

Annual Report 2008



Bangkok Land  
Public Company Limited

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## HIGHLIGHTS

- ▶ **Continued debt reduction by Baht 11.5 billion**
- ▶ **Shareholders' equity up 53.8%**
- ▶ **Adjusted net asset value per share up 36.1%**
- ▶ **Earnings per share up 1,750%**

	2008 Baht m	2007 Baht m	Change %
Total revenue	10,032	2,589	287.5
Net profit	6,023	292	1,962.7
Total assets	40,562	39,139	3.6
Total liabilities	12,534	24,068	(47.9)
Shareholders' equity	23,187	15,072	53.8

	Baht	Baht	%
Earnings per share	0.37	0.02	1,750.0
Adjusted net asset value per share	1.32	0.97	36.1
Dividend per share	-	-	-
Market share price at year end	0.69	0.71	(2.8)

# REPORT OF THE CHAIRMAN

## OVERVIEW

The year under review has been a challenging one for the Company. With ambivalent political situation and negative macroeconomic factors, we have seen signs of slowdowns in various sectors of the Thai economy.

As stated in my previous annual reviews, Bangkok Land has consistently made the decision not to pursue new real estate projects and in my opinion, such decision has proved prudent and saved the Company from taking on unnecessary financial burden in a fast deteriorating property market. We are now immune to the current problems of dropping sales volume, skyrocketing construction costs and potential customer defaults.

## RESULTS AND DIVIDEND

Consolidated net profit for the year was Baht 6,023 million compared to Baht 292 million a year ago. This performance was primarily as a result of gains from non-operating transactions: the partial disposal of Impact Exhibition and Management Limited and the buy-back of foreign currency bonds at discounts to their nominal value.

Although the Company's separate financial statements reported a retained deficit of Baht 6,241 million, consolidated retained earnings rose to Baht 5,955 million compared to a retained deficit of Baht 68 million for the previous year. As the separate financial statements of Bangkok Land still carry a retained deficit, the board has resolved that no dividend can be paid for the year ended 31 March 2008.

## OPERATIONS

Impact Exhibition experienced lower than anticipated demand, particularly from the Thai government. Despite unfavorable economic and political conditions, recurring operating profit before tax rose 5.4 per cent

to Baht 548 million (2007 – Baht 520 million) in the year ended 31 March 2008. It is encouraging to note that Impact has emerged as a reputable international exhibition and convention venue, and it has been selected to host the 91st Lions Clubs International Convention 2008 and the ITU Telecom Asia 2008 Bangkok show in the year ahead.

Property developments continued to remain inactive with no new projects started during the year. After years of staying inactive in property sales, the Company started re-launching its Popular Condominium project in the year under review. The campaign was well received with 1,295 units taken up. During the year, the Company also sold to Kasikornbank an office building at Muang Thong Thani, which will be renovated by the bank as one of its headquarters accommodating a workforce of more than five thousand. In effect, Bangkok Land reported total sales of Baht 1,266 million, an increase of 1,845.8 per cent compared with the year before.

The Company's prime land bank of approximately 2,000 rai remained the same as reported last year. The Company has finalized development plans for a number of "shop house" projects and a life-style community center at Muang Thong Thani. A downtown condominium project within walking distance of the soon to be completed Makkasan Airport Link terminal station is also in the pipeline. These development plans have a total project value of Baht 7 billion, and with careful consideration of market conditions, the Company will identify the right timing to launch these projects in the year ahead.

## DISPOSAL OF IMPACT

In April 2007, Bangkok Land successfully completed a Baht 7,000 million sale of a 40% interest in Impact Exhibition and Management Company Limited ("Impact") to an overseas investor. I consider this transaction a notable achievement in crystallizing the appreciation of the company's investment in Impact.

In completing this transaction, not only the financial benefits were significant, but the selling price achieved was 70% above the Company's cost of investment. Bangkok Land has remained as the major shareholder of Impact with continuing control of its operation. With Baht 7 billion of proceeds from this transaction, the Company was able to make remarkable and substantial progress in paying down its debts.

Although it was a painful decision to sell Impact, your board considered this a necessary step in generating more cash to accomplish Bangkok Land's multi-year debt reduction plan.

## FINANCE

The financial position of the Company continued to improve. Impressive progress was made in addressing debt-related issues.

Consolidated total liabilities declined 47.9 per cent to Baht 12,534 million (2007 – Baht 24,068 million), which is the lowest figure since the 1997 financial crisis. Excluding Baht 3,155 million of foreign currency bonds, the Company's interest bearing debts have fell substantially to a manageable level of Baht 2,873 million. Gearing ratio continued to improve to 0.35 times from 1.55 times a year ago.

Shareholders' equity as at 31 March 2008 was Baht 23,187 million compared to Baht 15,072 million as at 31 March 2007, an increase of 53.8 per cent. Adjusted net asset value was Baht 23,403 million (2007 – Baht 15,698 million) representing a per share value of Baht 1.32 (2007 – Baht 0.97), an increase of 36.1 per cent.

## OUTLOOK

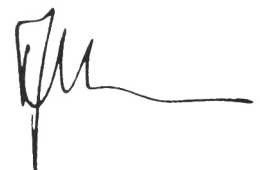
Given the satisfactory progress of our debt reduction, our financial position has been improved substantially. Looking ahead, we will be able to further reduce our liabilities and press ahead to rebuild our property development business.

Having essentially reshaped the financial position of the Company into one of strength and stability, we will direct our efforts into building more recurring profits and cash flow from our existing business, such as upgrading our exhibition center with the development of an indoor parking facility of 1,000 cars and a 3-star hotel of 1,000 rooms to meet the requirement of event organizers and visitors.

In the year ahead, we will continue to look for opportunities to further enhance the value of our Company, and as such, we are now in close negotiation with overseas financiers for a multi-billion Baht joint venture commercial property project in Muang Thong Thani. Overall, I remain confident in the future of the Company and look forward to reporting further improvements next year.

## APPRECIATION

On behalf of the board, I would like to thank you for all the support and confidence extended to the Company during the last year.



**Anant Kanjanapas**  
**Chairman**  
**19 June 2008**

# CORPORATE GOVERNANCE

## SUMMARY

Bangkok Land recognizes the importance of good corporate governance practices and procedures. The Board of Directors believes that by maintaining a high standard of business ethics and by following good corporate governance practices will provide a strong background for the long term success of the Group.

## CORPORATE GOVERNANCE PRACTICES

The Group is committed to a policy of good and adequate corporate governance. During the financial year ended 31 March 2008, Bangkok Land applied all guidelines set forth by the Stock Exchange of Thailand and the Securities and Exchange Commission with the following exceptions.

- 1) There is no separation of roles of the Chairman and Chief Executive - Mr. Anant Kanjanapas is the Company's Chairman and Chief Executive.
- 2) The number of Independent Non-executive Directors is less than one-third of the Board.

The Company is of the view that it is in the best interest of Bangkok Land that Mr. Anant Kanjanapas, with his profound local and international expertise, shall continue in his dual capacity as the Chairman and Chief Executive of the Company. Although the Company's Chairman and Chief Executive is the same individual, authority is not concentrated, as responsibilities are also shared with other directors. In addition, all major decisions are made after consultation with other Directors and approved by meetings of the board.

The Company considers that it functions effectively and efficiently with the current board structure and will appoint additional Independent Non-executive Directors when it is necessary and appropriate.

## RIGHTS OF SHAREHOLDERS

The Board of Directors recognizes that it is its duty to protect the rights of all shareholders. The Company has a policy to make sure that all shareholders are entitled to the following rights:-

- 1) buy, sell, or transfer shares,
- 2) share in the profit of the Company,
- 3) obtain relevant and adequate information on the Company in a timely and regular basis, and
- 4) participate and vote in the shareholder meetings, as required under Thai listed company law and regulations, such as, to elect or remove members of the board, appoint external auditors, dividend payment, and change of company's article of association.

All processes and procedures for shareholders meetings are in accordance with the SET recommended best practice. To allow shareholders sufficient time and to facilitate equitable treatment of all shareholders, the Company provides shareholders, with at least 7 days in advance of the meeting, a notice on the meeting date, time and venue as well as an agenda with relevant supporting information and reports. Shareholders who were unable to attend a meeting in person can appoint any other person or independent director of the Company as their proxy. Voting procedures and method were explained to the shareholders during the meeting, and ballot cards are used to ensure transparency and provide evidence for any possible future reference.

The Company's last Annual General Meeting of shareholders was held on 27 July 2008, at 11.00 a.m., at the Jupiter Room No. 11-13, Impact Challenger, Muang Thong Thani, Chaengwattana, Bannmai, Pakkred, Nonthaburi. Seven Directors, including the Chief Executive and one Independent Non-executive Directors, attended the meeting.

Notice of the meeting with supplementary information was sent to the shareholders by mail more than 7 days prior to the date of the meeting. The same notice was also published on a daily newspaper for 3 consecutive days before the meeting. All documents were prepared in both Thai and English.

At the meeting, total shareholders attending in person or by proxy was 87, representing 7,688,617,120 shares or 48.97% of the total issued shares of the Company. The Company's external auditor, Karin Audit Company Limited, and the Company's legal advisor, Siam Premier, was invited to the meeting in order to render assistance to the Board in answering questions from the shareholders.

During the course of the meeting, all shareholders were given equal chance to express their opinion and to pose questions to the board of directors on the operations of the Company. All issues raised by the shareholders were properly clarified by the Directors, and questions and answers having material effects to the Company were recorded in the minute of the meeting.

## **EQUITABLE TREATMENT OF SHAREHOLDERS**

The Board of Directors acknowledges that it is its duty to maintain an equitable treatment to all groups of shareholders of the Company, individual or institutional. Basic rights of shareholders are outlined under the previous section - "Right of Shareholders".

To protect the equitable rights of all shareholders, the Group prohibits directors, and staff to use inside information acquired at work for personal benefits. Directors and all employees are not allowed to conduct a connected transaction that may have conflict of interest with the Company and its subsidiaries. If it is necessary, for the benefit of the

Group, to conduct a connected transaction, it must comply with all the SET rules, procedures and disclosure of connected transaction by a listed company.

## **ROLE OF STAKEHOLDERS**

The board of Directors understands the importance of fair treatment to all stakeholders such as customers, employees, suppliers, shareholders, investors, creditors, community, the government, competitors and external auditors. Bangkok Land respects the rights of all stakeholders and provides channels for stakeholders to communicate with the Group for unfair treatment and misconduct complaints. Procedures and practice on treatment of major groups of stakeholders are summarized next.

### **Shareholders**

The Company strictly adheres to the practice of treating all shareholders equally. Details of shareholders equal rights are disclosed in previous sections on "Rights of Shareholders" and "Equitable Treatment of Shareholders". All businesses of the Group are operated with honesty, prudent financial management and good business ethics as to ensure continuing growth and maximizing wealth of the shareholders.

### **Customers**

Bangkok Land appreciates the correlation between the success of its business and customers' satisfaction. The Group provides its customers high standard products as well as services at fair and competitive prices and uses its best efforts to meet all contractual commitments.

### **Employees**

Bangkok Land recognizes the contribution of employees for the success of the Company. It is the

Group's policy to treat all staff members fairly in relation to remuneration, welfare, training and discipline. Bangkok Land adopts a decentralized policy on matter concerning staff welfare and development. Individual companies within the group are given flexibilities to set their own detailed schemes according to the need and specific working conditions of each entity.

The Group encourages employees to attend various work related outside courses. Selected employees are eligible to attend workshops and seminars presented by experts and academics to strengthen effectiveness and teamwork. Bangkok Land also provides in-house work related training programs, talks and activities at regular intervals on selected functional areas with the aim to assist professional development of individual employees and to strengthen the general work performance of the staff.

The Group pays proper attention on the general well-being of its employees. Individual companies within the group organize their own recreational events and activities with the aim to help balancing work and leisure of the workforce. Bangkok Land also employs appropriate safety measures in all its work places to prevent accidents, injuries and other related health issues.

#### Creditors

Bangkok Land's policy is to equally and fairly treat its creditors and lenders.

Like all other major companies in Thailand with substantial borrowings, the financial crisis of 1997 caused Bangkok Land to default on all its local and foreign borrowings. Following the defaults, the Group had pursued various debt restructuring and settlement schemes with creditors, both secured and unsecured. These schemes include debt settlement with lenders by debt/asset swap, debt/

equity swap and debt buy-back from bondholders. All debt restructurings and bond buy-backs had discounts to the nominal value of the original debts. Bangkok Land will continue to adopt the same principle for all the remaining debts in default caused by the 1997 financial crisis. The Group will treat all creditors fairly by honoring all signed debt restructuring agreements, and it will continue to repurchase, whenever appropriate, the remaining outstanding foreign currency bonds offered in the open market by bondholders.

For all new debts incurred after the financial crisis, creditors will be treated fairly and equally in accordance with agreed terms and conditions

#### Suppliers

The Group adheres to the policy of equitable treatment to all suppliers and honors all commitments as stipulated in agreements with suppliers. Bangkok Land also uses its best efforts to avoid choosing suppliers with conflict of interest to connected persons of the Company and its subsidiaries.

#### Competitors

Bangkok Land respects fair and ethical competition practices in treating its competitors. The Group does not use any unethical and fraudulent means in acquiring trade and related secrets as well as businesses from its competitors.

#### Community and Society

As committed to be a good corporate citizen, the Group cares about the society and the environment. Bangkok Land promotes the conservation of energy within its operation, and all its project layout, construction and landscaping designs meets high standards of environmental protection. The Group installs effective waste management, sewerage



systems and flooding controls in all its housing and investment property projects. The Muang Thong Thani housing estate and Impact exhibition facilities are good examples to display the high standard of practices adopted by Bangkok Land on its commitment to good environmental care and protection.

During the year under review, Bangkok Land also made a few donations to non-profit making and charitable organizations that help the less fortunate in the society.

## DISCLOSURE AND TRANSPARENCY

It is the policy of Bangkok Land to make disclosure of all important information relevant to the Company, both financial and non-financial, correctly, accurately, on a timely basis and transparently through easy-to-access channels that are trustworthy.

Corporation information is disseminated on a timely basis through different channels including annual and quarterly reports, press releases and published announcements. The Company just set up a web site [www.bangkokland.co.th](http://www.bangkokland.co.th) offering investors timely access to the Group's financial and business information. This web site is still in its early development stage, and the Company will continue to improve its layout and content in the year ahead. Bangkok Land also maintains regular dialogue with investors and analysts to keep them informed on the Group's developments. Any party who is interested in the Company's information can contact investor relation at Tel. 66-2-5044949 (ext.1022) or Fax. 66-2-5044986.

## RESPONSIBILITIES OF THE BOARD

### Board Structure

#### Summary

As at 31 March 2008, there were 11 directors including three Executive Directors, five Non-executive Directors and three Independent Non-executive Directors. The Board believes that the balance between Executive and Non-executive Directors is appropriate in providing adequate checks and balances to safeguard the interest of all groups of stakeholders.

Non-executive Directors, come from a variety of different backgrounds, have a diverse range of business and professional experience. Their views and participation in board meetings provide independent opinions and judgments on strategic, business and management issues of the Company.

The Company has three Independent Non-executive Directors. Among these independent directors, at least one of whom has appropriate accounting and financial management expertise. Qualifications of all Independent Non-executive Directors comply with the guidelines for assessment of independence as stipulated by the SET and SEC.

#### Director Appointment, Re-election and Removal

The Company's Article of Association provides that at each Annual General Meeting, one-third of the directors who have held office for the longest term shall retire. If the number is not a multiple of three, then the number nearest to one-third shall retire from office. Retiring directors shall be eligible for re-election at the Annual General Meeting of the Company.

The Board is empowered under the Article of Association to appoint qualified person as a Director

to fill a casual vacancy. In selection of new Directors, the Company adopts a transparent procedure. Before a prospective person is formally proposed, it is required to obtain the opinion of all existing Directors before making recommendation to the Board for decision. All new Directors are subject to re-election by shareholders of the Company at the next Annual General Meeting after their appointments become effective.

#### Company Secretary

The Company Secretary of the Company is responsible to take and keep minutes of all Board meetings and ensure that all applicable meeting rules and regulations are followed. He also maintains a register of original minutes of meeting, which are open for inspection by all directors.

### **Committees**

The Board has set up one committee: the Audit Committee. The Audit Committee has specific terms of reference in respect of their authority and duties.

#### Audit Committee

The Audit Committee was established in 2001, and it consists of three Independent Directors. Mr. Pongtorn Palivanich is chairman, and the other members are Mr. Karn Kanjanawatee and Mr. Tongpao Boon-long.

The Audit Committee meets at least four times a year to consider the Company's financial reporting, effectiveness of the internal control system, compliance with SET as well as SEC and other relevant regulations. It is also responsible for the review and recommendation of appointment, reappointment, removal and remuneration of the external auditors.

The Audit Committee held 6 meetings during the year ended 31 March 2008. The attendance record of each member is set out below:-

<b>Committee member</b>	<b>Meetings attended/ Total</b>
Mr. Pongtorn Palivanich	6/6
Mr. Karn Kanjanawatee	6/6
Mr. Tongpao Boon-long	6/6

#### Remuneration and Nomination Committee

Bangkok Land has not established any Remuneration Committee and Nomination Committee. At present, matters related to remuneration and director nomination are managed by the Executive Directors with assistance from other members of the board. In the light of Bangkok Land's current operation and simple management structure, the Company considers it appropriate to maintain its existing arrangement.

### **Role and Responsibilities of the Board**

#### Overall Responsibilities

The Board has the responsibility for management of the Group, which includes formulating business strategies, reviewing and approving the Group's ongoing vision and mission, setting financial targets, ensuring proper risk management, and directing as well as supervising the Group's affairs and operations.

The Board makes broad policy decision and delegates the day-to-day management and operation to the management of the Group. The Executive Directors, lead by the Chief Executive, are closely involved in the daily operation of the Company and its subsidiaries. The Executive Directors regularly review and ensure that an effective system of internal control exists to safeguard all interest of the Group.

### Role on Corporate Governance

The Board is committed to good corporate governance and set out as a policy to follow and implement principles and recommendations as detailed in “The Principles of Good Governance for Listed Companies” published by the SET in 2006.

### Business Conduct

The Board requires all employees of the Group to conduct business in a professional, ethical and fair manner. Bangkok Land requires all group companies comply with all laws, and specific industry rules, regulations and practices. Employees must perform their duties with care and honesty, giving or receiving illicit payments is not allowed. General guidelines to employees on company rules, regulations, work conducts and disciplinary actions are set out in the staff handbooks of each individual company in the Group.

### Conflict of Interest

The Board of Directors understands that it is its duty to consider the issue of conflict of interest in all transactions of the Group. There is a clear guideline on the approval of transactions involving conflict of interest with connected persons.

In case of a potential conflict of interest involving a shareholder or a Director, Bangkok Land has a policy to arrange meetings in which Independent Non-Executive Directors with no conflict of interest will attend and discuss the matter. A Director who and/or person connected to him has potential conflict of interest in any transaction shall not vote or be counted in the quorum of the meeting. The Board also monitors proper compliance of all requirements regarding criteria, procedures and disclosure under the rules of the SET.

During the year ended 31 March 2008 there was no contract, arrangement or transaction that demands the Board’s consideration on the issue of conflict of interest.

### Internal Control

The Board has responsibility for maintaining an effective and adequate internal control system to safeguard the Group’s assets and shareholders’ interest. The system includes a well-defined organizational structure, proper segregation of duties and effective check and balance procedures wherever appropriate.

Bangkok Land has an internal audit department; it reports directly to the Audit Committee and performs independent regular financial as well as operational reviews to monitor the effectiveness of the internal control system of the Group. Audit reports are prepared with analysis of weaknesses and recommendations for improvement, and these reports are reviewed by the Audit Committee. Recommended actions will be considered and implemented as and when considered appropriate.

During the year ended 31 March 2008, the internal audit function focused primarily on the Group’s most active business segment – exhibition, convention and their related activities. In the coming year, internal audit work will be expanded to cover other business segment of the Group.

### Risk Management Policy

The Board understands the importance of risk management and is constantly in alert of possible threats that may affect the business of the Company. Measures are in place to access and manage risk factors, internal and external, through the work of the Audit Committee and the internal audit department. The Executive Directors also involve closely in the day-to-day management of the Group and review regularly all risk factors affecting its performance and development.

## Board Meetings

The board meets from time to time and has a policy for holding at least 4 meetings per year.

The board met in person on thirteen occasions during the year under review. At the meetings the Directors discussed and formulated company strategies; the Directors also reviewed and approved quarter and annual results as well as other significant issues and general operation of the Group.

Other than regular meetings, the Chairman also meets with non-executive directors and independent non-executive directors to discuss particular corporate and business matters. Non-executive Directors are free to arrange meetings among themselves without involvement of the management team.

All Directors have unrestricted access to the Company Secretary who is in charge for ensuring that meeting procedures and regulations are properly followed. They also have access to relevant information in respect of the meetings. They can also ask for further information or request the Board to approve in retaining independent professional advisors, if necessary.

7 days advance notice of all board meetings are given to all directors, and all directors are free to include matters in the meeting agenda.

The attendance record of the Board meetings held in the year ended 31 March 2008 is set out below:-

Director	Meeting attended/ Total
Executive Directors	
Mr. Anant Kanjanapas	13/13
Mr. Sui Hung Kanjanapas	11/13
Mr. Tawin Boonruangkhaio	12/13

Director	Meeting attended/
	Total
Non-Executive Directors	
Mr. Sakorn Kanjanapas	13/13
Mr. Sui Pang Kanjanapas	13/13
Mr. Burin Wongsanguan	3/13
Mr. Wattanasak Sanitwongse	5/13
Mr. Direk Mahadamrongkul	0/13
Independent Non-Executive Directors	
Mr. Pongtorn Palivanich	12/13
Mr. Karn Kanjanawatee	12/13
Mr. Tongpao Boon-long	13/13

## Board Self Assessment

The Company does not employ a rigid procedure for board members' self assessment. However, board members will informally review and discuss performance of the board at regular board meetings.

## Remuneration

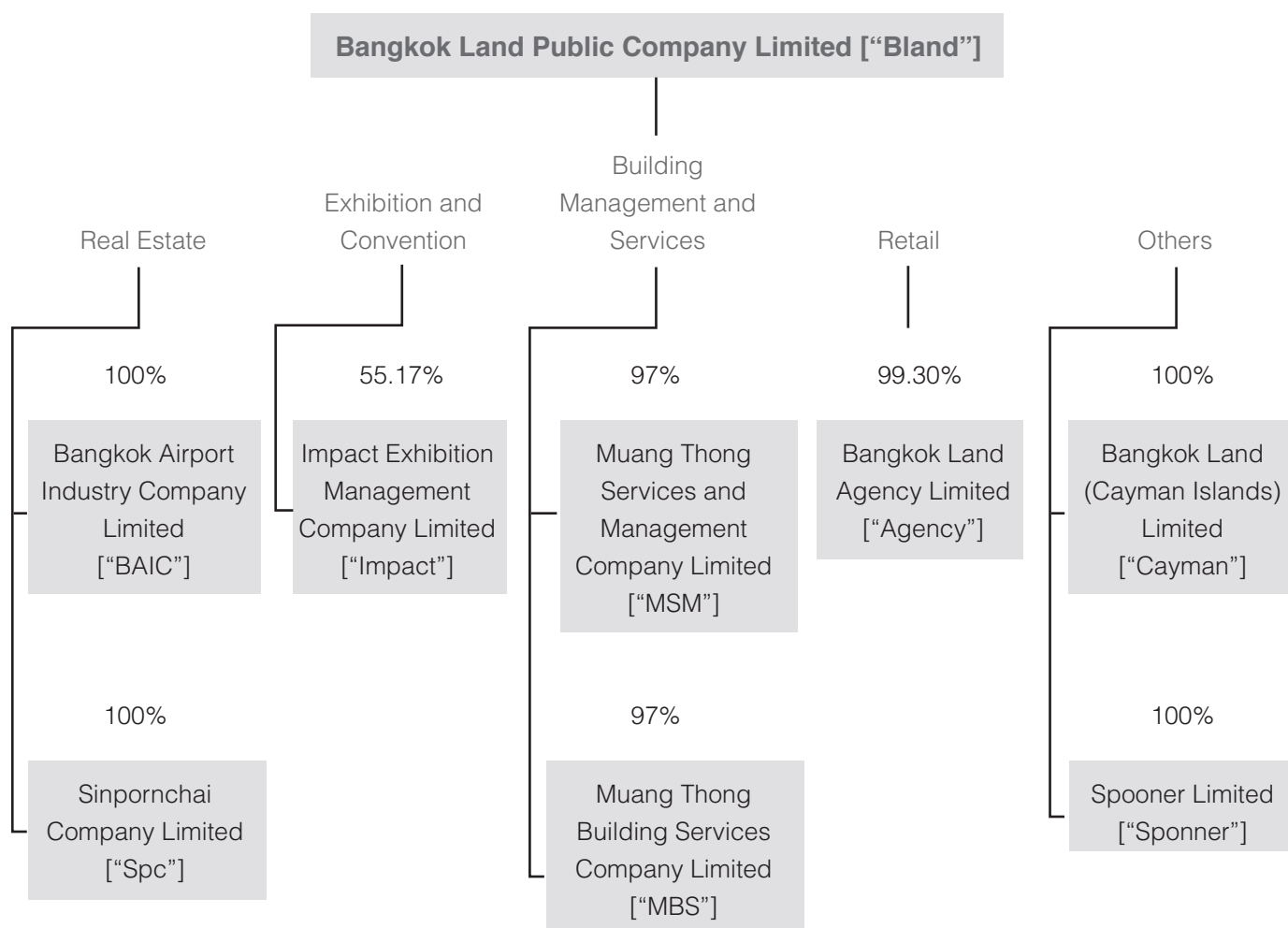
The Board of Directors is responsible for the policy on remuneration of Directors and senior management. The Group's policy is to provide fair and competitive remunerations based on business needs and industry practice. For determining the amount of fees pay to Directors, market rates and factors such as contribution are also taken into consideration. No Director is allowed to involve in decisions relating to his own remuneration. Management remuneration is assessed by the Executive Directors and is based on individual employee's job responsible and performance.

## Board and Management Training

Bangkok Land has a policy to support skill and knowledge development of the Directors and senior management by encourage them to attend seminars and courses on topics which would improve quality and efficiency of their work.

# BUSINESS PROFILE

## CORPORATE STRUCTURE



## REVENUE STRUCTURE

Business	Operated by	2008		2007		2006	
		Baht mn.	%	Baht mn.	%	Baht mn.	%
Real Estate	Bland, BAIC, Spc	1,266	39.87	65	3.64	357	18.32
Exhibition & Convention	Impact	1,613	50.80	1,407	78.69	1,306	67.01
Building Management	MBS, MSA	101	3.18	119	6.66	111	5.70
Retail	Agency	195	6.15	197	11.01	175	8.97
Others	Cayman, Spooner	0	0.00	0	0.00	0	0.00
<b>Total Revenue</b>		<b>3,175</b>	<b>100.00</b>	<b>1,788</b>	<b>100.00</b>	<b>1,949</b>	<b>100.00</b>

## NATURE OF BUSINESS

Bangkok Land is one of Thailand's long established property development companies. The Company has been focusing mainly on the development of large scale self-contained community projects such as Muang Thong Thani Chaengwattana and Muang Thong Thani Banga. Its community projects usually consist of residential accommodation with supporting commercial developments and full range of quality infrastructure facilities.

The Company has also diversified its interest into exhibition and convention business. Through its subsidiary, Impact Exhibition and Management Company Limited, Bangkok Land owns and manages more than 140,000 square meters of world class exhibition and convention space together with other related supporting facilities. The Impact Exhibition Center is now the largest exhibition and convention facility in South East Asia.

## BUSINESS SEGMENT

The Group's business can be classified into five major segments.

### 1) Real Estate

Real estate business mainly involves the development of residential housings and commercial buildings for sale. Products include single houses, townhouses, condominiums, shop-houses and high rise commercial buildings, and projects vary from small sizes to very large self-contained communities. The Group's real estate business is primarily handled by Bangkok Land Public Company Limited, Bangkok Airport Industry Company and Sinpornchai Company Limited.

### 2) Exhibition and Convention

The exhibition and convention business offers customers a international standard venue with full range of related facilities and services where government, corporations and individuals can hold exhibitions, conventions and different kinds of activities such as concerts, entertainment shows, parties, receptions and examinations.

### 3) Infrastructure and Building Management

Bangkok Land considers that after sales service is one of the key factors to ensure success of its real estate business. Two companies - Muang Thong Services and Management Company Limited and Muang Thong Building Services Company Limited - were established to take charge of infrastructure and building management, landscaping and waste treatment of the Group's large scale community projects.

### 4) Retail

Retail business is operated only at Muang Thong Thani Chaengwanattna. The Company runs restaurants, food courts, small retails shops and a fresh food market. These activities are operated by Bangkok Land Agency Company Limited.

### 5) Others

Bangkok Land (Cayman Islands) Limited is a Company incorporated in Cayman Islands. It was used to raise funds for the Company by issuing foreign currency bonds to investors.

Spooner Limited is a Hong Kong incorporated company. It remained inactive in the year ended 31 March 2008.

# MANAGEMENT DISCUSSION AND ANALYSIS – REVIEW OF OPERATION

## PROFIT AND LOSS SUMMARY

	Revenue			Profit		
			%			%
Baht millions	2008	2007	change	2008	2007	change
Business segments						
- Real Estate	1,266	65	+1845.8	(423)	(752)	+43.7
- Exhibition & Convention	1,613	1,407	+14.6	548	520	+5.4
- Retail	195	197	-0.8	8	1	+551.4
- Others	101	119	-14.6	22	(22)	+201.2
<b>Total recurring revenue</b>	<b>3,175</b>	<b>1,788</b>	<b>+77.6</b>			
<b>Total recurring operating profit</b>				<b>155</b>	<b>(253)</b>	<b>+161.2</b>
Non-recurring items						
- Net borrowing costs				(474)	(748)	-36.6
- Foreign exchange gain/(losses)				(325)	647	+150.2
- Other Non-recurring items				7,045	(67)	+10,614.9
<b>Profit before tax</b>				<b>6,401</b>	<b>(421)</b>	<b>+1,620.4</b>
Income tax				(229)	713	+132.1
<b>Profit for the year</b>				<b>6,172</b>	<b>292</b>	<b>+2,013.6</b>
Minority interest				(149)	-	-
<b>Profit attributable to shareholders</b>				<b>6,023</b>	<b>292</b>	<b>+1,962.7</b>

## OVERVIEW

During the year the Group's recurring revenue increased by 77.6 per cent to Baht 3,175 million (2007 – Baht 1,788 million) primarily reflecting the increase of revenue from its continuing business operations in real estate and exhibition. Recurring operating profit before tax increased 161.2 per cent to Baht 155 million compared to a loss of Baht 253 million a year ago. Although the Company's consolidated net profit was largely made up of gains from non-operating transactions, profit from its recurring business achieved a turnaround in 2008.

The Group also recorded Baht 325 million (2007 – 647 million gain) net foreign exchange losses, Baht 474 million (2007 – Baht 748) of interest expenses and Baht 7,045 million (2007 – 67 million losses) of other non-recurring gains.

Overall, Bangkok Land recorded a consolidated net profit of Baht 6,023 million, a 1,962.7 per cent increase compared with Baht 292 million a year ago.

## REAL ESTATE

Baht millions	2008	2007	% change
Revenue	1,266	65	+1,845.8
Cost of sales	(1,051)	(26)	+3,916.0
Gross profit	215	39	+452.2
Other revenue	43	87	-50.8
	258	126	+104.8
Selling & admin. expenses	(681)	(878)	-22.4
Segment profit	(423)	(752)	+43.7
Gross profit margin	17.0%	60.0%	-43.0

In 2008, the Group's real estate business reported a lower recurring loss of Baht 423 million (2007 – Baht 752 million) as a result of more revenue from property sales and less non-recurring selling and administration expenses.

After years of staying inactive in condominium sales, Bangkok Land started re-launching its Popular Condominium project in the year under review, offering buyers fully furnished units with attractive price discounts. The campaign was well received; 1,295 units were taken up with an aggregate sales value of Baht 580 million. Revenue of Baht 517 million was recognized in the year ended 31 March 2008. During the year, the Group also sold an office building at Muang Thong Thani to Kasikornbank for Baht 700 million. As a result, Bangkok Land reported a 1,845.8 per cent improvement in real estate revenue to Baht 1,266 million (2007 – Baht 65 million).

Gross profit from the real estate business increased by 452.2 per cent to Baht 214 million (2007 – Baht 39 million), and gross margin dropped to 17 per cent (2007 – 60 per cent) mainly as a result of lower profit margins from sales campaign offering high discounts.

Last year, the Company transferred its properties related to the Group's exhibition and convention business to its subsidiary, Impact Exhibition and Management Company Limited. In conducting this transaction, the Company incurred Baht 300 million on business tax and transfer fees. Excluding this transfer cost, recurring selling and administration expenses for the previous year were reduced to Baht 577 million. In effect, recurring selling and administration expenses for the year ended 31 March 2008 increased by 18 per cent to Baht 681 million as a result of marketing and other related expenses associated with the increase of property sales.



## EXHIBITION AND CONVENTION

Baht millions	2008	2007	% change
Revenue	1,613	1,407	+14.6
Cost of sales	(721)	(624)	+15.3
Gross profit	892	783	+13.9
Other revenue	7	15	-55.4
	899	798	+12.6
Selling & admin. expenses	(351)	(278)	+26.2
Segment profit	548	520	+5.4
Gross profit margin	55.3%	55.7%	-0.4

With the background of unfavorable macroeconomic climate, strong Thai Baht, increasing fuel costs, and political uncertainties, performance of Impact Exhibition Center (“Impact”) in the year ended 31 March 2008 was lower than anticipated with a number of events being delayed or cancelled by both the government and private corporations.

Even so, during the year, Impact achieved a 14.6 per cent improvement in revenue to Baht 1,613 million (2007 – Baht 1,407 million) due mainly to higher sales volume and increase in average rental charge of exhibition space.

Impact’s revenue came from its three principal business areas – exhibition & convention space rental (65%), food & beverages (20%), and other supplementary exhibition services (15%).

For exhibition space utilization, Impact achieved the same occupancy rate as the previous year; it also achieved a growth in the average daily rental rate in the year under review. As a result, exhibition space sales for the year increased 11.8 per cent to Baht 1,049 million (2007 – Baht 938 million).

Food, beverages and banquet sales remain relatively stable as compared to the previous year with total sale of Baht 330 million (2007 – baht 323 million). Other services revenue recorded improvement of 60.3 per cent to Baht 234 million (2007 – Baht 146 million) as a result of an increase in the utilization of Impact’s indoor car parking facilities and other supplementary exhibition services used by organizers and visitors.

Cost savings from effective cost controls were off set by higher cost inflations, and Impact’s gross margin remained relatively stable with an insignificant decrease of 0.4 per cent.

Selling and administration expenses increased 26.2 per cent to Baht 351 million (2007 – Baht 278 million) as a result of increased spending on marketing, venue maintenance, improvement of facilities, and more temporary staff cost which was required to cope with increasing business volume and varieties.

Overall, recurring profit before tax increased 5.4 per cent to Baht 548 million.

## RETAIL AND BUILDING MANAGEMENT

Retail				Infrastructure and Building Management		
Baht millions	2008	2007	% change	2008	2007	% change
Revenue	196	197	-0.8	101	119	-14.6
Cost of sales	(162)	(169)	-4.4	(92)	(100)	-8.3
Gross profit	34	28	+21.7	9	19	-47.7
Other revenue	5	9	-45.9	42	15	+174.1
	39	37	+4.7	51	34	+51.6
Selling & admin. expenses	(31)	(36)	-13.0	(29)	(56)	-47.9
Segment profit	8	1	+551.4	22	(22)	+201.2
Gross profit margin	17.2%	14.0%	+3.2	9.6%	14.0%	-9.4

Retail and building management are non-core businesses, established as add-on services to the Group's real estate projects. Recurring profit before tax remained more or less at break-even level, indicating the Company's ability to pass cost inflation on to its customers.

### Retail

There were no significant changes in operating results compared to the previous year. A slight decrease in revenue by 0.8 per cent to Baht 196 million (2007 – 197 million) was recorded, whilst profit before tax achieved an increase of Baht 7 million to Baht 8 million (2007 – Baht 1 million).

### Building management

Revenue decreased by 14.6 per cent to Baht 101 million (2007 – Baht 119 million) mainly due to discontinuance of the weekend flea market operation. Gross margin declined to 9.6 per cent (2007 – 14.0 per cent) indicating a higher cost of

operations. Other revenue increased by Baht 27 million primarily as a result of a non-recurring gain on the disposal of fixed assets. Selling and administration expenses decreased 47.9 per cent to Baht 29 million (2007 – Baht 56 million) reflecting the absence of non-recurring expenses and accounting adjustments which had occurred in the year ended 31 March 2007.

Net profit before tax increased 201.2 per cent to Baht 22 million (2007 – loss of Baht 22 million) reflecting an increase of other revenue and lower selling and administration expenses which were partially offset by the decrease of revenue and gross margin during the year.

### NON-RECURRING ITEMS

The Group recorded Baht 325 million exchange losses (2007 – gains of Baht 647 million) on conversion of its foreign currency bonds at prevailing market exchange rates as at 31 March 2008.

During the year, net interest expenses decreased by Baht 234 million to Baht 474 million (2007 – Baht 748 million) due to the reduction of the Group's total interest bearing debts by Baht 6,932 million to Baht 8,397 million.

Other non-recurring items mainly comprise the followings:

- 1) Gain of Baht 3,691 million on the repurchase of the Group's foreign bonds at discounts to their nominal value.
- 2) Gain of Baht 2,739 million on the partial disposal of the Company's wholly owned subsidiary, Impact Exhibition and Management Limited. As part of the Group's continuing effort on debt reduction, the transaction was conducted to generate more cash for settlement of debts defaulted as a result of the 1997 financial crisis.
- 3) Gain of Baht 336 million on completion of a debt restructuring agreement with a local financial institution.

The non-recurring losses of Baht 67 million for the year ended 31 March 2007 mainly comprised an allowance for doubtful accounts receivable.

## INCOME TAX

Income tax expense for the year was Baht 229 million compared to a net tax benefit of Baht 713 million the year before.

The current year tax expenses of Baht 229 million (2007 – Baht 6 million) was largely due to the increase in net profit of the Company's subsidiary, Impact Exhibition and Management Company Limited ("Impact").

The net tax benefit of Baht 716 million in 2007 mainly came from ownership transfer of properties related to the Group's exhibition and convention business to Impact. These property transfers resulted in a write-back of Baht 719 million deferred tax on revaluation surplus of investment properties previously accounted for in the income statements as an expense item.

# MANAGEMENT DISCUSSION AND ANALYSIS – FINANCIAL REVIEW

## NET ASSET VALUE PER SHARE

One common benchmark to determine the underlying value of a company is by calculating its total net asset value. Using this approach, Bangkok Land's adjusted consolidated net assets value per share on 31 March 2008 stood at Baht 1.34. The Company's closing share price on that date was Baht 0.69 representing a discount of 48.5% to its adjusted net asset value.

Adjusted net asset value per share

Baht millions	2008	2007
Total shareholders' equity	28,028	15,072
Minority interest	(4,841)	-
Deferred tax on revaluation surplus of investment properties	216	216
Adjusted shareholders equity	23,403	15,288
Number of shares in issue (millions)	17,791	15,698
Value per share (Baht)	1.32	0.97
Closing market price per share (Baht)		
- 31 March	0.69	0.71
Share price discount	48.5%	26.8%

## ASSETS

Total assets of the Group increased 3.6 per cent to Baht 40,561 million (2007 – Baht 39,139 million) mainly reflecting the net result of the increase of cash - as outlined in review of liquidity - and the decline in the book value of buildings and equipments from depreciation as well as the reduction of inventory from property sales.

Key components of assets comprised real estate development cost (40 per cent), idle land (18 per cent) and property, plant and equipments (29 per cent), details of which are summarized next.

## Real estate development cost

Baht millions	2008	2007	% change
Undeveloped land			
- Srinakarin Road	13,022	13,022	-
- Muang Thong Thani & others	1,295	1,347	-3.9
	14,317	14,369	-0.4
Finished products			
- Residential condominiums	1,816	2,115	-14.1
- Industrial condominiums	-	607	-100
Uncompleted condominiums	311	311	-
Other discontinued projects	451	451	-
Total	16,895	17,853	-5.4

### Classification in financial statements

- Current assets	668	-
- Non-current assets	16,227	17,854

During the year, the Group did not engaged in the development of new property projects. Real estate development cost decreased 5.4 per cent to Baht 16,895 million (2007 – Baht 17,854 million) and was primarily the result of residential and industrial condominium inventory sales during the year. With very sluggish sales and the suspension of almost every development project since the 1997 financial crisis, all items of real estate development cost were re-classified as non-current assets. Individual items were regrouped to current assets upon signed sale agreements with customers.

## Idle Land

Idle land comprises a single piece of land ( 261 rai) in front of a large man-made lake (114 rai) in the middle of Bangkok Land's flagship development, Muang Thong Thani, Chaengwattana. Book cost of this idle land was Baht 7,285 million, which remained the same as the year before. No market valuation

was done in 2008 as management assessed that there was no indication of any value impairment, and land capital value in Greater Bangkok, including areas close to Muang Thong Thani, continued to rise during the year.

### **Property, plant and equipments**

As at 31 March 2008, reported net book value of property, plant and equipments declined by 1.6 per cent to Baht 11,582 million (2007 – Baht 11,769 million) resulting from depreciation charges of Baht 397 million, which was partly offset by the addition of Baht 241 million of equipments, fixtures and building improvements mainly for the Impact Center.

### **LIQUIDITY**

Cash flow from recurring operating activities (net cash used in operating activities less loans from directors, related parties, reverse for uncompleted works and other current and non-current liabilities) increased to Baht 333 million (2007 – deficit of Baht 715 million) reflecting the increased sales of the Group's property inventories.

Non-recurring cash flow from investing activities came from the disposal of 44.8 per cent interest in Impact Exhibition Management Company Limited (Baht 7,430 million) and fixed assets (Baht 46 million). Non-recurring cash flow from financing activities recorded an amount of Baht 2,093 million from proceeds of a rights issue of ordinary shares to the Company's shareholders.

Total recurring and non-recurring cash flow generated during the year was Baht 9,902 million. These cash flows were applied to settle restructured bank debts (Baht 931 million), repurchase foreign currency bonds (Baht 2,531 million), repay long

overdue advances from related parties (Baht 1,141 million), other non-current debts due to TAMC (Baht 236 million), equipment and construction cost of Impact Challenger (Baht 671 million), refund of customer deposits on uncompleted projects (Baht 1,907 million), and other current and non-current liabilities (Baht 489 million).

In effect, Bangkok Land's consolidated statements of cash flow for the year ended 31 March 2008 recorded a net increase of Baht 1,997 million (or 289 per cent) in cash and cash equivalent to Baht 2,688 million (2007 – Baht 691 million).

Liquidity and quick ratio improved to 0.46 times and 0.35 times respectively (2007 – 0.07 times & 0.049 times) as more long overdue debts were repaid during the year.

### **LIABILITIES**

Consolidated total liabilities as at 31 March 2008 declined 47.9 per cent to Baht 12,534 million compared to Baht 24,068 million in 2007. This reduced the Group's total liabilities to equity ratio to 0.54 times from 1.60 times a year ago.

Consolidated net total liabilities (net of cash and cash equivalent) as at 31 March 2008 was Baht 9,846 million. This reduced the Group's net total liabilities to equity ratio to 0.35 times from 1.55 times a year ago.

The Group's gearing improved as a result of its debt reduction efforts coupled with cash proceeds received from a share right issue as well as the partial disposal of Impact Exhibition and Management Limited.

The following table presents a breakdown of the Group's total liabilities as at 31 March 2008.

Baht millions	Total	Interest bearing	Non-interest bearing
Restructured Debts	**4,123	1,828	2,295
Secured Debts in Default	1,103	1,045	58
Unsecured Debts in Default			
- Bonds	*3,155	3,155	0
- Overdue interest (Bonds)	***1,093	0	1,093
Deferred Tax	378	0	378
Accrual & other liabilities	2,681	0	2,681
<b>Total liabilities</b>	<b>12,533</b>	<b>6,028</b>	<b>6,505</b>
<b>Total debt excluding bonds</b>	<b>8,285</b>	<b>2,873</b>	<b>5,412</b>

Notes : \* bonds are trading at a price of around 25% to 30% on nominal value

\*\* net cash required for full settlement is Baht 1,828 with a restructuring gain of Baht 2,295

\*\*\* overdue bond interest will be written back as income upon bond repurchase

## SHAREHOLDERS' EQUITY

Shareholders' equity after minorities improved 53.9% to Baht 23,187 million (2007 – Baht 15,072 million) reflecting the increase of net profit (Baht 6,023 million) and right issue capital increment during the year.

## COMMITMENT AND CONTINGENT LIABILITIES

As at 31 March 2008, the Group had pending lawsuits from property buyers claiming refund of deposits paid on uncompleted projects (Baht 203 million) and from a contractor demanding settlement of a dispute on construction work performed (Baht 189 million). A provision of Baht 577 million (including interest of Baht 261 million calculated up to 31 March 2008) was recorded in the Group's financial statements. This provision was considered to be fair and adequate.

There were no other material commitment and contingent liabilities as at 31 March 2008.

## CHANGE IN ACCOUNTING POLICY

Effective from 1 April 2007, the Company has changed its accounting policy for recording investments in subsidiaries in the separate financial

statements from the equity method to the cost method in accordance with Federation of Accounting Professions Notification No. 26/2549 regarding Accounting Standard No. 44 "Consolidated Financial Statements and Accounting for Investments in Subsidiaries"(Amendment No. 1).

The change in accounting policy has been applied retrospectively and the Company's 2007 financial statements have been restated accordingly. The effects of the change in accounting policy on the Company's financial statements for the year ended 31 March 2007 and 31 March 2008 were reported as follows:-

Statement of income for the years ended 31 March	Company only	
	2008	2007
Increase in net profit (million Baht)	-	2,282
Increase in basic earning per share (Baht)	-	0.16

Such change in accounting policy affected only the accounts related to investments in subsidiaries in the Company's separate financial statements with no effect on the consolidated financial statements.

## SHAREHOLDERS AND MANAGEMENT

### EQUITY

#### Ordinary shares

Total issued and fully paid-up shares increased 13.3 per cent to 17,791,158,351 (2007 – 15,698,028,723) as a result of proceeds received from a rights issue offering at a price of 1 Baht per share in July 2007.

As at 31 March 2008, the Company had authorized capital of Baht 27,829,788,992 divided into 27,829,788,992 shares with a par value of 1 Baht per share. Paid-up capital was Baht 17,791,158,351 representing 17,791,158,351 ordinary shares fully paid up at a par value of 1 Baht each.

On 2 May 2008, the latest closure of the Company's share registration book, 3,025,908,867 shares were held by investors in non-voting depository receipts (NDVRs). These NDVRs represents 17.01 per cent of all paid-up shares of the Company and is not entitled to vote (except in the case of delisting) in shareholders' meetings. In effect, voting right of the non-NDVR shares will be increased by 20.49 per cent, and non-NDVR shareholders of 20.75 per cent of the Company's total issued shares will have a voting right equal to 25 per cent of all voting shares. NDVR shares information can be found at the web site of the Stock Exchange of Thailand, [www.set.or.th](http://www.set.or.th).

#### Warrants

The Company has 2 warrants listed on the Stock Exchange of Thailand. Details of these securities as of 25 June 2008 are summarized next.

#### 1) BLAND-W1

Total units	1,998,534,653
Exercise ratio (warrant : share)	1 : 1
Exercise price (per share)	1 Baht
Exercise date	every 3 months
Expiry date	7 January 2010
Total units exercised	0
Total units remaining	1,998,534,653

#### 2) BLAND-W2

Total units	6,886,268,732
Exercise ratio (warrant : share)	1 : 1
Exercise price (per share)	1st year – Baht 1.1 2nd year – Baht 1.3 3rd year – Baht 1.5 4th year – Baht 1.7 5th year – Baht 1.9
Exercise date	every 3 months
Expiry date	2 May 2013
Total units exercised	0
Total units remaining	6,886,268,732

#### MAJOR SHAREHOLDERS

Details of the 10 largest shareholders of the Company, according to the most up to date shareholders' register closed on 2 May 2008, are listed on the next page.

Rank	Name	Number of shares	% to paid-up capital
1	Mr. Anant Kanjanapas *	4,877,593,046	27.42
2	Chohn Limited	3,250,000,000	18.27
3	Thai NVDR Co. Ltd.	3,025,908,867	17.01
4	Northust Nominees Limited (Northern Trust Guernsey Clients)	938,079,538	5.27
5	Miss Archchara Worasaknukul **	652,261,067	3.67
6	Mr. Direk Mahadamrongkul	502,025,590	2.82
7	Mr. Harn Srithiyawong	416,080,000	2.34
8	Nordea Bank Denmark A/S	363,046,600	2.04
9	Chase Nominees Limited 46	179,936,414	1.01
10	United Overseas Bank Nominees (Private) limited	120,000,000	0.67
<b>Total</b>		<b>14,324,931,122</b>	<b>80.52</b>

Source: Thailand Securities Company Limited

Notes: \* includes other shareholdings related to Mr. Anant Kanjanapas

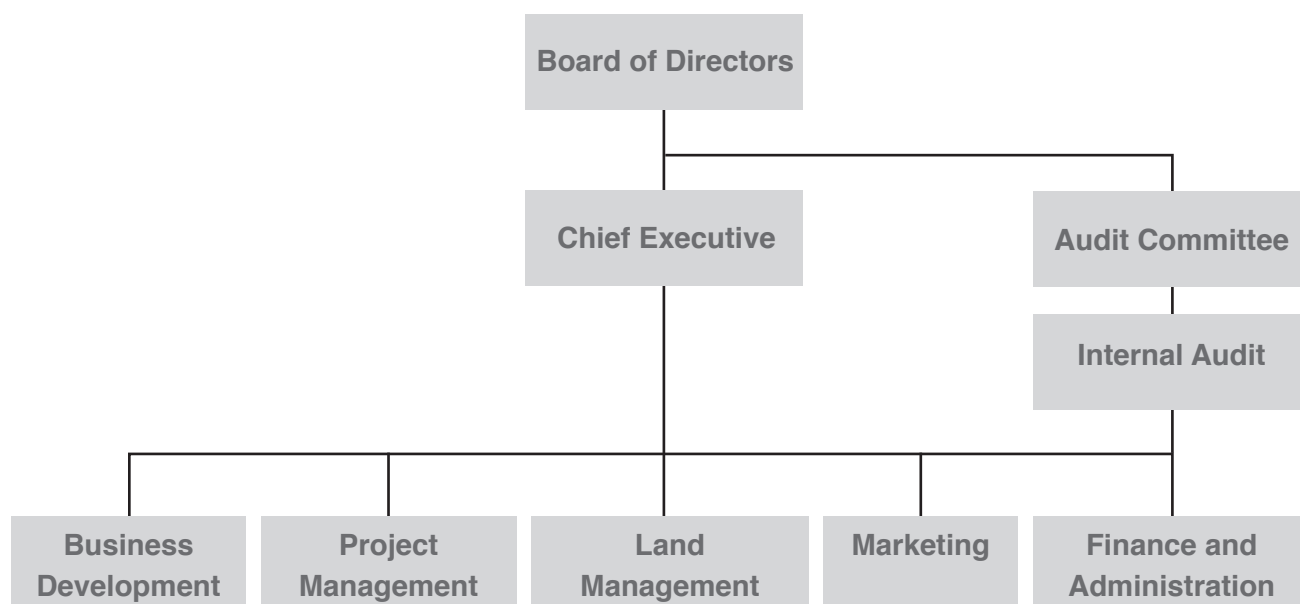
\*\* includes other shareholdings related to Mr. Direk Mahadamrongkul

## DIVIDEND POLICY

The Company has a policy to pay a dividend of not more than 50 percent of its net profit after tax and legal reserves. In recommending dividend payments, the board of directors will take into consideration the Company and its subsidiaries consolidated operating results, financial position, liquidity, future business plan and other management related factors.

Subsidiaries of the Company do not set dividend payment policies based on a percentage of net profit after tax. Dividend will be decided by each of the subsidiary's board of directors on a case by case basis, and in fixing the amount of payment, operating results, financial position, liquidity, future business plans and other management related factors will be taken into consideration.

## ORGANISATION STRUCTURE





## MANAGEMENT STRUCTURE

The Board of Directors of Bangkok Land consists of the following members:

### Executive Directors

Mr. Anant Kanjanapas \*

Mr. Sui Hing Kanjanapas

Mr. Tawin Boonruangkhaio

### Non-executive Directors

Mr. Sui Pang Kanjanapas

Mr. Burin Wongsanhuan

Mr. Wattanasak Sanitwongse

Mr. Sakorn Kanjanapas

### Audit Committee Independent Non-Executive Directors

Mr. Pongtorn Palivanich (Chairman)

Mr. Karn Kanjanawatee

Mr. Tongpao Boon-long

\* Chairman of the Board and  
Chief Executive Officer

## AUTHORIZED SIGNATURE

Signing authority of the Directors is governed by clause 25 of the Company's Article of Association. To bind the Company, it requires the following signatures.

- 1) Mr. Anant Kanjanapas signs jointly with an executive director or a non-executive director together with the affix of the Company Seal.
- 2) Mr. Sui Hing or Mr. Sui Pang signs jointly with a non-executive director together with the affix of the Company Seal.

## SCOPE OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

Duties and responsibilities of the directors are summarized next.

- 1) Perform duties in compliance with the law, the Company's objectives and article of association, and the resolutions of shareholders' meetings.
- 2) Determine and approve business policies, goals, operational plans and annual budgets of the Company.
- 3) Appoint directors, in accordance with the rules under the Public Company Act and the Securities and Exchange Act, to fill vacant positions occurred other than retirement by rotation.
- 4) Appoint independent directors and/or auditing directors under the requirement of law and guidelines of governing securities and exchange regulatory body.
- 5) Appoint another person as operator of the Company's business under the control of the Board of Directors or empower the person, within a period of time as the board thinks suitable, with the authority that the board may revoke, revise or modify.
- 6) Consider and approve transactions involving acquisitions or disposals of assets unless such transactions require approval from a meeting of shareholders. Such consideration for approval shall conform to the relevant rules, regulations and/or notifications of the securities exchange.

- 7) Consider and approve related transactions unless such transactions require approval from a meeting of shareholders. Such consideration for approval shall conform to the relevant rules, regulations and/or notifications of the securities exchange.
- 8) Consider and approve interim dividend payments to shareholders when the Company makes profits and gains liquidity that enables it to do so and report on such dividend payments to the next meeting of shareholders.
- 9) Conduct businesses that have been approved and/or assigned to the Board of Directors by a meeting of shareholders.
- 10) Implementation of an effective internal control and internal audit systems in the Company.
- 11) Schedule an annual general shareholders meeting to be organized at least once every year and a board meeting at least once every three months, and arrange to send out notices of meeting in advance according to the periods of time as required by law.
- 12) Consider and amend authorize signatures of the Company.

#### SCOPE OF DUTIES AND RESPONSIBILITIES OF THE AUDIT COMMITTEE

The Audit Committee reports to the Board of Directors, its duties and responsibilities are summarized next.

- 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 law.
- 4) Consider and advise the appointment of external auditors.
- 5) Consider compliance with all connected transaction disclosures and conflict of interest 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.

#### DIRECTORS' REMUNERATION

The Company compensated its directors in the form of an annual remuneration. During the year, each of the board member was paid Baht 500,000 with total remuneration being Baht 5,500,000 as approved by the Company's annual general shareholders' meeting.

No remuneration was paid to any of the Company's directors who also served as a board member of the Company's subsidiaries.

#### SENIOR MANAGEMENT'S REMUNERATION

Baht million	2008		2007	
	Persons	Baht	Persons	Baht
Salary and allowance				
- Directors	7	3.64	7	3.56
- Senior Management	4	4.96	4	4.56
Total	11	8.60	11	8.12

## DIRECTORS' PROFILE

### **Anant Kanjanapas Ph.D.**

Chairman & Chief Executive Officer

Age 67, Mr. Anant Kanjanapas has been the Chief Executive Officer of the Company since 1990. He was appointed Chairman of the Group in 2003. Mr. Kanjanapas was educated in Switzerland and he has had wide international experience in real estate, manufacturing, banking and retail sectors. He previously owned and operated several public and private companies in Asia, Europe and North America over a career span of more than 40 years. He is also the Chairman of Stelux Holding International Limited, a public listed company in Hong Kong.

### **Sui Pang Kanjanapas M.Sc.**

Non-executive Director

Age 33, Mr. Sui Hung Kanjanapas is a son of the Chairman. He was appointed director of the Company in 2003. Mr. Kanjanapas was educated in the United Kingdom and is also the managing director of Impact Exhibition Management Company Limited.

### **Mr. Tawin Boonruangkhaio LL.B.**

Executive Director

Age 64, Mr. Boonruangkhaio was appointed director of the Company in 2001. He was educated in Thailand and has had many years of experience in purchase, sale and management of land in Thailand.

### **Sui Hung Kanjanapas M.A.**

Executive Director

Age 35, Mr. Sui Pang Kanjanapas is a son of the Chairman. He was appointed director of the Company in 2001. Mr. Kanjanapas was educated in the United Kingdom and is also a Director of Impact Exhibition Management Company Limited.

### **Sakorn Kanjanapas**

Non-executive Director

Age 59, Mr. Sakorn Kanjanapas was appointed director of the Company in 1999. He is a brother of the Chairman. Mr. Kanjanapas was educated in Thailand and has had significant experience in property development. 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.

### **Direk Mahadamrongkul**

Non-executive Director

Age 88, Mr. Direk Mahadamrongkul was the co-founder of Bangkok Land Company Limited. He was appointed director in 1973 before the Company was listed on the Stock Exchange of Thailand. Mr. Mahadamrongkul has had extensive experience in property development, hotel and watch business. He is also the Chairman of his privately owned investment Golden Miles Company Limited.

**Burin Wongsanguan** B.Arch.  
Non-Executive Director

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Age 72, Mr. Burin Wongsanguan was appointed director of the Company in 1993. He was educated in the United States of America and has had significant experience in real estate business. Mr. Wongsanguan is also a director of his privately owned investment, Muang Thong Seiko Company Limited and Thossapol Land Company Limited.

**Wattanasak Sanitwongse**  
Non-Executive Director

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Age 67, Mr. Wattanasak Sanitwongse was appointed director in 1993. He was educated in Switzerland and has had many years of experience in real estate, construction and watch business. Mr. Sanitwongse is also a director of his privately owned investment, Univest group of companies.

**Pongtorn Palivanich** LL.B.  
Independent Non-executive Director

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Age 74, Mr. Pongtorn Palivanich was appointed director of the Company in 2001. He was educated in Thailand and has had significant experience with the Land Department of the Thai Government. Mr. Palivanich is an independent director and the chairman of the audit committee.

**Karn Karnjanawatee** LL.B.  
Independent Non-executive Director

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Age 80, Mr. Karn Karnjanawatee was appointed director of the Company in 2000. He was educated in Thailand and has had ample experience in accounting, finance and corporate matters. Mr. Karnjanawatee is an independent director and a member of the audit committee.

**Tongpao Boon-long**  
Independent Non-executive Director

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Age 51, Mr. Tongpao Boon-long was appointed director of the Company in 2001. He was educated in Singapore and has had years of experience in property development and services business. Mr. Boon-long is an independent director and a member of the audit committee.

## RISK FACTORS

### Demand risk

Market demand is particularly important for Bangkok Land's real estate business. A benefit shortfall may result from lower than projected actual demands, which will in turn cause financial and other distress for the Company. Since the root cause of demand shortfalls is from planning overestimation, the Group adopts a prudent approach in its project development planning which includes detailed consideration of benefit shortfall analysis and close follow-ups on cost overruns.

### Operational risk

Operational risk is the risk of loss resulting from failed internal processes, which includes frauds, workplace safety, product defects, assets damages, system failure, data entry, accounting error and mandatory reporting. The Company's management adopts a proactive approach and closely involved in the day-to-day operation of the business. Internal controls are also in place to detect and safeguard operational risk wherever appropriate.

### Currency risk

The policy of the Group is to minimize its exposure to foreign currency fluctuations. Foreign exchange transactions will be hedged whenever feasible and cost effective. With the exception of two foreign currency bonds, US Dollars 16.91 million and Swiss Francs 80.5 million, majority of the Group's assets,

operational cash flow and bank borrowings are denominated in Thai Baht. The Company has not hedged its foreign currency bond liabilities as hedging cost is prohibitively high and settlement date remains uncertain. The following analysis illustrates the effect on profit for a one per cent change in exchange rate of Baht against USD and CHF.

	Unhedged amount (Baht mn)	Profit effect of 1% rate change
US Dollars bonds USD 16.91 million	592	5.92
Swiss Francs bonds CHF 80.50 million	2,563	25.63
<b>Total</b>	<b>3,155</b>	<b>31.55</b>

### Interest rate risk

The Group is exposed to interest rate risk due to the impact of rate changes on interest bearing debts with floating interest rates. The following analysis illustrates the effect on profit per year of a one per cent interest rate change.

Baht millions	Fixed interest rate borrowings	Floating interest rate borrowings	Profit effect of 1% change in interest rate
Bonds	3,155	-	-
Bank loans	-	5,168	51.7

### Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in raising fund to meet its commitments and operating requirements. Liquidity risk may arise from situations in which the Group cannot find customers or buyers of its products or assets on a timely basis at times of poor market liquidity. The Group takes a conscientious approach when deciding its sources and applications of funds to ensure sufficient liquidity to meet its obligations.

## CONNECTED PARTIES TRANSACTIONS

In the normal course of business, the Company may occasionally need to conduct transactions with related parties.

For the year ended 31 March 2008, the Company disclosed details of transactions with related parties under note 4 of the Notes to Financial Statements. These transactions include mainly those between the Company and its fully owned subsidiaries and those between fellow subsidiaries within Bangkok Land Group.

The Audit Committee have reviewed all connected party transactions and confirmed that these transactions were entered into by the Company and

its subsidiaries in the normal course of business of the Group, under normal commercial terms, and in the interest of the Group and its shareholders.

The external auditor of the Company has also reviewed all connected party transactions and has the opinion that these transactions were properly and fairly disclosed in the financial statements of the Company for the year ended 31 March 2008.

During the year, the Company did not conduct any connected party transactions which were subject to the procedural and disclosure requirements under the rules of SET.

## INFORMATION OF SUBSIDIARY COMPANIES

Subsidiaries	Equity Interest	Address	Principal Activities	Issued Capital
Impact Exhibition Management Company Limited	55.17%	99 Popular Road, Bannmai Pakkred, Nonthaburi 11120 Tel. (02) 9805500 Fax. (02) 5044445	Exhibition & convention	12,952,714,100
Bangkok Airport Industry Company Limited	100%	47/569-576 Moo 3, 10/F New Geneva Building Popular Road 3, Bannmai Pakkred, Nonthaburi 11120 Tel. (02) 5044949 Fax. (02) 5044982	Property development	5,320,000,000
Sinpornchai Company Limited	100%	47/569-576 Moo 3, 10/F New Geneva Building Popular Road 3, Bannmai Pakkred, Nonthaburi 11120 Tel. (02) 5044949 Fax. (02) 5044982	Property development	30,000,000
Bangkok Land Agency Company Limited	99.3%	47/217-222, 9/F Kimpo Building Chaengwattana Road, Bannmai Pakkred, Nonthaburi 11120 Tel. (02) 5035040 Fax. (02) 5035064	Retail	200,000,000
Muang Thong Services and Management Company Limited	97%	47/217-280, 9/F Kimpo Building Chaengwattana Road, Bannmai Pakkred, Nonthaburi 11120 Tel. (02) 9805500 Fax. (02) 5034784	Infrastructure management	25,000,000



Equity Subsidiaries	Interest	Principal Address	Issued Activities	Capital
Muang Thong Building Services Company Limited	97%	97% 47/217-280, 9/F Kimpo Building Chaengwattana Road, Bannmai Pakkred, Nonthaburi 11120 Tel. (02) 9805500 Fax. (02) 5034784	Building management	12,500,000
Bangkok Land (Cayman Islands) Limited [incorporated in Cayman Islands]	100%	G/F, Caledonian House Mary Street, P.O. Box 1043 Cayman Islands Tel. (345) 9490050	Issuer of USD & CHF Bonds	US\$ 10,000
Spooner Limited [incorporated in Hong Kong]	100%	27/F Stelux House 698 Prince Edward Road East San Po King, Hong Kong	Dormant	HK\$ 2

\* Unless otherwise stated, issued capital of all subsidiaries are in Thai Baht.

## REPORT OF DIRECTORS' DUTIES ON FINANCIAL STATEMENTS

The Board of Directors is responsible for the maintenance of proper accounting records and the preparation and fair presentation of the financial statements of Bangkok Land Public Company Limited and its subsidiaries.

The Directors also have responsibility for selecting suitable accounting policies and applying them consistently, and for taking such step as are reasonable open to them to safeguard assets of the Company and prevent and detect fraud and irregularities. In carrying out this duty, the Board entrusts the Audit Committee to undertake responsibility in ensuring credible financial reporting and proper internal control systems are in place.

The financial statements and other financial information, presented in this report, have been prepared in accordance with generally accepted

accounting standards applied on a consistence basis and supported by prudent and reasonable judgments and estimates made by management.

The going concern basis is adopted to prepare the financial statements. The Directors have no reason to believe that the group will not be a going concern in the foreseeable future based on forecasts and available assets and cash resources in the Company.

The financial statements have been audited by Karin Audit Company Limited, an independent audit firm, which was given unrestricted access to all financial records and related information, including minutes of meetings of shareholders and the board of directors. A report by the independent auditor is presented as part of this Annual Report for the year ended 31 March 2008.



**Anant Kanjanapas**  
Chairman and Chief Executive

## REPORT OF AUDIT COMMITTEE

### Dear Shareholders,

The Audit Committee of Bangkok Land Public Company Limited has three members. The Chairman is Mr. Pongtorn Palivanich, and other members are Mr. Karn Karnjanawatee and Mr. Tongpao Boon-long.

The Audit Committee has duties assigned by the Board of Directors. These duties are set by the Directors in accordance with the guidelines recommended by the Stock Exchange of Thailand.

During the year ended 31 March 2008, the Audit Committee met 6 times. Head of internal audit and other senior management also attended these meetings if there were pertinent agenda. Major works performed by the Audit Committee are summarized next.

- 1) Review and comment on the sufficiency and credibility of the Company's quarterly and full year financial statements. The review were aimed at providing an independent assessment to ensure financial statements were prepared in accordance with generally accepted accounting principals, and sufficient and reliable information were properly disclosed.
- 2) Review the adequacy and effectiveness of internal control system of the Company. Apart from reviewing and approving internal audit plans, the Audit Committee also review and approve internal audit working papers, internal control weakness reports, and recommendations to management.

- 3) Review compliance with the Securities and Exchange Acts, regulation of the Stock Exchange of Thailand and any other relevant laws.
- 4) Review connected party transactions to ensure the compliance with all SET rules and regulations.
- 5) Consider and recommend the selection of external auditors to the Board of Directors.
- 6) Review corporate governance of the Company to ensure compliance with the guidelines set out by the Stock Exchange of Thailand.

The Audit Committee also has selected, for re-appointment, Karin Audit Company Limited as the Company's external auditor for the year ending 31 March 2009. Nomination shall be submitted to the Board before seeking the approval of shareholders at the 2008 Annual General Meeting.

The Audit Committee is of the opinion that the Company has been progressing in pursuing good corporate governance. Based on the review of the Company's operation, the Audit Committee did not found the Company has any material problems on internal control, financial reporting and regulatory compliance.



**Pongtorn Palivanich**  
Chairman of Audit Committee



**BANGKOK LAND PUBLIC COMPANY LIMITED  
CONSOLIDATED FINANCIAL STATEMENTS  
AND FINANCIAL STATEMENTS  
FOR THE YEARS ENDED MARCH 31, 2008 AND 2007  
AND AUDITOR'S REPORT**

## 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, 2008 and 2007, 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, 2008 and 2007, 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, 2008 and 2007, 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, 2008 and 2007, the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

Without qualifying opinion, I draw your attentions to a) Note 4.6 to financial statements, on December 30, 2005, the Company and certain related parties signed the debt set off agreement and the Company had liability 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. In August 2007, the company paid a related party Baht 800 million as final settlement of the uncompleted construction work and b) Note 3 to financial statements, the change in accounting policy for recording investments in subsidiaries from equity method to cost method in the separate financial statements.



(Jadesada Hungsapuek)  
Certified Public Accountant  
Registration No. 3759

Karin Audit Company Limited  
Bangkok  
May 29, 2008

**BANGKOK LAND PUBLIC COMPANY LIMITED**  
**BALANCE SHEETS**  
**AS AT MARCH 31, 2008 AND 2007**

		In Baht			
		Consolidated financial statements		Separate financial statements	
		2008	2007	2008	2007
	Notes				"Restated"
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents		2,688,394,525	691,365,165	4,008,635	331,377,392
Current investments - fixed deposits 12 months		45,500,000	-	-	-
Accounts receivable, net	5	252,613,138	231,004,699	-	-
Real estate development cost, net	7	668,272,569	-	-	-
Advance and receivables from related parties, net	4.2	-	-	3,365,785,480	676,433,266
Short-term loans to related parties, net	4.3	-	-	93,445,505	93,777,583
Other current assets, net of allowance for doubtful accounts of Baht 226 million in 2008 and Baht 321 million in 2007		263,160,841	426,253,374	7,222,761	110,491,787
Total current assets		3,917,941,073	1,348,623,238	3,470,462,381	1,212,080,028
<b>Non-current assets</b>					
Accounts receivable, net	5	11,722,067	45,244,803	11,722,067	45,224,218
Unbilled completed works, net	6	676,630,948	8,833,794	-	-
Real estate development cost, net	7	16,226,731,284	17,853,799,672	15,607,478,434	15,662,224,613
Investments in subsidiaries, at cost method	8	-	-	7,217,841,554	13,022,737,554
Investment property	9	791,216,000	791,216,000	160,280,000	160,280,000
Property, plants and equipment, net	10	11,581,804,445	11,768,904,308	507,154,992	516,891,261
Idle land	11	7,285,035,600	7,285,035,600	7,285,035,600	7,285,035,600
Other non-current assets		70,456,961	37,589,575	2,390,831	2,347,872
Total non-current assets		36,643,597,305	37,790,623,752	30,791,903,478	36,694,741,118
<b>TOTAL ASSETS</b>		<b>40,561,538,378</b>	<b>39,139,246,990</b>	<b>34,262,365,859</b>	<b>37,906,821,146</b>

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

**BANGKOK LAND PUBLIC COMPANY LIMITED**  
**BALANCE SHEETS**  
**AS AT MARCH 31, 2008 AND 2007**

		In Baht			
		Consolidated financial statements		Separate financial statements	
		2008	2007	2008	2007
Notes					"Restated"
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>Current liabilities</b>					
Bank overdrafts and short-term loans					
from financial institutions	12	26,872,906	26,872,906	-	-
Payables to contractors		287,441,812	789,059,739	211,761,143	690,886,243
Accounts payable - others		78,989,000	133,858,822	-	-
Payable from related parties	4.4	198,924,453	663,107,054	7,320,150,529	7,218,580,626
Short-term loans and					
advances from directors	4.8	71,371,370	702,435,402	71,371,370	647,328,467
Current portion of:					
- Long-term loans from financial institutions	13	114,312,329	114,312,329	114,312,329	114,312,329
- Loans under debt restructuring agreements	14	1,399,430,282	1,338,320,429	400,000,000	472,000,000
- Long-term debt instruments	15	3,155,206,172	7,691,948,120	-	-
- Long-term loans from related parties	4.5	-	-	10,337,530,988	11,957,053,974
Accrued interest expenses		1,151,378,259	2,509,258,440	57,957,752	44,726,725
Advances and deposits from customers		415,003,906	1,539,883,317	411,728,751	1,161,557,318
Unearned income		312,150,297	380,956,520	312,150,297	380,956,520
Other current liabilities	4.6	1,313,965,747	2,868,581,183	551,475,969	1,649,373,865
Total current liabilities		8,525,046,533	18,758,594,261	19,788,439,128	24,336,776,067
<b>Non-current liabilities</b>					
Loans under debt restructuring agreements, net					
of current-portion	14	3,160,223,242	4,285,566,442	2,974,799,790	3,795,321,492
Deferred income tax	16	377,873,301	317,581,323	68,400,564	46,131,195
Other non-current liabilities	17	470,371,252	705,941,747	468,342,622	705,941,747
Total non-current liabilities		4,008,467,795	5,309,089,512	3,511,542,976	4,547,394,434
<b>Total liabilities</b>		<b>12,533,514,328</b>	<b>24,067,683,773</b>	<b>23,299,982,104</b>	<b>28,884,170,501</b>

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



**BANGKOK LAND PUBLIC COMPANY LIMITED**  
**BALANCE SHEETS**  
**AS AT MARCH 31, 2008 AND 2007**

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2008	2007	2008	2007
Notes	"Restated"			
<b>Shareholders' equity</b>				
Share capital				
Share capital - common shares Baht 1 par value				
Authorized share capital				
27,829,788,992 shares as at March 31, 2008 and				
20,584,720,864 shares as at March 31, 2007	27,829,788,992	20,584,720,864	27,829,788,992	20,584,720,864
Issued and fully paid - up share				
17,791,158,351 shares as at March 31, 2008 and				
15,698,028,723 shares as at March 31, 2007 18	17,791,158,351	15,698,028,723	17,791,158,351	15,698,028,723
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)	(2,137,150,617)	(2,137,150,617)	(2,137,150,617)
Net book value of subsidiaries exceed investment				
as of purchasing date	28,184,195	28,184,195	-	-
Currency translation differences	1,122,673	1,192,100	-	-
Retained earnings (deficit)	5,955,115,962	(67,607,285)	(6,240,540,080)	(6,087,143,562)
<b>Total shareholders' equity of the Company</b>	<b>23,187,346,665</b>	<b>15,071,563,217</b>	<b>10,962,383,755</b>	<b>9,022,650,645</b>
Minority interest	4,840,677,385	-	-	-
<b>Total shareholders' equity</b>	<b>28,028,024,050</b>	<b>15,071,563,217</b>	<b>10,962,383,755</b>	<b>9,022,650,645</b>
<b>TOTAL LIABILITIES AND</b>				
<b>SHAREHOLDERS' EQUITY</b>	<b>40,561,538,378</b>	<b>39,139,246,990</b>	<b>34,262,365,859</b>	<b>37,906,821,146</b>

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, 2008 AND 2007**

		In Baht			
		Consolidated financial statements		Separate financial statements	
		2008	2007	2008	2007
	Notes				"Restated"
<b>REVENUES</b>	4.1				
Sales		1,636,576,872	409,080,895	2,219,000	11,611,575
Rental and service revenues		1,538,430,039	1,378,590,934	6,513,806	264,317,054
Gains on repurchase of exchangeable notes	15	3,691,621,504	-	-	-
Gain on exchange rate, net		-	646,941,815	-	857,064,700
Gain on sale of assets	4.7	15,214,894	15,987,438	-	1,832,667,833
Gain on sale of investment	8	2,738,522,730	-	1,625,104,000	-
Reversal of provision for loss	22	264,418,744	-	264,418,744	-
Interest income		51,395,485	12,001,512	51,762,569	277,543,799
Other revenues		96,160,462	126,550,004	12,140,846	55,768,382
<b>Total revenues</b>		<b>10,032,340,730</b>	<b>2,589,152,598</b>	<b>1,962,158,965</b>	<b>3,298,973,343</b>
<b>EXPENSES</b>	4.1				
Costs of sales		1,301,221,544	295,334,187	2,219,000	9,737,183
Cost of rental and services		723,782,633	624,602,935	-	-
Selling and administrative expenses		1,091,539,120	1,311,733,602	442,459,907	748,881,245
Loss on exchange rate, net		324,850,490	-	1,366,462,397	-
Loss on sale of fixed assets		-	-	237,400	-
Loss on revaluation of investment property	9	-	19,415,000	-	102,085,500
<b>Total expenses</b>		<b>3,441,393,787</b>	<b>2,251,085,724</b>	<b>1,811,378,704</b>	<b>860,703,928</b>
Profit before interest expense and income tax		6,590,946,943	338,066,874	150,780,261	2,438,269,415
Interest expense	4.1	(525,960,484)	(759,787,933)	(617,762,947)	(768,434,961)
Income tax	16	(228,918,633)	713,500,317	(22,269,369)	774,205,263
<b>Net profit (loss) before profit of minority interest</b>		<b>5,836,067,826</b>	<b>291,779,258</b>	<b>(489,252,055)</b>	<b>2,444,039,717</b>
Profit of minority interest		(149,200,116)	-	-	-
<b>Net profit (loss) from ordinary activities</b>		<b>5,686,867,710</b>	<b>291,779,258</b>	<b>(489,252,055)</b>	<b>2,444,039,717</b>
Extraordinary item - gain on debt restructuring (net of applicable income tax of Baht nil)	14	335,855,537	-	335,855,537	-
<b>Net profit (loss)</b>		<b>6,022,723,247</b>	<b>291,779,258</b>	<b>(153,396,518)</b>	<b>2,444,039,717</b>
<b>Basic earnings (loss) per share (Baht)</b>	20				
Profit (loss) before extraordinary item		0.35	0.02	(0.03)	0.17
Extraordinary item - gain on debt restructuring		0.02	-	0.02	-
<b>Net profit (loss)</b>		<b>0.37</b>	<b>0.02</b>	<b>(0.01)</b>	<b>0.17</b>
2008 : 16,745 million shares					
2007 : 14,386 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, 2008 AND 2007**

	In Baht							
	Consolidated							
				Net book value of			Total	
	Issued and paid-up share capital	Premium on share capital	Discount on share capital	subsidiaries exceed investment as of purchasing date	Currency translation differences	Retained earnings (Deficit)	shareholders' equity of the Company	Minority interest
Notes								Total
	13,948,028,723	1,548,916,101	(1,618,650,617)	28,184,195	(153,922)	(359,386,543)	13,546,937,937	-
Balance as at March 31, 2006								13,546,937,937
Increase in share capital	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	-
	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	-
Balance as at March 31, 2007								15,071,563,217
Increase in share capital	2,093,129,628	-	-	-	-	-	2,093,129,628	-
Currency translation differences	-	-	-	-	(69,427)	-	(69,427)	-
Minority interest	-	-	-	-	-	-	-	4,691,477,269
Net profit	-	-	-	-	-	6,022,723,247	6,022,723,247	149,200,116
	17,791,158,351	1,548,916,101	(2,137,150,617)	28,184,195	1,122,673	5,955,115,962	23,187,346,665	4,840,677,385
Balance as at March 31, 2008								28,028,024,050

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, 2008 AND 2007**

		In Baht					
		Separate financial statements					
		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
Notes							Total
<b>Balance as at March 31, 2006</b>							
Beginning balance							
Previously reported		13,948,028,723	1,548,916,101	(1,618,650,617)	28,184,195	(153,922)	13,677,161,484
Adjustment of accounting change	3	-	-	-	(28,184,195)	153,922	(229,162,996)
As adjustd		13,948,028,723	1,548,916,101	(1,618,650,617)	-	-	(8,330,050,556)
Increase in share capital		1,750,000,000	-	(518,500,000)	-	-	5,347,110,928
Net profit		-	-	-	-	-	1,231,500,000
							2,444,039,717
<b>Balance as at March 31, 2007</b>							
Increase in share capital	18	15,698,028,723	1,548,916,101	(2,137,150,617)	-	-	9,022,650,645
Net loss		2,093,129,628"	-	-	-	-	2,093,129,628
		-	-	-	-	-	(153,396,518)
<b>Balance as at March 31, 2008</b>		<b>17,791,158,351</b>	<b>1,548,916,101</b>	<b>(2,137,150,617)</b>	<b>-</b>	<b>-</b>	<b>10,962,383,755</b>

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, 2008 AND 2007**

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2008	2007	2008	2007 "Restated"
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net profit (loss)	6,022,723,247	291,779,258	(153,396,518)	2,444,039,717
Net adjustments to reconcile net profit (loss) to cash provided by operating activities:				
Depreciation				
- property and equipment	397,046,118	367,405,619	15,800,035	111,185,002
- infrastructure	64,844,646	64,844,646	64,844,646	64,844,646
Amortisation on interest expense by effective rate	122,833,834	136,526,875	122,833,834	136,526,875
Allowance for doubtful accounts	-	64,663,671	-	63,647,829
Deferred income tax	60,291,978	(718,395,172)	22,269,369	(774,205,263)
Interest expense under debt restructuring agreements	80,109,853	81,329,375	-	-
Unrealised (gain) Loss on exchange rate	212,339,029	(647,300,631)	1,293,910,825	(856,232,969)
Gain on sale of investment	(2,738,522,730)	-	(1,625,104,000)	-
(Gain) Loss on sale of fixed assets	(15,214,894)	(15,897,438)	237,400	(1,832,667,833)
Gain repurchase bond	(3,691,621,504)	-	-	-
Loss on devaluation of investment property	-	19,415,000	-	102,085,500
Reversal of income on uncompleted works	(4,422,415)	-	(4,422,415)	-
Gain on reversal of long outstanding account payable	(3,210,000)	(27,946,468)	(3,210,000)	(27,946,468)
Gain on debt restructuring	(335,855,537)	-	(335,855,537)	-
Provision for unclaimed tax	12,532,704	-	-	-
Reversal of provision for loss	(264,418,744)	-	(264,418,744)	-
Profit of minority interest	149,200,116	-	-	-
Net profit provided by (used in) operating activities before changes in operating assets and liabilities	68,655,701	(383,575,265)	(866,511,105)	(568,722,964)
(Increase) decrease in operating assets :				
Account receivable	11,914,297	6,415,375	33,502,151	-
Unbilled completed works	(667,797,154)	(6,151,888)	-	-
Real estate development cost	893,951,173	25,781,141	(10,098,467)	14,063,038
Loans to and amounts due from related parties	-	-	(2,447,455,061)	740,885,229
Other current assets	150,559,830	(159,428,653)	103,269,027	(94,586,937)
Other assets	(32,867,383)	(13,131,209)	(42,959)	34,130,660
Increase (decrease) in operating liabilities :				
Payables to contractors	(39,813,012)	(214,536,770)	(14,110,186)	460,451,079
Account payable - trade	(51,659,822)	31,414,145	-	-
Short-term loans and advances from directors	(631,064,032)	9,257,974	(575,957,097)	12,517,170
Short-term loans from and amount due to related parties	(464,182,601)	(16,602,600)	(312,161,437)	788,151,876
Reverve for on uncompleted works	(800,000,000)	-	(800,000,000)	-
Other current liabilities	(1,106,888,304)	776,511,438	(616,265,413)	(77,419,841)
Other non-current liabilities	(235,570,495)	(15,000,000)	(237,599,125)	(15,000,000)
Net cash provided by (used in) operating activities	(2,904,761,802)	40,953,688	(5,743,429,672)	1,294,469,310

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**FOR THE YEARS ENDED MARCH 31, 2008 AND 2007**

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2008	2007	2008	2007
				"Restated"
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Decrease in short-term loans to related parties	-	-	-	2,557,087,182
Increase in current investment	(45,500,000)	-	-	-
Increase in investment in subsidiaries	-	-	-	(7,288,680,132)
Proceeds from sale of investment	4,008,732,453	17,505,478	4,008,732,453	2,892,505,477
Proceeds from sale of fixed assets	45,777,523	-	1,750,000	-
Cash paid for purchase and construction of fixed assets	(240,508,886)	(363,695,463)	(8,051,166)	(2,680,084)
Net cash provided by (used in) investing activities	3,768,501,090	(346,189,985)	4,002,431,287	(1,841,767,557)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Decrease in bank overdrafts and short-term loans from financial institutions	-	(3,009)	-	(3,009)
Decrease in debt restructuring	(931,321,498)	(446,633,406)	(679,500,000)	(435,467,751)
Cash paid for repurchase of exchangeable notes	(28,518,058)	-	-	-
Proceeds from issue of ordinary shares	2,093,129,628	1,231,500,000	2,093,129,628	1,231,500,000
Net cash provided by financing activities	1,133,290,072	784,863,585	1,413,629,628	796,029,240
<b>Net increase(decrease) in cash and cash equivalents</b>	1,997,029,360	479,627,288	(327,368,757)	248,730,993
<b>Cash and cash equivalents at beginning of the period</b>	691,365,165	211,737,877	331,377,392	82,646,399
<b>Cash and cash equivalents at end of the period</b>	2,688,394,525	691,365,165	4,008,635	331,377,392
Supplemental Disclosures of Cash Flows Information:				
1. Cash and cash equivalents :				
Cash on hand	19,905,386	36,109,768	162,638	13,960,794
Saving accounts	2,505,219,209	548,806,053	830,383	315,736,080
Current accounts	100,837,920	49,766,412	2,425,369	1,095,527
Fixed deposit	62,432,010	56,682,932	590,245	584,991
Total	2,688,394,525	691,365,165	4,008,635	331,377,392
2. Cash paid during the periods:				
Interest expense	527,174,452	188,583,445	495,772,338	156,343,750
Income tax	29,863,828	53,136,680	55,582	-3.

Non-cash Transactions:

3.1 As disclosed in Note 8, the Company sold part of its investments at the price totalling Baht 7,430 million. Under share sale and purchase

agreements, a portion of settlement were made to set off with the followings:

- Repurchase exchangeable notes	2,501,968	-	-	-
- Advance and receivables from related parties	-	-	2,501,968	-
- Payables to contractors	430,000	-	430,000	-
- Other current liabilities	489,300	-	489,300	-

3.2 In 2007, the Company invested in the increased share capital of its subsidiary by transferring its assets of Baht 5,624 million.

3.3 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 14 e).

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

**BANGKOK LAND PUBLIC COMPANY LIMITED**  
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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, 10th 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 1,487 people as at March 31, 2008 (2007: 1,506 people)

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

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

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

An English version of the consolidated and separate 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**

Subsidiaries are companies 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.

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

		Percentage of holding	
	Principal business	2008	2007
<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	55.17	99.99
Spooner Limited	Dormant	100.00	100.00
<b>Direct and indirect investment :</b>			
Bangkok Land Agency Limited	Retail and space rental business	99.30	99.30

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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 8).

**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.

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.



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**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 recorded under the cost net of allowance for impairment loss.

**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:

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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.

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, 2008 and 2007.

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**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.

**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. Change in accounting policy**

Starting from April 1, 2007, the Company has changed its accounting policy for recording investments in subsidiaries in the separate financial statements from the equity method to the cost method, in compliance with Notification No. 26/2549 regarding Accounting Standard No. 44 "Consolidated Financial Statements and Accounting for Investments in Subsidiaries" (Amendment No. 1), issued by the Federation of Accounting Professions, under which investments in subsidiaries, jointly controlled entities and associates are to be presented in the separate financial statements under the cost method rather than the equity method.

In this regard, The change in accounting policy has been applied retrospectively and the Company's 2007 financial statements, which are included in the Company's 2008 financial statements for comparative purposes, have been restated accordingly.

The effects of the change in accounting policy on the Company's for the years ended March 31, 2008 and 2007 financial statements are as follows:

	In Million Baht	
	Separate financial statements	
	2008	2007
<b>Statement of income for the years ended March 31,</b>		
Increase in net profit	-	2,282
Increase in basic earnings per share (Baht)	-	0.16

Such change in accounting policy affects only the accounts related to investments in subsidiaries in the Company's separate financial statements with no effect on the consolidated financial statements.

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**4. Transactions with related parties**

**4.1 Significant transactions with related parties**

Portion of revenues and expenses arose from transactions with related parties for the years ended March 31, 2008 and 2007 are summarized as follows:

		In Million Baht			
	Pricing Policy	Consolidated		Separate	
		financial statements		financial statements	
		2008	2007	2008	2007
<b>Sale of property, plants and equipment</b>	Appraised value				
Subsidiaries					
Impact Exhibition Management Company Limited		-	-	-	6,104
<b>Sale of investment property</b>	Appraised value				
Subsidiary					
Impact Exhibition Management Company Limited		-	-	-	2,395
<b>Rental and service income :</b>					
Subsidiaries					
Bangkok Land Agency Company Limited		-	-	1	1
Impact Exhibition Management Company Limited *		-	-	-	255
<b>Total</b>		-	-	1	256
<b>Interest Income :</b>	3.13% - 10.25% p.a.				
Subsidiaries					
Impact Exhibition Management Company Limited		-	-	-	241
Bangkok Airport Industry Company Limited		-	-	45	21
Sinpornchai Company Limited		-	-	6	6
<b>Total interest income</b>		-	-	51	268

		In Million Baht			
	Pricing Policy	Consolidated		Separate	
		financial statements		financial statements	
		2008	2007	2008	2007
<b>Purchase of assets :</b>	Appraised value				
Subsidiary					
Bangkok Airport Industry Company Limited		-	-	-	340
<b>Interest expense :</b>	3.00% - 4.50% p.a.				
Subsidiary					
Bangkok Land (Cayman Islands) Limited		-	-	308	396
Related party					
Stelux Property B.V.		-	8	2	4
<b>Total interest expense</b>		-	8	310	400

\* A fixed rate of 15% on total revenue derived by that subsidiary and fixed rental charging of Baht 5 million per month in 2007.

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

The balances of receivables from related parties as at March 31, 2008 and 2007 are as follows:

	In Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2008	2007	2008	2007
<b>Accrued income :</b>				
<b>Subsidiary</b>				
Bangkok Land Agency Company Limited	-	-	4	3
<b>Advances and other receivables :</b>				
<b>Subsidiaries</b>				
Bangkok Airport Company Limited	-	-	2,638	-
Bangkok Land Agency Company Limited	-	-	202	202
Bangkok Land (Cayman Islands) Limited	-	-	-	-
Spooner Limited	-	-	9	10
Muang Thong Services and Management Company Limited	-	-	13	13
<b>Total advances and other receivables</b>	-	-	2,862	225
<b>Interest receivables :</b>				
<b>Subsidiaries</b>				
Bangkok Airport Company Limited	-	-	3,243	3,198
Sinpornchai Company Limited	-	-	40	33
Bangkok Land Agency Company Limited	-	-	23	23
Muang Thong Building Services Company Limited	-	-	1	1
Less: Allowance for doubtful accounts	-	-	(2,807)	(2,807)
<b>Total interest receivable</b>	-	-	500	448
<b>Total</b>	-	-	3,366	676

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

The balances of short-term loans to related parties as at March 31, 2008 and 2007 are as follows:

	In Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2008	2007	2008	2007
<b>Subsidiary</b>				
Sinpornchai Company Limited	-	-	93	94
<b>Total</b>	-	-	93	94

Loans to subsidiaries and related parties carry interest at 3.13% - 7.25% per annum. The loans are unsecured and have no fixed repayment dates.

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**4.4 Payables to related parties**

The balances of payables to related parties as at March 31, 2008 and 2007 are as follows:

		In Million Baht			
		Consolidated		Separate	
		financial statements		financial statements	
		2008	2007	2008	2007
<b>Interest payable :</b>					
<b>Subsidiary</b>					
Bangkok Land (Cayman Islands) Company Limited		-	-	7,019	6,307
<b>Total interest payable</b>		-	-	7,019	6,307
<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	-	190
<b>Total accrued management fee</b>		-	435	285	475

\* These amounts included related interest charge at interest rate of 3% per annum.

		In Million Baht			
		Consolidated		Separate	
		financial statements		financial statements	
		2008	2007	2008	2007
<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	-	22
Kanjapapas Company Limited		191	191	-	-
Stelux Property			8	-	8
Others		8	7	8	8
<b>Total advances and other payables</b>		199	228	16	437
<b>Total payables to related parties</b>		199	663	7,320	7,219

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

Long-term loans from related companies as at March 31, 2008 and 2007 comprise:

<u>Due date</u>	<u>Interest rate</u> <u>per annum</u>	<u>Separate financial statements</u>			
		<u>2008</u>		<u>2007</u>	
		<u>Original</u> <u>Currency</u>	<u>Million</u> <u>Baht</u>	<u>Original</u> <u>Currency</u>	<u>Million</u> <u>Baht</u>
<u>Loans from Bangkok Land (Cayman Islands) Limited (BL Cayman)</u>					
1. October 2003	4.50%	-	-	11.20 million	
				U.S. Dollars	393
2. March 2001	3.125%	324.67 million		399.35 million	
		Swiss Francs	<u>10,338</u>	Swiss Francs	<u>11,564</u>
Long-term loans from related companies presented under current liabilities			<u>10,338</u>		<u>11,957</u>

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 15).

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.

**4.6 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. The provision of Baht 804 million was shown under "Other Current Liabilities" in the financial statements as at and March 31, 2007.

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.

In August 2007, the Company paid Yee-Hing Baht 800 million as final settlement of the uncompleted construction work.

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

At the Extraordinary Shareholders Meeting held on February 21, 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.

As at March 31, 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 March 31, 2007.

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

**4.8 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, 2003, 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.

Movements of short-term loans and advances from directors for the years ended March 31, 2008 are as follows:

	In Million Baht	
	Consolidated financial statements	Separate financial statements
Balance as at April 1, 2007	702	647
Increase	2	2
Decrease	(633)	(578)
Balance as at March 31, 2008	71	71

**5. Accounts receivable, net**

The aging of installments due as at March 31, 2008 and 2007 are as follows:

	In Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2008	2007	2008	2007
Up to 3 months	125	113	-	-
3 - 6 months	59	30	-	-
6 - 12 months	66	68	-	-
Over 12 months	103	112	-	-
Less : Allowance for doubtful accounts	(100)	(92)	-	-
<b>Total accounts receivable presented</b>				
<b>as current assets</b>	253	231	-	-
Over 12 months	12	109	12	109
Less : Allowance for doubtful accounts	-	(64)	-	(64)
<b>Accounts receivable presented</b>				
<b>as non - current assets</b>	12	45	12	45



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**6. Unbilled completed works, net**

The aging of unbilled completed works as at March 31, 2008 and 2007 are as follows:

	In Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2008	2007	2008	2007
Up to 3 months	-	-	-	-
3 - 6 months	-	-	-	-
6 - 12 months	669	5	-	-
Over 12 months	8	3	-	-
	677	8	-	-
Less: Allowance for doubtful account	-	-	-	-
Unbilled completed works, net	677	8	-	-
Total value of contracts signed	30,528	29,550	17,797	18,063
Sales recognition to date	29,656	28,571	17,023	17,156
Less: Installments due to date	(29,291)	(28,944)	(17,335)	(17,537)
Sales recognized over installments to date	365	(373)	(312)	(381)
Unbilled completed works	677	8	-	-
Installments due	(312)	(381)	(312)	(381)
	365	(373)	(312)	(381)

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

Real estate development cost as at March 31, 2008 and 2007 comprises:

	In Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2008	2007	2008	2007
Land	11,901	11,901	11,646	11,646
Construction in progress	18,341	18,341	8,210	8,210
Infrastructure cost				
- areas for sale	636	491	474	474
- 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
	38,769	38,624	25,219	25,219
Less : Transfer to cost of sales to date				
- Cost based on percentage of completion	(19,121)	(18,082)	(8,553)	(8,553)
- Accumulated depreciation of common area infrastructure	(632)	(567)	(622)	(567)
Allowance for net realisable value discounts	(2,121)	(2,121)	(437)	(437)
Total	16,895	17,854	15,607	15,662
Less : Real estate development cost classified as current assets	(668)	-	-	-
Net	16,227	17,854	15,607	15,662

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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 4) 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 financial statements		Separate financial statements	
	2008	2007	2008	2007
Percentage of land mortgaged	29	29	32	31
Percentage of condominium units mortgaged	82	93	38	80

**8. Investment in subsidiaries**

As at March 31, 2008 and 2007 investment in subsidiaries comprise of:

Separate financial statements						
In Million Baht				In Million Baht		
Paid-up share capital		Percentage of holding(%)		At Cost		
2008	2007	2008	2007	2008	2007	

(Restated)

**Investment in subsidiaries**

Impact Exhibition Management Company Limited	12,953	12,953	55	99	7,148	12,953
Bangkok Airport Industry Company Limited	5,320	5,320	100	100	5,820	5,820
Sinpornchai Company Limited	30	30	100	100	30	30
Muang Thong Building Services Company Limited	12	12	97	97	15	15
Muang Thong Services and Management Company Limited	25	25	97	97	10	10
Bangkok Land Agency Limited	200	200	99	99	120	120
Bangkok Land (Cayman Islands) Limited	USD 0.01	USD 0.01	100	100	-	-
Spooner Limited	-	-	100	100	-	-
Total					13,143	18,948
Less : Allowance for impairment loss					(5,925)	(5,925)
Net					7,218	13,023

During the year ended March 31, 2008 the Company sold its investments in subsidiary, Impact Exhibition Management Co. Ltd. (Impact), to Juutland Limited at a price of Baht 7,000 million and Bouygues-Thai Ltd. at a price of Baht 430 million. In this regard, the Company recognized gain on sale of investment totaling Baht 1,625 million in the separate statement of income and Baht 2,739 million in the consolidated statement of income for the years ended March 31, 2008.

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**9. Investment property**

As at March 31, 2008 and 2007, investment property consisted of:

	In Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2008	2007	2008	2007
Land at historical cost	68	68	9	9
Surplus on revaluation	723	723	151	151
<b>Total investment property</b>	<b>791</b>	<b>791</b>	<b>160</b>	<b>160</b>

Investment property is stated at fair value, based on the appraised value (market approach) of independent valuers, TAP valuation Co., Ltd and Frist Star Consulting Co., Ltd dated March 9, 2006 and September 29, 2006, respectively.

As a policy, valuation of investment property will be carried out every three years or when there is a factor indicating that the fair value might be significantly changed.

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**10. Property and equipment, net**

	Consolidated (In Million Baht)									
	At Cost			Accumulated Depreciation				Net		
	March 31, 2007	Increase	Decrease	March 31, 2008	March 31, 2007	Increase	Decrease	March 31, 2008	Beginning	Ending
Land	3,044	-	28	3,016	-	-	-	-	3,044	3,016
Buildings and other construction	753	-	-	753	142	37	-	179	611	574
Impact Hall interior systems	3,011	19	-	3,030	576	158	-	734	2,435	2,296
Impact Hall structure	5,892	-	-	5,892	644	118	-	762	5,248	5,130
Buildings improvements	214	8	-	222	121	9	-	130	93	92
Furniture and fixtures	566	49	-	615	290	70	-	360	276	255
Motor vehicles	59	15	3	71	47	5	-	52	12	19
Construction in progress	50	150	-	200	-	-	-	-	50	200
Total	13,589	241	31	13,799	1,820	397	-	2,217	11,769	11,582

The Group has depreciation for the years ended March 31, 2008 and 2007 amounting to Baht 397 million and Baht 367 million, respectively.

As at March 31, 2008 and 2007, a portion of property with historical costs of Baht 283 million and 262 million, respectively, are in use but fully depreciated.

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

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	Separate (In Million Baht)					
	At Cost			Accumulated Depreciation		
	March 31, 2007	Increase	Decrease	March 31, 2008	March 31, 2007	March 31, 2008
Land	51	-	-	51	-	-
Buildings and other construction	59	-	-	59	41	44
Sport stadium	527	-	-	527	84	95
Leasehold improvements	16	-	-	16	16	16
Furniture and fixtures	54	-	-	54	52	53
Motor vehicles	25	8	3	30	22	22
Total	732	8	3	737	215	230
					1	1
					16	230
					51	517
					18	15
					443	432
					-	-
					2	1
					3	8
					517	507

The Company has depreciation for the years ended March 31, 2008 and 2007 amounting to Baht 16 million and Baht 111 million, respectively.

As at March 31, 2008 and 2007, a portion of property with historical costs of Baht 84 million and 83 million, respectively, are in use but fully depreciated.

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

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**11. 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 a result of the liquidation of NALF, the fund transferred plots of land totaling Baht 7,285 million to the Company which was presented under "Idle land".

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

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

Bank overdrafts and short-term loans from financial institutions as at March 31, 2008 and 2007 comprise:

	In Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2008	2007	2008	2007
Bank overdrafts	27	27	-	-
Short-term loans from financial institutions	-	-	-	-
Total	27	27	-	-

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

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

Long-term loans from financial institutions as at March 31, 2008 and 2007 comprise:

	Consolidated/ Separate (Million Baht)	
	2008	2007
On February 25, 2004, Primary Court issued an order for the Company		
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

**14. Loans under debt restructuring agreements**

Loans under debt restructuring agreements as at March 31, 2008 and 2007 comprise:

	In Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2008	2007	2008	2007
Loans under debt restructuring agreements	4,559	5,624	3,375	4,267
Less: Current-portion due within one year	(1,399)	(1,338)	(400)	(472)
Net	3,160	4,286	2,975	3,795

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During 2003 to 2005, the Company and a subsidiary 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 are as follows:

		(In Million Baht)					
					Remaining at March 31, 2008		
Agreement No.	Company	As per restructuring agreement	Paid since the agreement date up to March 31, 2008	Gain on debt restructuring up to March 31, 2008	Principal	Accrued interest	Total
1 <sup>st</sup>	BLAND	2,420	(1,053)	-	1,367	127	1,494
2 <sup>nd</sup>	BLAND	2,246	(365)	-	1,881	-	1,881
3 <sup>rd</sup>	BLAND	648	(312)	(336)	-	-	-
Total	BLAND	5,314	(1,730)	(336)	3,248	127	3,375
4 <sup>th</sup>	BAIC	597	(317)	-	280	-	280
5 <sup>th</sup>	BAIC	728	(38)	-	690	214	904
Total	BAIC	1,325	(355)	-	970	214	1,184
		6,639	(2,085)	(336)	4,218	341	4,559

**a) 1st 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, 2./005
4. The Company agreed to settle remaining debts (quarterly) and accrued interest (monthly) within 6 years starting from January 2005 to December 2010.

**b) 2nd agreement (see Note 23)**

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.

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**c) 3rd 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:

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 instalments 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 instalment.

As at March 31, 2008, the Company has fulfilled all conditions of the restructuring agreement and realized a gain on debt restructuring of Baht 336 million in the statement of income for the years ended March 31, 2008.

**d) 4th 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.

**e) 5th 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 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 sheets.

In case that the Company are able to satisfy all conditions of agreements, the Company expect the future repayment amounts to be lower than amounts recorded by Baht 1,547 million (the separate : 1,489 million). However, the Company and such subsidiary have not yet realized such profit from debt restructuring until all conditions are completely fulfilled.



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**15. Long-term debt instruments**

			Consolidated financial statements			
			2008		2007	
			Amount of loan		Amount of loan	
	Maturity date	Interest rate per annum	Original Currency	Million Baht	Original Currency	Million Baht
1. Exchangeable Notes	October 2003	4.50 %	16.91 million U.S. Dollars	535	52.77 million U.S. Dollars	1,854
2. Exchangeable Notes	March 2001	3.125%	80.50 million Swiss Francs	2,563	194.75 million Swiss Francs	5,639
				3,098		7,493
Provision for premium on bond redemption				57		199
Total long-term debt instruments presented as current portion				3,155		7,692

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.

During the year ended March 31, 2008, the noteholder has redeemed notes totaling Swiss Francs 114.25 million and USD 35.86 million, a carrying value of Baht 6,222 million giving rise to a gain on redemption of Baht 3,692 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.

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**16. 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, 2008 and 2007 comprises:

	In Million Baht			
	Consolidated		Separate	
	financial statments		financial statements	
	2008	2007	2008	2007
Deferred income tax liabilities				
- income recognition of				
real estate business	162	120	23	20
- revaluation of investment				
property	216	216	45	45
	378	336	68	65
Deferred income tax assets				
- allowance for doubtful				
accounts	-	(19)	-	(19)
Deferred income tax liabilities, net	378	317	68	46

The movement on the deferred income tax is as follows:

	In Million Baht			
	Consolidated		Separate	
	financial statments		financial statements	
	2008	2007	2008	2007
At beginning of the year	317	1,036	46	820
Statement of income (credit)/charge	61	(719)	22	(774)
At end of the year	378	317	68	46

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 532 million (2007: in excess of Baht 2,496 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.

Income tax expense (income) for the year ended March 31, 2008 and 2007 consisted of:

	In Million Baht			
	Consolidated		Separate	
	financial statments		financial statements	
	2008	2007	2008	2007
Corporate income tax	168	6	-	-
Deferred income tax charged for the year	61	(719)	22	(774)
Total	229	(713)	22	(774)

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**17. Other non-current liabilities**

On May 20, 2005 Kanjanapas Company Limited (“KCL”) signed a debt restructuring agreement with TAMC (“Agreement”). According to the Agreement, the Company as guarantor of the original loans, agreed to settle a total amount of Baht 913 million to TAMC.

Under a debt settlement agreement, KCL had fully reimbursed the amount of Baht 913 million to the Company on 30 December 2005. Upon settlement of the debt by KCL in 2005 the amount due to TAMC by the Company was classified as “Other non-recurrent liabilities” in the financial statement.

The debt due to TAMC bears interest at rates from MLR less 4% to MLR with a repayment period of 7 years from June 2005 to May 2012.

**18. Share capital and warrants**

**a. Share capital**

On July 27, 2007, the shareholders at the General Meeting of the Shareholders No.35 passed the following resolutions:

1. Approve the reduction of the registered capital of the Company from Baht 20,584,720,864 to Baht 17,698,028,723 by cancellation of 2,886,692,141 authorized but unissued shares with a par value of Baht 1 (save for the authorized but unissued shares amounting of 2,000,000,000 shares which have been reserved for the exercise of the holders of the Warrant in relation to the existing Warrants of the Company) so that the Company can increase its capital to another amount.
2. Approve the increase of the registered capital of the Company from Baht 17,698,028,723 to Baht 27,829,788,993 by issuance of 10,131,760,270 new ordinary shares at a par value of Baht 1 each.
3. Approve the allotment of 10,131,760,270 ordinary shares pursuant to the capital increase as follows:
  - (1) 2,854,187,041 shares will be offered to the shareholders of the Company whose names appeared in the shares register book as at 12 July 2007 pro-rata to their shareholding, 5.5 existing shares will be entitled to 1 new share. The fractions of share shall be disregarded. The Shareholders are entitled to subscribe those shares in exceed of the number of shares to which they are entitled to subscribe, provided that they must subscribe and pay for the shares in exceed of their entitlements at the same time when they subscribed for the shares to which they are entitled to. The offering price shall be Baht 1.00 per share. The Board of Directors and/or the Chairman of the Board and/or the person entrusted by the Board or the Chairman shall be authorized to have the power to fix the terms, details necessary for the offering of said shares to the shareholders; and
  - (2) 7,277,573,229 shares will be allotted and reserved for the exercise by the holder of the warrants to be issued (Note 18 b.(2)); and
  - (3) In case there are remaining shares from the share subscription under item (1) 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 be empowered to have the authority to offer the remaining shares to the investors on a private placement basis (which include the offering of said shares to the institutional investors and/or any other specific investors) from time to time or at one time. Provided that the Board of Directors shall have the power to determining and fixing the offering price which will be in accordance and comply with the SEC Notification No.KorJor12/2543.

The Company registered the capital reduction and capital increment with the Ministry of Commerce on July 27, 2007 and August 1, 2007, respectively.

During the year ended March 31, 2008, there was cash receipt of Baht 2,093 million for the sale of 2,093 million shares. The Company already registered the increased paid-up share capital with the Ministry of Commerce on August 31, 2007.

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**b. Warrants**

- (1) 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) – BLAND-W1 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, 2008, the outstanding of unexercised warrants was 1,998,534,653 units.

- (2) As of May 26, 2008, warrants to purchase ordinary shares of the Company has been listed on the Stock Exchange of Thailand (trading commencement on May 26, 2008) – BLAND-W2 with major characteristics as follows:

Type of Warrants:	Named certificate and transferable
Number of Warrants:	6,886,268,732 units
Underlying Shares:	6,897,044,522 shares
Offering:	Offered to existing shareholders whose name appeared on the registration book
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.
Exercise Price:	1st year : Baht 1.10 per share; 2nd year : Baht 1.30 per share; 3rd year : Baht 1.50 per share; 4th year : Baht 1.70 per share; 5th year : Baht 1.90 per share;
Term of Warrants:	5 years from the issuance date of May 2, 2008 with the last exercise date being May 2, 2013.

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**19. Segment information**

Consolidated financial statements ( In Million Baht )					
For the years ended March 31, 2008					
	Real estate business	Retail business	Exhibition center business	Other services	Total
Segment revenue	1,266	195	1,613	101	3,175
Segment profit (loss)	(423)	8	548	22	155
Interest income					51
Interest expense					(525)
Gain from repurchase of exchangeable notes					3,692
Gain on sale of investment					2,738
Gain on sale of assets					15
Loss on exchange rate, net					(325)
Reversal of provision for loss					264
Income tax					(229)
Profit of minority interest					(149)
Net income before extraordinary item					5,687
Extraordinary items – gain on debt restructuring					336
Net income					6,023
Property, plants and equipment as at March 31, 2008	1,087	163	10,311	21	11,582

Consolidated financial statement ( 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, plants and equipment as at March 31, 2007	1,129	186	10,404	50	11,769

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**20. Earnings (loss) per share**

**Basic earnings (loss) per share**

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

**Diluted earnings (loss) per share**

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

	Consolidated financial statements		Separate financial statements	
	2008	2007	2008	2007
Net profit (loss) attributable to shareholders (million Baht)	6,023	292	(153)	2,444
Weighted average number of ordinary shares issued during the year (million shares)	16,745	14,386	16,745	14,386
Basic earnings (loss) per share				
Profit (loss) before extraordinary item	0.35	0.02	(0.03)	0.17
Extraordinary item – Gain on debt restructuring	0.02	-	0.02	-
Net profit (loss) attributable to shareholders	0.37	0.02	(0.01)	0.17

The Company did not calculate diluted earnings per share for the year ended March 31, 2008 and 2007 because the fair value of an ordinary share is lower than the exercised price of warrants.

**21. Financial instruments**

As at March 31, 2008 and 2007 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 15.

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, 2008 and 2007 as presented in the

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**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED MARCH 31, 2008 AND 2007**

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. Pending lawsuits**

As at March 31, 2008 and 2007, the Company has pending lawsuits as summarized belows:

- 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, 2007 : Baht 203 million). As at March 31, 2008, Baht 194 million is recorded in the financial statements (March 31, 2007: Baht 198 million).
- ii) A major contractors have filed civil lawsuits demanding the Group to repay a total debt of 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 contractor has alleged that the Company had defaulted on payment of debt under certain construction contracts. As at March 31, 2008, the outstanding principal, excluding interest, payables to this contractor recorded in the financial statements amounted to Baht 122 million (March 31, 2007: Baht 122 million).
- iii) A major customer has filed a civil lawsuit demanding the Company to return deposits and installment funds including interest in the amount of Baht 359 million alleging that the Group had breached purchase and sales agreements. Moreover, another major contractor has filed civil lawsuits demanding the Company to repay a total debt of Baht 192 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 February 2007, the Appeal Court has judged the Company 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.

In February and March 2008, the Company signed compromise agreement with both parties to eliminate all disputes and the Company agreed to pay a total of Baht 250 million for full settlement of the claims. Therefore, the Company reversed outstanding balances with both parties and also realized again of Baht 264 million in the statements of income for the year ended March 31, 2008.

For case i) and ii), the ultimate outcomes are still pending. However, the Company has provided accrued interest for these cases up to March 31, 2008 of Baht 261 million.

**23. Subsequent event**

On April 9, 2008, the Company settled the remaining debts with Sukhumvit Asset Management Co., Ltd (SAM) and completely fulfilled all conditions of the restructuring agreement. The Company therefore realized a gain on debt restructuring of Baht 1,492 million.

**24. Reclassifications**

As a result of reclassifications of certain items in financial statements as at March 31, 2007 the comparative figures for the financial statements as at March 31, 2008 have been amended accordingly.

**25. Approval of financial statement**

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

## INFORMATION FOR INVESTORS

<b>Company Name</b>	Bangkok Land Public Company Limited																		
<b>Registration Number</b>	0107536001222																		
<b>Registered Office</b>	47/569-576 Moo 3, 10th Floor, New Geneva Industry Condominium. Popular 3 Road, Tambol Bannmai Amphur Pakkred, Nothaburi 11120, Thailand Telephone: 66-2-5044949 Facsimile: 66-2-5044986																		
<b>Website</b>	<a href="http://www.bangkokland.co.th">www.bangkokland.co.th</a>																		
<b>Share Registrar</b>	Thailand Securities Depository Company Limited The Stock Exchange of Thailand Building 62 Rachadapisek Road, Klongtoey, Bangkok 10110 Telephone: 66-2-2292800 Facsimile: 66-2-3591262																		
<b>Auditors</b>	Karin Audit Company Limited B1 6th Floor, Boonmitr Building 138 Silom Road, Bangrak, Bangkok 10500 Telephone: 66-2-6342484 Facsimile: 66-2-6342668																		
<b>Legal Advisors</b>	Siam Premier International Law Office Limited 26th Floor, The Offices at Central World 999/9 Rama I Road, Pathumwan, Bangkok 10330 Telephone: 66-2-6461888 Facsimile: 66-2-6461919																		
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