cars and actual business entertainment expenses for executive directors.

## 1) **Policy on Corporate Governance**

The Company is committed to a policy of good corporate governance recommended by the Stock Exchange of Thailand.

## 2) **Shareholders : Rights and Equitable Treatment** **Various Groups of Shareholders** **Shareholders' Meeting**

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The board of directors acknowledges that it is their duty to protect the rights and maintain an equitable treatment to all groups of shareholders of the Company, private or institutional. The board of directors adopts the practice of full disclosure of all connected parties transactions and controlling interest by major shareholders in key suppliers, customers and competitors of the Company. Connected party transactions for the year are set out in the notes to the financial statements. Controlling shareholders of the Company do not have any controls on the Company's key supplier, customers, competitors or other businesses related to the operation of the Company for the year ended 31 March 2007.

Bangkok Land is always responsive to the views and comments of its shareholders. The formal communication channels with shareholders are the annual and quarterly reports, press releases, published announcements, annual general meetings and extraordinary general meetings.

The annual report summarizes the performance of the Company, highlights on important business and financial issues as well as plans, if any, for the coming years. This report serves to better inform shareholders and potential investors on the activities and future direction of the Company.

In the year ending 31 March 2007 the Company held 3 shareholders' meetings. Notices with relevant reports were distributed more than 7 days prior to the meetings. All notices and reports were prepared in both Thai and English. During the course of the meetings, all the shareholders were given equal chance to express their opinion and pose questions to the board of directors on the operations of the Company. All questions and answers with material effects to the Company shall be recorded in the minutes of meeting. In these 3 shareholders' meetings all issues raised by the shareholders were properly clarified by the directors. There were no issues that would materially affect the operations of the Company and issues raised have therefore not been recorded in the minutes.

## 3) **Board of Directors: Leadership and Vision** **Non-Executive Directors** **Aggregation or Segregation of Position** **Directors Remuneration**

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The Company is controlled through the Board of Directors which comprises 11 directors of whom 8 are executive directors and 3 are independent non-executive directors. The board meets at least 4 times a year to review operational performance and other significant matter of the Company. The executive directors lead by the Chairman are responsible for the day to day management of the Company. In addition there are regular meetings with senior management of the Company. The Executive Directors regularly review and ensure that an effective system of internal control exists to safeguard the assets of the Company.

The Company separates the position of Chairman and Managing Director. The Company has not given any excessive authority to any individual. All major policies and decisions have to be approved by the Board of Directors.

Director fee is approved by the shareholders at each Annual General Meeting. Director remuneration and other allowance are determined by the Chairman and the Managing Director based on common industry practice and with regard to work experience as well as responsibility.

Independent Director refers to a director who does not hold more than 0.5% of the Company's share; does not participate in the management of the Company as well as its affiliate companies; does not have any direct or indirect business relationship with the Group; is independent and not a close relative of the management and the major shareholders of the Company and its affiliate companies. Independent Directors are directors without any direct or indirect interest in the Company and its affiliate companies that may have an influence on their independence in their decision making process.

#### 4) **Board of Directors' Meetings**

The Board of Directors meets at least 4 times a year. Additional meetings are called when necessary. During the year, there were 32 board meetings and attendance of the Directors are listed below:-

		<b>No. of meetings</b>
		<b><u>Attended</u></b>
<b>EXECUTIVE DIRECTORS</b>		
Mr. Anant	Kanjanapas	32
Mr. Sui Hung	Kanjanapas	26
Mr. Burin	Wongsanguan	21
Mr. Sakorn	Kanjanapas	24
Mr. Direk	Mahadamrongkul	-
Mr. Wattanasak	Sanitwongse	15
Mr. Tawin	Boonruangkhaio	30
Mr. Shui Pang	Kanjanapas	30
<b>NON-EXECUTIVE DIRECTORS</b>		
Mr. Pongtorn	Palivanich	29
Mr. Karn	Kanjanawatee	28
Mr. Tongpao	Boon-long	26

#### 5) **Directors' Profile**

##### Chairman

Mr. Anant Kanjanapas, age 66. He has been the Chief Executive Officer of the Bangkok Land Group since 1990. He was appointed Chairman of the Group in 2003. He is also the Chairman of Stelux Holdings International Limited, a public listed company in Hong Kong.

##### Managing Director

Mr. Sui Hung Kanjanapas, age 34. He is a son of the Chairman. He was appointed Managing Director of the Company in 2001. He is also an executive director of Impact Exhibition Management Company Limited.

## Directors

Mr. Direk Mahadamrongkul, age 87. He was appointed as director in 1973 before the Company was listed on the Stock Exchange of Thailand. He is also the Chairman of his privately owned investment in Golden Miles Company Limited.

Mr. Burin Wongsanguan, age 71. He was appointed director of the Company in 1993. He is also a director of his privately owned investment in Muang Thong Seiko Company Limited and Thossapol Land Company Limited

Mr. Sakorn Kanjanapas, age 58. He was appointed director of the Company in 1999. He is a brother of the Chairman. He is also a director of the Company's subsidiaries Bangkok Airport Industry Company Limited, Bangkok Land Agency Company Limited and Bangkok Land (Cayman Islands) Limited.

Mr. Shui Pang Kanjanapas, age 32. He is a son of the Chairman. He was appointed director of the Company in 2003. He is also the Managing Director of Impact Exhibition & Managemant Company Limited.

Mr. Wattanasak Sanitwongse, age 66. He was appointed director in 1993. He is also a director of his privately owned investment in Univest group of companies.

Mr. Tawin Boonruangkhaio, age 63. He was appointed director in 2001.

Mr. Pongtorn Palivanich, age 73. He was appointed director in 2001. He is an independent director and chairman of the audit committee.

Mr. Karn Karnjanawatee, age 79. He was appointed director in 2000. He is an independent director and a member of the audit committee.

Mr. Tongpao Boon-long, age 50. He was appointed director in 2001. He is an independent director and a member of the audit committee.

## 6) **Committees**

The Audit Committee is composed of 3 independent non-executive directors. Terms of reference of the Audit Committee are set and regularly reviewed by the board of directors to meet changing requirement of the Company. The Audit Committee review matters related to statutory financial statements and internal control as to protect the interest of the Shareholders. The Audit Committee meets regularly and has authority to set up meetings with the Company's external auditor and senior management.

Employee remuneration is assessed by the executive directors and is based on the Company's performance as well as individual employee's job responsibilities and performance.

## 7) **Controlling System and Internal Audit**

The Board of Directors is responsible for maintaining an internal control system. The Company adopts the principle of segregation of duties and independent checking procedures wherever appropriate. The Audit Committee, with the assistance of the Internal Audit department, regularly review the internal control system of the Company as to ensure a proper and effective system is in place to protect the Company's assets and guard against material loss and financial misstatement.

## 8) Directors' Reporting

Report of the board of Directors' Responsibilities for Financial Statement is printed on page 6 of the Annual Report.

## 9) Related parties Transaction

The Company disclosed detailed of its related parties transactions under note 3 (annual report page 22) of the financial statements for the year ended 31 March 2007. At the request of the Stock Exchange of Thailand, the Company also make additional public disclosure on the background of previous transactions connected with related parties on 21 June 2006. The Directors and Audit Committee considered that all related parties transactions for the year ended 31 March 2007 are fair and reasonable and in the best interest of the Company and its shareholders.

## 10) Relations with Investors

The Company discloses all information on a timely basis as required under the rules and regulations of the Stock Exchange of Thailand. The Company also maintains appropriate communication with various groups of investors and stock analysts.

## MAJOR SHAREHOLDERS AS OF 31 MARCH 2007

Name	Shares	Percentage Holdings
Thailand Securities Depository Company Limited for Depositors (Thai)	8,027,101,460	51.13
Addon Holding Limited	2,000,000,000	12.74
Thailand Securities Depository Company Limited for Depositors (Foreign)	1,494,777,315	9.52
Ecwin Investments Limited	1,250,000,000	7.96
Mr. Anant Kanjanapas	843,788,669	5.38
Yee Hing Company Limited	733,003,667	4.67
Kanjanapas Company Limited	605,902,350	3.86
Mr. Harn Srithiyoang	280,000,000	1.78

# BUSINESS & COMPETITIONS

## 1. Income Structure

Unit : Million Baht

Business	Managed by	% of shares held by the Company	Income	%
Property	B-Land	100%	65	4
Exhibition	Impact	100%	1,407	79
Retail & others	Agency	100%	316	17
Total			1,788	100

### Remarks:-

B-Land : Bangkok Land Public Co.,Ltd.  
 Impact : Impact Exhibition Management Co.,Ltd.  
 Agency : Bangkok Land Agency Co.,Ltd.

## 2. Nature of Business

The principal activity of Bangkok Land and its subsidiaries is property development for sales. The strategy of Bangkok Land is to develop a self-contained “mini-city”, comprising of residential and commercial components, as well as full-functioned infrastructure facilities. During the last 7 years, the Company has constructed the Exhibition and International Convention Centre as its long-term investment within Muang Thong Thani complex. At present, the Company owns the largest Exhibition Centre in Southeast Asia.

## 3. Line of Business

The Company and its subsidiaries operate in 5 lines of businesses which are as follow

### a. Real Estate Business

The Company and subsidiaries develop property under its ownership in different area. All companies share the same policy, which is to focus on real estate development primarily for sales, and for rental. The companies operated in this line of business include

- Bangkok Land Public Company Limited
- Bangkok Airport Industry Company Limited
- Sinpornchai Company Limited

### b. Exhibition and Convention Centre

This group of business focuses on development property as its long term investment. Impact Exhibition Management Company Limited, the Company’s subsidiary, manages the group’s exhibition hall, convention centre and the Arena and earns constant stream of income from rental and catering services.

### c. Building Management and Services

The company views that after sales service is one of the key factors to ensure the success of its real estate development project. The Company set up 2 subsidiaries in charge of building management and services. These subsidiaries also administer the maintenance of shared infrastructures, environmental landscape as well as waste management. The two subsidiaries operating in this line of business are

- Muang Thong Service and Management Company Limited, and
- Muang Thong Building Services Company Limited.

- d. **Retail**  
Retail business is operated only within its compound. The shops are Metro Seafood, Food Court, Fresh Market. The main purpose of this investment is for servicing the resident and for adding value to the invested property. These businesses are operated by Bangkok Land Agency Company Limited.
- e. **Others**  
Apart from all line of businesses stated above, the Company set up Bangkok Land (Cayman Islands) Company Limited to raise fund, by issuing foreign currency notes, for the group companies. For other subsidiaries, Spooner Company Limited has never been operated.

#### **4. Business Operation of Each Business Line**

- a. **Real Estate Business**  
The Company divides its real estate business into 2 categories based on the purpose usage of the property; they are residential and commercial projects.  

<u>Residential Project</u>	The property developed in this category includes single house, town house, and resident condominium. The layout is designed to maximize the living comfort.
<u>Commercial Project</u>	The property developed includes commercial building, office condominium, mall, and shop houses. The key factor in developing commercial project is to select a location with a large traffic of people.
- b. **Exhibition and Convention Centre**  
The Company owns and operates the multi-purpose Impact Center at Muang Thong Thani (Impact). Impact has total rentable exhibition area of 140,000 square meters, 12,000 seats of Arena and conference hall space of over 10,000 square meters.

#### **5. Market and Competition**

- a. **Real Estate Business**  
  
It is expected that the residential market will continue to slow down in 2007 with negative political and economic factors. Real estate companies have shifted more towards residential projects in the middle lower range pricing segment.  
  
The Company takes the advantage from the concept of city development with urban design and central infrastructure. The resident can experience a city living within the project compound. Within the project area, there is not other company pursuing in similar strategy. In addition, thanks to express way access, the project location is no longer considered far from the heart of Bangkok.  
  
The Company employs well-known contractors for project construction to ensure that the construction meet suitable standard. The Contractors is then responsible for construction material and labor procurement. In recent years, the company contracts Bouygues-Thai Company Limited as the main contractor due to its long and good experience in large and complex projects. However, the Company also reviews the list of other contractors for price and quality comparison.

In term of property for future development, the Company still possesses a large number of lands for future development. At present, the Company owns 1,340 rai of land on Krungthep Kreetha-Srinakarin road. The management believes that this plot alone is sufficient for project development in the next 5-8 years. As for the construction material, the contractor is generally responsible for the procurement. Thus, the Company does not have to bear the risk of a price fluctuation of raw material.

b. Exhibition and Convention Centre

The market for Meeting, Incentive travel, Convention & Exhibition (“MICE”) in Thailand continue to grow in 2007. There are only a few major players in Thailand. Domestically, the competition is quite low as each facility has its own characteristic (location, size and attributes). The organizers can chose the facility that matches the event features. Impact is considered the market leader both in terms of revenue and floor space. Impact facilities are unique in terms of:-

- (a) Size - largest in floor space in Thailand; after the opening of the new 60,000 sq.m. venue “The Challenge”, Impact facilities has been elevated to a different level from other local competitors and now ranks among the leading global venues.
- (b) Having complimentary convention centre, multi-purpose arena, ballroom and meeting rooms.
- (c) Availability of both indoor and outdoor space and facilities which combined to provide competition advantage in terms of its capability to accommodate a wide variety of events.

Revenue of Impact comes from rental of exhibition space, sales of food and beverage and other services and utilities charges.

## RISK ANALYSIS

### 1) Default Risk

As a consequence of the difficult economic situation in Thailand, the Company has defaulted payment of its foreign currency bonds. Uncertainly therefore remains on the possibility of a viable restructuring arrangement or payment demand by the bond holders through legal means.

### 2) Exchange Rate Risk

The policy of the Company is to minimize its exposure to foreign currency fluctuations. Foreign exchange transactions will be hedged where feasible and cost effective. The Company has not hedged its foreign currency liabilities of SFr 194.75 million and USD 52.77 million exchangeable bonds as hedging cost is prohibitively high and settlement date remains uncertain.

### 3) Interest Rate Risk

The Company is exposed to interest rate change, as all loans with the exception of foreign currency bonds are variable interest rate borrowings. The Company has not used derivative instrument to reduce the uncertainty over the fluctuation of future market interest rates.



## FORM 56-2 CHECKLIST

Heading	Page
1. General Information	
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