



**BANGKOK LAND PUBLIC COMPANY LIMITED**  
**ANNUAL REPORT - 31 MARCH 2012**



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## INFORMATION FOR INVESTORS

Company Name	Bangkok Land Public Company Limited	
Registration Number	0107536001222	
Registered Office	47/569-576 Moo 3, 10 <sup>th</sup> Floor, New Geneva Industry Condominium. Popular 3 Road, Tambol Bannmai Amphur Pakkred, Nothaburi 11120, Thailand Telephone: 66-2-5044949                      Facsimile: 66-2-5044986	
Website	<a href="http://www.bangkokland.co.th">www.bangkokland.co.th</a> <a href="http://www.impact.co.th">www.impact.co.th</a>	
Share Registrar	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	
Auditors	Karin Audit Company Limited B1 6 <sup>th</sup> Floor, Boonmitr Building 138 Silom Road, Bangrak, Bangkok 10500 Telephone: 66-2-6342484                      Facsimile: 66-2-6342668	
Legal Advisors	Siam Premier International Law Office Limited 26 <sup>th</sup> Floor, The Offices at Central World 999/9 Rama I Road, Pathumwan, Bangkok 10330 Telephone: 66-2-6461888                      Facsimile: 66-2-6461919	
Share Information	Share Exchange	: Stock Exchange of Thailand
	Listing Date	: 5 <sup>th</sup> February 1992
	Par Value	: Baht 1 per share
	Lot Size	: 100 shares
	Number of shares issued	: 17,794,400,220
	Stock Sector	: Property
	Stock Symbol	: Bland
Financial Calendar	Financial year-end	: 31 March
	2012 full-year results announced	: 30 May 2012
	Record Date	: 5 July 2012
	Share register to be close	: 6 July 2012
	Annual General Meeting to be held	: 30 July 2012
	2013 results to be announced *	
	June 2012 quarter	: 15 August 2012
	September 2012 quarter	: 14 November 2012
	December 2012 quarter	: 14 February 2013
	March 2013 full year results	: 30 May 2013
* Subject to change		

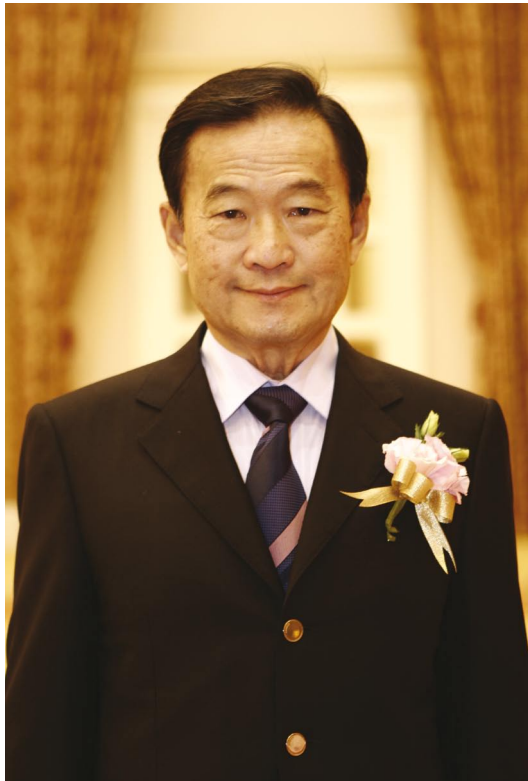
## HIGHLIGHTS

	2012 Baht m	2011 Baht m	Change %
Total recurring revenue	3,354	2,873	16.7
Other revenue	921	1,244	(26.0)
Net profit (after minority interest)	621	794	(21.8)
Total assets	39,143	39,092	0.1
Total liabilities	7,030	7,734	(9.1)
Shareholders' equity (after minority interest)	26,793	26,172	2.4

	Baht	Baht	%
Earnings per share	0.03	0.04	(25.0)
Adjusted net asset value per share	1.52	1.48	2.7
Dividend per share **	0.02	-	-
Market share price at year end	0.68	0.71	(4.2)

\*\* subject to AGM approval

## REPORT OF THE CHAIRMAN



### OVERVIEW

I am delighted to report that this year marked our seventh consecutive year in delivering profitable results to shareholders. 2012 is a milestone year for the Company as:

- the last Baht of debt owed to financial institutions in Thailand was repaid; and
- your board is recommending dividend payment for the first time since 1996.

### FINANCIAL RESULTS

In the year ended 31 March 2012, the Group recorded a consolidated recurring operating profit of Baht 469 million, an increase of 26.8 percent, and a net profit after tax of Baht 621 million.

During the year, the Group has provided for potential losses of Baht 481 million in respect of a legal proceeding. Excluding this provision, the Group would have recorded a net profit after tax of Baht 1,102 million, an increase of 38.8 percent compared to the year before.

### DIVIDEND

In my report last year, I outlined reasons for not being able to pay dividend in the past and also indicated the possibility to do so this year. With no disappointment, at the board of directors meeting this month, it was resolved to declare a dividend of Baht 0.02 per share for the year ended 31 March 2012. The dividend will be proposed for shareholders' approval in the forthcoming Annual General Meeting on 30 July 2012.

### PERFORMANCE REVIEW

It has been 15 years since the 1997 financial crisis, and beyond any doubt, this period reflects one of the most complicated and challenging years during my over 45 years career span. Fortunately, during this difficult period, the Company has been able to complete its debt reduction exercise and strengthen its balance sheet and cash flow position. Since the year 1999, shareholders' equity has increased more than 4 times from Baht 6 billion to Baht 27 billion and total liabilities has been reduced from Baht 53 billion to Baht 7 billion. In addition, free cash available for daily operation of less than Baht 100 million at end March 1999 has increased to Baht 1.7 billion at end March 2012.

During this stressful period of debt reduction, skeptics from all fronts, including investors and auditors, continued to doubt the continuance of the Company as a going concern. As events unfolded, and in the end, we managed to overcome all adversities, while at the same time seized every opportunity and have successfully diversified our interest into the business of exhibition and convention. With the recent opening of the Impact Novotel, our first hotel investment at the Impact Venue, we are now ranked the largest and most comprehensive exhibition center in South East Asia.

Operationally, although in the past few years, our performance was largely dominated by gains or losses from non-operating transactions, the Group's net result from recurring activities has, since 2008, returned to profit.

Financially, in 2011, we have repaid the Thai Assets Management Corporation Baht 236 million, the last sum of interest bearing debts due to financial institutions in Thailand.

It is with great relieve that I am able to report here that our multi-year debt restructuring process: "mission accomplished". Excluding foreign currency bonds and other non-interest bearing liabilities, interest bearing indebtedness of the Group fell to zero by the end of March 2012.

In sum, the Group's financial position remains strong and when compared to the year before, more improvements have been achieved:

- Total liabilities declined 9.1 percent to Baht 7,030 million (2011 - Baht 7,734 million)
- Gearing ratio improved 23 percent to 0.20 times (2011 - 0.26 times)
- Shareholders' equity rose 2.4 percent to Baht 26,793 million (2011 - Baht 26,172 million)
- Adjusted net asset value up 2.7 percent to Baht 26,987 million (2011 - Baht 26,366 million), representing a per share value of Baht 1.52 (2011 - Baht 1.48)

## OUTLOOK

When I presented my report in 2011, I characterized the property market situation in Thailand as "not healthy". That view has not changed. As Europe moves deeper into its debt crisis, threatening to drag other parts of the world with it, the global economy, including Thailand, is now far more vulnerable than at any time since the crisis began in 2009. There are similar global indications reminded me of the environment that had led to the collapse of the Thai Baht and other Asian currencies in 1997 and 1998.

Those who are long-time investors of Bangkok Land should aware that, instead of making heavy commitments on large scale real estate development projects for shorter term returns, I have been on the front of prudent investing in order to navigate the Company into a solid position with financial stability and future growth potential.

In the year ahead, we will continue to upgrade our exhibition and convention facilities. And, if market conditions allows, we will add to our existing hotel portfolio a new budget hotel at the Impact Venue and launch more property projects at Muang Thong Thani.

Overall, I am confident in the fundamental strength of our businesses. Our current debt free position will enable us to withstand the ongoing economic uncertainty posed by the spreading global debt crisis.

#### **APPRECIATION**

In closing, I would like to thank all customers, shareholders, directors, business associates and employees for their continued support and confidence in the Company and looking forward to report further improvement next year.



Anant Kanjanapas

Chairman

20 June 2012



**SOLD OUT**

Smart Space  
Great Design



The Perfect Convergence  
of Luxurious Lifestyle  
and Creativity

SUKHOTHAI  
AVE. 99

*The Finest in  
Commercial  
Lifestyle at the  
Center of  
Muang Thong Thani*



BANGKOK LAND  
PUBLIC COMPANY LIMITED





**SOLD OUT**

**HOMETOWN**

The Perfect Home of Your Dream



## The Warmth of Intimate Living

Offering 33 units of the ultimate townhouses in an ideal location that simply reflect the finest in commercial lifestyle



**BANGKOK LAND**  
PUBLIC COMPANY LIMITED





**SOLD OUT**



**SukhothaiAve.**  
Modern Shopping & Living Concept



**BANGKOK LAND**  
PUBLIC COMPANY LIMITED





EXPERIENCE LUXURY LIVING IN MUANG THONG THANI  
WITH DOUBLE LAKE VIEWS AND DOUBLE FLOOD  
PROTECTION.

# DOUBLE LAKE CONDOMINIUM Muang Thong Thani



▲ ที่จอดรถสำหรับทุกยูนิต

สระว่ายน้ำแบบขนานเส้นขอบฟ้า  
Infinity swimming pool



Double Flood  
Protection



SOLE AGENT  
**CBRE** Thailand  
Part of the CBRE affiliate network

**MUANG THONG  
THANI**  
Bangkok of the future, Now

**083 096 6650-1**  
<http://www.bangkokland.co.th/Doublelake>







\* ภาพถ่ายนี้จัดทำขึ้นในลักษณะ  
โดยมีสิ่งอำนวยความสะดวกที่พร้อม



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โดยมีสิ่งอำนวยความสะดวกที่พร้อม

▲ ชุดห้องครัวบิลท์อินจากโมเดิร์นฟอร์ม, เคา์เตอร์ปูด้วยหินสังเคราะห์

▲ ห้องน้ำ สุขาภิบาลอเมริกันสแตนดาร์ด (American Standard), ก๊อกน้ำ ไกรเซ่ (GROHE)

Double Flood  
Protection

SOLE AGENT  
**CBRE** Thailand  
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**MUANG THONG  
THANI**  
Bangkok of the future, Now

**083 096 6650-1**  
<http://www.bangkokland.co.th/Doublelake>





# Bee Hive



New hip and trendy  
life style shopping mall  
in the heart of  
Muang Thong Thani

**BANGKOK LAND**  
PUBLIC COMPANY LIMITED







A new 3 star hotel to be completed by 2015

located adjacent to  
IMPACT Forum and  
Novotel Bangkok  
IMPACT







**BANGKOK**  
IMPACT

A luxury contemporary 4 star business hotel  
located in the heart of IMPACT  
Exhibition and Convention Center



**BANGKOK LAND**  
PUBLIC COMPANY LIMITED





# IMPACT FORUM

A beautifully designed building with stylish contemporary Thai interior décor consists of 30 Sapphire rooms, Grand Diamond Ballroom, and 2 Banquet halls. Each room is tailored to meet the customer's need for quality, convenience, and value.



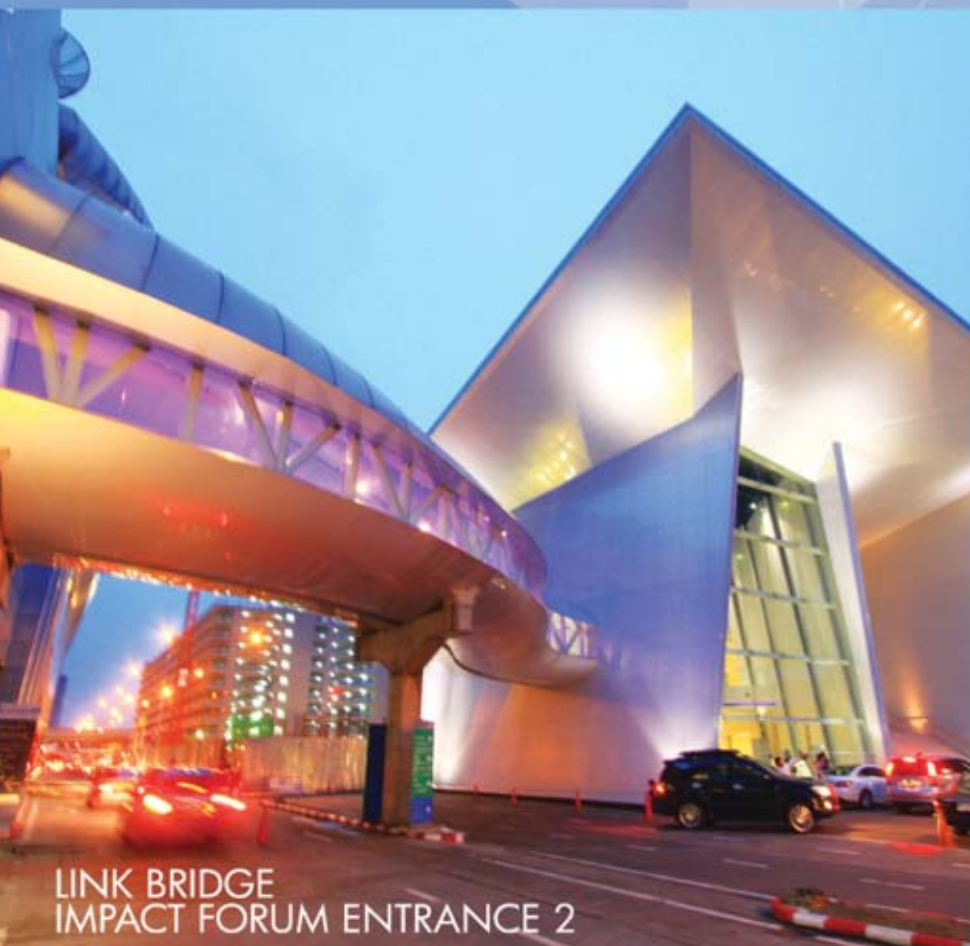
**BANGKOK LAND**  
PUBLIC COMPANY LIMITED





# SKY WALK

Fully automated skywalks  
connecting various venues  
at IMPACT



LINK BRIDGE  
IMPACT FORUM ENTRANCE 2



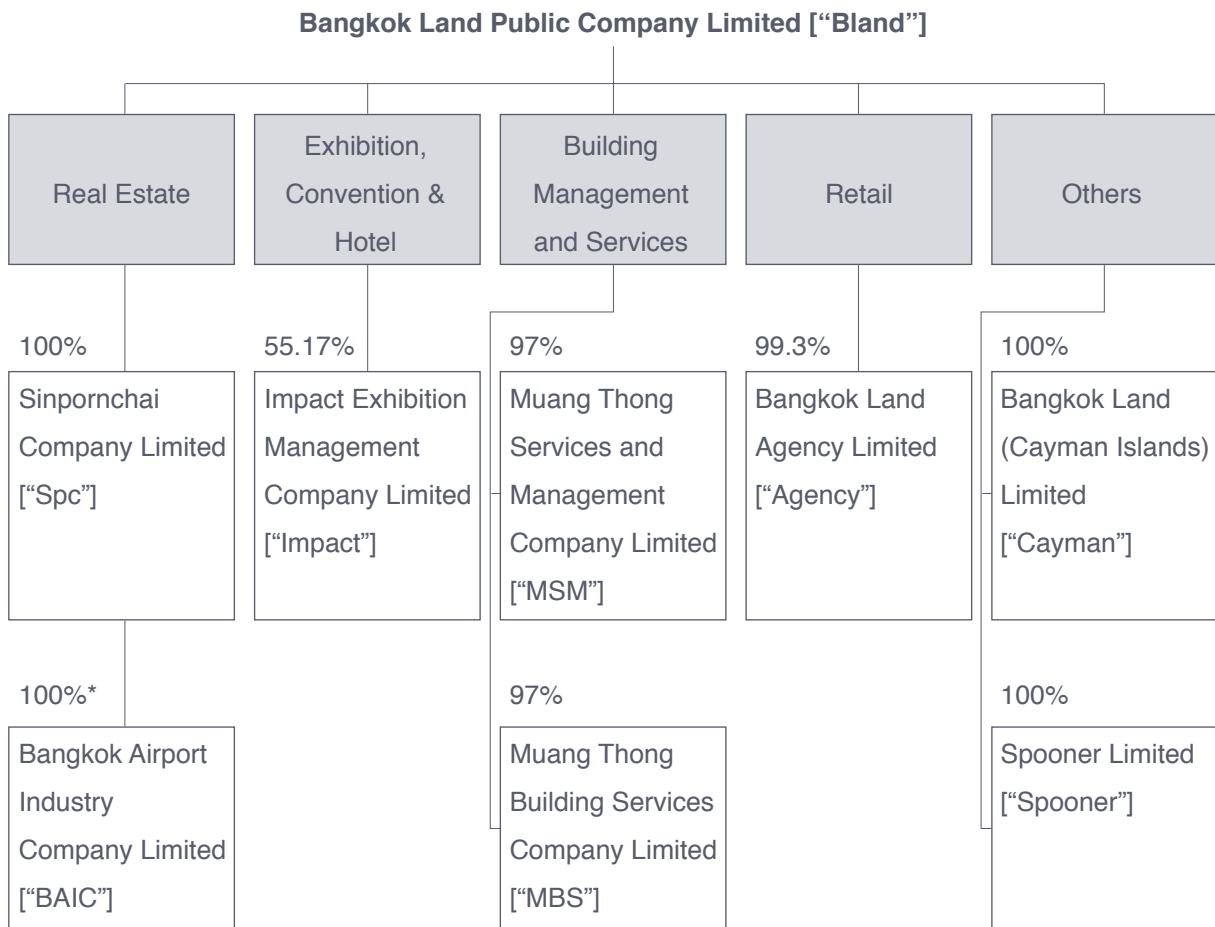
LINK BRIDGE

BANGKOK LAND  
PUBLIC COMPANY LIMITED



## BUSINESS PROFILE

### CORPORATE STRUCTURE



\* 60% owned by Bland, 40% owned by Spc

### REVENUE STRUCTURE

Business	Operated by	2012		2011		2010	
		Baht mn.	%	Baht mn.	%	Baht mn.	%
Real Estate	Bland, BAIC, Spc	934	27.5	709	24.3	868	30.6
Exhibition, Convention and Hotel	Impact	2,129	62.7	1,887	64.6	1,652	58.2
Building Management	MBS, MSM	128	3.8	130	4.5	129	4.5
Retail	Agency	207	6.0	195	6.6	189	6.7
Others	Cayman, Spooner	-	0.0	-	0.0	-	0.0
<b>Total Revenue</b>		<b>3,398</b>	<b>100.0</b>	<b>2,921</b>	<b>100.0</b>	<b>2,838</b>	<b>100.0</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 Thing 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 a convention hotel (Impact Novotel Hotel) and 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, Convention & Hotel**

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

The venue also operates Impact Novotel Hotels and a wide variety of restaurants as well as catering facilities to support various kinds of activities and functions required by its customers.

### **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 Chaengwattana. The Company runs small retail shops, food courts, fresh food market and car parks as to provide full community services to the residents of its property projects. 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 2012.

# MANAGEMENT DISCUSSION AND ANALYSIS - REVIEW OF OPERATION

## PROFIT AND LOSS SUMMARY

	Revenue			Profit		
			%			%
Baht millions	2012	2011	change	2012	2011	change
<b>Business Segments</b>						
- Real Estate	934	709	31.7	191	30	536.7
- Exhibition, Convention & Hotel	2,129	1,887	12.8	451	488	-7.6
- Retail	207	195	6.2	30	30	0.0
- Others	128	130	-1.5	24	21	14.3
- Inter-segment Elimination	(44)	(48)	-8.3	(18)	(22)	-18.2
<b>Total from Operation</b>	<b>3,354</b>	<b>2,873</b>	<b>16.7</b>	<b>678</b>	<b>547</b>	<b>23.9</b>
Corporate Expenses				(209)	(177)	18.1
<b>Recurring Profit</b>				<b>469</b>	<b>370</b>	<b>26.8</b>
<b>Non-recurring Items</b>						
- Net Borrowing Costs				(44)	(123)	-64.2
- Foreign Exchange Gain/(Losses)				183	(279)	165.6
- Provision for legal proceeding				(481)	-	-
- Gain on Debt Restructuring				-	782	-100.0
- Other Non-recurring Items				798	372	114.5
<b>Profit before Tax</b>				<b>925</b>	<b>1,122</b>	<b>-17.6</b>
Income Tax				(170)	(174)	-2.3
<b>Profit for the Year</b>				<b>755</b>	<b>948</b>	<b>-20.4</b>
Minority Interest				(134)	(154)	-13.0
<b>Profit attributable to Shareholders</b>				<b>621</b>	<b>794</b>	<b>-21.8</b>

## OVERVIEW

In the year ending 31 March 2102, the Group's total recurring revenue increased by 16.7 percent to Baht 3,354 million (2011 - Baht 2,873 million) primarily reflecting the increase of revenue from its continuing business operations in real estate and exhibition and conventions. Recurring operating profit before tax increased 26.8 percent to Baht 469 million compared to Baht 370 million a year ago.

The Group also recorded Baht 183 million (2011 - Baht 279 million loss) foreign exchange gain, Baht 481 million (2011 - nil) lawsuit provision, Baht 44 million (2011 - Baht 123 million) net interest expenses and Baht 798 million (2011 - Baht 372 million) non-recurring gains.



Overall, Bangkok Land recorded a consolidated net profit after minority interest of Baht 621 million (2011 - Baht 794 million), 21.8 percent lower than the year before.

## REAL ESTATE

Baht millions	2012	2011	% change
Revenue	934	709	31.7
Cost of Sales	(686)	(511)	34.2
Gross Profit	248	198	25.3
Other Revenue	93	65	43.1
	341	263	29.7
Selling & Admin. Expenses	(150)	(233)	-35.6
Contribution to Recurring Profit	191	30	536.7
Gross Profit Margin	26.6%	27.9%	-1.3

During the year, the Company continued to dispose the remaining units of “Popular” and “Lakeview” condominium at Muang Thong Thani. A total of 1,001 units were transferred to buyers with an aggregate sales value of Baht 395 million. Other sales recognized in the year comprised of “Sukhothai 99” shop house, “Home Town” house and sales of other small land plots.

More project development plans were completed during the year and one of these, the “Double Lake” condominium, was launched in March 2012.

With more sales recognized this year, gross profit from the real estate business increased by Baht 50 million to Baht 246 million (2011 - Baht 198 million). Gross margin remained relatively stable at 26.6 percent compared to 27.9 percent last year.

Selling and administration expenses dropped Baht 83 million to Baht 150 million mainly as the result of lower advertising expenses and better cost control.

Overall, recurring profit before tax for the year increased Baht 161 million to Baht 191 million (2011 - Baht 30 million).

## EXHIBITION, CONVENTION & HOTEL

Baht millions	2012	2011	% change
Revenue	2,129	1,887	12.8
Cost of Sales	(1,122)	(950)	18.1
Gross Profit	1,007	937	7.5
Other Revenue	17	9	88.9
	1,024	946	8.2
Selling & Admin. Expenses	(573)	(458)	25.1
Contribution to Recurring Profit	451	488	-7.6
Gross Profit Margin	47.3%	49.7%	-2.4
Occupancy Rate	47.1%	48.7%	-1.6

Although the flooding crisis in 2011 had caused cancellations and delays of events, total revenue of Impact Exhibition & Convention venue rose by 12.8 percent to Baht 2,129 million (2011 - Baht 1,887 million).

Impact's revenue came from its four principal business areas - exhibition & convention space rental, 54% (2011 - 60%); food & beverages, 22% (2011 - 20%); hotel, 5% (2011 - nil) and other supplementary exhibition services, 19 percent (2011 - 20%).

Exhibition space utilization decreased slightly by 1.6 percent to 47.1 percent (2011 - 48.7%). However, this shortfall was fully offset by the increase in rental rate during the year. Taken together, exhibition space revenue rose 0.7% to Baht 1,144 million (2011 - Baht 1,136 million).

Food and beverage revenue increased by 20.5 percent to Baht 458 million (2011 - Baht 380 million) resulting from the expansion and promotion of our catering operation.

Other services revenue rose 13.9 percent to Baht 419 million (2011 - Baht 368 million) which being the results of more income from the expansion of indoor parking facilities and other related supplementary exhibition services provided for customers.

Since its official opening in February 2011, the Impact Novotel Hotel has provided a new income stream to the Group. With low customer awareness as well as start up cost and inefficiency, the new hotel recorded revenue of Baht 106 million (2011 - Baht 6 million) and net loss of Baht 24 million. However, performance has been improving since the beginning of 2012 and the hotel is profitable at the time of this report.

Overall, our Exhibition, Convention and Hotel business increased its revenue by 12.8 percent to Baht 2,129 million (2011 - Baht 1,887 million). While this growth did not translate through to operating profit because higher direct cost had lowered gross margin by 2.4 percent to 47.3 percent, and together with the operating cost of Impact Novotel Hotel, selling and administration expenses had increased 25.1 percent to Baht 573 million (2011 - Baht 458 million). As such, recurring profit before tax declined by 7.6 percent to Baht 451 million (2011 - Baht 488 million).



## RETAIL AND BUILDING MANAGEMENT

	Retail			Infrastructure and Building Management		
Baht millions	2012	2011	% change	2012	2011	% change
Revenue	207	195	6.2	128	130	-1.5
Cost of Sales	(147)	(135)	8.9	(101)	(97)	4.1
Gross Profit	60	60	0.0	27	33	-18.2
Other Revenue	9	9	0.0	12	9	33.3
	69	69	0.0	39	42	-7.1
Selling & Admin. Expenses	(39)	(39)	0.0	(15)	(21)	-28.6
Contribution to Recurring Profit	30	30	0.0	24	21	14.3
Gross Profit Margin	29.0%	30.8%	-1.8	21.1%	25.4%	-4.3

Retail and building management are non-core businesses, established as supplementary services for the real estate projects of the Group. Performance during the year remained broadly unchanged with minor variances compared to the year before.

Overall, recurring profit before tax of the Group's retail business was Baht 30 million and building management was Baht 24 million for the year ended 31 March 2012.

## NON-RECURRING ITEMS

The Group recorded Baht 183 million exchange gain (2011 - exchange loss of Baht 279 million) on conversion of its foreign currency bonds at prevailing market exchange rates as at 31 March 2012.

Net borrowing cost for the year decreased by 79 million to Baht 44 million (2011 - Baht 123 million).

Other non-recurring items mainly comprised Baht 102 million gain on write backs of long unclaimed accounts payable, Baht 513 million gain on reverse of over accrued interest expenses, Baht 164 million gain on repurchase at below nominal value of the Group's foreign currency bonds and Baht 481 million of provision for loss of a legal proceeding in respect of a property sale agreement.

The non-recurring items of Baht 372 million for the year ended 31 March 2011 largely comprised of Baht 173 million gain on write backs of long unclaimed accounts payable, Baht 109 million gain on repurchase of foreign currency bonds and Baht 70 million revaluation surplus of investment properties.

## INCOME TAX

Income tax expenses for the year comprised of tax of Baht 10 million (2011 - Baht 4 million) on profit of the parent company and Baht 161 million (2011 - Baht 170 million) on profits of the Company's subsidiaries.

## 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 2012 stood at Baht 1.52. The Company's closing share price on that date was Baht 0.68 representing a discount of 55.2% to its adjusted net asset value.

Adjusted net asset value per share

Baht millions	2012	2011
Total shareholders' equity	32,113	31,358
Minority interest	(5,320)	(5,186)
Deferred tax on revaluation surplus of investment properties	194	194
Adjusted shareholders equity	26,987	26,366
Number of shares in issue (millions)	17,794	17,794
Value per share (Baht)	1.52	1.48
Closing market price per share (Baht) - 31 March	0.68	0.71
Share price discount	55.2%	52.1%

### ASSETS

Total assets of the Group increased 0.13 percent to Baht 39,143 million (2011 - Baht 39,092 million) mainly reflecting the net result of the increase in fixed assets of the Impact exhibition & convention center which was offset by the decrease of investment in debt securities together with the decline in 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 (40.5 percent), idle land (18.6 percent) and property, plant and equipments (32.8 percent), details of which are summarized next.

#### Real estate development cost

Baht millions	2012	2011	% change
Undeveloped Land			
- Srinakarin Road	13,287	13,373	-0.6
- Muang Thong Thani & Others	1,218	1,183	3.0
	14,505	14,556	-0.4
Finished Products			
- Residential Condominiums	586	997	-41.2
Work in Progress	132	199	-33.7
Uncompleted Condominiums	227	311	-27.0
Other discontinued Projects	421	426	-0.9
Total	15,871	16,489	-3.7

#### Classification in financial statements

- Current Assets	1,082	1,290
- Non-current Assets	14,789	15,199

Real estate development cost remained broadly unchanged compared to last year. The slight decrease of 3.7 percent to Baht 15,871 million (2011 - Baht 16,489 million) was primarily the result of inventory sales during the year. With the suspension of project development for resale since the 1997 financial crisis, all items of real estate development cost were re-classified as non-current assets. Projects were re-classified to current assets upon signed sale agreements with customers.

### **Idle Land**

Idle land comprised a 375 rai of land and a man-made lake 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 during the year 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 ended 31 March 2012.

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

New capital expenditure for the year was Baht 919 million, which mainly comprised of additions to upgrade the Group's exhibition facilities. Capital expenditure for the year included Baht 84 million construction cost of the Impact Novotel Hotel, Baht 155 million construction cost of Impact car park buildings, Baht 124 million for land and outdoor parking space, Baht 323 million renovation cost of Impact ICC Convention Building, Baht 72 million construction cost of Sky Walk and Baht 161 million other additions of equipments, fixtures motor vehicles and building improvements, mainly incurred to upgrade the Impact Exhibition facilities.

Taking into account the reclassification of land from real estate development cost of Baht 140 million and depreciation charge for the year of Baht 460 million, reported net book value of property, plant and equipments as at 31 March 2012 increased by Baht 596 million or 4.9% to Baht 12,855 million (2011 - Baht 12,259 million) compared to last year.

### **LIQUIDITY**

Net cash flow from recurring operating activities (net cash provided by operating activities excluding decrease in non-current liabilities) increased by Baht 308 million to Baht 1,289 million (2011 - Baht 981 million) primarily resulting from the effect of more cash flow generated by higher revenue and the increased transferred of the Group's property inventories during the year ended 31 March 2012.

Non-recurring cash flow from investing activities included retirement of Baht 601 million short term deposits with local financial institutions, Baht 23 million interest income and Baht 5 million from the disposal of fixed assets.

Total recurring and non-recurring cash flow generated during the year was Baht 1,918 million. Together with cash of Baht 902 million brought forward from last year, these cash flows were applied to pay capital expenditure (Baht 919 million), settle restructured debt with TAMC (Baht 263 million) and other sundries items (Baht 72 million).

In effect, Bangkok Land's consolidated statements of cash flow for the year ended 31 March 2012 recorded a net increase of Baht 664 million in cash and cash equivalent to Baht 1,566 million (2011 - Baht 902 million).

Liquidity ratio and quick ratio broadly remained stable at 0.50 times and 0.34 times respectively (2011 - 0.48 times and 0.33 times).

## LIABILITIES

Consolidated total liabilities as at 31 March 2012 declined 9.1 percent to Baht 7,030 million compared to Baht 7,734 million in 2011. This reduced the Group's total liabilities to equity ratio to 0.26 times from 0.30 times a year ago.

Consolidated net total liabilities (net of cash and cash equivalent) as at 31 March 2012 was Baht 5,464 compared to Baht 6,832 million in 2011. This reduced the Group's net total liabilities to equity ratio to 0.20 times from 0.26 times a year ago.

Upon the settlement of the last restructured debt with TAMC this year, the Group had finally cleared all local debts carried forward since the 1997 financial crisis. The Group's gearing continued to improve as a result of its continued debt reduction efforts.

The following table presents a breakdown of the Group's total liabilities as at 31 March 2012.

Baht millions	Total	Interest Bearing	Non-interest Bearing
Restructured Debts	-	-	-
Unsecured Debts in Default			
- Bonds	3,076	3,076	-
- Overdue Interest (Bonds)	916	-	916
	3,992	3,076	916
Deferred Tax	294	-	294
Other Liabilities & Accruals	2,744	-	2,744
Total Liabilities	7,030	3,076	3,954
Total Liabilities excluding Bonds	3,038	-	3,038

Note: The Baht 3,992 million unsecured bonds were defaulted for 13 years since 1999.

## **SHAREHOLDERS' EQUITY**

Shareholders' equity after minority interest improved 2.4 percent to Baht 26,793 million (2011 - Baht 26,172 million) reflecting the consolidated result of net profit after minority interest of Baht 621 million attributable to shareholders for the year ended 31 March 2012.

## **COMMITMENT AND CONTINGENT LIABILITIES**

As at 31 March 2012, the Group had major pending lawsuits of Baht 235 million by property buyers claiming refund of deposits paid on uncompleted projects, Baht 194 million by a contractor demanding settlement of a dispute on construction work performed, and Baht 481 million by a government agency claiming compensation on breach of a property sale agreement. Adequate provisions of all these pending cases were made and accounted for in the Group's financial statements.

There were no other major commitment and contingent liabilities as at 31 March 2012 which might materially affect the financial position of the Group.

# **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 2012, Bangkok Land applied all guidelines set forth by the Stock Exchange of Thailand and the Securities and Exchange Commission with the following exception:-

There is no separation of roles of the Chairman and Chief Executive - Mr. Anant Kanjanapas is the Company's Chairman and Chief Executive.

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.

## **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 necessary future reference.

The Company's last Annual General Meeting of shareholders was held on 29 July 2011, at 11.00 a.m., at the Sapphire Hall 7-10, 1st floor, building 9, Impact Convention Center, Muang Thong Thani, Chaengwattana, Bannmai, Pakkred, Nonthaburi. Nine Directors, including the Chief Executive and four Independent Non-executive Director, 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 504, representing 9,765,101,029 shares or 54.88% 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, were 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 connected transactions which 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 substantial discounts to the nominal value of the original debts. As at date of this report, all restructured debts had been settled in accordance with the debt restructuring agreements. Bangkok Land had treated 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 and its subsidiaries 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 Group maintains 2 web sites, [www.bangkokland.co.th](http://www.bangkokland.co.th) and [www.impact.co.th](http://www.impact.co.th) offering investors and customer timely access to the Group's financial and business information. These web sites will be updated and improved on a continuing basis in 2012 and going forward.

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.

## **REPSONSIBILITIES OF THE BOARD**

### **Board Structure**

#### Summary

As at 31 March 2012, there were 11 directors including three Executive Directors, four Non-executive Directors and four 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 shareholders.

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 four 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 approach with the following procedures:-

- 1) Major shareholders may propose suitable candidates to the Board of Directors of the Company.

- 2) Candidates for appointment as directors may be sourced by referrals from the Company's existing Directors, Executives or by using the services of executive search firms.
- 3) Candidates for appointment as executive and non-executive directors may be sourced internally from the management team of the Company.
- 4) Before a prospective person is formally nominated, it is required to obtain the opinion and majority consensus of all existing Directors before the Board seeks approval of the appointment in shareholders meetings.

#### 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**

As at 31 March 2012, the Board has set up two committees: the Audit Committee and the Executive Board.

#### Audit Committee

The Audit Committee consists of three Independent Directors. Mr. Thumgrong Chientachakul is the Chairman and the other members are Mr. Supavat Saicheua and Mr. Siriwat Likitnuruk.

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.

All members of the Audit Committee have significant knowledge and experience in the area of finance as well as possess sufficient knowledge in understanding accounting and financial regulation and reporting.

The Audit Committee held 5 meetings during the year ended 31 March 2012. The attendance record of each member is set out below:-

Directors	Meetings attended/
	Total
Mr. Thumgrong Chientachakul	5/5
Mr. Supavat Saicheua	5/5
Mr. Siriwat Likitnuruk	5/5

### Executive Board

The Executive Board was established in 2010. Including the Chief Executive Officer, it consists of 3 directors. The Executive Board handles and manages the daily operation of the Group.

The Executive Board held 9 meetings during the year ended 31 March 2012. The attendance record of each member is set out below:-

Directors	Meetings attended/
	Total
Mr. Anant Kanjanapas	9/9
Mr. Sui Hung Kanjanapas	9/9
Mr. Shui Pang Kanjanapas	9/9

### 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.

### 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 2012 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.

### 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.

There were 7 board meetings 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 2012 is set out below:-

Directors	Meetings attended/
	Total
<b>Executive Directors</b>	
Mr. Anant Kanjanapas	7/7
Mr. Sui Hung Kanjanapas	6/7
Mr. Shui Pang Kanjanapas	6/7
<b>Non-Executive Directors</b>	
Mr. Sakorn Kanjanapas	0/7
Mr. Burin Wongsanguan	4/7
Mr. Wattanasak Sanitwongse	6/7
Mr. Tawin Boonruangkhaio	7/7
<b>Independent Non-Executive Directors</b>	
Mr. Thumrong Chientachakul	7/7
Mr. Supavat Saicheua	7/7
Mr. Siritwat Likitnuruk	7/7
Mr. Panya Boonyapiwat	7/7

## Board Self Assessment

The Board of Directors has a policy to hold at least one meeting per year to review, discuss and assess the performance of its members. The last assessment meeting was held on 28 May 2012.

**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.

# SHAREHOLDERS AND MANAGEMENT

## EQUITY

### Ordinary shares

As at 31 March 2012, the Company had authorized capital of Baht 26,676,477,963 divided into 26,676,477,963 shares with a par value of 1 Baht per share. Paid-up capital was Baht 17,794,400,220 representing 17,794,400,220 ordinary shares fully paid up at a par value of 1 Baht each.

On 13 June 2012, as recorded in the Company's share registration, 817,851,167 shares were held by investors in non-voting depository receipts (NDVRs). These NDVRs represents 4.60 percent 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 4.82 percent, and non-NDVR shareholders of 23.85 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 warrant listed on the Stock Exchange of Thailand. Detail of these warrants as of 13 June 2012 is summarized next.

#### 1) Bland-W2

Security symbol	Bland-W2
Total units	6,886,268,732
Exercise ratio (warrant : share)	1 : 1
Exercise price (per share)	
Ending 2 May 2009	1 <sup>st</sup> year - Baht 1.1
3 May 2009 - 2 May 2010	2 <sup>nd</sup> year - Baht 1.3
3 May 2010 - 2 May 2011	3 <sup>rd</sup> year - Baht 1.5
3 May 2011 - 2 May 2012	4 <sup>th</sup> year - Baht 1.7
3 May 2012 - 2 May 2013	5 <sup>th</sup> year - Baht 1.9
Exercise date	every 3 months
Expiry date	2 May 2013
Total units exercised	2,565,914
Total units remaining	6,883,702,818



## 2) Bland-W3

Security symbol	Bland-W3
Total units	1,994,248,065
Exercise ratio (warrant : share)	1 : 1
Exercise price (per share)	
Ending 7 November 2011	1 <sup>st</sup> year - Baht 1.1
8 November 2011 - 7 November 2012	2 <sup>nd</sup> year - Baht 1.3
8 November 2012 - 7 November 2013	3 <sup>rd</sup> year - Baht 1.5
8 November 2013 - 7 November 2014	4 <sup>th</sup> year - Baht 1.7
8 November 2014 - 7 November 2015	5 <sup>th</sup> year - Baht 1.9
Exercise date	every 3 months
Expiry date	7 November 2015
Total units exercised	663,944
Total units remaining	1,993,584,121

## MAJOR SHAREHOLDERS

Details of the 10 largest shareholders of the Company according to the most up to date shareholder list as at 13 June 2012 are listed below.

Rank	Name	Number of shares	% to paid-up capital
1	Nortrust Nominees Ltd.	4,018,881,738	22.59
2	Mr. Anant Kanjanapas *	3,596,808,460	20.21
3	Thai NVDR Co. Ltd.	817,851,167	4.60
4	UBS Singapore Branch	704,327,575	3.96
5	Miss Archchara Worasaknukul	639,643,267	3.59
6	Mr. Jean-Marie Verbughe	597,080,000	3.36
7	Mr. Chaya Mahadamrongkul	395,115,480	2.22
8	Komon Jungrungreangkit	219,344,500	1.23
9	United Overseas Bank Nominees (Private) Ltd.	120,000,000	0.67
10	East Fourteen Limited - Emer Mkts Value FD	115,318,503	0.65
	Total	11,224,370,690	63.08

Source: Thailand Securities Company Limited

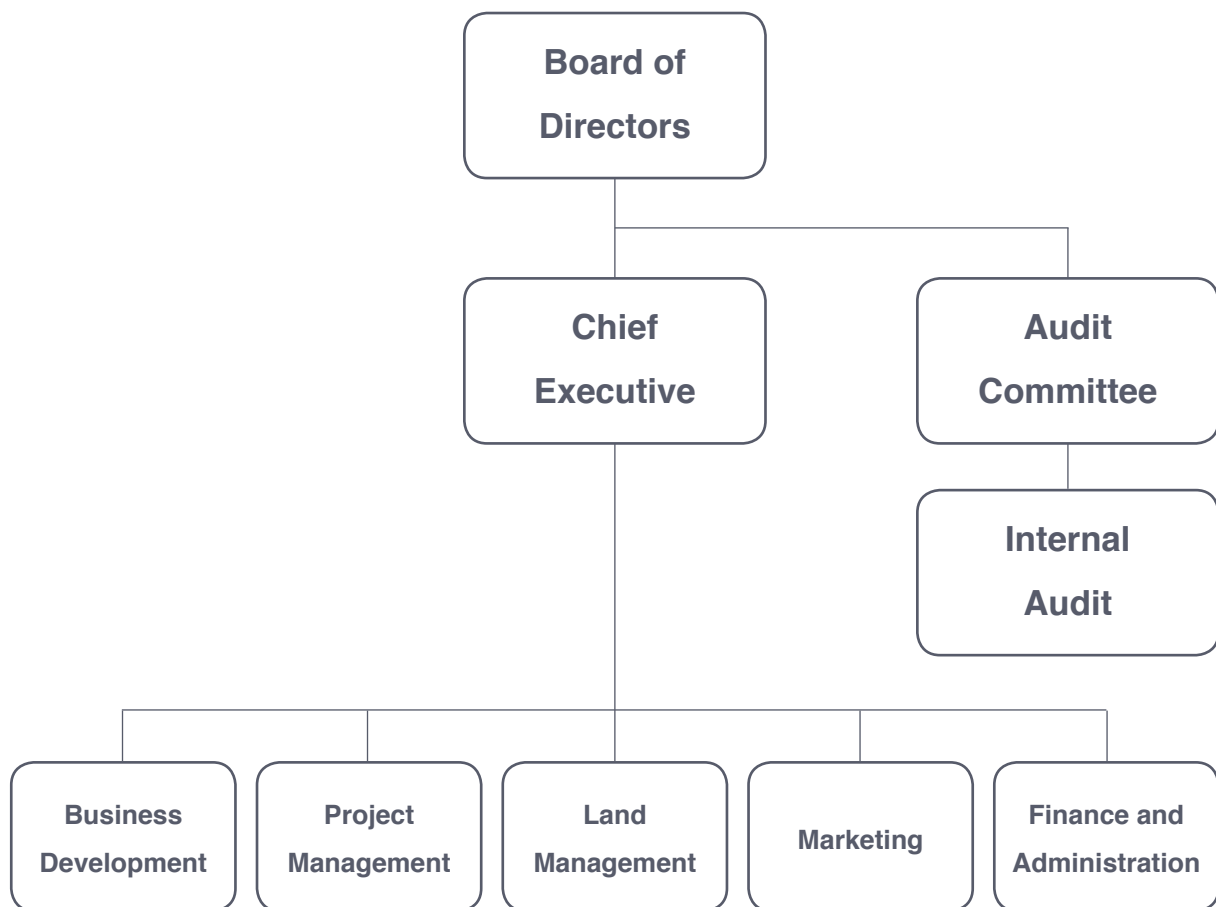
Note: \* includes other shareholdings related to Mr. Anant Kanjanapas

## 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 the Group's 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

As at date of this report the Board of Directors of Bangkok Land consists of the following members:

### Executive Directors

Mr. Anant Kanjanapas \*

Mr. Sui Hung Kanjanapas

Mr. Shui Pang Kanjanapas

### Non-executive Directors

Mr. Sakorn Kanjanapas

Mr. Burin Wongsanhuan

Mr. Wattanasak Sanitwongse

Mr. Tawin Boonruangkhaio

\* Chairman of the Board and Chief Executive Officer

### Independent Directors

Mr. Thumrong Chientachakul

Mr. Supavat Saicheua

Mr. Siriwat Likitnuruk

Mr. Panya Boonyapiwat

## **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 Hung or Mr. Shui 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 accuracy and adequacy of the Company's financial reports.
- 2) Review the Company's internal control system and internal audit system to ensure that they are suitable and efficient. Determine the internal audit unit's independence as well as approve the appointment, transfer, and dismissal of the chief of an internal audit unit or any unit being responsible for the Company's internal audit.
- 3) Review compliance with the Securities and Exchange Acts, regulation of the SET and any other relevant law.
- 4) Consider, select and nominate an independent person as the Company's auditor and to propose such person's remuneration as well as attend a non-management meeting with the auditor at least once a year.
- 5) Review connected transactions, or transactions that may lead to conflicts of interests as to ensure that the Company complies with all related rules.
- 6) Prepare and disclose in the Company's annual report an audit committee's report which must be signed by the Audit Committee's Chairman and consists of at least the following information:
  - an opinion on the accuracy, completeness and creditability of the Company's financial report;
  - an opinion on the adequacy of the Company's internal control system;
  - an opinion on the compliance with SEC's and SET's laws and regulation and other laws relevant to the Company's business;
  - an opinion on the suitability of an auditor;
  - an opinion on transactions that may lead to conflicts of interest;
  - the number of audit committee meetings and the attendance of such meetings by each committee member;
  - an opinion or overview comment on issues that have arisen as the audit committee performed its duties as defined in the committee's charter; and
  - any other matters which should be made available to shareholders and general investors within the scope of duties and responsibilities assigned by the Company's Board of Directors.
- 7) Perform other duties as assigned by the Board of Directors of the Company with the consent of the Audit Committee.

## DIRECTORS' REMUNERATION

The Company compensated its directors in the form of an annual fee based on meeting attendance. Payment of fees is normally made in the following financial year after the annual general meeting ("AGM"). Total director remuneration for the year ended 31 March 2011 was set at 6 million Baht at the AGM of 29 July 2010. Actual remuneration paid in the year was Baht 4,383,915.

## SENIOR MANAGEMENT'S REMUNERATION

	2012		2011	
	Number of Persons	Amount (Baht million)	Number of Persons	Amount (Baht million)
Salary and Allowance				
- Directors	4	12.44	6	7.19
- Senior Management	9	9.75	12	11.55
Total	13	22.19	18	18.74

## DIRECTORS' PROFILE

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

Chairman

Chief Executive Officer

Age 71, 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 Thailand and Switzerland. He has had wide international experience in real estate, manufacturing, banking and retail sectors. Mr. Kanjanapas previously owned and operated several public and private companies in Asia, Europe and North America over a career span of more than 45 years.

### **Sui Hung Kanjanapas B.Sc.**

Managing Director

Age 39, Mr. Sui Hung Kanjanapas is a son of the Chairman. He was appointed director of the Company in 2001. Mr. Kanjanapas was educated in Hong Kong and the United Kingdom. He is also a Director of Impact Exhibition Management Company Limited.

### **Shui Pang Kanjanapas B.A.**

Executive Director

Age 37, Mr. Sui Pang Kanjanapas is a son of the Chairman. He was appointed director of the Company in 2003. Mr. Kanjanapas was educated in Hong Kong and the United Kingdom. He is also the managing director of Impact Exhibition Management Company Limited.

### **Sakorn Kanjanapas**

Non-executive Director

Age 63, 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.

### **Burin Wongsanguan B.Arch.**

Non-Executive Director

Age 76, Mr. Burin Wongsanguan was appointed director of the Company in 1993. He was educated in Thailand and the United States of America. Mr. Wongsanguan has had significant experience in real estate business. He is also a director of his privately owned investment, Muang Thong Seiko Company Limited and Thossapol Land Company Limited.

**Wattanasak Sanitwongse**

Non-Executive Director

Age 71, Mr. Wattanasak Sanitwongse was appointed director in 1993. He was educated in Thailand and Switzerland. Mr. Sanitwongse has had many years of experience in real estate, construction and watch business. He is also a director of his privately owned investment, Univest group of companies.

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

Non-Executive Director

Age 68, 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.

**Thumrong Chientachakul B.A.**

Independent Non-executive Director

Chairman of Audit Committee

Age 54, Mr. Thumrong Chientachakul was appointed director of the Company in 2010. He was educated in Thailand and has had significant experience in management and corporate finance. Mr. Chientachakul is an independent director and the chairman of the audit committee.

**Supavat Saicheua M.A.**

Independent Non-executive Director

Age 53, Mr. Supavat Saicheua was appointed director of the Company in 2010. He was educated in Thailand and the United States of America. Mr. Saicheua has had significant experience in capital markets, securities trading and company research. He is an independent director and a member of the audit committee.

**Siriwat Likitnuruk M.A.**

Independent Non-executive Director

Age 59, Mr. Likitnuruk was appointed director of the Company in 2010. He was educated in Thailand and the United Kingdom. Mr. Likitnuruk has had significant experience in finance, management and banking. He is an independent director and a member of the audit committee.

**Panya Boonyapiwat Ph.D**

Independent Non-executive Director

Age 49, Mr. Boonyapiwat was appointed director of the Company in 2010. He was educated in Thailand and the United States of America. Mr. Boonyapiwat has had significant experience in information technology and management. He is an independent director.

## 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 15.47 million and Swiss Francs 75.35 million, 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.

				Un-hedged amount (Baht mn)	Profit effect of 1% rate change (Baht mn)
US Dollars Bonds					
- Principal	USD	13.97		433	4.33
- Put Premium	USD	1.50		46	0.46
Swiss Francs Bonds	CHF	75.35		2,597	25.97
Total				3,076	30.76



### 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	3,076	-	-
Bank Loans	-	-	-

### 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 Group may occasionally need to conduct transactions with related parties.

For the year ended 31 March 2012, the Group disclosed details of transactions with related parties under note 5 of the Notes to Financial Statements. These transactions comprised 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 2012.

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 & hotel	12,952,714,100
Bangkok Airport Industry Company Limited [Note (2)]	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
Muang Thong Building Services Company Limited	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

### Notes:

(1) Unless otherwise stated, issued capital of all subsidiaries are in Thai Baht.

(2) 60% owned by Bangkok Land Public Co. Ltd. & 40% owned by Sinpornchai Ltd.

## 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 2012.



Anant Kanjanapas  
Chairman and Chief Executive

## REPORT OF AUDIT COMMITTEE

Dear Shareholders,

The Audit Committee of Bangkok Land Public Company Limited has three members. On 20 June 2012 as this report is being prepared, the Chairman is Mr. Thumrong Chientachakul, and other members are Mr. Supavat Saicheua and Mr. Siriwat Likitnuruk.

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 2012, the Audit Committee met 5 times. The attendance record of each member is set out below:-

Committee member	Meetings attended/
	Total
Mr.Thumrong Chientachakul	5/5
Mr. Supavat Saicheua	5/5
Mr. Siriwat Likitnuruk	5/5

Major works performed by the Audit Committee are summarized next.

- 1) Review and the accuracy and adequacy of the Company's financial reports.
- 2) Review the Company's internal control system and internal audit system to ensure that they are suitable and efficient. Determine the internal audit unit's independence as well as approve the appointment, transfer, and dismissal of the chief of an internal audit unit or any unit being responsible for the Company's internal audit.
- 3) Review compliance with the Securities and Exchange Acts, regulation of the SET and any other relevant law.
- 4) Consider, select and nominate an independent person as the Company's auditor and to propose such person's remuneration as well as attend a non-management meeting with the auditor at least 1 time per annum. Such meeting in the previous year were totally 4 times.
- 5) Review connected transactions, or transactions that may lead to conflicts of interests as to ensure that the Company complies with all related rules.
- 6) Prepare and disclose in the Company's annual report an audit committee's report which must be signed by the Audit Committee's Chairman and consists of at least the following information:
  - a. an opinion on the accuracy, completeness and creditability of the Company's financial report;
  - b. an opinion on the adequacy of the Company's internal control system;

- c. an opinion on the compliance with SEC's and SET's laws and regulation and other laws relevant to the Company's business;
  - d. an opinion on the suitability of an auditor;
  - e. an opinion on transactions that may lead to conflicts of interest;
  - f. the number of audit committee meetings and the attendance of such meetings by each committee member;
  - g. an opinion or overview comment on issues that have arisen as the audit committee performed its duties as defined in the committee's charter; and
  - h. any other matters which should be made available to shareholders and general investors within the scope of duties and responsibilities assigned by the Company's Board of Directors.
- 7) Perform other duties as assigned by the Board of Directors of the Company with the consent of the Audit Committee.

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 2012. The proposed audit fee is Baht 5,330,000 which is the same as the previous year. Nomination shall be submitted to the Board before seeking the approval of shareholders at the 2012 Annual General Meeting.

The Audit Committee is of the opinion that the Company operates its business with good corporate governance. Based on the review of the Company's operation, the Audit Committee is confident that the Company has employed appropriate internal control as well as risk management procedures and there were no material problems on internal control, financial reporting and regulatory compliance in the year under review.



Thumrong Chientachakul  
Chairman of Audit Committee  
20 June 2012

**BANGKOK LAND PUBLIC COMPANY LIMITED**  
**CONSOLIDATED FINANCIAL STATEMENTS AND FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED MARCH 31, 2012 AND 2011**  
**AND AUDITOR'S REPORT**



# AUDITOR'S REPORT

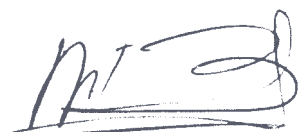
## To the Shareholders and the Board of Directors of Bangkok Land Public Company Limited

I have audited the accompanying consolidated statements of financial position of Bangkok Land Public Company Limited and its subsidiaries as at March 31, 2012 and 2011, and the related consolidated statements of comprehensive income and changes in shareholders' equity and cash flows for the years then ended, and the statements of financial position of Bangkok Land Public Company Limited as at March 31, 2012 and 2011, and the related statements of comprehensive income and changes in shareholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. My responsibility is to issue a report 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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also 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, 2012 and 2011, 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, 2012 and 2011, the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

As explained in Note 2 to the financial statements, with effect from January 1, 2011 the Company has adopted certain new and revised financial reporting standards. The consolidated and separate financial statements for the year ended as at March 31, 2011, which are included in the accompanying financial statements for comparative purposes, have been restated accordingly.



(Kannika Wipanurat)

Certified Public Accountant

Registration No. 7305

Karin Audit Company Limited

Bangkok

May 28, 2012

**BANGKOK LAND PUBLIC COMPANY LIMITED**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2012 AND 2011**

		In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
		2012	2011	2012	2011
Notes			"Restated"		"Restated"
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents		1,566,304,742	902,094,332	634,771,950	74,085,800
Short-term investments	6	215,267,110	816,396,096	215,267,111	612,765,498
Accounts receivable, net	7	325,515,222	299,473,763	2,300,544	646,885
Real estate development cost, net	8	1,082,096,144	1,290,006,853	246,375,967	236,531,370
Advance and receivables from related parties, net	5.2	-	-	1,229,596,881	996,055,112
Short-term loans to related parties, net	5.3	-	-	500,061,546	118,425,816
Investment in loans	5.4	-	-	475,000,000	475,000,000
Other current assets, net of allowance for doubtful accounts of Baht 50 million in 2012 and 2011		185,671,202	167,514,574	63,479,031	23,479,500
Total current assets		3,374,854,420	3,475,485,618	3,366,853,030	2,536,989,981
<b>Non-current assets</b>					
Real estate development cost, net	8	14,789,195,888	15,199,056,917	15,167,561,675	15,328,038,211
Investments in subsidiaries, at cost method	9	-	-	7,326,886,908	7,263,274,398
Investment property	10	706,320,000	706,320,000	5,280,000	5,280,000
Property, plants and equipment, net	11	12,855,339,440	12,258,940,847	443,066,411	458,022,947
Land held for future use	12	7,285,035,600	7,285,035,600	7,285,035,600	7,285,035,600
Deferred income tax	17	29,036,241	31,225,247	3,528,685	7,073,789
Other non-current assets, net		103,231,899	136,075,944	36,939,038	36,916,870
Total non-current assets		35,768,159,068	35,616,654,555	30,268,298,317	30,383,641,815
<b>TOTAL ASSETS</b>		<b>39,143,013,488</b>	<b>39,092,140,173</b>	<b>33,635,151,347</b>	<b>32,920,631,796</b>

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

**BANGKOK LAND PUBLIC COMPANY LIMITED**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2012 AND 2011**

		In Baht			
		Consolidated financial statements		Separate financial statements	
		2012	2011	2012	2011
Notes			"Restated"		"Restated"
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>Current liabilities</b>					
Payables to contractors		224,541,751	261,072,551	132,951,835	122,251,835
Accounts payable		47,688,889	51,989,974	-	-
Payable to related parties	5.5	-	8,124,453	9,129,139,440	8,630,532,166
Short-term loans and advances from directors	5.7	-	32,261,233	-	32,261,233
Current portion of:					
- Long-term debt instruments	14	3,076,173,534	3,132,323,501	-	-
- Long-term loans from related parties	5.6	-	-	4,778,466,439	10,781,837,795
Accrued interest expense	14	915,739,056	1,389,690,616	658,780	658,780
Advances and deposits from customers		1,299,263,877	1,313,825,359	1,053,591,631	1,077,322,747
Other current liabilities	16	1,153,119,856	988,010,484	315,988,198	378,968,754
Total current liabilities		6,716,526,963	7,177,298,171	15,410,796,323	21,023,833,310
<b>Non-current liabilities</b>					
Deferred income tax	17	293,798,379	293,798,379	1,317,051	1,317,051
Employee benefit obligations	15	20,081,107	-	-	-
Other non-current liabilities	18	-	263,295,671	-	263,295,671
Total non-current liabilities		313,879,486	557,094,050	1,317,051	264,612,722
<b>Total liabilities</b>		7,030,406,449	7,734,392,221	15,412,113,374	21,288,446,032

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

**BANGKOK LAND PUBLIC COMPANY LIMITED**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2012 AND 2011**

		In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
		2012	2011	2012	2011
Notes			"Restated"		"Restated"
<b>Shareholders' equity</b>					
Share capital					
Authorized share capital					
		26,671,687,159 common shares			
		of Baht 1 par value			
	19	<u>26,671,687,159</u>		<u>26,671,687,159</u>	
		26,676,477,963 common shares			
		of Baht 1 par value			
			<u>26,676,477,963</u>		<u>26,676,477,963</u>
Issued and fully paid - up share					
		17,794,400,220 shares of Baht 1 par value			
		17,794,400,220	17,794,400,220	17,794,400,220	17,794,400,220
Premium on share capital					
		1,550,164,833	1,550,164,833	1,550,164,833	1,550,164,833
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					
		1,343,610	1,343,610	-	-
Retained earnings					
		-Appropriated for legal reserve			
	20	50,781,177	-	50,781,177	-
		-Unappropriated			
		9,505,215,100	8,934,791,522	964,842,360	(5,575,228,672)
<b>Total equity attributable to owner's of the Company</b>		<u>26,792,938,518</u>	<u>26,171,733,763</u>	<u>18,223,037,973</u>	<u>11,632,185,764</u>
Non-controlling interests		<u>5,319,668,521</u>	<u>5,186,014,189</u>	-	-
<b>Total shareholders' equity</b>		<u>32,112,607,039</u>	<u>31,357,747,952</u>	<u>18,223,037,973</u>	<u>11,632,185,764</u>
<b>TOTAL LIABILITIES AND</b>					
<b>SHAREHOLDERS' EQUITY</b>					
		<u>39,143,013,488</u>	<u>39,092,140,173</u>	<u>33,635,151,347</u>	<u>32,920,631,796</u>

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

**BANGKOK LAND PUBLIC COMPANY LIMITED**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED MARCH 31, 2012 AND 2011**

		In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
		2012	2011	2012	2011
Notes			(Restated)		(Restated)
Sales		1,330,540,479	1,061,431,330	319,657,011	332,182,037
Rental and service revenues	5.1	2,023,286,951	1,811,397,581	3,523,922	5,723,571
<b>Total revenues</b>		<b>3,353,827,430</b>	<b>2,872,828,911</b>	<b>323,180,933</b>	<b>337,905,608</b>
Costs of sales		(1,020,505,464)	(805,046,186)	(175,821,620)	(237,844,782)
Costs of rental and services		(1,008,614,255)	(856,262,184)	-	-
<b>Total costs</b>		<b>(2,029,119,719)</b>	<b>(1,661,308,370)</b>	<b>(175,821,620)</b>	<b>(237,844,782)</b>
<b>Gross profit margin</b>		<b>1,324,707,711</b>	<b>1,211,520,541</b>	<b>147,359,313</b>	<b>100,060,826</b>
Gain on exchange rate, net		182,933,682	-	-	-
Dividend income	9	-	-	6,510,000,000	-
Other revenues	21	920,809,993	1,243,527,639	1,439,559,826	1,041,317,404
<b>Profit before expenses</b>		<b>2,428,451,386</b>	<b>2,455,048,180</b>	<b>8,096,919,139</b>	<b>1,141,378,230</b>
Selling expenses		(69,517,229)	(77,612,268)	(8,760,663)	(2,019,318)
Administrative expenses		(827,928,590)	(783,460,947)	(190,757,840)	(239,398,989)
Management benefit	23	(57,957,487)	(49,157,650)	(22,189,140)	(18,733,385)
Provision for pending lawsuit	27	(481,060,986)	-	-	-
Loss on exchange rate, net		-	(279,215,500)	(882,686,591)	(1,372,512,411)
<b>Total expenses</b>		<b>(1,436,464,292)</b>	<b>(1,189,446,365)</b>	<b>(1,104,394,234)</b>	<b>(1,632,664,103)</b>
<b>Profit (loss) before finance costs and income tax expense</b>		<b>991,987,094</b>	<b>1,265,601,815</b>	<b>6,992,524,905</b>	<b>(491,285,873)</b>
Finance costs	5.1	(67,264,295)	(143,365,674)	(391,837,296)	(362,464,053)
<b>Profit (loss) before income tax expense</b>		<b>924,722,799</b>	<b>1,122,236,141</b>	<b>6,600,687,609</b>	<b>(853,749,926)</b>
Income tax expense	17	(169,863,712)	(173,817,540)	(9,835,400)	(4,092,784)
<b>Net profit (loss) and comprehensive income(loss)</b>		<b>754,859,087</b>	<b>948,418,601</b>	<b>6,590,852,209</b>	<b>(857,842,710)</b>
<b>Net profit (loss) and comprehensive income(loss) attributable to:</b>					
Owners of the Company		621,204,755	794,165,409	6,590,852,209	(857,842,710)
Non-controlling interests		133,654,332	154,253,192	-	-
		<b>754,859,087</b>	<b>948,418,601</b>	<b>6,590,852,209</b>	<b>(857,842,710)</b>
<b>Earnings (loss) per share</b>					
<b>Basic earnings (loss) per share (Baht)</b>	25	<b>0.03</b>	<b>0.04</b>	<b>0.37</b>	<b>(0.05)</b>
(2012 : 17,794 million shares)					
(2011 : 17,792 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, 2012 AND 2011**

In Baht											
Consolidated financial statements											
Net book value											
	Notes	of subsidiaries			Retained earnings			Total equity			Non-controlling interests
		Issued and paid-up share capital	Premium on share capital	Discount on share capital	exceed investment as of purchasing date	Currency translation differences	Appropriated for legal reserve	attributable to owner's of the Company	Unappropriated the Company		
<b>Balance as at March 31, 2010</b>											
Beginning balance -		17,791,445,931	1,548,953,266	(2,137,150,617)	28,184,195	1,384,021	-	8,230,050,191	25,462,866,987	5,031,760,997	30,494,627,984
as previously reported											
Cumulative effect of the change											
in accounting policy for recognition											
of revenue from sales of real estate	3.1	-	-	-	-	-	-	(89,424,078)	(89,424,078)	-	(89,424,078)
Beginning balance (restated)		17,791,445,931	1,548,953,266	(2,137,150,617)	28,184,195	1,384,021	-	8,140,626,113	25,373,442,909	5,031,760,997	30,405,203,906
Increase in share capital	19	2,954,289	1,211,567	-	-	-	-	-	4,165,856	-	4,165,856
Currency translation differences		-	-	-	-	(40,411)	-	-	(40,411)	-	(40,411)
Net profit for year (restated)		-	-	-	-	-	-	794,165,409	794,165,409	154,253,192	948,418,601
<b>Balance as at March 31, 2011</b>		17,794,400,220	1,550,164,833	(2,137,150,617)	28,184,195	1,343,610	-	8,934,791,522	26,171,733,763	5,186,014,189	31,357,747,952
Appropriated for legal reserve	20	-	-	-	-	-	50,781,177	(50,781,177)	-	-	-
Net profit for year		-	-	-	-	-	-	621,204,755	621,204,755	133,654,332	754,859,087
<b>Balance as at March 31, 2012</b>		17,794,400,220	1,550,164,833	(2,137,150,617)	28,184,195	1,343,610	50,781,177	9,505,215,100	26,792,938,518	5,319,668,521	32,112,607,039

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, 2012 AND 2011**

		In Baht				
		Separate financial statements				
	Notes	Issued and paid-up share capital	Premium on share capital	Discount on share capital	Retained earning (deficit)	
					Appropriated for legal reserve	Unappropriated
						Total
<b>Balance as at March 31, 2010</b>						
Beginning balance - as previously reported		17,791,445,931	1,548,953,266	(2,137,150,617)	-	(4,625,635,209)
Cumulative effect of the change in accounting policy for recognition of revenue from sales of real estate						
	3.1	-	-	-	-	(91,750,753)
Beginning balance (restated)		17,791,445,931	1,548,953,266	(2,137,150,617)	-	(4,717,385,962)
Increase in share capital	19	2,954,289	1,211,567	-	-	-
Net loss for year (restated)		-	-	-	-	(857,842,710)
<b>Balance as at March 31, 2011</b>		17,794,400,220	1,550,164,833	(2,137,150,617)	-	(5,575,228,672)
Appropriated for legal reserve	20	-	-	-	50,781,177	(50,781,177)
Net profit for year		-	-	-	-	6,590,852,209
<b>Balance as at March 31, 2012</b>		17,794,400,220	1,550,164,833	(2,137,150,617)	50,781,177	964,842,360
						18,223,037,973

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, 2012 AND 2011**

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011 (Restated)	2012	2011 (Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit (loss) before income tax expense	924,722,799	1,122,236,141	6,600,687,609	(853,749,926)
Net adjustments to reconcile profit (loss) before income tax expense to cash provided by operating activities:				
Depreciation				
- property and equipment	460,261,200	417,964,807	13,787,041	13,983,833
- infrastructure	64,844,648	64,844,648	64,844,648	64,844,648
Interest income	(22,555,090)	(20,423,583)	(53,510,642)	(43,340,549)
Dividend income	-	-	(6,510,000,000)	-
Interest expense	67,264,295	143,365,674	391,837,296	362,464,053
Unrealised loss on exchange rate	127,129,302	247,631,616	882,686,591	1,372,512,411
Provision for employee benefit	20,081,107	-	-	-
Reversal of allowance for impairment of investment in subsidiaries	-	-	(60,420,510)	(19,074,275)
Reversal of allowance for doubtful accounts	(17,495,010)	(18,773,154)	(1,135,991,528)	(70,362,201)
Provision for pending lawsuit	481,060,986	-	-	-
Gain on revaluation of investment property	-	(70,104,000)	-	-
Gain on sale of fixed assets	(2,057,643)	(1,990,735)	(1,989,739)	(1,210,995)
Gain on debt restructuring	-	(781,604,124)	-	(781,604,124)
Gain on repurchase of exchangeable notes	(164,431,382)	(108,727,762)	-	-
Reversal of accrued interest	(513,285,175)	-	-	-
Gain on reversal of long outstanding account payable	(101,566,044)	(172,744,777)	(101,031,724)	(70,432,101)
Net profit (loss) provided by (use in) operating activities before changes in operating assets and liabilities	1,323,973,993	821,674,751	90,899,042	(25,969,226)
(Increase) decrease in operating assets:				
Account receivable	(8,546,449)	(30,877)	(1,653,659)	1,634,035
Real estate development cost	412,516,733	307,801,618	85,787,293	126,740,581
Other current assets	(12,796,412)	(10,690,517)	(35,032,275)	(5,697,814)
Other non-current assets	32,844,045	(49,378,848)	(22,168)	(35,559,404)
Increase (decrease) in operating liabilities:				
Payables to contractors	(36,530,800)	60,055,757	10,700,000	(5,885,000)
Account payable - trade	(4,301,085)	8,583,564	-	-
Other current liabilities	(238,149,864)	16,511,924	(6,650,907)	(78,503,750)
Other non-current liabilities	(263,295,671)	(75,046,951)	(273,340,083)	(75,046,951)
Income tax paid	(179,188,012)	(173,057,009)	(4,967,256)	(3,499,906)
Net cash provided by (used in) operating activities	1,026,526,478	906,423,412	(134,280,013)	(101,787,435)

**BANGKOK LAND PUBLIC COMPANY LIMITED**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED MARCH 31, 2012 AND 2011**

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011 (Restated)	2012	2011 (Restated)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest income received	22,555,090	21,971,105	1,106,470,166	12,838,747
(Increase) decrease in short-term investments	601,128,985	(613,992,371)	397,498,387	(612,615,309)
Decrease in investment in debt securities held to maturity	-	1,000,000,000	-	800,000,000
Increase in loans to and amounts due from related parties	-	-	(559,095,008)	(12,103,277)
Proceeds from sale of assets	4,691,078	2,416,658	3,551,402	1,211,000
Cash paid for purchase and construction of fixed assets	(918,882,870)	(1,291,350,784)	(392,169)	(437,308)
Net cash provided by (used in) investing activities	(290,507,717)	(880,955,392)	948,032,778	188,893,853
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Interest expense paid	(9,304,807)	(25,649,536)	(9,286,933)	(25,356,968)
Decrease in short-term loans and advances from directors	(32,261,233)	-	(32,261,233)	-
Decrease in short-term loans from and amount due to related parties	(6,489,139)	-	(211,518,449)	70,432,989
Cash paid for repurchase of exchangeable notes	(23,753,172)	(7,904,386)	-	-
Repayment of debt restructuring	-	(202,500,000)	-	(202,500,000)
Proceeds from share subscription	-	4,165,856	-	4,165,856
Net cash used in financing activities	(71,808,351)	(231,888,066)	(253,066,615)	(153,258,123)
<b>Net increase (decrease) in cash and cash equivalents</b>	664,210,410	(206,420,046)	560,686,150	(66,151,705)
<b>Cash and cash equivalents at beginning of the year</b>	902,094,332	1,108,514,378	74,085,800	140,237,505
<b>Cash and cash equivalents at end of the year</b>	1,566,304,742	902,094,332	634,771,950	74,085,800

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, 2012 AND 2011**

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011 (Restated)	2012	2011 (Restated)
<b>Supplemental Disclosures of Cash Flows Information:</b>				
1. Cash and cash equivalents :				
Cash on hand	59,401,867	63,389,545	15,987,743	17,987,778
Undeposited cheques	19,825,793	9,644,390	-	4,137,041
Saving accounts	1,199,628,508	586,048,007	610,045,637	43,226,115
Current accounts	32,062,282	42,723,994	8,738,570	8,734,866
Fixed deposits	255,386,292	200,288,396	-	-
Total	<u>1,566,304,742</u>	<u>902,094,332</u>	<u>634,771,950</u>	<u>74,085,800</u>

2. Non - cash transaction

2.1 Transfer real estate development cost

to property, plants and equipment	140,410,359	-	-	-
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2.2 During the year ended March 31, 2012 the Company received dividend income from a subsidiary amounting to Baht 6,510 million by set off with long-term loan from related parties.

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

**1. General information**

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

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

The principal business of the Company and its subsidiaries comprise of real estate development, exhibition and convention, food and beverage and investment in hotel.

**2. Basis of preparation of the consolidated and separate financial statements**

**2.1 Basis of preparation of the financial statements**

These consolidated and company financial statements are prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Profession Act B.E. 2547.

The financial statements in Thai language are the official statutory financial statements of the Company.

The financial statements in English language have been translated from the Thai language financial statements.

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

**2.2 Adoption of new accounting standards**

2.2.1 Accounting standards which are effective for fiscal years beginning on or after January 1, 2011.

TAS 1 (revised 2009)	Presentation of Financial Statements
TAS 2 (revised 2009)	Inventories
TAS 7 (revised 2009)	Statement of Cash Flows
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2009)	Events after the Reporting Period
TAS 11 (revised 2009)	Construction Contracts
TAS 16 (revised 2009)	Property, Plant and Equipment
TAS 17 (revised 2009)	Leases
TAS 18 (revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (revised 2009)	Borrowing Costs
TAS 24 (revised 2009)	Related Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements

TAS 28 (revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (revised 2009)	Interests in Joint Ventures
TAS 33 (revised 2009)	Earnings per Share
TAS 34 (revised 2009)	Interim Financial Reporting
TAS 36 (revised 2009)	Impairment of Assets
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2009)	Intangible Assets
TAS 40 (revised 2009)	Investment Property
TFRS 2	Share-Based Payments
TFRS 3 (revised 2009)	Business Combinations
TFRS 5 (revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resource
TFRIC 15	Property Construction Contracts
SIC 31	Revenue - Barter Transactions Involving Advertising Services

The adoption of these new and revised TFRS has resulted in changes in the Company's accounting policies. The effects of these changes are disclosed in Note 3. Except for these changes, accounting policies and methods of computation applied in these financial statements are consistent with those applied in the financial statements for the year ended March 31, 2011.

#### 2.2.2 Accounting standards which are not effective for the current year

		<b>Effective date</b>
TAS 12	Income Taxes	January 1, 2013
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance	January 1, 2013
TAS 21 (revised 2009)	The effects of Changes in Foreign Exchanges Rate	January 1, 2013
SIC 10	Government Assistance - No Specific Relation to Operating Activities	January 1, 2013
SIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets	January 1, 2013
SIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders	January 1, 2013

The Company's management believes that these accounting standards will not have any significant impact on the financial statements for the year when they are initially applied.

## **2.3 Significant accounting policies**

The financial statements for the year ended March 31, 2012 are prepared using the same accounting policies as were used in the preparation of the financial statements for the year ended March 31, 2011, except for the following in 2.2.1

### **a) Consolidation**

Subsidiary are companies in which significantly controlled by Bangkok Land public company limited.

The consolidated financial statements incorporate the financial statements of Bangkok Land Public Company Limited and its subsidiaries, by eliminating intercompany balances and unrealized gain and loss.

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

		Percentage of holding	
	Principal business	2012	2011
Direct investment :			
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	Exhibition convention & hotel	55.17	55.17
Spooner Limited	Dormant	100.00	100.00
Direct and indirect investment :			
Bangkok Land Agency Limited	Property renting	99.30	99.30
Bangkok Airport Industry Company Limited	Property development	100.00	100.00

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.

### **b) 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.

**c) Revenue recognition**

Property development business

Revenues from sales of land and houses/condominium units/land are recognised upon transfer of ownership to buyer.

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 revenue is recognised when the amount of revenue reference to the stage of completions the transaction at the balance sheet date can be measured reliably.

Barter income arises from the exchange of different goods or service for other goods or service, which is recognized at fair value of those goods or service in exchange.

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

**d) Real estate development cost**

Real estate development cost is stated at the lower of cost or net realizable value. Costs include cost of land, land development, construction costs, infrastructure, project management fee and related borrowing cost.

Infrastructure for public use is depreciated on a straight line method over 20 years, and such depreciation is charged to cost of sales.

**e) Cash and cash equivalents**

Cash and cash equivalents are carried in the Statement of financial position 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.

**f) 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.

**g) Investments in subsidiaries**

Investments in subsidiaries are recorded under the cost net of allowance for impairment loss.

**h) 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 comprehensive income.

Investments in debt securities, both due within one year and expected to be held to maturity, are stated at amortised cost. The premium/discount on debt securities is amortised by using the effective rate method with the amortised amount presented as an adjustment to the interest income. The debt securities are classified as held to maturity when the Company has the positive intention and ability to hold them to maturity.

Investments in loans are presented at the acquisition cost net of allowance for impairment (if any). Loss on impairment is recognized as an expense in the statement of comprehensive 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 comprehensive 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.

**i) 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.

**j) 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 comprehensive 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.



**k) Property, plants and equipment**

Land is stated at cost and buildings and equipment are presented in the Statement of financial position at cost less accumulated depreciation.

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

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

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

**l) 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.

**m) 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 Statement of financial position 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 comprehensive income.

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

**n) 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 Statement of financial position 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 outstanding derivative financial instruments as at March 31, 2012 and 2011.

**o) 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.

**p) 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 comprehensive 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. Changes in accounting policies**

**3.1 Accounting policy for recognition of revenue from sales of real estate**

Starting April 1, 2011, the Group changed its accounting policy for recognition of revenue from sales of real estate from the percentage of completion method to recognising revenue in full when ownership is transferred. Sales are thus recognised as revenue in full when the construction work is completed and ownership has been transferred to buyers, after all payments have been received from the buyers. This change was made in accordance with TAS 18 (revised 2009) Revenue.

In this regard, the Group has restated the previous period's financial statements as though the revenue from sales of real estate had originally been recognised in full when ownership is transferred. The cumulative effect of the change in accounting policy has been presented under the heading of "Cumulative effect of the change in accounting policy for recognition of revenue from sales of real estate" in the statements of changes in equity. The effects of the change to statement of financial position as at March 31, 2011 and statements of comprehensive income are as follows:

	In Thousand Baht	
	Consolidated financial statements	Separate financial statements
<b>Statement of financial position as at March 31, 2011</b>		
Increase in real estate development cost	594,042	365,971
Increase in advances and deposits from customers payments	(747,327)	(519,258)
Decrease in other current liabilities	32,135	22,328
Decrease in deferred income tax	36,345	39,288
Decrease in retained earnings	84,805	91,671
<b>Statement of comprehensive income for the year ended March 31, 2011</b>		
Increase (decrease) in revenues from sales	(153,431)	(2,658)
(Increase) decrease in costs of sales	153,431	2,658
(Increase) decrease in selling and administrative expenses	6,598	115
(Increase) decrease in income tax	(1,979)	(34)
Increase in net profit	4,619	80
Increase in basic earnings per share (Baht)	0.0003	0.0045

### **3.2 Employee benefits**

Starting April 1, 2011, the Group has applied TAS 19 Employee Benefits.

Under the new policy, the Group's obligation in respect of post-employment benefits is recognised in the financial statements based on calculations performed annually by a qualified actuary using the projected unit credit method. Previously, this obligation was recognised as and when payments were made.

The Group's liabilities for other long-term employee benefit obligations as at April 1, 2011 have been determined to be Baht 15.66 million. The Group has adopted to record the entire amount of this obligation in the statements of comprehensive income for the year ended December 31, 2011, in accordance with the transitional provisions of TAS 19.

The Company's management has reviewed the impact of such accounting standard and considered that there is no significant provision of employee's benefits because the Company has no commitment in employee's benefit. Therefore there is no employee benefit obligation in the separate financial statements.

**4. Significant accounting judgments and estimates**

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

**Allowance for doubtful accounts**

Allowances for doubtful accounts are intended to adjust the value of receivables for probable credit losses. The management uses judgment to establish reserves for estimated losses for each outstanding debtor. The allowances for doubtful accounts are determined through a combination of specific reviews, collection experience, and analysis of debtor aging, taking into account changes in the current economic conditions. However, the use of different estimates and assumptions could affect the amounts of allowances for receivable losses and adjustments to the allowances may therefore be required in the future.

**Impairment of investments**

The Group treats investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgment.

**Depreciation**

In calculating depreciation of plant and equipment, the management estimates useful lives and salvage values of the plant and equipment and reviews estimated useful lives and salvage values if there are any changes.

**5. Transactions with related parties**

**5.1 Significant transactions with related parties**

Portion of revenues and expenses arose from transactions with related parties for the years ended March 31, 2012 and 2011 are summarized as follows:

		In Million Baht			
Pricing Policy		Consolidated		Separate	
		financial statements		financial statements	
		2012	2011	2012	2011
Management fee :					
Subsidiary	6% of sale				
Bangkok Airport Industry Company Limited	contract	-	-	31	23
Rental Income :					
Subsidiary					
Bangkok Land Agency Company Limited		-	-	1	1
Interest Income :					
Subsidiaries	MLR rate				
Bangkok Airport Industry Company Limited		-	-	27	26
Sinpornchai Company Limited		-	-	9	7
		-	-	36	33
Dividend Income :					
Subsidiary	Right to receive dividend				
Bangkok Land (Cayman Islands) Limited		-	-	6,510	-
Interest expense :					
Subsidiary	3.125%				
Bangkok Land (Cayman Islands) Limited		-	-	359	322

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**5.2 Advances and other receivables from related parties**

The balances of receivables from related parties as at March 31, 2012 and 2011 are as follows:

	In Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
<b>Accrued income :</b>				
<b>Subsidiaries</b>				
Bangkok Airport Industry Company Limited	-	-	10	24
Bangkok Land Agency Company Limited	-	-	9	8
<b>Total Accrued income</b>	-	-	19	32
<b>Advances and other receivables :</b>				
<b>Subsidiaries</b>				
Bangkok Land Agency Company Limited	-	-	43	104
Spooner Limited	-	-	9	9
Bangkok Airport Industry Company Limited	-	-	225	-
<b>Total advances and other receivables</b>	-	-	277	113
<b>Interest receivables :</b>				
<b>Subsidiaries</b>				
Bangkok Airport Industry Company Limited	-	-	2,265	3,327
Sinpornchai Company Limited	-	-	68	59
Bangkok Land Agency Company Limited	-	-	23	23
Muang Thong Building Services Company Limited	-	-	1	1
Less: Allowance for doubtful accounts	-	-	(1,423)	(2,559)
<b>Total interest receivable</b>	-	-	934	851
<b>Total</b>	-	-	1,230	996

**5.3 Short-term loans to related parties - net**

The balances of short-term loans to related parties as at March 31, 2012 and 2011 are as follows:

	In Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
<b>Subsidiaries</b>				
Sinpornchai Company Limited	-	-	500	118

Loans to subsidiaries and related parties carry interest at MLR rate. The loans are unsecured and have no fixed repayment dates.

**5.4 Investment in loans**

	In Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
<b>Subsidiary</b>				
Bangkok Airport Industry Company Limited	-	-	475	475

Investment in loans comprised of :

	In Million Baht
Receivable per original agreement	965
Deferred income	(490)
Investment in loans	475

As at February 20, 2009, a subsidiary owed Baht 965 million (divided into principal of Baht 444 million and accrued interest of Baht 521 million) to a financial institution. On the same date, the Company acquired the rights of claim on this debt from the financial institution at a price of Baht 475 million. The Company expects to recover the total amount of Baht 965 million in full from the subsidiary.

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**5.5 Payables to related parties**

The balances of payables to related parties as at March 31, 2012 and 2011 are as follows:

In Million Baht				
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
<b>Interest payable :</b>				
<b>Subsidiary</b>				
Bangkok Land (Cayman Islands) Company Limited	-	-	8,971	8,259
<b>Accrued management fee :</b>				
<b>Subsidiaries</b>				
Bangkok Land Agency Company Limited	-	-	29	235
Bangkok Land (Cayman Islands) Company Limited	-	-	50	50
<b>Total accrued management fee</b>	-	-	79	285
<b>Advances and other payables :</b>				
<b>Subsidiaries</b>				
Muang Thong Services and Management Company Limited	-	-	4	4
Muang Thong Building Services Company Limited	-	-	4	4
Bangkok Airport Industry Company Limited	-	-	70	70
Impact Exhibition Management Company Limited	-	-	1	-
Others	-	8	-	8
<b>Total advances and other payables</b>	-	8	79	86
<b>Total payables to related parties</b>	-	8	9,129	8,630

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

Long-term loans from related companies as at March 31, 2012 and 2011 comprise of:

		Separate financial statements			
		2012		2011	
		Amount of loan		Amount of loan	
	Interest rate	Original	Million	Original	Million
Due date	per annum	Currency	Baht	Currency	Baht
Loans from Bangkok Land (Cayman Islands) Limited (BL Cayman)					
March 2001	3.125%	4,778 million		323.72 million	
		Baht	4,778	Swiss Francs	10,782
Long-term loans from related companies presented under current liabilities					
			4,778		10,782



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

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

On October 1, 2011, the Company entered into agreement with Bland Cayman that both parties agreed to convert the Swiss Franc loan and accrued interest outstanding balance as of September 30, 2011 amounting to SFR 323.72 million and SFR 213.92 million, respectively, to the amount totaling Baht 18,788 million (principal of Baht 11,312 million and accrued interest of Baht 7,476 million).

In March 2012, the Company has repaid a portion of long-term loans amounting to Baht 6,510 million to BL Cayman by set off with dividend income from BL Cayman (Note 9).

#### **5.7 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. As at March, 2012, all loans and advances from directors were fully settled.

#### **6. Short-term investments**

As at March 31, 2012 and 2011 current investments comprise of:

	In Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Fixed deposit 6 -15 months	214	412	214	412
Investment in short-term debt instruments	1	404	1	201
Total	215	816	215	613

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**7. Accounts receivable, net**

The aging of installments due as at March 31, 2012 and 2011 are as follows:

	In Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Up to 3 months	193	176	1	1
3 - 6 months	38	58	1	-
6 - 12 months	74	50	-	-
Over 12 months	76	92	-	-
Less : Allowance for doubtful accounts	(55)	(77)	-	-
<b>Total accounts receivable</b>	<b>326</b>	<b>299</b>	<b>2</b>	<b>1</b>

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

Real estate development cost as at March 31, 2012 and 2011 comprises:

	In Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Land	13,798	13,807	13,293	13,388
Construction in progress	18,487	18,417	8,335	8,262
Infrastructure cost - areas for sale	1,014	919	981	906
- public areas	1,297	1,297	1,297	1,297
Project management fee	995	995	485	485
Borrowing costs	3,847	3,847	1,362	1,362
Other related costs	952	836	536	501
	40,390	40,118	26,289	26,201
Less: Transfer to cost of sales to date				
- Cost of sales	(21,367)	(20,681)	(9,547)	(9,372)
- Accumulated depreciation of public area infrastructure	(891)	(827)	(891)	(827)
Allowance for net realizable value discounts	(2,121)	(2,121)	(437)	(437)
Transfer to property, plants and equipment	(140)	-	-	-
<b>Total</b>	<b>15,871</b>	<b>16,489</b>	<b>15,414</b>	<b>15,565</b>
Less: Real estate development cost classified as current assets	(1,082)	(1,290)	(246)	(237)
<b>Net</b>	<b>14,789</b>	<b>15,199</b>	<b>15,168</b>	<b>15,328</b>

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Part of the above land and condominium units have mortgaged with banks as collateral for letter of guarantee for the Group and have been pledged as collateral with the Courts (Note 27). The mortgaged land and condominium units, as a percentage of the total land areas/total units, is as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Percentage of land mortgaged	1	19	1	20
Percentage of condominium units mortgaged	17	9	29	23

**9. Investment in subsidiaries**

As at March 31, 2012 and 2011 investment in subsidiaries comprise of:

	Separate financial statements							
	In Million Baht		Percentage of		In Million Baht		In Million Baht	
	Paid-up share capital		holding(%)		At Cost		Dividend	
	2012	2011	2012	2011	2012	2011	2012	2011
<b>Investment in subsidiaries</b>								
Impact Exhibition Management								
Company Limited	12,953	12,953	55	55	7,148	7,148	-	-
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 Airport Industry								
Company Limited	5,320	-	60	-	3	-	-	-
Bangkok Land								
(Cayman Islands) Limited	USD 0.01	USD 0.01	100	100	-	-	6,510	-
Spooner Limited	-	-	100	100	-	-	-	-
Total					7,326	7,323	6,510	-
Less : Allowance for impairment loss					-	(60)		
Net					7,326	7,263		

In March 2012, Bangkok Land (Cayman Islands) paid dividend of Baht 6,510 million to the Company by set off with the long-term loan due by the Company to the subsidiary (Note 5.6).

During the year ended March 31, 2012 the Company purchased 31,920,000 common shares (60% of paid-up capital) of Bangkok Airport Industry Company Limited from Sinpornchai Company Limited at a price of Baht 3 million.

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**10. Investment property**

As at March 31, 2012 and 2011 investment property consisted of:

	In Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Land at historical cost	60	60	1	1
Surplus on revaluation	646	646	4	4
Total investment property	706	706	5	5

Investment property is stated at fair value, based on the appraised value (market approach) of independent valuers, TAP valuation Co., Ltd dated March 20, 2012.

**11. Property, plants and equipment, net**

	Consolidated (In Million Baht)								
	Land	Buildings and other construction	Impact Hall interior systems	Impact Hall structure	Buildings improvements	Furniture and fixtures	Motor vehicles	Construction in progress	Total
<u>At Cost</u>									
April 1, 2010	3,016	734	3,018	5,455	195	653	58	384	13,513
Increase	-	5	32	691	3	95	3	462	1,291
Decrease	-	-	-	-	-	(5)	(2)	-	(7)
March 31, 2011	3,016	739	3,050	6,146	198	743	59	846	14,797
Increase	108	1	10	-	-	68	16	715	918
Decrease	-	-	-	-	-	-	(7)	-	(7)
Transfer in (Tranfer out)	140	-	659	(247)	-	1	-	(413)	140
March 31, 2012	3,264	740	3,719	5,899	198	812	68	1,148	15,848
<u>Accumulated Depreciation</u>									
April 1, 2010	-	224	747	561	113	441	41	-	2,127
Increase	-	37	175	121	9	70	5	-	417
Decrease	-	-	-	-	-	(4)	(2)	-	(6)
March 31, 2011	-	261	922	682	122	507	44	-	2,538
Increase	-	37	203	133	9	71	8	-	461
Decrease	-	-	-	-	-	-	(6)	-	(6)
Transfer in (Tranfer out)	-	-	6	(6)	-	-	-	-	-
March 31, 2012	-	298	1,131	809	131	578	46	-	2,993
<u>Net book value</u>									
March 31, 2011	3,016	478	2,128	5,464	76	236	15	846	12,259
March 31, 2012	3,264	442	2,588	5,090	67	234	22	1,148	12,855

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As at March 31, 2012 and 2011, a portion of property with historical costs of Baht 589 million and Baht 356 million, respectively, are in use but fully depreciated.

	Separate (In Million Baht)					
	Land	Buildings and other construction	Sport stadium	Furniture and fixtures	Motor vehicles	Total
<u>At Cost</u>						
April 1, 2010	51	30	527	9	15	632
Increase	-	-	-	1	-	1
Decrease	-	-	-	-	(2)	(2)
March 31, 2011	51	30	527	10	13	631
Increase	-	-	-	-	-	-
Decrease	-	-	-	-	(7)	(7)
March 31, 2012	51	30	527	10	(6)	624
<u>Accumulated Depreciation</u>						
April 1, 2010	-	26	116	8	10	160
Increase	-	1	11	1	1	14
Decrease	-	-	-	-	(1)	(1)
March 31, 2011	-	27	127	9	10	173
Increase	-	2	10	-	1	13
Decrease	-	-	-	-	(5)	(5)
March 31, 2012	-	29	137	9	6	181
<u>Net book value</u>						
March 31, 2011	51	3	400	1	3	458
March 31, 2012	51	1	390	1	-	443

As at March 31, 2012 and 2011, a portion of property with historical costs of Baht 13 million are in use but fully depreciated.

## 12. Land held for future use

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 "Land held for future use"

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



### 13. Loans under debt restructuring agreements

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:

Company	(In Million Baht)					
	As per restructuring agreement	Paid since the agreement date up to March 31, 2011	Gain on debt restructuring	Remaining at March 31, 2011		
				Principal	Accrued interest	Total
BLAND	2,420	1,638	782	-	-	-

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

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

In September 2010, the Company has fulfilled all conditions of the restructuring agreement and realized a gain on debt restructuring of Baht 782 million in the statement of income for the year ended March 31, 2011.

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**14. Long-term debt instruments**

			Consolidated financial statements			
			2012		2011	
			Amount of loan		Amount of loan	
	Maturity date	Interest rate per annum	Original Currency	Million Baht	Original Currency	Million Baht
1. Exchangeable Bonds	October 2003	4.50 %	13.97 million U.S. Dollars	433	15.86 million U.S. Dollars	482
2. Exchangeable Notes	March 2001	3.125%	75.35 million Swiss Francs	2,597	78 million Swiss Francs	2,598
				3,030		3,080
				46		52
Provision for premium on bond redemption						
Total long-term debt instruments presented as current portion				3,076		3,132

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

Exchangeable Bonds under item 1

In 1993, BL Cayman issued guaranteed exchangeable bonds of USD 150 million due 2003 that were guaranteed by the Company. The bonds bear interest at the rate of 4.5% per annum and the bondholders had the option to redeem the bonds 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 bonds from October 13, 1998 to date.

Exchangeable Notes under item 2

In 1994, BL Cayman issued guaranteed exchangeable notes 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.

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

During the 2011, the Company's legal advisor has reviewed the terms and conditions of these debt instruments and has the opinion that Bland Cayman has over accrued interest payable in the sum of Baht 513 million. This over accrued interest was therefore written back in the financial statements of the Group as other income in the consolidated statement of comprehensive income for the year ended March 31, 2012.

#### **15. Provision for employees benefits**

An independent actuary carried out an evaluation of the Company's obligations for employees' long-term benefits using the projected unit credit method. The Company has provided the provision for employees' long-term benefits as follows:

	<b>In Million Baht</b>
	<b>As at March 31, 2012</b>
	<b>Consolidated</b>
	<b>financial statements</b>
Provision for employee benefits - beginning	-
<u>Add</u> recognized amount	20.08
<u>Less</u> liability decrease from actual paid	-
Provision for employee benefits - ending	20.08

	<b>In Million Baht</b>
	<b>Consolidated</b>
	<b>financial statements</b>
Present value of unfunded obligation as at March 31, 2012	20.08
Expense recognised in profit or loss	
Current service cost	19.52
Interest cost	0.56
Total - recognized in the statement of income	20.08

Principal actuarial assumptions at the reporting date (Actuarial basis)

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	<b>Consolidated Financial Statements March 31, 2012</b>
Discount rate (%)	3.5861
Future salary increase (%)	3
Retirement age (years old)	55

**16. Other current liabilities**

The balances of other current liabilities as at March 31, 2012 and 2011 are as follows :

	<b>In Million Baht</b>			
	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
Provision for loss on pending lawsuits (Note 27)	759	266	277	264
Accrued income tax	80	86	6	-
Accrued expenses	210	233	31	113
Others	104	403	2	2
Total	<u>1,153</u>	<u>988</u>	<u>316</u>	<u>379</u>

**17. Deferred income tax**

Deferred income taxes are calculated in full on temporary differences under the liability method using a principal tax rate of 30% (2011: 30%).

Deferred income tax as at March 31, 2012 and 2011 comprises:

	<b>In Million Baht</b>			
	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
Deferred income tax assets				
- allowance for doubtful accounts	18	23	-	-
- provision for employees benefits	6	-	-	-
- income recognition of real estate business	5	8	4	7
Total	<u>29</u>	<u>31</u>	<u>4</u>	<u>7</u>
Deferred income tax liabilities				
- revaluation of investment property	(194)	(194)	(1)	(1)
- others	(100)	(100)	-	-
Total	<u>(294)</u>	<u>(294)</u>	<u>(1)</u>	<u>(1)</u>

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The movement on the deferred income tax is as follows:

	In Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Deferred income tax assets				
At beginning of the year	31	12	7	11
Statement of income (credit)/charge	(2)	19	(3)	(4)
At end of the year	29	31	4	7
Deferred income tax liabilities				
At beginning of the year	(294)	(273)	(1)	(1)
Statement of income (credit)/charge	-	(21)	-	-
At end of the year	(294)	(294)	(1)	(1)

Deferred income tax assets are recognised for tax loss carried forward only to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group has unrecognised tax losses of Baht 23 million (2011 : Baht 5,357 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 years ended March 31, 2012 and 2011 consisted of:

	In Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Corporate income tax	168	171	7	-
Deferred income tax charged for the year	2	2	3	4
Total	170	173	10	4

**18. 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-current 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. As at March 31, 2012, the Company had already settled remaining debt.

## **19. Warrants**

1. On May 26, 2008, warrants to purchase ordinary shares of the Company was 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.

On January 7, 2011, the warrant holder of BLAND-W2 exercised 2,290,345 units the Company received Baht 3,345,518 share proceeds from the issuance of 2,290,345 shares to the warrant holders.

The Company registered the change of paid-up share capital with the Ministry of Commerce on January 11, 2011.

As at March 31, 2012, the outstanding of unexercised warrants (BLAND-W2 ) was 6,883,702,818 units.

2. At the extraordinary meeting of the shareholders held on October 19, 2010, the shareholders resolved to issue and offer the warrants (BLAND-W3 ) to the shareholders as detailed belows :

Type of Warrants:	Named certificate and transferable
Number of Warrants:	1,999,038,869 units
Underlying Shares:	1,999,038,869 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 November 8, 2010 with the last exercise date being November 8, 2015.

On January 7, 2011, the warrant holder of BLAND-W3 exercised 663,944 units and the Company received Baht 730,338 share proceeds from the issuance of 663,944 shares to the warrant holders.

The Company registered the change of paid-up share capital with the Ministry of Commerce on January 11, 2011.

As at March 31, 2012, the outstanding of unexercised warrants (BLAND-W3 ) was 1,993,584,121 units.

## **20. Legal reserve**

According to the Public Companies Act, the Company has appropriated its reserve as a legal reserve in the sum of 5% of the annual net profit less the total accumulated deficit brought forward.

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**21. Other Revenues**

Other revenues for the years ended March 31, 2012 and 2011 comprise :

	In Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Gain on debt restructuring (Note 13)	-	782	-	782
Interest income	23	20	54	43
Gain on reversal of long outstanding account payable	102	173	101	70
Reversal of accrued interest (Note 14)	513	-	-	-
Reversal of allowance for doubtful accounts	17	19	1,136	70
Reversal of allowance for impairment of investment in subsidiaries	-	-	60	19
Gain on revaluation of investment property	-	70	-	-
Others	266	180	89	57
Total	921	1,244	1,440	1,041

**22. Expenses classified by nature of expenses**

Significant expenses by nature for the years end March 31, 2012 and 2011 are as follows:

	In Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Salary and wages and other employee benefits	461	342	37	39
Depreciation	525	482	79	79
Professional fee	37	25	22	9
Advertising expense	36	37	9	2
Other charges	21	22	6	6

**23. Management benefit expenses**

Management benefit expenses represent benefit expenses that management obtained from the Company such as compensation paid in cash and other benefits as stocks, debentures or other privileges including employee stocks option plan or any incentive, etc. For the listed company, management represents the management team as described according to the Securities and Exchange Law.

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Management benefit expenses for the years ended March 31, 2012 and 2011 consist of:

	In Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2012	2011	2012	2011
Management benefit expenses presented				
in costs of sales	24	17	-	-
Management benefit expenses presented				
in administrative expense	58	49	22	19
Total	82	66	22	19

**24. Segment information**

	Consolidated financial statements (In Million Baht)						
	For the year ended March 31, 2012						
	Real estate business	Retail business	Exhibition center business	Other service	Total	Elimination	Total
Segment revenue	934	207	2,129	128	3,398	(44)	3,354
Segment profit	191	30	451	24	696	(18)	678
Corporate expenses					(209)	-	(209)
Interest income					432	(409)	23
Dividend income					6,510	(6,510)	-
Gain on reversal of long outstanding account payable					102	-	102
Reversal of accrued interest					513	-	513
Gain on sale of fixed assets					2	-	2
Gain on exchange rate, net					183	-	183
Gain on repurchase of exchangeable notes					164	-	164
Reversal of allowance for doubtful account					1,254	(1,237)	17
Provision for loss on pending lawsuits					(481)	-	(481)
Finance costs					(478)	411	(67)
Income tax expense					(170)	-	(170)
Profit of Non-controlling interests					(134)	-	(134)
Net income of equity holders of the parent					8,384	(7,763)	621

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Consolidated financial statements (In Million Baht)							
For the year ended March 31, 2011							
	Real estate Business	Retail business	Exhibition center business	Other service	Total	Elimination	Total
Segment revenue	709	195	1,887	130	2,921	(48)	2,873
Segment profit (loss)	30	30	488	21	569	(22)	547
Corporate expenses					(177)	-	(177)
Interest income					374	(354)	20
Gain on reversal of long outstanding account payable					173	-	173
Gain on sale of fixed assets					2	-	2
Loss on exchange rate, net					(279)	-	(279)
Gain on debt restructuring					782	-	782
Gain on repurchase of exchangeable notes					109	-	109
Gain on revaluation of investment property					70	-	70
Reversal of allowance for doubtful account					127	(109)	18
Finance costs					(503)	360	(143)
Income tax					(174)	-	(174)
Profit of non-controlling interests					(154)	-	(154)
Net income of equity holders of the parent					919	(125)	794
Property, plants and equipment as at March 31,2012	1,040	100	14,676	8	15,824	(2,969)	12,855
as at March 31,2011	944	116	14,140	10	15,210	(2,951)	12,259

**25. 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 the weighted average number of ordinary shares in issue during the year.

**Diluted earnings(loss) per share**

Diluted earnings (loss) per share is calculated by dividing the net profit (loss) attributable to shareholders by the weighted average number of ordinary shares in issue during the period adjusted for the effect of conversion of warrant to ordinary share.

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
Net profit (loss) attributable to shareholders (million Baht)	621	794	6,591	(858)
Weighted average number of ordinary shares in issue during the year (million shares)	17,794	17,792	17,794	17,792
Basic earnings (loss) per share (Baht per share)	0.03	0.04	0.37	(0.05)

The Company did not calculate diluted earnings (loss) per share for the years ended March 31, 2012 and 2011 because the fair value of an ordinary share is lower than the exercised price of warrants.

## **26. Financial instruments**

As at March 31, 2012 and 2011 the Group has the following risks relating to significant financial instruments:

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

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

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

### **b) Currency risks**

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

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

### **c) Liquidity risk**

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



- d) Fair value of financial assets and liabilities

The carrying amounts of all financial assets and liabilities of the Group as at March 31, 2012 and March 2011, presented in the consolidated financial statements and separate financial statements approximate to their fair values except for the fair value of long-term debt instruments cannot be calculated, accordingly, no disclosure is made.

## **27. Pending lawsuits**

As at March 31, 2012, the Company has pending lawsuits as summarized below:

- 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 235 million alleging that the Company and Bangkok Airport Industry Company Limited had breached the purchase and sales agreements (March 31, 2011 : Baht 154 million). As at March 31, 2012, Baht 113 million is recorded in the financial statements (March 31, 2011: Baht 123 million).
- ii) A major contractors have filed civil lawsuits demanding the Group to repay a total debt of Baht 194 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, 2012, the outstanding principal, excluding interest, payables to this contractor recorded in the financial statements amounted to Baht 122 million (March 31, 2011: Baht 122 million).

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, 2012 of Baht 278 million in the consolidated financial statements and the separate financial statements of Baht 277 million.

- iii) A government agency has filed a civil lawsuit against Bangkok Airport Industry Company Limited ("BAIC"), a subsidiary of the Company, alleging BAIC had breached a property sale and purchase agreement and demanding a total compensation of Baht 1,241 million (damages of Baht 816 million and interest of Baht 425 million). The plaintiff also demanded additional interest on Baht 816 million, which has to be calculated from the filing date of the lawsuit to the date of settlement at an interest rate of 7.5% per annum. On January 27, 2012 the Court has a judgement to order BAIC to pay Baht 255.92 million together with interest of 7.5% per annum to be calculated from July 13, 2000 until date of settlement. The subsidiary already recorded provision of claims including interest totaling Baht 481.06 million in the financial statements for the year ended March 31, 2012. Presently, the subsidiary is in process to file a petition to the Appeal court.

- iv) An exchangeable note holder has filed a civil lawsuit against the Company, who is the guarantor of exchangeable notes issued by a subsidiary, alleging that the subsidiary had defaulted on the payment of USD 1 million exchangeable notes (Note 13). The plaintiff has demanded the Company to repay a total amount of Baht 59 million (principal of Baht 35 million and interest plus put premium of Baht 24 million) together with additional interest of 4.5% per annum on the principal of USD 1 million for the period from the date of filing the lawsuit until the date of settlement.

Furthermore, the Company's legal advisor has the opinion that the status of limitations of this debt has expired and the Company should have no case to answer. Therefore it is not necessary to made further provision in the financial statements.

## **28. Capital management**

The primary objectives of the Company's and its subsidiaries capital management are to maintain their abilities to continue as a going concern and to maintain an appropriate capital structure.

As at March 31, 2012, debt to equity ratio in the consolidated financial statements and the separate financial statements are 0.22 : 1 and 0.85 : 1 respectively.

## **29. Commitments and contingent liabilities**

- a) As at March 31, 2012, the Company's and its subsidiaries had capital commitments to the principal building contractor for the construction of real estate and rental and service agreements amounting to approximately Baht 177 million. (Separate : Baht 34 million)
- b) As at March 31, 2012, the Company and its subsidiaries had contingent liabilities in respect of bank guarantees issued by the banks on behalf of the Company and its subsidiaries in the normal course of business amounting to approximately Baht 132 million. (Separate : Baht 36 million)

## **30. Reclassifications**

As a result of reclassifications of certain items in financial statements for the year ended March 31, 2011 the comparative figures for the financial statements for the year ended March 31, 2012 have been amended accordingly, with no effect on net income or owner's equity previously reported.

## **31. Approval of financial statement**

These financial statements have been approved by the Company's Board of Directors on May 28, 2012.