

BEE HIVE

POPULAR CONDO

GOLDEN LAKE VIEW

HOME TOWN



**BANGKOK LAND PUBLIC COMPANY LIMITED**

**ANNUAL REPORT - 31 MARCH 2013**

IMPACT ARENA, EXHIBITION & CONVENTION CENTER

SUKHOTHAI AVE.

DOUBLE LAKE CONDOMINIUM

NOVOTEL BANGKOK IMPACT

POPULAR WALK

SUKHOTHAI AVE. 99



# CONTENTS

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<b>Information for Investors</b>	<b>2</b>
<b>Highlights</b>	<b>3</b>
<b>Report of the Chairman</b>	<b>4</b>
<b>Business Profile</b>	<b>6</b>
<b>Management Discussion and Analysis</b>	
- Review of Operation	8
- Financial Review	12
<b>Corporate Governance</b>	<b>16</b>
<b>Shareholders and Management</b>	<b>24</b>
<b>Directors' Profile</b>	<b>29</b>
<b>Risk Factors</b>	<b>31</b>
<b>Connected Parties Transactions</b>	<b>33</b>
<b>Information of Subsidiary Companies</b>	<b>34</b>
<b>Report of Directors' Duties on Financial Statements</b>	<b>35</b>
<b>Report of Audit Committee</b>	<b>36</b>
<b>Report of Independent Auditor</b>	<b>34</b>
<b>Financial Statements</b>	<b>40</b>

## 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	www.bangkokland.co.th www.impact.co.th		
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	:	20,642,347,236
	Stock Sector	:	Property
	Stock Symbol	:	Bland
Financial Calendar	Financial year-end	:	31 March
	2013 full-year results announced	:	27 May 2013
	Record Date	:	11 July 2013
	Share register to be closed	:	12 July 2013
	Annual General Meeting to be held	:	31 July 2013
	2014 results to be announced *		
	June 2013 quarter	:	15 August 2013
	September 2013 quarter	:	14 November 2013
	December 2013 quarter	:	14 February 2014
	March 2014 full year results	:	30 May 2014
* Subject to change			

## HIGHLIGHTS

- Net profit (after minority interest) up 276.5%
- Shareholders' equity up 50.9%
- Adjusted net asset value per share up 57.9%
- Earnings per share up 333.3%

	2013 Baht m	2012 Baht m	Change %
Total recurring revenue	3,727	3,354	11.1
Other revenue	2,311	921	150.9
Net profit			
Owner of the Company	2,338	621	276.5
Minority interest	195	134	45.5
Total assets	50,802	39,143	29.8
Total liabilities	10,370	7,030	47.5
Shareholders' equity	40,432	26,793	50.9

	Baht	Baht	%
Earnings per share	0.13	0.03	333.3
Adjusted net asset value per share	2.40	1.52	57.9
Dividend per share **	0.03	0.02	50.0
Market share price at year end date	1.97	0.68	189.7

\*\* subject to AGM approval

# Report of the Chairman

## OVERVIEW

During the year we stepped out confidently as a transformed company after taking many significant steps that will profoundly secure our future earnings capability.

- We bought back IMPACT, which will give back to us 100% management control and contribute more than Baht one billion a year to the cash income of the Company.
- We are preparing to issue a REIT in the second half of 2013, in which the total expected value is Baht 19.5 billion, subject to the approval of The Securities & Exchange Commission (SEC).
- We raised Baht 5,407 million cash from Warrant 2 during May 2013, enabling the company to pay the loan of Baht 2,050 million from the buyback of IMPACT, which frees the Company from all bank borrowings.

These developments have significance for the future growth of the company as they will give a considerable boost to earnings, reduce costs and provide a secure long term funding base to finance our expansion without borrowings.



## FINANCIAL RESULTS

Although many of the benefits are yet to come, shareholders are already experiencing a positive and substantial impact from our recent initiatives. Among the financial highlights from the year ended 31 March, 2013:-

- Net profit after minority interest increased from Baht 621 million to Baht 2,338 million
- Total assets increased from Baht 39,143 million to Baht 50,802 million
- Earnings per share rose from Baht 0.03 to Baht 0.13
- Shareholders' equity rose from Baht 26,793 million to Baht 40,432 million
- Adjusted Shareholders' equity rose from Baht 26,987 million to Baht 42,649 million
- Adjusted Net asset value per share 2.40 baht

## DIVIDEND

After paying our first dividend of Baht 0.02 per share for the year ended 31 March, 2012, we will raise this to Baht 0.03 per share in 2013, an increase of 50%. The dividend proposed will be subject to shareholders' approval in the forthcoming Annual General Meeting on 31 July 2013.

## PERFORMANCE REVIEW

On 16<sup>th</sup> January, 2013 the Company completed the 100% buy-back of IMPACT Exhibition Management Company. The book value was Baht 10.39 billion however it was valued at Baht 21.23 billion in December 2012, representing an increase in asset value of Baht 10.84 billion, or Baht 0.76 per share.

The buy-back gives the Company management control of the property which will be used to further strengthen its position as the leading MICE Centre in Thailand and South East Asia.

We plan to sell 50 percent of IMPACT in a Real Estate Investment Trust (REIT) in the second half of 2013, which is expected to raise Baht 9.75 billion, subject to the approval of the Securities & Exchange Commission. With the expected income received, we will further develop on our existing land banks. The future development plan will introduce exciting projects around the lake in Muang Thong Thani. It will house an additional 100,000sq meters of net Exhibition space, a 5,000 seat auditorium, various meeting facilities and shopping and entertainment complexes. This will enable us to meet existing demand and to prepare for the anticipated higher demand after the establishment of the ASEAN Economic Community (AEC) in 2015. We are also planning to develop a 3 star-600 room hotel near the existing IMPACT facilities, complementing the already completed 380 room 4 star Novotel IMPACT.

Currently there are over 15 million visitors annually to IMPACT, while Muang Thong Thani and the surrounding catchment areas are growing dramatically in terms of residential and commercial businesses. With the improved market conditions, the Company has launched the first phase of the Double Lake Condominium in Muang Thong Thani, a low density exclusive condominium opposite the lake. One of the innovative features of the project is a fully integrated flood protection system. With Phase 1 having sold out 90%, we are planning to launch Phase 2 in last quarter of 2013.

In what we anticipate will be a showcase urban residential development, the Company has already announced the development of 1,350 rai of freehold prime land in Srinakarin, The site, which we bought 20 years ago, is the largest freehold plot today in Bangkok. The first phase will be launched in early 2014 with 1,000 3-storey townhouses at highly competitive pricing.

The Company has launched further commercial properties in Muang Thong Thani. The Beehive, a two storey lifestyle shopping mall is already 70% leased, with Tops Market as the anchor tenant.

## OUTLOOK

The global economy continues to be fragile, especially for Thailand's key export markets in Japan, the United States and Europe, and this will have a dampening effect on Thailand's economy. Moreover the monetary policies of central banks have increased market volatility and led to unsustainably low levels of interest rates. When they rise, as will inevitably be the case, this will have an impact on the Thailand economy.

Bangkok Land is rightly proud that it is one of very few companies in Thailand today that is debt free, is trading well and has many valuable assets at its disposal. Should the economy worsen we will be well protected.

We will continue to have a prudent approach and expand carefully in preparation for the ASEAN Economic Community.

## 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. We are most confident and are looking forward to reporting further improvements in the coming year.



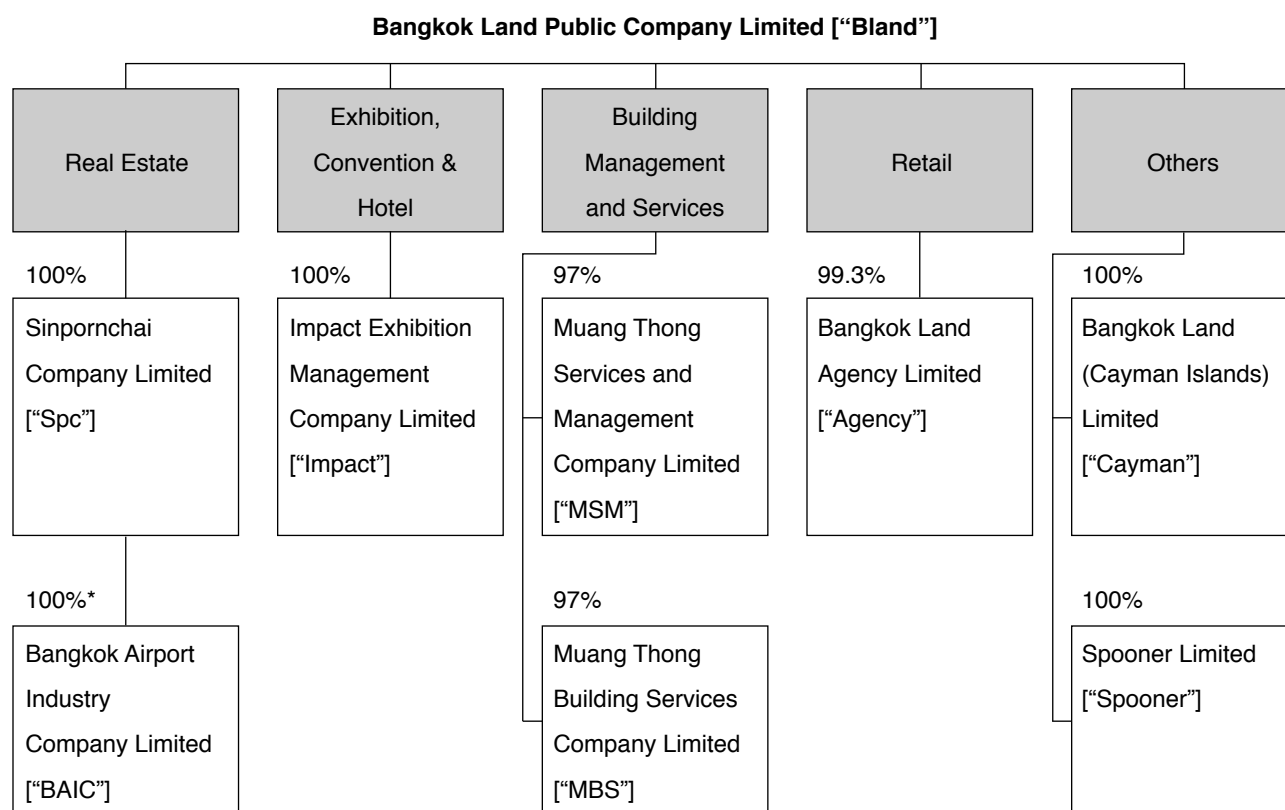
Anant Kanjanapas

Chairman

20 June 2013

# BUSINESS PROFILE

## CORPORATE STRUCTURE



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

## REVENUE STRUCTURE

Business	Operated by	2013		2012		2011	
		Baht mn.	%	Baht mn.	%	Baht mn.	%
Real Estate	Bland, BAIC, Spc	846	22.5	934	27.5	709	24.3
Exhibition Convention & Hotel	Impact	2,554	67.8	2,129	62.7	1,887	64.6
Building Management & Services	MBS, MSM	143	3.8	128	3.8	130	4.5
Retail	Agency	225	5.9	207	6.0	195	6.6
Others	Cayman, Spooner	-	0.0	-	0.0	-	0.0
Total Revenue		3,768	100.0	3,398	100.0	2,921	100.0



## NATURE OF BUSINESS

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

The Company has also diversified its interest into exhibition and convention business. Through its subsidiary, Impact Exhibition and Management Company Limited, Bangkok Land owns and manages more than 140,000 square meters of world class exhibition and convention space together with a convention hotel (Impact Novotel Hotel) and other related supporting facilities. The Impact Exhibition Center is now the largest and most comprehensive 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 properties 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 Hotel and a wide variety of restaurants as well as catering facilities to support various kinds of activities and functions required by its customers.

### 3) Building Management & Services

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 Chaengwanattana. 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 2013.

## MANAGEMENT DISCUSSION AND ANALYSIS - REVIEW OF OPERATION

### PROFIT AND LOSS SUMMARY

Baht millions	Revenue			Profit		
	2013	2012	% change	2013	2012	% change
<b>Business Segments</b>						
- Real Estate	846	934	-9.4	180	191	-5.8
- Exhibition, Convention & Hotel	2,554	2,129	20.0	666	451	47.7
- Retail	225	207	8.7	67	30	123.3
- Others	143	128	11.7	5	24	-79.2
- Inter-segment Elimination	(41)	(44)	-6.8	(17)	(18)	-5.6
<b>Total from Operation</b>	<b>3,727</b>	<b>3,354</b>	<b>11.1</b>	<b>901</b>	<b>678</b>	<b>32.9</b>
Corporate Expenses				(310)	(209)	48.3
<b>Recurring Profit</b>				<b>591</b>	<b>469</b>	<b>26.0</b>
<b>Non-recurring Items</b>						
- Net Borrowing Costs				(94)	(44)	113.6
- Foreign Exchange Gain/(Losses)				359	183	96.2
- Provision for Legal Proceeding				-	(481)	-100.0
- Gain on Revaluation of Investment Properties				2,095	-	-
- Other Non-recurring Items				134	798	-83.2
<b>Profit before Tax</b>				<b>3,085</b>	<b>925</b>	<b>233.5</b>
Income Tax				(552)	(170)	224.7
<b>Profit for the Year</b>				<b>2,533</b>	<b>755</b>	<b>235.5</b>
Minority Interest				(195)	(134)	45.5
<b>Profit attributable to Shareholders</b>				<b>2,338</b>	<b>621</b>	<b>276.5</b>

### OVERVIEW

In the year ending 31 March 2013, the Group's total recurring revenue increased by 11.1 percent to Baht 3,727 million (2012 - Baht 3,354 million) chiefly resulting from the increase of its exhibition and convention income. Recurring operating profit before tax increased 26 percent to Baht 591 million compared to Baht 469 million a year ago.

The Group also recorded Baht 359 million (2012 - Baht 183 million) foreign exchange gain, Baht 2,095 million (2012 - nil) gain on revaluation of investment properties, Baht 94 million (2012 - Baht 44 million) net interest expenses and Baht 134 million (2012 - Baht 798 million) non-recurring gains.

Overall, Bangkok Land recorded a consolidated net profit after minority interest of Baht 2,338 million, a 276.5 percent increase compared to Baht 621 million a year ago.

## REAL ESTATE

Baht millions	2013	2012	% change
Revenue	846	934	-9.4
Cost of Sales	(544)	(686)	-20.7
Gross Profit	302	248	21.8
Other non-recurring Revenue	28	93	-69.9
	330	341	-3.2
Selling & Admin. Expenses	(150)	(150)	0.0
Contribution to Recurring Profit **	180	191	-5.8
Gross Profit Margin	35.7%	26.6%	9.1

During the year, the Company continued to dispose the final units of its condominium inventories, “Popular” and “Lakeview”. Other sales recognized in the year comprised of “Sukhothai 99” shop-house, “Home Town” house as well as land plots at Muang Thong Thani Chaengwattana.

New projects, “Double Lake Condominium” & “Bee Hive Community Mall”, launched in 2012 and early 2013 shall be completed and transferred to buyers within the coming financial year.

Although real estate revenue fell 9.4 percent to Baht 846 million, with the sales of land plots a higher margin was achieved. Gross profit increased by 21.8 percent to Baht 302 million (2012 - Baht 248 million).

Selling and administration expenses remained relatively the same as last year at Baht 150 million.

Overall, with a lower non-recurring other revenue, recurring profit before tax for the year decreased 5.8 percent to Baht 180 million (2012 - Baht 191 million).

\*\*Reconciliation with the segment information presented under note 25 of the audited accounts:-

Segment profit - real estate per audited accounts	384
Less: dividend income from Impact	(365)
Add: corporate expenses included under real estate segment	
(a) Impact share purchase expenses	30
(b) arrangement fee for bank loan to buy Impact shares	36
(c) final expense on debt restructuring	95
Adjusted real estate recurring profit	<u>180</u>

## EXHIBITION, CONVENTION & HOTEL

Baht millions	2013	2012	% change
Revenue	2,554	2,129	20.0
Cost of Sales	(1,363)	(1,122)	21.5
Gross Profit	1,191	1,007	18.3
Other Revenue	13	17	-23.5
	1,204	1,024	17.6
Selling & Admin. Expenses	(538)	(573)	-6.1
Contribution to Recurring Profit	666	451	47.7
Gross Profit Margin	46.6%	47.3%	-0.7
Occupancy Rate	53.0%	47.1%	5.9

Impact's revenue came from its four principal business areas - exhibition & convention space rental, 55% (2012 - 54%); food & beverages, 20% (2012 - 22%); hotel, 6% (2012 - 5%) and other supplementary exhibition services, 19 percent (2012 - 19%).

Exhibition space utilization increased by 5.9 percent to 53 percent (2012 - 47.1%). Together with a 10 percent increase in average rental rate in the year under review, total exhibition space revenue rose 23 percent to Baht 1,414 million (2012 - Baht 1,146 million).

Food and beverage revenue increased by 14.2 percent to Baht 523 million (2012 - Baht 458 million) resulting mainly from price increment and higher business volume corresponding to the increase of exhibition space utilization.

Other services revenue rose 12.4 percent to Baht 471 million (2012 - Baht 419 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 commencement of business in February 2011, Impact Novotel has not only provided a new income source to the exhibition center but also acted as an important supplementary service attracting more events to its exhibition and convention halls. This year the hotel recorded revenue of Baht 146 million (2012 - Baht 106 million) and EBITDA of Baht 10 million. Net loss after depreciation was Baht 11 million, a clear sign of improvement as compared to a net loss of Baht 24 million a year before.

Overall, our Exhibition, convention and hotel business increased its revenue by 20 percent to Baht 2,554 million (2012 - Baht 2,129 million). With more careful planning and control, selling and administration expenses dropped 6.1 percent to Baht 538 million (2012 - Baht 573 million). Taken together, recurring profit before tax for the year rose by 47.7 percent to Baht 666 million (2012 - Baht 451 million).

## RETAIL AND BUILDING MANAGEMENT

	Retail			Building Management and Services		
			%			%
Baht millions	2013	2012	change	2013	2012	change
Revenue	225	207	8.7	143	128	11.7
Cost of Sales	(149)	(147)	1.4	(125)	(101)	23.8
Gross Profit	76	60	26.7	18	27	-33.3
Other Revenue	17	9	88.9	6	12	-50.0
	93	69	34.8	24	39	-38.5
Selling & Admin. Expenses	(26)	(39)	-33.3	(19)	(15)	26.7
Contribution to Recurring Profit	67	30	123.3	5	24	-79.2
Gross Profit Margin	33.8%	29.0%	4.8	12.6%	21.1%	-8.5

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 67 million and building management was Baht 5 million for the year ended 31 March 2013.

## NON-RECURRING ITEMS

The Group recorded Baht 359 million exchange gain (2012 - Baht 183 million) on conversion of its foreign currency bonds at prevailing market exchange rates as at 31 March 2013.

Net borrowing cost for the year increased by 50 million to Baht 94 million (2012 - Baht 44 million) mainly resulted from interest expenses on a new bank loan of Baht 2.1 billion borrowed to finance the Company to buy 44.83 percent of Impact Management Company Limited from the foreign minority shareholder of the subsidiary.

During the year, the Group revalued its investment properties to reflect the market value of these assets, and as such, resulted in a gain of Baht 2,095 million presented as other revenue in the Group's statements of compressive income.

Other non-recurring items for the year mainly comprised Baht 127 million gains on write back of unclaimed accounts payable. The other non-recurring items of Baht 798 million for the year ended 31 March 2012 largely comprised Baht 102 million gain on write backs of unclaimed accounts payable, Baht 513 million gains 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.

## INCOME TAX

Income tax expenses for the year comprised of tax of Baht 3 million (2012 - Baht 10 million) on profit of the parent company, Baht 188 million (2012 - Baht 161 million) on profits of the Company's subsidiaries, Baht 429 million of deferred tax on revaluation surplus of investment properties and Baht 65 million reversal of deferred tax provided in previous year as a result of the reduction of corporate profit tax rate in 2013.

## 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 2013 stood at Baht 2.40 (2012 - Baht 1.52). The Company's closing share price on that date was Baht 1.97 (2012 - Baht 0.68) representing a discount of 17.8 percent (2012 - 55.2 percent) to its adjusted net asset value.

#### Adjusted net asset value per share

Baht millions	2013	2012
Total shareholders' equity	40,432	32,113
Minority interest	0	-5,320
Deferred tax on revaluation surplus of property, plant & equipments	1,653	0
Deferred tax on revaluation surplus of investment properties	564	194
Adjusted shareholders equity	42,649	26,987
Number of shares in issue (millions)	17,795	17,794
Value per share (Baht)	2.40	1.52
Closing market price per share (Baht) - last trading day of March	1.97	0.68
Share price premium / (discount)	(17.8%)	(55.2%)

### ASSETS

Total assets of the Group increased 29.8 percent to Baht 50,802 million (2012 - Baht 39,143 million) mainly resulting from a surplus of Baht 2,095 million on the revaluation of investment properties and Baht 10,082 million (after depreciation) on the revaluation of property and property, plant and equipment.

During the year a review was performed to ascertain the ongoing usage and value of the Group's major assets. Details of this review are summarized below.

- Based on the actual usage and in compliance of new accounting standards, certain assets grouped under "real estate development cost" and "property, plant and equipment" were reclassified as "investment property".
- In order to present a more realistic picture of the Group's asset value, the Company had changed its accounting policy on "property, plant and equipment" from the cost method to the fair value method.
- All assets under the categories of "investment property" and major assets under "property, plant and equipment" were revalued in the 4th quarter of the financial year by a third party professional appraiser approved by the Stock Exchange of Thailand.

Key components of assets comprised "property, plant and equipment" (43.6 percent), "real estate development cost" (30.4 percent), "land held for future use" (14.3 percent) and "investment property" (6.7 percent), details of which are summarized next.

## Real estate development cost

Baht millions	2013	2012	% change
Undeveloped Land			
- Srinakarin Road	13,287	13,287	0.0
- Muang Thong Thani & Others	1,090	1,218	-10.5
	14,377	14,505	-0.9
Finished Products			
- Residential Condominiums	333	586	-43.2
Work in Progress	372	132	181.8
Uncompleted Condominiums	227	227	0.0
Other discontinued Projects	143	422	-66.1
Total	15,452	15,872	-2.6

### Classification in financial statements

- Current Assets	14,071	1,082
- Non-current Assets	1,381	15,871

Real estate development cost remained broadly unchanged compared to last year. The slight decrease of 2.6 percent to Baht 15,452 million (2012 - Baht 15,872 million) was primarily the net result of the increase in work in progress of the Company's ongoing developments for resale and the decrease in value from the reclassification of Baht 191 million to "investment property" together with sales of inventory and discontinued projects.

## Land held for future use

Land held for future use comprised of one large land plot and a man-made lake with a total area of 375 rai in the middle of Bangkok Land's flagship development, Muang Thong Thani, Chaengwattana. Book cost of this 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 2013.

## Property, plant and equipments

New additions for the year were Baht 513 million, which mainly comprised of works to upgrade the Group's Impact Exhibition Center. These upgrades were done in accordance with the Group's ongoing plans to maintain and improve the standard of its exhibition facilities to match with other major international venues.

Reductions for the year mainly comprised the reclassification to investment property of Baht 400 million of net book value of property, plant and equipment. This reclassification was made to reflect the actual usage of the concerned assets.

All land & buildings of the Impact Exhibition Center were revalued in the last quarter of the financial year which resulted in a revaluation surplus of more than Baht 10 billion. As such, the net book value of Impact's land and buildings was adjusted to reflect its fair value of Baht 21,710 million as at 31 March 2013.

Taking into account total depreciation charge for the year of Baht 488 million, reported net book value of property, plant and equipments as at 31 March 2013 increased by Baht 9,291 million or 72.3 percent to Baht 22,146 million (2012 - Baht 12,855 million) compared to last year.

## Investment property

As mentioned earlier in this section, based on actual usage of the assets, net book value of Baht 400 million of property, plant and equipment were reclassified as investment properties. A revaluation was done in the last quarter of the year resulting in a surplus of Baht 2,095 million over the historical cost of these assets. As a result, total investment property increase 380.5 percent to Baht 3,392 million (2012 - Baht 706 million).

## LIQUIDITY

Net cash flow from recurring operating activities decreased by Baht 253 million to Baht 773 million (2012 - Baht 1,026 million) primarily resulting from the effect of cash outflow in the construction of new real estate inventories before final cash receipt from property buyers during the year ended 31 March 2013.

Non-recurring cash flow from investing activities included the net retirement of Baht 108 million short term investments with local financial institutions, Baht 26 million interest incomes and Baht 2 million from the disposal of fixed assets. Non-recurring cash flow from financial activities comprised Baht 2,100 million of bank loans and Baht 414 million of issuing new shares to warrant holders of the Company.

Total recurring and non-recurring cash flow generated during the year was Baht 3,424 million. Together with cash of Baht 1,566 million brought forward from last year, these cash flows were applied to purchase 44.83 percent of the minority interest of the Company's subsidiary, Impact Exhibition and Management Limited (Baht 2,700 million), pay capital expenditure (Baht 513 million), dividend (Baht 356 million), bank loan installment (Baht 50 million) and bank loan interest (Baht 28 million).

In effect, Bangkok Land's consolidated statements of cash flow for the year ended 31 March 2013 recorded a net decrease of Baht 224 million in cash and cash equivalent to Baht 1,342 million (2012 - Baht 1,566 million).

## LIABILITIES

Consolidated total liabilities as at 31 March 2013 rose 47.5 percent to Baht 10,370 million compared to Baht 7,030 million in 2012. The increase of total liabilities was primarily the results of

- (a) a new bank borrowing of Baht 2,100 million to finance the purchase of Impact shares; and
- (b) the provision of deferred tax on the revaluation surplus of the Group's investment properties as well as property, plant and equipments.

Although total liabilities went up by Baht 3,340 million, the increase of shareholders equity resulting from the revaluation of the Group's property, plant and equipments as well as the gain from the purchase of Impact shares had kept the Group's ratio of total liabilities to equity remained the same as last year at 0.26 times.

Consolidated net total liabilities (net of cash and cash equivalent) as at 31 March 2013 was Baht 9,028 million compared to Baht 5,464 million in 2012. This increased the Group's net total liabilities to equity ratio to 0.21 times from 0.20 times a year ago.



The following table presents a breakdown of the Group's total liabilities as at 31 March 2013.

Baht millions	Total	Interest Bearing	Non-interest Bearing
Bank Loans	2,050	2,050	-
Unsecured Debts in Default			
- Bonds	2,802	2,802	-
- Overdue Interest (Bonds)	871	-	871
	3,673	2,802	871
Deferred Tax	2,299	-	2,299
Other Liabilities & Accruals	2,348	-	2,348
Total Liabilities	10,370	4,852	5,518
Total Liabilities excluding Bonds	6,697	2,050	4,647

Remarks

(a) Baht 3,673 million unsecured bonds were in default for 14 years since 1999.

(b) Bank loans of Baht 2,050 million were fully repaid in May 2013.

## SHAREHOLDERS' EQUITY

Shareholders' equity rose 51.2 percent to Baht 40,432 million (2012 - Baht 26,739 million) chiefly reflecting the consolidated result of net profit of Baht 2,532 million for the year ended 31 March 2013 together with Baht 2,815 million gain on purchase of Impact shares and Baht 8,428 million surplus (net of deferred tax and depreciation) on revaluation of property, plant and equipments.

## COMMITMENT AND CONTINGENT LIABILITIES

As at 31 March 2013, the Group had major pending lawsuits of Baht 132 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 500 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 2013 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 2013, 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 30 July 2012, at 11.00 a.m., at the Sapphire Hall 204-205, 2<sup>nd</sup> floor, Impact Forum, Muang Thong Thani, Chaengwattana, Bannmai, Pakkred, Nonthaburi. Ten Directors, including the Chief Executive and four Independent Non-executive Directors, attended the meeting. Notice of the meeting with supplementary information was sent to the shareholders by mail more than 7 days prior to the date of the meeting. The same notice was also published on a daily newspaper for 3 consecutive days before the meeting. All documents were prepared in both Thai and English.

At the meeting, total shareholders attending in person or by proxy was 627, representing 10,078,971,717 shares or 56.64 percent 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 a connected transaction that may have conflict of interest with the Company and its subsidiaries. If it is necessary, for the benefit of the Group, to conduct a connected transaction, it must comply with all the SET rules, procedures and disclosure of connected transaction by a listed company.

## **ROLE OF STAKEHOLDERS**

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

### **Shareholders**

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

### **Customers**

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

### **Employees**

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

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

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

## **Creditors**

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

Like all other major companies in Thailand with substantial borrowings, the financial crisis of 1997 caused Bangkok Land to default on all its local and foreign borrowings. Following the defaults, the Group had pursued various debt restructuring and settlement schemes with creditors, both secured and unsecured. These schemes include debt settlement with lenders by debt/asset swap, debt/equity swap and debt buy-back from bondholders. All debt restructurings and bond buy-backs had 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 2013 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.

## REPONSIBILITIES OF THE BOARD

### Board Structure

#### Summary

As at 31 March 2013, 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 2013, the Company has two committees: the Audit Committee and the Executive Board.

#### Audit Committee

The Audit Committee was established in 2001, and it consists of three Independent Directors. Mr. Thumgrong Chientachakul was 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 2013. The attendance record of each member is set out below:-

<u>Directors</u>	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 11 meetings during the year ended 31 March 2013. The attendance record of each member is set out below:-

<u>Directors</u>	Meetings attended/
	Total
Mr. Anant Kanjanapas	11/11
Mr. Sui Hung Kanjanapas	11/11
Mr. Shui Pang Kanjanapas	11/11

## 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 2013 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 9 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 2013 is set out below:-

	Meetings attended/ Total
<b>Directors</b>	
<b>Executive Directors</b>	
Mr. Anant Kanjanapas	9/9
Mr. Sui Hung Kanjanapas	9/9
Mr. Shui Pang Kanjanapas	9/9



Directors	Meetings attended/ Total
<b>Non-Executive Directors</b>	
Mr. Sakorn Kanjanapas	0/9
Mr. Burin Wongsanguan	9/9
Mr. Wattanasak Sanitwongse	9/9
Mr. Tawin Boonruangkhaio	9/9
<b>Independent Non-Executive Directors</b>	
Mr. Thumrong Chientachakul	9/9
Mr. Supavat Saicheua	8/9
Mr. Siriwat Likitnuruk	9/9
Mr. Panya Boonyapiwat	9/9

### 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 27 May 2013.

### 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 2013, the Company had authorized capital of Baht 26,671,687,159 divided into 26,671,687,159 shares with a par value of 1 Baht per share. Paid-up capital was Baht 17,795,295,397 representing 17,795,295,397 ordinary shares fully paid up at a par value of 1 Baht each.

On 31 March 2013, warrant holders of Bland-W2 exercised their rights and purchased 216,702,385 ordinary shares of the Company at a price of Baht 1.90 per share. On the same date, warrant holders of Bland-W3 exercised their rights and purchased 970,706 ordinary shares of the Company at a price of Baht 1.50 per share. Registration of these new shares with the Ministry of Commerce was completed on 4 April 2013.

On 2 May 2013, the final exercise date of Bland-W2, warrant holders exercised their rights and purchased 2,629,378,748 ordinary shares of the Company at a price of Baht 1.90 per share. Registration of these new shares with the Ministry of Commerce was completed on 15 May 2013.

Taken together, as at 15 May 2013, the Company had authorized capital of Baht 26,671,687,159 divided into 26,671,687,159 shares with a par value of 1 Baht per share. Paid up capital was Baht 20,642,347,236 representing 20,642,347,236 ordinary shares fully paid up at a par value of 1 Baht per share.

On 21 May 2013, the Company closed its share register and its list of shareholders revealed the following major information.

- (a) Number of shareholders - 28,348
- (b) Investors holding Non-voting depository receipts ("NDVR") - 434,182,289 shares

Total NDVR represents 2.44 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 2.5 percent, and non-NDVR shareholders of 24.39 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 the following warrant listed on the Stock Exchange of Thailand as at the date of this report.

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	2,522,076
Total units remaining	1,991,725,989

## MAJOR SHAREHOLDERS

Details of the 10 largest shareholders of the Company, according to the most up to date shareholder list as at 21 May 2013 are listed below.

Rank	Name	Number of shares	% to paid-up capital
1	Anant Kanjanapas	4,155,591,660	20.13
2	Archchara Worasaknukul	639,643,267	3.10
3	Jean-Marie Verbugghe	577,080,000	2.80
4	Thai NVDR Co. Ltd.	434,182,289	2.10
5	Chaya Mahadamrongkul	397,715,480	1.93
6	UOB Kay Hian Private Limited	291,597,070	1.41
7	Sakorn Kanjanapas	269,851,065	1.31
8	Komon Jungrungreangkit	250,000,000	1.21
9	Worraparn Jeungsubpaisarn	230,000,000	1.11
10	Bangkok Land (Cayman Island) Limited	212,096,990	1.03
Total		7,457,757,821	36.13

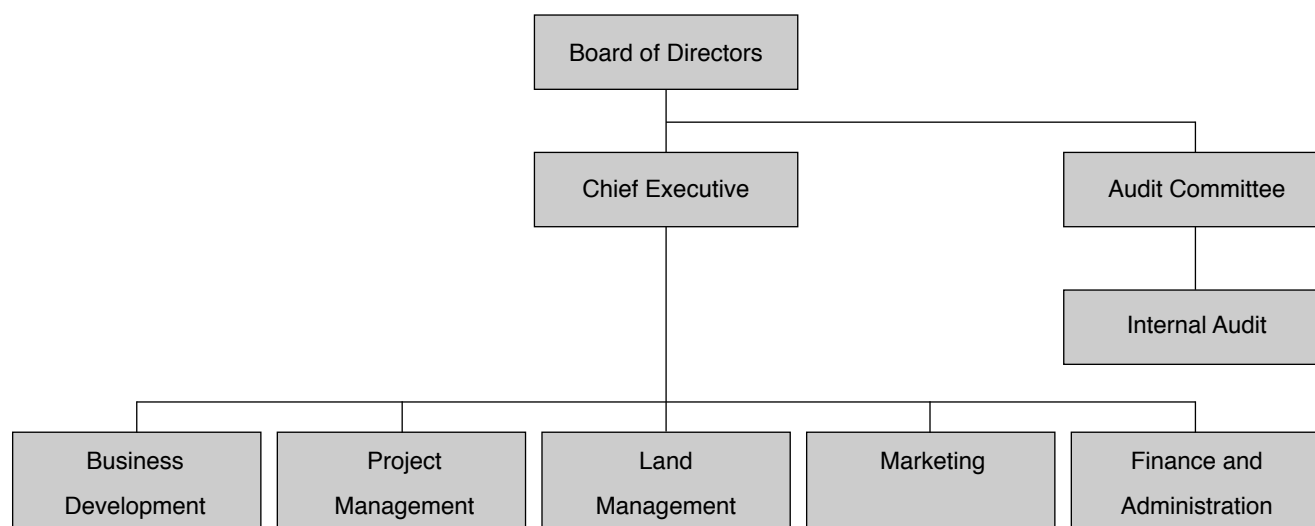
Source: Thailand Securities Company Limited

## DIVIDEND POLICY

The Company has a policy to pay an annual 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 plans 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

Mr. Tawin Boonruangkhaio

### Non-executive Directors

Mr. Sakorn Kanjanapas

Mr. Burin Wongsanhuang

Mr. Wattanasak Sanitwongse

\* 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 Kanjanapas or Mr. Shui Pang Kanjanapas 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 2012 was set at 5.7 million Baht at the AGM of 29 July 2011. Actual remuneration paid in the year was Baht 4.7 million.

## SENIOR MANAGEMENT'S REMUNERATION

	2013		2012	
	Number of Persons	Amount (Baht million)	Number of Persons	Amount (Baht million)
Salary and Allowance				
- Directors	4	11.55	4	12.44
- Senior Management	9	8.04	9	9.75
Total	13	19.59	13	22.19

## DIRECTORS' PROFILE

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

Chairman

Chief Executive Officer

Age 72, 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 50 years.

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

Managing Director

Age 40, 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 38, Mr. Shui 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 64, 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 77, 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 72, 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.

**Tawin Boonruangkhaio LL.B.**

Non-Executive Director

Age 69, 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 55, Mr. Thumrong Chientachakul was appointed director of the Company on 27 January 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 54, Mr. Supavat Saicheua was appointed director of the Company on 9 August 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 60, Mr. Likitnuruk was appointed director of the Company on 19 October 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 50, Mr. Boonyapiwat was appointed director of the Company on 19 October 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 particular 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
US Dollars Bonds				
- Principal	USD	13.97	411	4.11
- Put Premium	USD	1.50	44	0.44
Swiss Francs Bonds				
	CHF	75.35	2,347	23.47
Total			2,802	28.02

### 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	2,802	-	-
Bank Loans	-	2,050	20.50

**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 2013, the Group disclosed details of transactions with related parties under note 6 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 2013.

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	100%	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 2013.



Anant Kanjanapas

Chairman and Chief Executive

20 June 2013

# REPORT OF AUDIT COMMITTEE

## Dear Shareholders,

The Audit Committee of Bangkok Land Public Company Limited has three members. On 27 May 2013 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 2013, 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 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:
  - 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 2014. The proposed audit fee is Baht 5,330,000. Nomination shall be submitted to the Board before seeking the approval of shareholders at the 2013 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  
27 May 2013

**BANGKOK LAND PUBLIC COMPANY LIMITED**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2013**  
**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 and separate financial statements of Bangkok Land Public Company Limited and its subsidiaries, and of Bangkok Land Public Company Limited, respectively, which comprise the consolidated and separate statement of financial position as at March 31, 2013, the consolidated and separate statements of comprehensive income, changes in equity and cash flows statements for the year then ended, and a summary of significant accounting policies and other notes.

## Management's Responsibility for the Consolidated and Separate Financial Statements

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

## Auditor's Responsibility

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

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

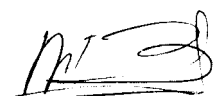
I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## Opinion

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial position as at March 31, 2013, and the financial performance and cash flows for the year then ended of Bangkok Land Public Company Limited and its subsidiaries, and of Bangkok Land Public Company Limited, respectively, in accordance with Thai Financial Reporting Standards.

## Emphasis of Matter

Without qualifying our opinion, as discussed in Note 4 to the financial statements, for the year ended March 31, 2013, the Company and its subsidiaries have changed their accounting policy for land, building, structure and building improvement of exhibition hall and convention center from cost method to revaluation method.



(Kannika Wiphanurat)  
Certified Public Accountant  
Registration No. 7305  
Karin Audit Company Limited

Bangkok  
May 27, 2013

**BANGKOK LAND PUBLIC COMPANY LIMITED**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2013**

		In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
Notes		2013	2012	2013	2012
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents		1,342,323,703	1,566,304,742	453,242,132	634,771,950
Short-term investments	7	113,674,669	215,267,111	113,674,669	215,267,111
Trade receivable and other receivable, net	8	361,638,111	427,679,977	14,933,099	43,300,953
Real estate development cost, net	9	14,070,971,911	1,082,096,144	14,023,886,431	246,375,967
Advance and receivables from related parties, net	6.2	-	-	2,379,747,628	1,229,596,881
Short-term loans to related parties, net	6.3	-	-	400,061,546	500,061,546
Investment in loans	6.4	-	-	475,000,000	475,000,000
Other current assets, net of allowance for doubtful accounts of Baht 50 million in 2013 and 2012		60,989,830	83,506,449	13,795,672	22,478,622
Total current assets		15,949,598,224	3,374,854,423	17,874,341,177	3,366,853,030
<b>Non-current assets</b>					
Real estate development cost, net	9	1,380,970,563	14,789,195,888	1,417,260,057	15,167,561,675
Investments in subsidiaries, at cost method	10	-	-	10,026,886,908	7,326,886,908
Investment property	11	3,392,342,477	706,320,000	5,280,000	5,280,000
Property, plants and equipment, net	12	22,146,432,673	12,414,530,231	13,638,673	2,257,203
Land held for future use	13	7,285,035,600	7,285,035,600	7,285,035,600	7,285,035,600
Deferred tax assets	18	16,592,439	29,036,241	998,239	3,528,686
Other non-current assets, net		631,261,872	544,041,105	467,226,192	477,748,246
Total non-current assets		34,852,635,624	35,768,159,065	19,216,325,669	30,268,298,318
<b>TOTAL ASSETS</b>		<b>50,802,233,848</b>	<b>39,143,013,488</b>	<b>37,090,666,846</b>	<b>33,635,151,348</b>

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

**BANGKOK LAND PUBLIC COMPANY LIMITED**  
**STATEMENTS OF FINANCIAL POSITION (CONT.)**  
**AS AT MARCH 31, 2013**

		In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
Notes		2013	2012	2013	2012
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>Current liabilities</b>					
Payables to contractors		332,701,263	224,541,751	143,651,835	132,951,835
Trade payable and other payable		240,022,795	183,235,935	128,574,496	20,275,430
Payable to related parties	6.5	-	-	9,233,141,329	9,129,139,440
Short-term loan from related parties	6.6	-	-	2,050,000,000	-
Current portion of:					
- Long-term debt instruments	14	2,802,380,533	3,076,173,534	-	-
- Long-term loans from related parties	6.7	-	-	4,775,029,754	4,778,466,439
- Long-term loan	15	200,000,000	-	-	-
Accrued interest expense	14	872,060,516	915,739,056	658,780	658,780
Advances and deposits from customers		914,946,899	1,299,263,877	839,746,790	1,053,591,631
Other current liabilities	17	836,782,036	1,017,572,809	124,452,108	295,712,769
Total current liabilities		6,198,894,042	6,716,526,962	17,295,255,092	15,410,796,324
<b>Non-current liabilities</b>					
Long-term loan	15	1,850,000,000	-	-	-
Deferred tax liabilities	18	2,299,090,430	293,798,380	878,034	1,317,051
Employee benefit obligations	16	22,016,443	20,081,107	-	-
Total non-current liabilities		4,171,106,873	313,879,487	878,034	1,317,051
<b>Total liabilities</b>		<b>10,370,000,915</b>	<b>7,030,406,449</b>	<b>17,296,133,126</b>	<b>15,412,113,375</b>

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

**BANGKOK LAND PUBLIC COMPANY LIMITED**  
**STATEMENTS OF FINANCIAL POSITION (CONT.)**  
**AS AT MARCH 31, 2013**

		In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
Notes		2013	2012	2013	2012
<b>Shareholders' equity</b>					
Share capital					
Authorized share capital					
	26,671,687,159 common shares of Baht 1 par value	<u>26,671,687,159</u>	<u>26,671,687,159</u>	<u>26,671,687,159</u>	<u>26,671,687,159</u>
Issued and fully paid - up share					
	17,795,295,397 shares of Baht 1 par value	17,795,295,397	-	17,795,295,397	-
	17,794,400,220 shares of Baht 1 par value	-	17,794,400,220	-	17,794,400,220
Share subscription	19	413,190,591	-	413,190,591	-
Premium on share capital		1,550,438,037	1,550,164,833	1,550,438,037	1,550,164,833
Discount on share capital		(2,137,150,617)	(2,137,150,617)	(2,137,150,617)	(2,137,150,617)
Retained earnings					
- Appropriated for legal reserve	20	126,429,109	50,781,177	126,429,109	50,781,177
- Unappropriated		11,411,616,760	9,505,215,100	2,046,331,203	964,842,360
Other components of equity		<u>11,272,413,656</u>	<u>29,527,805</u>	<u>-</u>	<u>-</u>
<b>Total equity attributable to owner's of the Company</b>		<b><u>40,432,232,933</u></b>	<b><u>26,792,938,518</u></b>	<b><u>19,794,533,720</u></b>	<b><u>18,223,037,973</u></b>
Non-controlling interests		<u>-</u>	<u>5,319,668,521</u>	<u>-</u>	<u>-</u>
<b>Total shareholders' equity</b>		<b><u>40,432,232,933</u></b>	<b><u>32,112,607,039</u></b>	<b><u>19,794,533,720</u></b>	<b><u>18,223,037,973</u></b>
<b>TOTAL LIABILITIES AND</b>					
<b>SHAREHOLDERS' EQUITY</b>					
		<b><u>50,802,233,848</u></b>	<b><u>39,143,013,488</u></b>	<b><u>37,090,666,846</u></b>	<b><u>33,635,151,348</u></b>

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

**BANGKOK LAND PUBLIC COMPANY LIMITED**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED MARCH 31, 2013**

		In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
Notes		2013	2012	2013	2012
Sales		1,307,585,984	1,330,540,479	369,536,081	319,657,011
Rental and service revenues	6.1	2,419,654,010	2,023,286,951	3,742,300	3,523,922
<b>Total revenues</b>		<b>3,727,239,994</b>	<b>3,353,827,430</b>	<b>373,278,381</b>	<b>323,180,933</b>
Costs of sales		(950,712,519)	(1,020,505,464)	(276,158,585)	(175,821,620)
Costs of rental and services		(1,205,956,586)	(1,008,614,255)	-	-
<b>Total costs</b>		<b>(2,156,669,105)</b>	<b>(2,029,119,719)</b>	<b>(276,158,585)</b>	<b>(175,821,620)</b>
<b>Gross profit margin</b>		<b>1,570,570,889</b>	<b>1,324,707,711</b>	<b>97,119,796</b>	<b>147,359,313</b>
Gain on exchange rate, net		358,833,170	182,933,682	43,824,882	-
Dividend income	10	-	-	364,550,365	6,510,000,000
Other revenues	22	2,310,821,909	920,809,993	1,569,958,879	1,439,559,826
<b>Profit before expenses</b>		<b>4,240,225,968</b>	<b>2,428,451,386</b>	<b>2,075,453,922</b>	<b>8,096,919,139</b>
Selling expenses		(51,909,541)	(69,517,229)	(5,186,222)	(8,760,663)
Administrative expenses		(923,962,744)	(827,928,590)	(308,138,685)	(190,757,840)
Management benefit	24	(59,635,143)	(57,957,487)	(19,589,656)	(22,189,140)
Provision for pending lawsuit	28	-	(481,060,986)	-	-
Loss on exchange rate, net		-	-	-	(882,686,591)
<b>Total expenses</b>		<b>(1,035,507,428)</b>	<b>(1,436,464,292)</b>	<b>(332,914,563)</b>	<b>(1,104,394,234)</b>
<b>Profit before finance costs and income tax expense</b>		<b>3,204,718,540</b>	<b>991,987,094</b>	<b>1,742,539,359</b>	<b>6,992,524,905</b>
Finance costs	6.1	(119,753,560)	(67,264,295)	(227,489,281)	(391,837,296)
<b>Profit before income tax expense</b>		<b>3,084,964,980</b>	<b>924,722,799</b>	<b>1,515,050,078</b>	<b>6,600,687,609</b>
Income tax expense	18	(552,199,395)	(169,863,712)	(2,091,429)	(9,835,400)
<b>Net profit</b>		<b>2,532,765,585</b>	<b>754,859,087</b>	<b>1,512,958,649</b>	<b>6,590,852,209</b>

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

**BANGKOK LAND PUBLIC COMPANY LIMITED**  
**STATEMENTS OF COMPREHENSIVE INCOME (CONT.)**  
**FOR THE YEAR ENDED MARCH 31, 2013**

		In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
Notes		2013	2012	2013	2012
<b>Net profit</b>		<b>2,532,765,585</b>	<b>754,859,087</b>	<b>1,512,958,649</b>	<b>6,590,852,209</b>
<b>Other comprehensive income</b>					
Currency translation differences		46,710	-	-	-
Depreciation on surplus on revaluation of assets		(27,399,596)	-	-	-
Surplus on revaluation of assets		8,455,676,097	-	-	-
Change in shareholding in subsidiaries		2,814,562,640	-	-	-
<b>Other comprehensive income</b>					
<b>for the year - net of income tax</b>		<b>11,242,885,851</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net profit and comprehensive income</b>		<b>13,775,651,436</b>	<b>754,859,087</b>	<b>1,512,958,649</b>	<b>6,590,852,209</b>
<b>Net profit and comprehensive income</b>					
<b>attributable to:</b>					
Owners of the Company		2,337,871,466	621,204,755	1,512,958,649	6,590,852,209
Non-controlling interests		194,894,119	133,654,332	-	-
		<u>2,532,765,585</u>	<u>754,859,087</u>	<u>1,512,958,649</u>	<u>6,590,852,209</u>
<b>Net profit and comprehensive income</b>					
<b>attributable to:</b>					
Owners of the Company		13,580,757,317	621,204,755	1,512,958,649	6,590,852,209
Non-controlling interests		194,894,119	133,654,332	-	-
		<u>13,775,651,436</u>	<u>754,859,087</u>	<u>1,512,958,649</u>	<u>6,590,852,209</u>
<b>Earnings per share</b>					
<b>Basic earnings per share (Baht)</b>	<b>26</b>	<b>0.13</b>	<b>0.03</b>	<b>0.09</b>	<b>0.37</b>
(2013 : 17,795 million shares)					
(2012 : 17,794 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 YEAR ENDED MARCH 31, 2013**

In Baht															
Consolidated financial statements															
		Retained earnings		Other components of equity											
				Net book value of subsidiaries exceed											
												Total equity			
												attributable to Non-			
												owner's of the controlling			
												company interests			
												Total			
Note		Issued and paid-up share capital	Share subscription	Premium on share capital	Discount on share capital	Appropriated for legal reserve	Unappropriated	Currency translation differences	Surplus on revaluation of assets	Investment as of purchasing date	Change in shareholding in subsidiaries	Total other components of equity	Non-controlling interests	Total	
	Balance as at March 31, 2011	17,794,400,220	-	1,550,164,833	(2,137,150,617)	-	8,934,791,522	1,343,610	-	28,184,195	-	29,527,805	26,171,733,763	5,186,014,189	31,357,747,952
20	Appropriated for legal reserve	-	-	-	-	50,781,177	(50,781,177)	-	-	-	-	-	-	-	-
	Net profit for year	-	-	-	-	-	621,204,755	-	-	-	-	-	621,204,755	133,654,332	754,859,087
	Balance as at March 31, 2012	17,794,400,220	-	1,550,164,833	(2,137,150,617)	50,781,177	9,505,215,100	1,343,610	-	28,184,195	-	29,527,805	26,792,938,518	5,319,668,521	32,112,607,039
19	Share capital increase	895,177	-	273,204	-	-	-	-	-	-	-	-	1,168,381	-	1,168,381
19	Share subscription	-	413,190,591	-	-	-	-	-	-	-	-	-	413,190,591	-	413,190,591
21	Dividend payment	-	-	-	-	-	(355,821,874)	-	-	-	-	-	(355,821,874)	-	(355,821,874)
10	Increase in investment in subsidiary	-	-	-	-	-	-	-	-	-	2,814,562,640	2,814,562,640	2,814,562,640	(5,514,562,640)	(2,700,000,000)
	Currency translation differences	-	-	-	-	-	-	46,710	-	-	-	46,710	46,710	-	46,710
	Depreciation on surplus on revaluation of assets	-	-	-	-	-	-	-	(27,399,596)	-	-	(27,399,596)	(27,399,596)	-	(27,399,596)
4	Surplus on revaluation of assets	-	-	-	-	-	-	-	8,455,676,097	-	-	8,455,676,097	8,455,676,097	-	8,455,676,097
20	Appropriated for legal reserve	-	-	-	-	-	75,647,932	(75,647,932)	-	-	-	-	-	-	-
	Net profit for year	-	-	-	-	-	2,337,871,466	-	-	-	-	-	2,337,871,466	194,894,119	2,532,765,585
	Balance as at March 31, 2013	17,795,295,397	413,190,591	1,550,438,037	(2,137,150,617)	126,429,109	11,411,616,760	1,390,320	8,428,276,501	28,184,195	2,814,562,640	11,272,413,656	40,432,232,933	-	40,432,232,933

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

**BANGKOK LAND PUBLIC COMPANY LIMITED**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEAR ENDED MARCH 31, 2013**

		In Baht					
		Separate financial statements					
Notes		Issued and paid-up share capital	Share subscription	Premium on share capital	Discount on share capital	Retained earning (deficit)	
						Appropriated for legal reserve	Unappropriated
							Total
	<b>Balance as at March 31, 2011</b>	<b>17,794,400,220</b>	-	<b>1,550,164,833</b>	<b>(2,137,150,617)</b>	-	<b>(5,575,228,672)</b>
20	Appropriated for legal reserve	-	-	-	-	50,781,177	(50,781,177.00)
	Net profit for year	-	-	-	-	-	6,590,852,209
	<b>Balance as at March 31, 2012</b>	<b>17,794,400,220</b>	-	<b>1,550,164,833</b>	<b>(2,137,150,617)</b>	<b>50,781,177</b>	<b>964,842,360</b>
19	Share capital increase	895,177	-	273,204	-	-	-
19	Share subscription	-	413,190,591	-	-	-	-
21	Dividend payment	-	-	-	-	-	-
20	Appropriated for legal reserve	-	-	-	-	-	(355,821,874)
	Net profit for year	-	-	-	-	75,647,932	(75,647,932)
	<b>Balance as at March 31, 2013</b>	<b>17,795,295,397</b>	<b>413,190,591</b>	<b>1,550,438,037</b>	<b>(2,137,150,617)</b>	<b>126,429,109</b>	<b>2,046,331,203</b>
							<b>19,794,533,720</b>

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



**BANGKOK LAND PUBLIC COMPANY LIMITED**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEAR ENDED MARCH 31, 2013**

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before income tax expense	3,084,964,980	924,722,799	1,515,050,078	6,600,687,609
Net adjustments to reconcile profit before income tax expense to cash provided by operating activities:				
Depreciation				
- property and equipment	488,981,806	449,715,178	1,619,540	3,241,019
- infrastructure	64,844,646	64,844,648	64,844,646	64,844,648
- other assets	10,546,022	10,546,022	10,546,022	10,546,022
Interest income	(25,960,182)	(22,555,090)	(63,953,364)	(53,510,642)
Dividend income	-	-	(364,550,365)	(6,510,000,000)
Interest expense	85,192,560	67,264,295	191,280,484	391,837,296
Unrealised (gain)loss on exchange rate	(359,122,742)	127,129,302	(70,323,074)	882,686,591
Provision for employee benefit	3,225,336	20,081,107	-	-
Reversal of allowance for impairment of investment in subsidiaries	-	-	-	(60,420,510)
Reversal of allowance for doubtful accounts	-	(17,495,010)	(1,389,380,681)	(1,135,991,528)
Provision for pending lawsuit	-	481,060,986	-	-
Gain on sale of short-term investment	(6,937,396)	-	(6,937,396)	-
Gain on sale of fixed assets	(120,447)	(2,057,643)	-	(1,989,739)
Gain on revaluation of investment property	(2,094,789,876)	-	-	-
Gain on repurchase of exchangeable notes	-	(164,431,382)	-	-
Reversal of accrued interest	-	(513,285,175)	-	-
Gain on reversal of long outstanding account payable	(126,511,073)	(101,566,044)	-	(101,031,724)
Net profit (loss) provided by (use in) operating activities before changes in operating assets and liabilities	1,124,313,634	1,323,973,993	(111,804,110)	90,899,042
(Increase) decrease in operating assets:				
Trade receivable and other receivable	66,041,865	(8,546,449)	28,367,854	(1,653,659)
Real estate development cost	163,557,459	412,516,733	(92,053,492)	85,787,293
Other current assets	(19,881,349)	(12,796,412)	32,800	(35,032,275)
Other non-current assets	(97,766,787)	32,844,045	(23,967)	(22,168)
Increase (decrease) in operating liabilities:				
Payables to contractors	108,159,512	(36,530,800)	118,999,067	10,700,000
Trade payable and other payable	56,786,860	(4,301,085)	-	-

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

**BANGKOK LAND PUBLIC COMPANY LIMITED**  
**STATEMENTS OF CASH FLOWS (CONT)**  
**FOR THE YEAR ENDED MARCH 31, 2013**

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Other current liabilities	(451,440,724)	(238,149,864)	(393,842,587)	(6,650,907)
Other non-current liabilities	(1,290,000)	(263,295,671)	-	(273,340,083)
Cash recieved from refundable withholding tax	7,480,457	-	7,480,457	-
Income tax paid	(183,130,498)	(179,188,012)	(5,120,603)	(4,967,256)
Net cash provided by (used in) operating activities	772,830,429	1,026,526,478	(447,964,581)	(134,280,013)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest income received	25,960,182	22,555,090	312,260,409	1,106,470,166
Proceeds from sale of short-term investments	(501,229,139)	-	(501,229,139)	-
Decrease in short-term investments	609,758,976	601,128,985	609,758,976	397,498,387
(Increase) decrease in loans to and amounts due from related parties	-	-	90,922,890	(559,095,008)
Proceeds from sale of assets	2,097,819	4,691,078	-	3,551,402
Cash paid for purchase and construction of fixed assets	(513,422,424)	(918,882,870)	(13,001,010)	(392,169)
Net cash provided by (used in) investing activities	(376,834,586)	(290,507,717)	498,712,126	948,032,778
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Interest expense paid	(28,513,979)	(9,304,807)	-	(9,286,933)
Decrease in short-term loans and advances from directors	-	(32,261,233)	-	(32,261,233)
Increase (decrease) in short-term loans from and amount due to related parties	-	(6,489,139)	2,412,622,224	(211,518,449)
Decrease in long-term loans from and amount due to related parties	-	-	(3,436,684)	-
Proceed from long-term loan	2,100,000,000	-	-	-
Repayment of long-term loan	(50,000,000)	-	-	-
Cash paid for repurchase of exchangeable notes	-	(23,753,172)	-	-
Payment of investment in subsidiaries	(2,700,000,000)	-	(2,700,000,000)	-
Proceeds from share subscription	414,358,971	-	414,358,971	-
Dividend payment	(355,821,874)	-	(355,821,874)	-
Net cash used in financing activities	(619,976,882)	(71,808,351)	(232,277,363)	(253,066,615)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(223,981,039)</b>	<b>664,210,410</b>	<b>(181,529,818)</b>	<b>560,686,150</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>1,566,304,742</b>	<b>902,094,332</b>	<b>634,771,950</b>	<b>74,085,800</b>
<b>Cash and cash equivalents at end of the year</b>	<b>1,342,323,703</b>	<b>1,566,304,742</b>	<b>453,242,132</b>	<b>634,771,950</b>

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

**BANGKOK LAND PUBLIC COMPANY LIMITED**  
**STATEMENTS OF CASH FLOWS (CONT)**  
**FOR THE YEAR ENDED MARCH 31, 2013**

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
<b>Supplemental Disclosures of Cash Flows Information:</b>				
1. Cash and cash equivalents :				
Cash on hand	36,257,614	59,401,867	10,982,861	15,987,743
Undeposited cheques	13,106,231	19,825,793	-	-
Saving accounts	613,386,169	1,199,628,508	22,628,497	610,045,637
Current accounts	443,775,086	32,062,282	419,630,774	8,738,570
Fixed deposits	235,798,603	255,386,292	-	-
Total	<u>1,342,323,703</u>	<u>1,566,304,742</u>	<u>453,242,132</u>	<u>634,771,950</u>
2. Non - cash transaction				
2.1 Transfer real estate development cost to property, plants and equipment	-	140,410,359	-	-
2.2 Transfer property, plants and equipment to investment property	400,285,147	-	-	-
2.3 Transfer real estate development cost to investment property	190,947,454	-	-	-
2.4 Set off dividend income from subsidiaries with				
- Short-term loan from related parties	-	-	364,550,365	-
- Long-term loan from related parties	-	-	-	6,510,000,000

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**

The following new accounting standards, amendments to accounting standards, new financial reporting standard and new interpretation are mandatory, but the Company has not early adopted them.

Effective for the periods beginning on or after January 1, 2013

TAS 20 (Revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rates
TFRS 8	Operating Segments
TSIC 10	Government Assistance - No Specific Relation to Operating Activities

Accounting Treatment Guidance for Transfers of Financial Assets

Effective for the periods beginning on or after January 1, 2014

TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TSIC 29	Service Concession Arrangements: Disclosure

The Company's management has determined that the new accounting standards, amendments to accounting standards, new financial reporting standard and new interpretation will not significantly impact the financial information being presented.

### **3. Significant accounting policies**

The financial statements for the year ended March 31, 2013 are prepared using the same accounting policies as were used in the preparation of the financial statements for the year ended March 31, 2012, except for disclosed in Note 4.

#### **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	2013	2012
<b>Direct investment :</b>			
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	100.00	55.17
Spooner Limited	Dormant	100.00	100.00
<b>Direct and indirect investment :</b>			
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**

Property, plant and equipment are stated at cost less accumulated depreciation and the allowance for accumulated impairment except for land, buildings, structure and interior equipment of exhibition hall and convention center which are stated at their revalued amounts. The revalued amount is the fair value determined on the basis of the property's existing use at the date of revaluation less accumulated depreciation which is calculated from the said fair value and allowance for accumulated impairment.

Revaluations are performed by independent professional appraisers, which the Company has the policy for the independent professional appraisers will be requested to perform the appraisal for the said assets at sufficient regularity to ensure that the book value of these assets does not differ materially from their fair values at the balance sheet date. Increase from appraisal value will be recorded in the shareholders' equity

under “Surplus on revaluation of assets”, and decrease from cost recorded as loss from decrease in revaluation of assets in the statements of income. Increase in revaluation of building and machines will be amortized in accordance to the remaining useful life of those assets.

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:

Exhibition Hall and Convention Centers - structure	50 years
Exhibition Hall and Convention Centers - building improvement	20 years
Buildings and other constructions	20 years
Other fixed assets	5 years

The depreciation as calculated above are recorded as follows:

- The depreciation for those calculated from the cost value is included in the calculation of the operating result.
- The depreciation for the revaluation surplus is written off to the surplus on revaluation of assets in the shareholders' equity.

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.

For the year ended March 31, 2013, the Company and its subsidiaries have changed their accounting policy for land, building, structure and building improvement of exhibition hall and convention center from cost method to revaluation method. The policy has been applied prospectively.

**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, 2013 and 2012.

**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) Employee benefits**

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

The provision for employee retirement benefits is recognised as a charge to results of operations over the employee's service period. It is calculated by estimating the amount of future benefit earned by employees in return for service provided to the Company in the current and future periods, with such benefit being discounted to determine the present value. The reference point for setting the discount rate is the yield rate of government bonds as at the reporting date. The calculation is performed by a qualified actuary using the Projected Unit Credit Method.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised in the statement of income on a straight-line basis over the average period until the benefits become vested. Any actuarial gains or losses are recognised in the statement of income in the period in which they arise.

**q) 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.

#### **4. Change in accounting policy**

For the year ended March 31, 2013, the Company and its subsidiaries have changed their accounting policy for land, building, structure and interior equipment of exhibition hall and convention center from cost method to revaluation method. Management takes the view that this policy provides reliable and more relevant information because it deals more accurately with the components of property, plant and equipment and is based on up-to-date values. The policy has been applied prospectively because it was not practicable to estimate the effects of applying the policy either retrospectively, or prospectively from any earlier date. Accordingly, the adoption of the new policy has no effect on prior years.

Effects of the change in such accounting policy to the consolidated and separate statements of financial position as at March 31, 2013 are as follows:

	In Million Baht	
	Consolidated	Separate
Assets		
Property, plant and equipment		
Cost - differences on revaluation of assets	10,109	-
Accumulated depreciation - differences on revaluation of assets	(27)	-
Deferred tax liabilities	(1,653)	-
	<u>8,429</u>	<u>-</u>
Shareholders' equity		
Surplus on revaluation of assets	<u>8,429</u>	<u>-</u>

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

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

**6. Transactions with related parties**

**6.1 Significant transactions with related parties**

Portion of revenues and expenses arose from transactions with related parties for the years ended March 31, 2013 and 2012 are summarized as follows:

		In Million Baht			
		Consolidated		Separate	
		financial statements		financial statements	
Pricing Policy		2013	2012	2013	2012
<b>Management fee :</b>					
<b>Subsidiary</b>	6% of sale				
Bangkok Airport Industry Company Limited	contract	-	-	8	31
<b>Rental Income :</b>					
<b>Subsidiary</b>					
Bangkok Land Agency Company Limited		-	-	1	1
<b>Interest Income :</b>					
	MLR rate				
<b>Subsidiaries</b>					
Bangkok Airport Industry Company Limited		-	-	26	27
Sinpornchai Company Limited		-	-	29	9
		-	-	55	36
<b>Dividend Income :</b>					
	Right to receive				
<b>Subsidiary</b>	dividend				
Bangkok Land (Cayman Islands) Limited		-	-	-	6,510
Impact Exhibition Management Company Limited		-	-	365	-
		-	-	365	6,510
<b>Interest expense :</b>					
	3.125%				
<b>Subsidiary</b>					
Bangkok Land (Cayman Islands) Limited		-	-	149	359

## 6.2 Advances and other receivables from related parties

The balances of receivables from related parties as at March 31, 2013 and 2012 are as follows:

	In Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
<b>Accrued income :</b>				
<b>Subsidiaries</b>				
Bangkok Airport Industry Company Limited	-	-	18	10
Bangkok Land Agency Company Limited	-	-	10	9
<b>Total Accrued income</b>	-	-	28	19
<b>Advances and other receivables :</b>				
<b>Subsidiaries</b>				
Bangkok Land Agency Company Limited	-	-	43	43
Spooner Limited	-	-	9	9
Bangkok Airport Industry Company Limited	-	-	225	225
<b>Total advances and other receivables</b>	-	-	277	277
<b>Interest receivables :</b>				
<b>Subsidiaries</b>				
Bangkok Airport Industry Company Limited	-	-	1,987	2,265
Sinpornchai Company Limited	-	-	97	68
Bangkok Land Agency Company Limited	-	-	23	23
Muang Thong Building Services Company Limited	-	-	1	1
Less: Allowance for doubtful accounts	-	-	(33)	(1,423)
<b>Total interest receivable</b>	-	-	2,075	934
<b>Total</b>	-	-	2,380	1,230

## 6.3 Short-term loans to related parties - net

The balances of short-term loans to related parties as at March 31, 2013 and 2012 are as follows:

	In Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
<b>Subsidiaries</b>				
Sinpornchai Company Limited	-	-	400	500

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

#### 6.4 Investment in loans

	In Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
<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.

#### 6.5 Payables to related parties

The balances of payables to related parties as at March 31, 2013 and 2012 are as follows:

	In Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
<b>Interest payable :</b>				
<b>Subsidiary</b>				
Bangkok Land (Cayman Islands) Company Limited	-	-	9,075	8,971
<b>Accrued management fee :</b>				
<b>Subsidiaries</b>				
Bangkok Land Agency Company Limited	-	-	29	29
Bangkok Land (Cayman Islands) Company Limited	-	-	50	50
<b>Total accrued management fee</b>	-	-	<b>79</b>	<b>79</b>
<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	1
<b>Total advances and other payables</b>	-	-	<b>79</b>	<b>79</b>
<b>Total payables to related parties</b>	-	-	<b>9,233</b>	<b>9,129</b>

## 6.6 Short-term loans from related parties - net

The balances of short-term loans from related parties as at March 31, 2013 and 2012 are as follows:

	In Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
<b>Subsidiaries</b>				
Impact Exhibition Management Company Limited	-	-	2,050	-

Loans from related parties carry interest at 6.5% rate. The loans are unsecured and have no repayment dates.

## 6.7 Long-term loans from related parties

Long-term loans from related companies as at March 31, 2013 and 2012 comprise of:

		Separate financial statements			
		2013		2012	
		Amount of loan		Amount of loan	
Due date	Interest rate	Original	Million	Original	Million
	per annum	Currency	Baht	Currency	Baht
<u>Loans from Bangkok Land (Cayman Islands) Limited (BL Cayman)</u>					
March 2001	3.125%	4,775 million		4,778 million	
		Baht	4,775	Baht	4,778
Long-term loans from related companies presented under current liabilities			4,775		4,778

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).

**BANGKOK LAND PUBLIC COMPANY LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2013**

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 10).

**7. Short-term investments**

As at March 31, 2013 and 2012 current investments comprise of:

	In Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Fixed deposit 6 -15 months	114	214	114	214
Investment in short-term debt instruments	-	1	-	1
<b>Total</b>	<b>114</b>	<b>215</b>	<b>114</b>	<b>215</b>

**8. Accounts receivable, net**

The aging of installments due as at March 31, 2013 and 2012 are as follows:

	In Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Accounts receivable	344	386	-	2
<u>Less Allowance for doubtful account</u>	<u>(60)</u>	<u>(60)</u>	<u>-</u>	<u>-</u>
Trade account receivable	284	326	-	2
Other receivable	78	102	15	41
<b>Total trade and other receivables - net</b>	<b>362</b>	<b>428</b>	<b>15</b>	<b>43</b>
The aging of accounts and notes receivable are as follows :				
Up to 3 months	191	198	-	1
3 - 6 months	34	38	-	1
6 - 12 months	54	74	-	-
Over 12 months	65	76	-	-
<b>Total</b>	<b>344</b>	<b>386</b>	<b>-</b>	<b>2</b>

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

Real estate development cost as at March 31, 2013 and 2012 comprises:

	In Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Land	13,713	13,798	13,293	13,293
Construction in progress	18,578	18,487	8,484	8,335
Infrastructure cost - areas for sale	1,181	1,014	1,137	981
- 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	1,019	952	599	536
	40,630	40,390	26,657	26,289
Less: Transfer to cost of sales to date				
- Cost of sales	(21,910)	(21,367)	(9,823)	(9,547)
- Accumulated depreciation of public area infrastructure	(956)	(891)	(956)	(891)
Allowance for net realizable value discounts	(2,121)	(2,121)	(437)	(437)
Transfer to property, plants and equipment	-	(140)	-	-
Transfer to investment property	(191)	-	-	-
Total	15,452	15,871	15,441	15,414
Less: Real estate development cost classified as current assets	(14,071)	(1,082)	(14,024)	(246)
Net	1,381	14,789	1,417	15,168

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 28). 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	
	2013	2012	2013	2012
Percentage of land mortgaged	1	1	1	1
Percentage of condominium units mortgaged	28	17	30	29



**BANGKOK LAND PUBLIC COMPANY LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2013**

**10. Investment in subsidiaries**

As at March 31, 2013 and 2012 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	
	2013	2012	2013	2012	2013	2012	2013	2012
<b>Investment in subsidiaries</b>								
Impact Exhibition Management								
Company Limited	12,953	12,953	100	55	9,848	7,148	365	-
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	5,320	60	60	3	3	-	-
Bangkok Land (Cayman Islands) Limited	USD 0.01	USD 0.01	100	100	-	-	-	6,510
Spooner Limited	-	-	100	100	-	-	-	-
Total					10,026	7,326	365	6,510
Less : Allowance for impairment loss					-	-		
Net					10,026	7,326		

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 6.7).

In March 2013, Impact Exhibition Management Company Limited paid dividend of Baht 365 million to the Company by set off with balance due by the Company to the subsidiary (Note 6.5).

On October 20, 2012 the Company's board of director has passed the resolutions to purchase 44.82 percent, or 58,048,960 ordinary shares, of Impact Exhibition Management Company Limited ("Impact") at a total price of Baht 3,000,000,000 from South East Asia Opportunities Fund Limited (previously named Juutland Limited) (the "seller").

Under the agreement, the Company and the seller agreed to purchase 58,048,960 ordinary shares of Impact (equivalent to 44.82 percent of the total issued shares of Impact with par value of Baht 100 per share) at the purchase price of Baht 3,000,000,000 (Baht 51.68 per share) payable by installments within 9 months from the date of signing. Notwithstanding the foregoing, if the Company chooses to make early payments of the purchase price and has paid a total of Baht 2,700 million to the seller within 3 months from the date of signing, the Company is not required to pay the balance (Baht 300 million) of the purchase price. In this regard, the parties agree that the purchase price of the Sale Shares will be reduced to Baht 2,700 million, and that the seller shall transfer the ownership of the Sale Shares to the Company upon receipt of such payments.

Upon completion of the Transaction, Impact shall become a 100% wholly own subsidiary of the Company.

**BANGKOK LAND PUBLIC COMPANY LIMITED**
**NOTES TO FINANCIAL STATEMENTS**
**MARCH 31, 2013**

On January 16, 2013 the Company made the final payment of Baht 2,100 million to the seller and completed the share purchase transaction. With the completion of this transaction, Impact is now fully owned by the Company, and the Company shall recorded a gain of Baht 2,814 million in shareholders' equity in the financial statements for the year ended March 31, 2013.

**11. Investment property**

As at March 31, 2013 and 2012 investment property consisted of:

	In Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
<b>Appraised Value</b>				
Beginning balance	706	706	5	5
Transfer from property, plant and equipment	400	-	-	-
Transfer from real estate	191	-	-	-
Gain on revaluation	2,095	-	-	-
Ending balance	3,392	706	5	5

**12. 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
<b>At Cost</b>								
April 1, 2011	2,965	688	3,050	5,617	230	763	59	846
Increase	109	-	10	-	-	68	16	715
Decrease	-	-	-	-	-	-	(7)	-
Transfer in (Transfer out)	140	-	659	(247)	-	1	-	(413)
March 31, 2012	3,214	688	3,719	5,370	230	832	68	1,148
Increase	-	-	41	-	2	95	13	362
Decrease	-	-	-	-	(3)	(4)	(4)	-
Transfer in (Transfer out)	(85)	(537)	668	665	34	14	-	(1,380)
March 31, 2013	3,129	151	4,428	6,035	263	937	77	130
<b>Accumulated Depreciation</b>								
April 1, 2011	-	232	922	555	150	508	44	-
Increase	-	34	203	121	11	72	8	-
Decrease	-	-	-	-	-	-	(6)	-
Transfer in (Transfer out)	-	-	6	(6)	-	-	-	-
March 31, 2012	-	266	1,131	670	161	580	46	-
Increase	-	21	215	130	11	75	9	-
Decrease	-	-	-	-	(1)	(4)	(3)	-
Transfer in (Transfer out)	-	(221)	-	-	-	-	-	-
March 31, 2013	-	66	1,346	800	171	651	52	-

**BANGKOK LAND PUBLIC COMPANY LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2013**

	Consolidated (In Million Baht)							
	Buildings	Impact Hall	Impact	Furniture		Motor	Construction	Total
	Land	and other construction	interior systems	Hall structure	Buildings improvements	vehicles	in progress	
<u>Differences on revaluation of assets</u>								
April 1, 2011	-	-	-	-	-	-	-	-
Increase	-	-	-	-	-	-	-	-
Decrease	-	-	-	-	-	-	-	-
March 31, 2012	-	-	-	-	-	-	-	-
Increase	5,687	43	1,594	2,785	-	-	-	10,109
Decrease	-	-	-	-	-	-	-	-
March 31, 2013	5,687	43	1,594	2,785	-	-	-	10,109
<u>Accumulated depreciation -differences on revaluation of assets</u>								
April 1, 2011	-	-	-	-	-	-	-	-
Increase	-	-	-	-	-	-	-	-
Decrease	-	-	-	-	-	-	-	-
March 31, 2012	-	-	-	-	-	-	-	-
Increase	-	2	9	16	-	-	-	27
Decrease	-	-	-	-	-	-	-	-
March 31, 2013	-	2	9	16	-	-	-	27
<u>Net book value</u>								
March 31, 2012	3,214	422	2,588	4,700	69	252	22	12,415
March 31, 2013	8,816	126	4,667	8,004	92	286	25	22,146

As at March 31, 2013 and 2012, a portion of property with historical costs of Baht 560 million and Baht 589 million, respectively, are in use but fully depreciated.

As at March 31, 2013, a certain parcel of land and building of a subsidiary have been mortgaged as collateral for long-term loan. (Note 15).

**BANGKOK LAND PUBLIC COMPANY LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2013**

	Separate (In Million Baht)			
	Buildings and other construction	Furniture and fixtures	Motor vehicles	Total
<u>At Cost</u>				
April 1, 2011	30	10	13	53
Increase	-	-	-	-
Decrease	-	-	(7)	(7)
March 31, 2012	30	10	6	46
Increase	7	7	-	14
Decrease	-	-	-	-
March 31, 2013	37	17	6	60
<u>Accumulated Depreciation</u>				
April 1, 2011	27	9	10	46
Increase	2	-	1	3
Decrease	-	-	(5)	(5)
March 31, 2012	29	9	6	44
Increase	1	1	-	2
Decrease	-	-	-	-
March 31, 2013	30	10	6	46
<u>Net book value</u>				
March 31, 2012	1	1	-	2
March 31, 2013	7	7	-	14

As at March 31, 2013 and 2012, a portion of property with historical costs of Baht 43 million and Baht 13 million, respectively, are in use but fully depreciated.

The Group's company have applied the accounting for assets revaluation in accordance with the announcement of the Federation of Accounting Professions No. 18/2554 dated April 12, 2011 which allow the Company to use the former accounting for assets revaluation as per the announcement No. 25/2549 that transfer depreciation for capital surplus from asset revaluation shall be treated as already occurred to the retained earning directly without passing through the statement of comprehensive income until the accounting period beginning before January 1, 2016. If the Company and its subsidiaries recorded the depreciation of such surplus on revaluation of assets in the statements of income, the effect to the statements of income for the years ended March 31, 2013 and 2012 are as follows:

	In Million Baht	
	Consolidated	
	2013	2012
Depreciation recognized in shareholders' equity	27	-
Effect to statements of income from above depreciation recognized in shareholders' equity		
Profit for the years decrease	(27)	-
Earnings per share decrease (Unit : Baht per share)	(0.002)	-

**13. 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.

**14. Long-term debt instruments**

			Consolidated financial statements			
			2013		2012	
			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		13.97 million U.S. Dollars	
				411		433
2. Exchangeable Notes	March 2001	3.125%	75.35 million Swiss Francs		75.35 million Swiss Francs	
				2,347		2,597
				2,758		3,030
Provision for premium on bond redemption				44		46
Total long-term debt instruments presented as current portion				2,802		3,076

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.

**15. Long-term loans**

	In Million Baht	
	Consolidated	
	financial statements	
	2013	2012
Long-term loans	2,050	-
<u>Less</u> Current portion due within one year	(200)	-
<b>Net</b>	<b>1,850</b>	<b>-</b>

In January 2013, a subsidiary has entered into a loan agreement with a commercial bank and borrowed Baht 2,100 million. This loan is secured by land and buildings of the subsidiary (Note 12) with a repayment term of 7 years by quarterly installments at an interest rate of MLR less 0.5% per annum.

The loan was repaid in full by the subsidiary in May 2013.

**16. 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 for the years ended March 31, 2013 and 2012, as follows:

	In Million Baht	
	Consolidated	
	financial statements	
	2013	2012
Provision for employee benefits - beginning	20.08	-
<u>Add</u> recognized amount	3.23	20.08
<u>Less</u> liability decrease from actual paid	(1.29)	-
Provision for employee benefits - ending	<b>22.02</b>	<b>20.08</b>

**BANGKOK LAND PUBLIC COMPANY LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2013**

	In Million Baht	
	Consolidated	
	financial statements	
	2013	2012
Present value of unfunded obligation as at March 31,	22.02	20.08
Expense recognised in profit or loss		
Current service cost	2.51	19.52
Interest cost	0.72	0.56
Total - recognized in the statement of income	3.23	20.08
Principal actuarial assumptions at the reporting date (Actuarial basis)		
Discount rate (%)	3.5861	3.5861
Future salary increase (%)	3	3
Retirement age (years old)	55	55

**17. Other current liabilities**

The balances of other current liabilities as at March 31, 2013 and 2012 are as follows :

	In Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Provision for loss on pending lawsuits (Note 28)	619	759	118	277
Accrued income tax	78	80	1	6
Others	140	179	5	13
Total	837	1,018	124	296

**18. Deferred income tax**

Deferred income taxes are calculated in full on temporary differences under the liability method using a principal tax rate of 20% (2012: 30%).

Deferred income tax as at March 31, 2013 and 2012 comprises:

	In Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Deferred income tax assets				
- allowance for doubtful accounts	11	18	-	-
- provision for employees benefits	4	6	-	-
- income recognition of real estate business	2	5	1	4
Total	17	29	1	4

**BANGKOK LAND PUBLIC COMPANY LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2013**

	In Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Deferred income tax liabilities				
- revaluation of property, plant and equipment	(1,653)	-	-	-
- revaluation of investment property	(564)	(194)	(1)	(1)
- others	(82)	(100)	-	-
Total	(2,299)	(294)	(1)	(1)

The movement on the deferred income tax is as follows:

	In Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Deferred income tax assets				
At beginning of the year	29	31	4	7
Income tax recognized in statement of income	(12)	(2)	(3)	(3)
At end of the year	17	29	1	4
Deferred income tax liabilities				
At beginning of the year	(294)	(294)	(1)	(1)
Income tax recognized in statement of income	(352)	-	-	-
Income tax recognized in other statement of income	(1,653)	-	-	-
At end of the year	(2,299)	(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 in 2012, 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, 2013 and 2012 consisted of:

	In Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Corporate income tax	188	168	-	7
Deferred income tax relating to temporary difference	429	2	3	3
Deferred tax income resulting from reduction in tax rate	(65)	-	(1)	-
Total	552	170	2	10



## **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:	1 <sup>st</sup> year : Baht 1.10 per share; 2 <sup>nd</sup> year : Baht 1.30 per share; 3 <sup>rd</sup> year : Baht 1.50 per share; 4 <sup>th</sup> year : Baht 1.70 per share; 5 <sup>th</sup> 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 March 31, 2013, the warrant holder of BLAND-W2 exercised 216,702,385 units and the Company received Baht 411,734,531.50 share proceeds from the issuance of 216,702,385 common shares to the warrant. This proceeds was proceeded as "Share subscription" in the statement of financial position as at March 31, 2013. The change of paid-up share capital was officially registered with Ministry of Commerce on April 4, 2013.

As at March 31, 2013, the outstanding of unexercised warrants (BLAND-W2 ) was 6,666,992,682 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:	1 <sup>st</sup> year : Baht 1.10 per share; 2 <sup>nd</sup> year : Baht 1.30 per share; 3 <sup>rd</sup> year : Baht 1.50 per share; 4 <sup>th</sup> year : Baht 1.70 per share; 5 <sup>th</sup> 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 March 31, 2013, the warrant holder of BLAND-W3 exercised 970,706 units and the Company received Baht 1,456,059 share proceeds from the issuance of 970,706 common shares to the warrant. This proceeds was proceeded as "Share subscription" in the statement of financial position as at March 31, 2013. The change of paid-up share capital was officially registered with Ministry of Commerce on April 4, 2013.

As at March 31, 2013, the outstanding of unexercised warrants (BLAND-W3 ) was 1,991,725,989 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.

## **21. Dividend payment**

At the shareholders' meeting held on July 30, 2012, the shareholders passed the resolution to approve the dividend payment at the rate of Baht 0.02 per share, totaling Baht 356 million. The Company already paid dividend in August 2012.

## **22. Other Revenues**

Other revenues for the years ended March 31, 2013 and 2012 comprise :

	In Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Interest income	26	23	64	54
Gain on reversal of long outstanding account payable	127	102	85	101
Reversal of accrued interest	-	513	-	-
Reversal of allowance for doubtful accounts	-	17	1,389	1,136
Reversal of allowance for impairment of investment in subsidiaries	-	-	-	60
Gain on revaluation of investment property	2,095	-	-	-
Others	63	266	32	89
Total	2,311	921	1,570	1,440

## **23. Expenses classified by nature of expenses**

Significant expenses by nature for the years end March 31, 2013 and 2012 are as follows:

	In Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Salary and wages and other employee benefits	581	461	36	37
Depreciation	564	525	77	79
Professional fee	70	37	41	22
Advertising expense	27	36	5	9
Other charges	54	21	46	6

**24. 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.

Management benefit expenses for the years ended March 31, 2013 and 2012 consist of:

	In Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Management benefit expenses presented				
in costs of sales	24	24	-	-
Management benefit expenses presented				
in administrative expense	60	58	20	22
Total	84	82	20	22

**25. Segment information**

	Consolidated financial statements (In Million Baht)						
	For the year ended March 31, 2013						
	Exhibition						
	Real estate Business	Retail business	center business	Other service	Total	Elimination	Total
Segment revenue	846	225	2,554	143	3,768	(41)	3,727
Segment profit	384	68	666	4	1,122	(382)	740
Corporate expenses					(149)	-	(149)
Interest income					270	(244)	26
Dividend income					365	(365)	-
Gain on reversal of long outstanding Account payable					127	-	127
Gain on revaluation of investment property					2,175	(80)	2,095
Gain on sale of invesment					7	-	7
Gain on exchange rate, net					359	-	359
Reversal of allowance for doubtful account					1,389	(1,389)	-
Finance costs					(364)	244	(120)
Income tax expense					(562)	10	(552)
Profit of Non-controlling interests					(195)	-	(195)
Net income of equity holders of the parent					4,544	(2,206)	2,338

**BANGKOK LAND PUBLIC COMPANY LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2013**

Consolidated financial statements (In Million Baht)						
For the year ended March 31, 2012						
	Exhibition				Elimination	Total
	Real estate Business	Retail business	center business	Other service		
Segment revenue	934	207	2,129	128	(44)	3,354
Segment profit	191	30	451	24	(18)	678
Corporate expenses					-	(209)
Interest income					(409)	23
Dividend income					(6,510)	-
Gain on reversal of long outstanding account payable					-	102
Reversal of accrued interest					-	513
Gain on sale of fixed assets					-	2
Gain on exchange rate, net					-	183
Gain on repurchase of exchangeable notes					-	164
Reversal of allowance for doubtful account					(1,237)	17
Provision for loss on pending lawsuits					-	(481)
Finance costs					411	(67)
Income tax expense					-	(170)
Profit of Non-controlling interests					-	(134)
Net income of equity holders of the parent					(7,763)	621
Property, plants and equipment						
as at March 31, 2013	1,119	128	22,063	4	(1,168)	22,146
as at March 31, 2012	600	100	14,676	8	(2,969)	12,415

## 26. Earnings per share

### Basic earnings per share

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

### Diluted earnings per share

Diluted earnings per share is calculated by dividing the net profit 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.

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Net profit attributable to shareholders (million Baht)	2,338	621	1,513	6,591
Weighted average number of ordinary shares in issue during the year (million shares)	18,676	17,794	18,676	17,794
Diluted earnings per share (Baht per share)	0.125	0.035	0.081	0.370

**27. Financial instruments**

As at March 31, 2013 and 2012 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, 2013 and March 2012, 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.

**28. Pending lawsuits**

As at March 31, 2013, 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 132 million alleging that the Company and Bangkok Airport Industry Company Limited had breached the purchase and sales agreements (March 31, 2012 : Baht 235 million). As at March 31, 2013, Baht 11 million is recorded in the financial statements (March 31, 2012: Baht 113 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, 2013, the outstanding principal, excluding interest, payables to this contractor recorded in the financial statements amounted to Baht 122 million (March 31, 2012: 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, 2013 of Baht 119 million in the consolidated financial statements and the separate financial statements of Baht 118 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 500 million in the financial statements for the year ended March 31, 2013. 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 14). 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. On October 1, 2012, the Court dismissed the plaintiff's claim citing that the 10 year status of limitations has expired. The bond holders has also filed a petition of this judgement to the Appeal Court.

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.

## **29. 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, 2013, debt to equity ratio in the consolidated financial statements and the separate financial statements are 0.26 : 1 and 0.87 : 1 respectively.

## **30. Commitments and contingent liabilities**

- a) As at March 31, 2013, 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 398 million. (Separate : Baht 337 million)
- b) As at March 31, 2013, 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 131 million. (Separate : Baht 36 million)

**31. Reclassifications**

As a result of reclassifications of certain items in financial statements for the year ended March 31, 2013 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.

**32. Event after the reporting period**

At the Board of Directors' Meeting held on April 18, 2013, the Board of Directors approved the convening of the shareholders' meeting on June 11, 2013 to consider following agendas.

1. Approve the issuance and offering of the Warrants to purchase the Company's ordinary shares No.4 ("BLAND-W4") in the amount not exceeding 6,950,000,000 units free of charge to the existing shareholders of the Company whose names appeared on the record date on May 20, 2013 as detailed below:

Type of Warrants:	Named certificate and transferable
Number of Warrants:	Not exceeding 6,950,000 units
Underlying Shares:	Not exceeding 6,950,000 units
Offering:	Offered to existing shareholders whose name appeared on the record date on May 20, 2013. The Company will allocate and offer to the existing shareholders pro-rata to their shareholding at the rate of 2.97 existing shares to 1 unit of warrants.
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:	Baht 2 per share, save for the adjustment of the exercise price
Term of Warrants:	5 years from the issuance date

2. Approve the registered capital reduction of the Company from Baht 26,671,687,159 to Baht 22,634,073,225 by cancelling 4,037,613,934 authorized but unissued ordinary shares at a par value of Baht 1 each (save for the authorized but unissued ordinary shares amounting to 1,991,725,989 shares which have been reserved for exercise of the holders of the BLAND W-3).
3. Approve the increase of the registered capital of the Company from Baht 22,634,073,225 to Baht 29,584,073,225 by issuance of 6,950,000,000 new ordinary shares at a par value of Baht 1 each with conversion rate 2.97 existing shares to 1 unit of warrant.
4. Approve the allotment of 6,950,000,000 new ordinary shares with a par value of Baht 1 each pursuant to the capital increase as a reserve for the exercise of the holders of the Warrants BLAND-W4 to be issued as mentioned above.

**33. Approval of financial statement**

These financial statements have been approved by the Company's management on May 27, 2013.









# CONTENTS

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<b>Information for Investors</b>	<b>2</b>
<b>Highlights</b>	<b>3</b>
<b>Report of the Chairman</b>	<b>4</b>
<b>Business Profile</b>	<b>6</b>
<b>Management Discussion and Analysis</b>	
- Review of Operation	8
- Financial Review	12
<b>Corporate Governance</b>	<b>16</b>
<b>Shareholders and Management</b>	<b>24</b>
<b>Directors' Profile</b>	<b>29</b>
<b>Risk Factors</b>	<b>31</b>
<b>Connected Parties Transactions</b>	<b>33</b>
<b>Information of Subsidiary Companies</b>	<b>34</b>
<b>Report of Directors' Duties on Financial Statements</b>	<b>35</b>
<b>Report of Audit Committee</b>	<b>36</b>
<b>Report of Independent Auditor</b>	<b>39</b>
<b>Financial Statements</b>	<b>40</b>

## 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, Nonthaburi 11120, Thailand Telephone: 66-2-5044949      Facsimile: 66-2-5044986		
Website	www.bangkokland.co.th www.impact.co.th		
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	:	20,642,347,236
	Stock Sector	:	Property
	Stock Symbol	:	Bland
Financial Calendar	Financial year-end	:	31 March
	2013 full-year results announced	:	27 May 2013
	Record Date	:	11 July 2013
	Share register to be closed	:	12 July 2013
	Annual General Meeting to be held	:	31 July 2013
	2014 results to be announced *		
	June 2013 quarter	:	15 August 2013
	September 2013 quarter	:	14 November 2013
	December 2013 quarter	:	14 February 2014
	March 2014 full year results	:	30 May 2014
* Subject to change			

## HIGHLIGHTS

- Net profit (after minority interest) up 276.5%
- Shareholders' equity up 50.9%
- Adjusted net asset value per share up 57.9%
- Earnings per share up 333.3%

	2013 Baht m	2012 Baht m	Change %
Total recurring revenue	3,727	3,354	11.1
Other revenue	2,311	921	150.9
Net profit			
Owner of the Company	2,338	621	276.5
Minority interest	195	134	45.5
Total assets	50,802	39,143	29.8
Total liabilities	10,370	7,030	47.5
Shareholders' equity	40,432	26,793	50.9

	Baht	Baht	%
Earnings per share	0.13	0.03	333.3
Adjusted net asset value per share	2.40	1.52	57.9
Dividend per share **	0.03	0.02	50.0
Market share price at year end date	1.97	0.68	189.7

\*\* subject to AGM approval

# Report of the Chairman

## OVERVIEW

During the year we stepped out confidently as a transformed company after taking many significant steps that will profoundly secure our future earnings capability.

- We bought back IMPACT, which will give back to us 100% management control and contribute more than Baht one billion a year to the cash income of the Company.
- We are preparing to issue a REIT in the second half of 2013, in which the total expected value is Baht 19.5 billion, subject to the approval of The Securities & Exchange Commission (SEC).
- We raised Baht 5,407 million cash from Warrant 2 during May 2013, enabling the company to pay the loan of Baht 2,050 million from the buyback of IMPACT, which frees the Company from all bank borrowings.

These developments have significance for the future growth of the company as they will give a considerable boost to earnings, reduce costs and provide a secure long term funding base to finance our expansion without borrowings.



## FINANCIAL RESULTS

Although many of the benefits are yet to come, shareholders are already experiencing a positive and substantial impact from our recent initiatives. Among the financial highlights from the year ended 31 March, 2013:-

- Net profit after minority interest increased from Baht 621 million to Baht 2,338 million
- Total assets increased from Baht 39,143 million to Baht 50,802 million
- Earnings per share rose from Baht 0.03 to Baht 0.13
- Shareholders' equity rose from Baht 26,793 million to Baht 40,432 million
- Adjusted Shareholders' equity rose from Baht 26,987 million to Baht 42,649 million
- Adjusted Net asset value per share 2.40 baht

## DIVIDEND

After paying our first dividend of Baht 0.02 per share for the year ended 31 March, 2012, we will raise this to Baht 0.03 per share in 2013, an increase of 50%. The dividend proposed will be subject to shareholders' approval in the forthcoming Annual General Meeting on 31 July 2013.

## PERFORMANCE REVIEW

On 16<sup>th</sup> January, 2013 the Company completed the 100% buy-back of IMPACT Exhibition Management Company. The book value was Baht 10.39 billion however it was valued at Baht 21.23 billion in December 2012, representing an increase in asset value of Baht 10.84 billion, or Baht 0.76 per share.

The buy-back gives the Company management control of the property which will be used to further strengthen its position as the leading MICE Centre in Thailand and South East Asia.

We plan to sell 50 percent of IMPACT in a Real Estate Investment Trust (REIT) in the second half of 2013, which is expected to raise Baht 9.75 billion, subject to the approval of the Securities & Exchange Commission. With the expected income received, we will further develop on our existing land banks. The future development plan will introduce exciting projects around the lake in Muang Thong Thani. It will house an additional 100,000sq meters of net Exhibition space, a 5,000 seat auditorium, various meeting facilities and shopping and entertainment complexes. This will enable us to meet existing demand and to prepare for the anticipated higher demand after the establishment of the ASEAN Economic Community (AEC) in 2015. We are also planning to develop a 3 star-600 room hotel near the existing IMPACT facilities, complementing the already completed 380 room 4 star Novotel Bangkok IMPACT.

Currently there are over 15 million visitors annually to IMPACT, while Muang Thong Thani and the surrounding catchment areas are growing dramatically in terms of residential and commercial businesses. With the improved market conditions, the Company has launched the first phase of the Double Lake Condominium in Muang Thong Thani, a low density exclusive condominium opposite the lake. One of the innovative features of the project is a fully integrated flood protection system. With Phase 1 having sold out 90%, we are planning to launch Phase 2 in the last quarter of 2013.

In what we anticipate will be a showcase urban residential development, the Company has already announced the development of 1,350 rai of freehold prime land in Srinakarin. The site, which we bought 20 years ago, is the largest freehold plot today in Bangkok. The first phase will be launched in early 2014 with 1,000 3-storey townhouses at highly competitive pricing.

The Company has launched further commercial properties in Muang Thong Thani. The Beehive, a two storey lifestyle shopping mall is already 70% leased, with Tops Market as the anchor tenant.

## OUTLOOK

The global economy continues to be fragile, especially for Thailand's key export markets in Japan, the United States of America and Europe, and this will have a dampening effect on Thailand's economy. Moreover the monetary policies of central banks have increased market volatility and led to unsustainable low levels of interest rates. When they rise, as will inevitably be the case, this will have an impact on the Thailand economy.

Bangkok Land is rightly proud that it is one of very few companies in Thailand today that is debt free, is trading well and has many valuable assets at its disposal. Should the economy worsen we will be well protected.

We will continue to have a prudent approach and expand carefully in preparation for the ASEAN Economic Community.

## 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. We are most confident and are looking forward to reporting further improvements in the coming year.



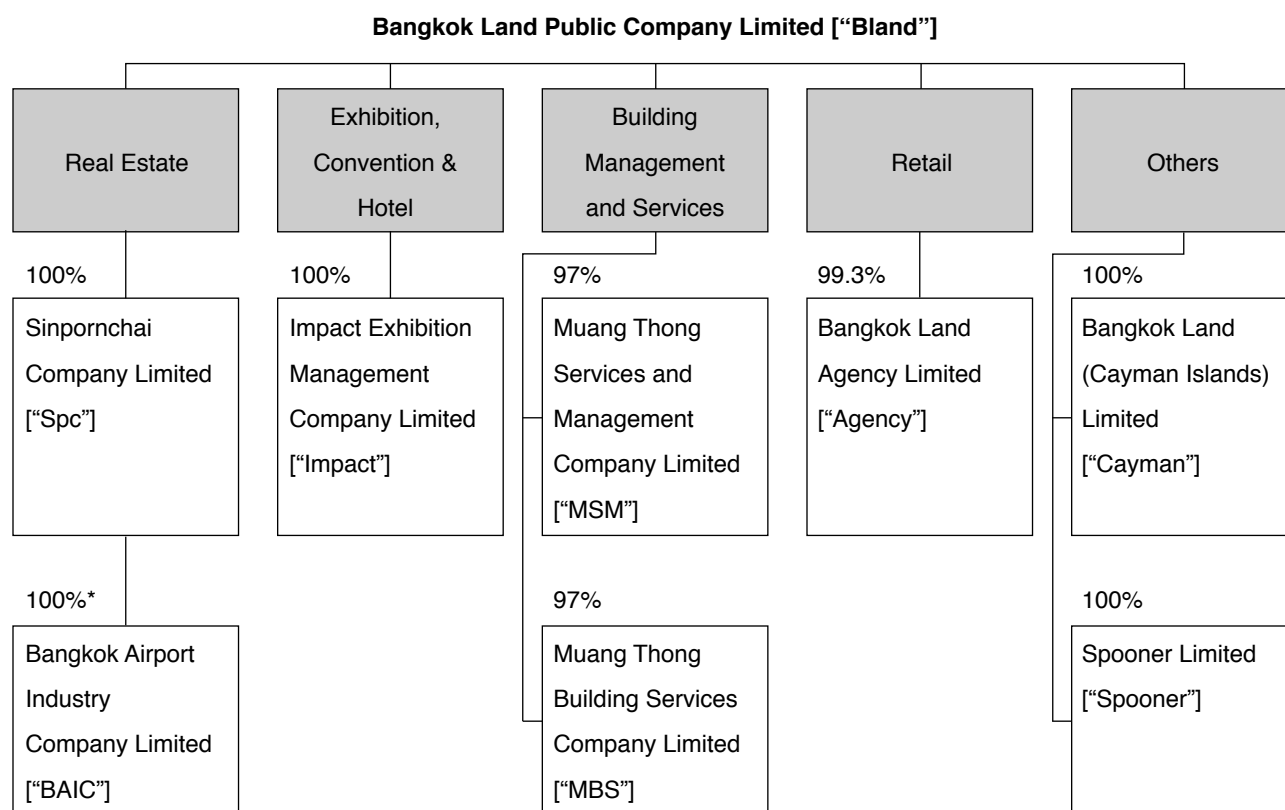
Anant Kanjanapas

Chairman

20 June 2013

# BUSINESS PROFILE

## CORPORATE STRUCTURE



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

## REVENUE STRUCTURE

Business	Operated by	2013		2012		2011	
		Baht mn.	%	Baht mn.	%	Baht mn.	%
Real Estate	Bland, BAIC, Spc	846	22.5	934	27.5	709	24.3
Exhibition Convention & Hotel	Impact	2,554	67.8	2,129	62.7	1,887	64.6
Building Management & Services	MBS, MSM	143	3.8	128	3.8	130	4.5
Retail	Agency	225	5.9	207	6.0	195	6.6
Others	Cayman, Spooner	-	0.0	-	0.0	-	0.0
<b>Total Revenue</b>		<b>3,768</b>	<b>100.0</b>	<b>3,398</b>	<b>100.0</b>	<b>2,921</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 Thong Bangna. 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 (Novotel Bangkok IMPACT) and other related supporting facilities. The Impact Exhibition Center is now the largest and most comprehensive 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 housing and commercial properties 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 Hotel and a wide variety of restaurants as well as catering facilities to support various kinds of activities and functions required by its customers.

### 3) Building Management & Services

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 2013.

## MANAGEMENT DISCUSSION AND ANALYSIS - REVIEW OF OPERATION

### PROFIT AND LOSS SUMMARY

Baht millions	Revenue			Profit		
	2013	2012	% change	2013	2012	% change
<b>Business Segments</b>						
- Real Estate	846	934	-9.4	180	191	-5.8
- Exhibition, Convention & Hotel	2,554	2,129	20.0	666	451	47.7
- Retail	225	207	8.7	67	30	123.3
- Others	143	128	11.7	5	24	-79.2
- Inter-segment Elimination	(41)	(44)	-6.8	(17)	(18)	-5.6
<b>Total from Operation</b>	<b>3,727</b>	<b>3,354</b>	<b>11.1</b>	<b>901</b>	<b>678</b>	<b>32.9</b>
Corporate Expenses				(310)	(209)	48.3
<b>Recurring Profit</b>				<b>591</b>	<b>469</b>	<b>26.0</b>
<b>Non-recurring Items</b>						
- Net Borrowing Costs				(94)	(44)	113.6
- Foreign Exchange Gain/(Losses)				359	183	96.2
- Provision for Legal Proceeding				-	(481)	-100.0
- Gain on Revaluation of Investment Properties				2,095	-	-
- Other Non-recurring Items				134	798	-83.2
<b>Profit before Tax</b>				<b>3,085</b>	<b>925</b>	<b>233.5</b>
Income Tax				(552)	(170)	224.7
<b>Profit for the Year</b>				<b>2,533</b>	<b>755</b>	<b>235.5</b>
Minority Interest				(195)	(134)	45.5
<b>Profit attributable to Shareholders</b>				<b>2,338</b>	<b>621</b>	<b>276.5</b>

### OVERVIEW

In the year ending 31 March 2013, the Group's total recurring revenue increased by 11.1 percent to Baht 3,727 million (2012 - Baht 3,354 million) chiefly resulting from the increase of its exhibition and convention income. Recurring operating profit before tax increased 26 percent to Baht 591 million compared to Baht 469 million a year ago.

The Group also recorded Baht 359 million (2012 - Baht 183 million) foreign exchange gain, Baht 2,095 million (2012 - nil) gain on revaluation of investment properties, Baht 94 million (2012 - Baht 44 million) net interest expenses and Baht 134 million (2012 - Baht 798 million) non-recurring gains.

Overall, Bangkok Land recorded a consolidated net profit after minority interest of Baht 2,338 million, a 276.5 percent increase compared to Baht 621 million a year ago.

## REAL ESTATE

Baht millions	2013	2012	% change
Revenue	846	934	-9.4
Cost of Sales	(544)	(686)	-20.7
Gross Profit	302	248	21.8
Other non-recurring Revenue	28	93	-69.9
	330	341	-3.2
Selling & Admin. Expenses	(150)	(150)	0.0
Contribution to Recurring Profit **	180	191	-5.8
Gross Profit Margin	35.7%	26.6%	9.1

During the year, the Company continued to dispose the final units of its condominium inventories, “Popular” and “Lakeview”. Other sales recognized in the year comprised of “Sukhothai 99” shop-house, “Home Town” house as well as land plots at Muang Thong Thani Chaengwattana.

New projects, “Double Lake Condominium” & “Bee Hive Community Mall”, launched in 2012 and early 2013 shall be completed and transferred to buyers within the coming financial year.

Although real estate revenue fell 9.4 percent to Baht 846 million, with the sales of land plots a higher margin was achieved. Gross profit increased by 21.8 percent to Baht 302 million (2012 - Baht 248 million).

Selling and administration expenses remained relatively the same as last year at Baht 150 million.

Overall, with a lower non-recurring other revenue, recurring profit before tax for the year decreased 5.8 percent to Baht 180 million (2012 - Baht 191 million).

\*\*Reconciliation with the segment information presented under note 25 of the audited accounts:-

Segment profit - real estate per audited accounts	384
Less: dividend income from Impact	(365)
Add: corporate expenses included under real estate segment	
(a) Impact share purchase expenses	30
(b) arrangement fee for bank loan to buy Impact shares	36
(c) final expense on debt restructuring	95
Adjusted real estate recurring profit	<u>180</u>

## EXHIBITION, CONVENTION & HOTEL

Baht millions	2013	2012	% change
Revenue	2,554	2,129	20.0
Cost of Sales	(1,363)	(1,122)	21.5
Gross Profit	1,191	1,007	18.3
Other Revenue	13	17	-23.5
	1,204	1,024	17.6
Selling & Admin. Expenses	(538)	(573)	-6.1
Contribution to Recurring Profit	666	451	47.7
Gross Profit Margin	46.6%	47.3%	-0.7
Occupancy Rate	53.0%	47.1%	5.9

Impact's revenue came from its four principal business areas - exhibition & convention space rental, 55% (2012 - 54%); food & beverage, 20% (2012 - 22%); hotel, 6% (2012 - 5%) and other supplementary exhibition services, 19 percent (2012 - 19%).

Exhibition space utilization increased by 5.9 percent to 53 percent (2012 - 47.1%). Together with a 10 percent increase in average rental rate in the year under review, total exhibition space revenue rose 23 percent to Baht 1,414 million (2012 - Baht 1,146 million).

Food and beverage revenue increased by 14.2 percent to Baht 523 million (2012 - Baht 458 million) resulting mainly from price increment and higher business volume corresponding to the increase of exhibition space utilization.

Other services revenue rose 12.4 percent to Baht 471 million (2012 - Baht 419 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 commencement of business in February 2011, Novotel Bangkok IMPACT has not only provided a new income source to the exhibition center but also acted as an important supplementary service attracting more events to its exhibition and convention halls. This year the hotel recorded revenue of Baht 146 million (2012 - Baht 106 million) and EBITDA of Baht 10 million. Net loss after depreciation was Baht 11 million, a clear sign of improvement as compared to a net loss of Baht 24 million a year before.

Overall, our Exhibition, convention and hotel business increased its revenue by 20 percent to Baht 2,554 million (2012 - Baht 2,129 million). With more careful planning and control, selling and administration expenses dropped 6.1 percent to Baht 538 million (2012 - Baht 573 million). Taken together, recurring profit before tax for the year rose by 47.7 percent to Baht 666 million (2012 - Baht 451 million).

## RETAIL AND BUILDING MANAGEMENT

	Retail			Building Management and Services		
			%			%
Baht millions	2013	2012	change	2013	2012	change
Revenue	225	207	8.7	143	128	11.7
Cost of Sales	(149)	(147)	1.4	(125)	(101)	23.8
Gross Profit	76	60	26.7	18	27	-33.3
Other Revenue	17	9	88.9	6	12	-50.0
	93	69	34.8	24	39	-38.5
Selling & Admin. Expenses	(26)	(39)	-33.3	(19)	(15)	26.7
Contribution to Recurring Profit	67	30	123.3	5	24	-79.2
Gross Profit Margin	33.8%	29.0%	4.8	12.6%	21.1%	-8.5

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 67 million and building management was Baht 5 million for the year ended 31 March 2013.

## NON-RECURRING ITEMS

The Group recorded Baht 359 million exchange gain (2012 - Baht 183 million) on conversion of its foreign currency bonds at prevailing market exchange rates as at 31 March 2013.

Net borrowing cost for the year increased by 50 million to Baht 94 million (2012 - Baht 44 million) mainly resulted from interest expenses on a new bank loan of Baht 2.1 billion borrowed to finance the Company to buy 44.83 percent of Impact Management Company Limited from the foreign minority shareholder of the subsidiary.

During the year, the Group revalued its investment properties to reflect the market value of these assets, and as such, resulted in a gain of Baht 2,095 million presented as other revenue in the Group's statements of compressive income.

Other non-recurring items for the year mainly comprised Baht 127 million gains on write back of unclaimed accounts payable. The other non-recurring items of Baht 798 million for the year ended 31 March 2012 largely comprised Baht 102 million gain on write backs of unclaimed accounts payable, Baht 513 million gains 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.

## INCOME TAX

Income tax expenses for the year comprised of tax of Baht 3 million (2012 - Baht 10 million) on profit of the parent company, Baht 188 million (2012 - Baht 161 million) on profits of the Company's subsidiaries, Baht 429 million of deferred tax on revaluation surplus of investment properties and Baht 65 million reversal of deferred tax provided in previous year as a result of the reduction of corporate profit tax rate in 2013.

## 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 2013 stood at Baht 2.40 (2012 - Baht 1.52). The Company's closing share price on that date was Baht 1.97 (2012 - Baht 0.68) representing a discount of 17.8 percent (2012 - 55.2 percent) to its adjusted net asset value.

#### Adjusted net asset value per share

Baht millions	2013	2012
Total shareholders' equity	40,432	32,113
Minority interest	0	-5,320
Deferred tax on revaluation surplus of property, plant & equipments	1,653	0
Deferred tax on revaluation surplus of investment properties	564	194
Adjusted shareholders equity	42,649	26,987
Number of shares in issue (millions)	17,795	17,794
Value per share (Baht)	2.40	1.52
Closing market price per share (Baht) - last trading day of March	1.97	0.68
Share price premium / (discount)	(17.8%)	(55.2%)

### ASSETS

Total assets of the Group increased 29.8 percent to Baht 50,802 million (2012 - Baht 39,143 million) mainly resulting from a surplus of Baht 2,095 million on the revaluation of investment properties and Baht 10,082 million (after depreciation) on the revaluation of property and property, plant and equipment.

During the year a review was performed to ascertain the ongoing usage and value of the Group's major assets. Details of this review are summarized below.

- Based on the actual usage and in compliance of new accounting standards, certain assets grouped under "real estate development cost" and "property, plant and equipment" were reclassified as "investment property".
- In order to present a more realistic picture of the Group's asset value, the Company had changed its accounting policy on "property, plant and equipment" from the cost method to the fair value method.
- All assets under the categories of "investment property" and major assets under "property, plant and equipment" were revalued in the 4th quarter of the financial year by a third party professional appraiser approved by the Stock Exchange of Thailand.

Key components of assets comprised "property, plant and equipment" (43.6 percent), "real estate development cost" (30.4 percent), "land held for future use" (14.3 percent) and "investment property" (6.7 percent), details of which are summarized next.

## Real estate development cost

Baht millions	2013	2012	% change
Undeveloped Land			
- Srinakarin Road	13,287	13,287	0.0
- Muang Thong Thani & Others	1,090	1,218	-10.5
	14,377	14,505	-0.9
Finished Products			
- Residential Condominiums	333	586	-43.2
Work in Progress	372	132	181.8
Uncompleted Condominiums	227	227	0.0
Other discontinued Projects	143	422	-66.1
Total	15,452	15,872	-2.6

### Classification in financial statements

- Current Assets	14,071	1,082
- Non-current Assets	1,381	15,871

Real estate development cost remained broadly unchanged compared to last year. The slight decrease of 2.6 percent to Baht 15,452 million (2012 - Baht 15,872 million) was primarily the net result of the increase in work in progress of the Company's ongoing developments for resale and the decrease in value from the reclassification of Baht 191 million to "investment property" together with sales of inventory and discontinued projects.

## Land held for future use

Land held for future use comprised of one large land plot and a man-made lake with a total area of 375 rai in the middle of Bangkok Land's flagship development, Muang Thong Thani, Chaengwattana. Book cost of this 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 2013.

## Property, plant and equipments

New additions for the year were Baht 513 million, which mainly comprised of works to upgrade the Group's Impact Exhibition and Convention Center. These upgrades were done in accordance with the Group's ongoing plans to maintain and improve the standard of its exhibition facilities to match with other major international venues.

Reductions for the year mainly comprised the reclassification to investment property of Baht 400 million of net book value of property, plant and equipment. This reclassification was made to reflect the actual usage of the concerned assets.

All land & buildings of the Impact Exhibition and Convention Center were revalued in the last quarter of the financial year which resulted in a revaluation surplus of more than Baht 10 billion. As such, the net book value of Impact's land and buildings was adjusted to reflect its fair value of Baht 21,710 million as at 31 March 2013.

Taking into account total depreciation charge for the year of Baht 488 million, reported net book value of property, plant and equipments as at 31 March 2013 increased by Baht 9,291 million or 72.3 percent to Baht 22,146 million (2012 - Baht 12,855 million) compared to last year.

## Investment property

As mentioned earlier in this section, based on actual usage of the assets, net book value of Baht 400 million of property, plant and equipment were reclassified as investment properties. A revaluation was done in the last quarter of the year resulting in a surplus of Baht 2,095 million over the historical cost of these assets. As a result, total investment property increase 380.5 percent to Baht 3,392 million (2012 - Baht 706 million).

## LIQUIDITY

Net cash flow from recurring operating activities decreased by Baht 253 million to Baht 773 million (2012 - Baht 1,026 million) primarily resulting from the effect of cash outflow in the construction of new real estate inventories before final cash receipt from property buyers during the year ended 31 March 2013.

Non-recurring cash flow from investing activities included the net retirement of Baht 108 million short term investments with local financial institutions, Baht 26 million interest incomes and Baht 2 million from the disposal of fixed assets. Non-recurring cash flow from financial activities comprised Baht 2,100 million of bank loans and Baht 414 million of issuing new shares to warrant holders of the Company.

Total recurring and non-recurring cash flow generated during the year was Baht 3,424 million. Together with cash of Baht 1,566 million brought forward from last year, these cash flows were applied to purchase 44.83 percent of the minority interest of the Company's subsidiary, Impact Exhibition and Management Limited (Baht 2,700 million), pay capital expenditure (Baht 513 million), dividend (Baht 356 million), bank loan installment (Baht 50 million) and bank loan interest (Baht 28 million).

In effect, Bangkok Land's consolidated statements of cash flow for the year ended 31 March 2013 recorded a net decrease of Baht 224 million in cash and cash equivalent to Baht 1,342 million (2012 - Baht 1,566 million).

## LIABILITIES

Consolidated total liabilities as at 31 March 2013 rose 47.5 percent to Baht 10,370 million compared to Baht 7,030 million in 2012. The increase of total liabilities was primarily the results of

- (a) a new bank borrowing of Baht 2,100 million to finance the purchase of Impact shares; and
- (b) the provision of deferred tax on the revaluation surplus of the Group's investment properties as well as property, plant and equipments.

Although total liabilities went up by Baht 3,340 million, the increase of shareholders equity resulting from the revaluation of the Group's property, plant and equipments as well as the gain from the purchase of Impact shares had kept the Group's ratio of total liabilities to equity remained the same as last year at 0.26 times.

Consolidated net total liabilities (net of cash and cash equivalent) as at 31 March 2013 was Baht 9,028 million compared to Baht 5,464 million in 2012. This increased the Group's net total liabilities to equity ratio to 0.21 times from 0.20 times a year ago.



The following table presents a breakdown of the Group's total liabilities as at 31 March 2013.

Baht millions	Total	Interest Bearing	Non-interest Bearing
Bank Loans	2,050	2,050	-
Unsecured Debts in Default			
- Bonds	2,802	2,802	-
- Overdue Interest (Bonds)	871	-	871
	3,673	2,802	871
Deferred Tax	2,299	-	2,299
Other Liabilities & Accruals	2,348	-	2,348
Total Liabilities	10,370	4,852	5,518
Total Liabilities excluding Bonds	6,697	2,050	4,647

Remarks

(a) Baht 3,673 million unsecured bonds were in default for 14 years since 1999.

(b) Bank loans of Baht 2,050 million were fully repaid in May 2013.

## SHAREHOLDERS' EQUITY

Shareholders' equity rose 51.2 percent to Baht 40,432 million (2012 - Baht 26,739 million) chiefly reflecting the consolidated result of net profit of Baht 2,532 million for the year ended 31 March 2013 together with Baht 2,815 million gain on purchase of Impact shares and Baht 8,428 million surplus (net of deferred tax and depreciation) on revaluation of property, plant and equipments.

## COMMITMENT AND CONTINGENT LIABILITIES

As at 31 March 2013, the Group had major pending lawsuits of Baht 132 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 500 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 2013 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 2013, 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 30 July 2012, at 11.00 a.m., at the Sapphire Hall 204-205, 2<sup>nd</sup> floor, Impact Forum, Muang Thong Thani, Chaengwattana, Bannmai, Pakkred, Nonthaburi. Ten Directors, including the Chief Executive and four Independent Non-executive Directors, attended the meeting. Notice of the meeting with supplementary information was sent to the shareholders by mail more than 7 days prior to the date of the meeting. The same notice was also published on a daily newspaper for 3 consecutive days before the meeting. All documents were prepared in both Thai and English.

At the meeting, total shareholders attending in person or by proxy was 627, representing 10,078,971,717 shares or 56.64 percent 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 a connected transaction that may have conflict of interest with the Company and its subsidiaries. If it is necessary, for the benefit of the Group, to conduct a connected transaction, it must comply with all the SET rules, procedures and disclosure of connected transaction by a listed company.

## **ROLE OF STAKEHOLDERS**

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

### **Shareholders**

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

### **Customers**

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

### **Employees**

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

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

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

## **Creditors**

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

Like all other major companies in Thailand with substantial borrowings, the financial crisis of 1997 caused Bangkok Land to default on all its local and foreign borrowings. Following the defaults, the Group had pursued various debt restructuring and settlement schemes with creditors, both secured and unsecured. These schemes include debt settlement with lenders by debt/asset swap, debt/equity swap and debt buy-back from bondholders. All debt restructurings and bond buy-backs had 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 2013 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.

## REPONSIBILITIES OF THE BOARD

### Board Structure

#### Summary

As at 31 March 2013, 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 2013, the Company has two committees: the Audit Committee and the Executive Board.

#### Audit Committee

The Audit Committee was established in 2001, and it consists of three Independent Directors. Mr. Thumgrong Chientachakul was 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 2013. The attendance record of each member is set out below:-

<u>Directors</u>	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 11 meetings during the year ended 31 March 2013. The attendance record of each member is set out below:-

<u>Directors</u>	Meetings attended/
	Total
Mr. Anant Kanjanapas	11/11
Mr. Sui Hung Kanjanapas	11/11
Mr. Shui Pang Kanjanapas	11/11

## 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 2013 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 9 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 2013 is set out below:-

	Meetings attended/ Total
<b>Directors</b>	
<b>Executive Directors</b>	
Mr. Anant Kanjanapas	9/9
Mr. Sui Hung Kanjanapas	9/9
Mr. Shui Pang Kanjanapas	9/9



Directors	Meetings attended/ Total
<b>Non-Executive Directors</b>	
Mr. Sakorn Kanjanapas	0/9
Mr. Burin Wongsanguan	9/9
Mr. Wattanasak Sanitwongse	9/9
Mr. Tawin Boonruangkhae	9/9
<b>Independent Non-Executive Directors</b>	
Mr. Thumrong Chientachakul	9/9
Mr. Supavat Saicheua	8/9
Mr. Siriwat Likitnuruk	9/9
Mr. Panya Boonyapiwat	9/9

### 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 27 May 2013.

### 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 2013, the Company had authorized capital of Baht 26,671,687,159 divided into 26,671,687,159 shares with a par value of 1 Baht per share. Paid-up capital was Baht 17,795,295,397 representing 17,795,295,397 ordinary shares fully paid up at a par value of 1 Baht each.

On 31 March 2013, warrant holders of Bland-W2 exercised their rights and purchased 216,702,385 ordinary shares of the Company at a price of Baht 1.90 per share. On the same date, warrant holders of Bland-W3 exercised their rights and purchased 970,706 ordinary shares of the Company at a price of Baht 1.50 per share. Registration of these new shares with the Ministry of Commerce was completed on 4 April 2013.

On 2 May 2013, the final exercise date of Bland-W2, warrant holders exercised their rights and purchased 2,629,378,748 ordinary shares of the Company at a price of Baht 1.90 per share. Registration of these new shares with the Ministry of Commerce was completed on 15 May 2013.

Taken together, as at 15 May 2013, the Company had authorized capital of Baht 26,671,687,159 divided into 26,671,687,159 shares with a par value of 1 Baht per share. Paid up capital was Baht 20,642,347,236 representing 20,642,347,236 ordinary shares fully paid up at a par value of 1 Baht per share.

On 21 May 2013, the Company closed its share register and its list of shareholders revealed the following major information.

- (a) Number of shareholders - 28,348
- (b) Investors holding Non-voting depository receipts ("NDVR") - 434,182,289 shares

Total NDVR represents 2.44 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 2.5 percent, and non-NDVR shareholders of 24.39 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 the following warrant listed on the Stock Exchange of Thailand as at the date of this report.

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	2,522,076
Total units remaining	1,991,725,989

## MAJOR SHAREHOLDERS

Details of the 10 largest shareholders of the Company, according to the most up to date shareholder list as at 21 May 2013 are listed below.

Rank	Name	Number of shares	% to paid-up capital
1	Anant Kanjanapas	4,155,591,660	20.13
2	Archchara Worasaknukul	639,643,267	3.10
3	Jean-Marie Verbugghe	577,080,000	2.80
4	Thai NVDR Co. Ltd.	434,182,289	2.10
5	Chaya Mahadamrongkul	397,715,480	1.93
6	UOB Kay Hian Private Limited	291,597,070	1.41
7	Sakorn Kanjanapas	269,851,065	1.31
8	Komon Jungrungreangkit	250,000,000	1.21
9	Worraparn Jeungsubpaisarn	230,000,000	1.11
10	Bangkok Land (Cayman Island) Limited	212,096,990	1.03
Total		7,457,757,821	36.13

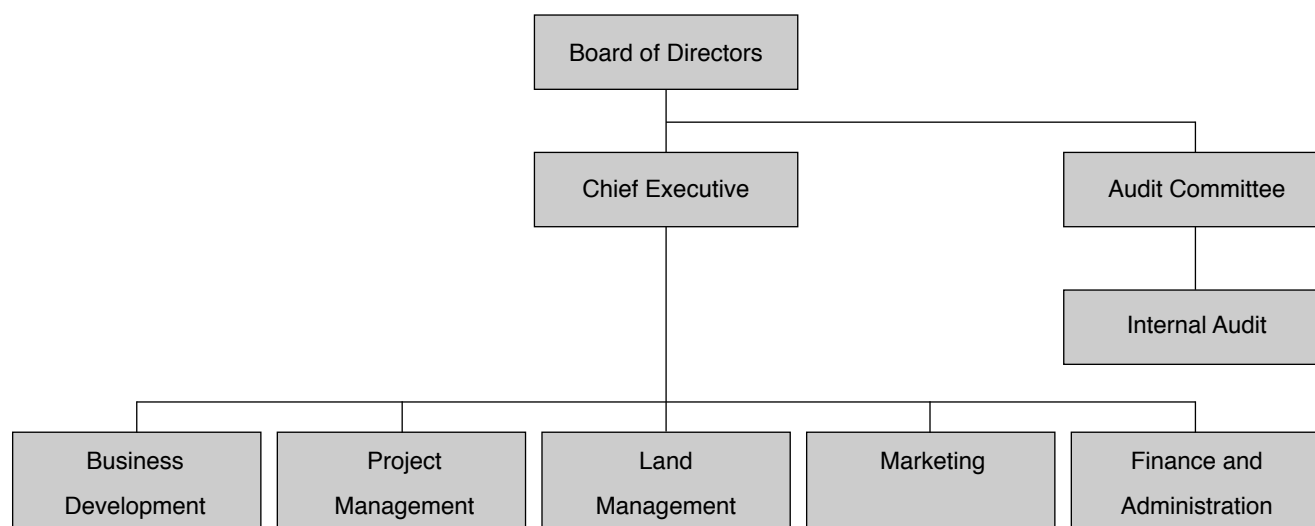
Source: Thailand Securities Company Limited

## DIVIDEND POLICY

The Company has a policy to pay an annual 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 plans 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

Mr. Tawin Boonruangkhaio

### Non-executive Directors

Mr. Sakorn Kanjanapas

Mr. Burin Wongsanhuang

Mr. Wattanasak Sanitwongse

\* 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 Kanjanapas or Mr. Shui Pang Kanjanapas 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 2012 was set at 5.7 million Baht at the AGM of 29 July 2011. Actual remuneration paid in the year was Baht 4.7 million.

## **SENIOR MANAGEMENT'S REMUNERATION**

	2013		2012	
	Number of Persons	Amount (Baht million)	Number of Persons	Amount (Baht million)
Salary and Allowance				
- Directors	4	11.55	4	12.44
- Senior Management	9	8.04	9	9.75
Total	13	19.59	13	22.19

## DIRECTORS' PROFILE

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

Chairman

Chief Executive Officer

Age 72, 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 50 years.

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

Managing Director

Age 40, 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 38, Mr. Shui 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 64, 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 77, 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 72, 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.

**Tawin Boonruangkhaio LL.B.**

Non-Executive Director

Age 69, 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 55, Mr. Thumrong Chientachakul was appointed Director of the Company on 27 January 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 54, Mr. Supavat Saicheua was appointed Director of the Company on 9 August 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 60, Mr. Likitnuruk was appointed Director of the Company on 19 October 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 50, Mr. Boonyapiwat was appointed Director of the Company on 19 October 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 particular 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
US Dollars Bonds				
- Principal	USD	13.97	411	4.11
- Put Premium	USD	1.50	44	0.44
Swiss Francs Bonds				
	CHF	75.35	2,347	23.47
Total			2,802	28.02

### 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	2,802	-	-
Bank Loans	-	2,050	20.50

**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 2013, the Group disclosed details of transactions with related parties under note 6 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 2013.

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	100%	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 2013.



Anant Kanjanapas

Chairman and Chief Executive

20 June 2013

# REPORT OF AUDIT COMMITTEE

## Dear Shareholders,

The Audit Committee of Bangkok Land Public Company Limited has three members. On 27 May 2013 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 2013, 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 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:
  - 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 2014. The proposed audit fee is Baht 5,330,000. Nomination shall be submitted to the Board before seeking the approval of shareholders at the 2013 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  
27 May 2013

**BANGKOK LAND PUBLIC COMPANY LIMITED**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2013**  
**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 and separate financial statements of Bangkok Land Public Company Limited and its subsidiaries, and of Bangkok Land Public Company Limited, respectively, which comprise the consolidated and separate statement of financial position as at March 31, 2013, the consolidated and separate statements of comprehensive income, changes in equity and cash flows statements for the year then ended, and a summary of significant accounting policies and other notes.

## Management's Responsibility for the Consolidated and Separate Financial Statements

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

## Auditor's Responsibility

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

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

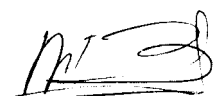
I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## Opinion

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial position as at March 31, 2013, and the financial performance and cash flows for the year then ended of Bangkok Land Public Company Limited and its subsidiaries, and of Bangkok Land Public Company Limited, respectively, in accordance with Thai Financial Reporting Standards.

## Emphasis of Matter

Without qualifying our opinion, as discussed in Note 4 to the financial statements, for the year ended March 31, 2013, the Company and its subsidiaries have changed their accounting policy for land, building, structure and building improvement of exhibition hall and convention center from cost method to revaluation method.



(Kannika Wipanutrat)  
Certified Public Accountant  
Registration No. 7305  
Karin Audit Company Limited

Bangkok  
May 27, 2013

**BANGKOK LAND PUBLIC COMPANY LIMITED**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2013**

		In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
Notes		2013	2012	2013	2012
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents		1,342,323,703	1,566,304,742	453,242,132	634,771,950
Short-term investments	7	113,674,669	215,267,111	113,674,669	215,267,111
Trade receivable and other receivable, net	8	361,638,111	427,679,977	14,933,099	43,300,953
Real estate development cost, net	9	14,070,971,911	1,082,096,144	14,023,886,431	246,375,967
Advance and receivables from related parties, net	6.2	-	-	2,379,747,628	1,229,596,881
Short-term loans to related parties, net	6.3	-	-	400,061,546	500,061,546
Investment in loans	6.4	-	-	475,000,000	475,000,000
Other current assets, net of allowance for doubtful accounts of Baht 50 million in 2013 and 2012		60,989,830	83,506,449	13,795,672	22,478,622
Total current assets		15,949,598,224	3,374,854,423	17,874,341,177	3,366,853,030
<b>Non-current assets</b>					
Real estate development cost, net	9	1,380,970,563	14,789,195,888	1,417,260,057	15,167,561,675
Investments in subsidiaries, at cost method	10	-	-	10,026,886,908	7,326,886,908
Investment property	11	3,392,342,477	706,320,000	5,280,000	5,280,000
Property, plants and equipment, net	12	22,146,432,673	12,414,530,231	13,638,673	2,257,203
Land held for future use	13	7,285,035,600	7,285,035,600	7,285,035,600	7,285,035,600
Deferred tax assets	18	16,592,439	29,036,241	998,239	3,528,686
Other non-current assets, net		631,261,872	544,041,105	467,226,192	477,748,246
Total non-current assets		34,852,635,624	35,768,159,065	19,216,325,669	30,268,298,318
<b>TOTAL ASSETS</b>		<b>50,802,233,848</b>	<b>39,143,013,488</b>	<b>37,090,666,846</b>	<b>33,635,151,348</b>

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

**BANGKOK LAND PUBLIC COMPANY LIMITED**  
**STATEMENTS OF FINANCIAL POSITION (CONT.)**  
**AS AT MARCH 31, 2013**

		In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
Notes		2013	2012	2013	2012
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>Current liabilities</b>					
Payables to contractors		332,701,263	224,541,751	143,651,835	132,951,835
Trade payable and other payable		240,022,795	183,235,935	128,574,496	20,275,430
Payable to related parties	6.5	-	-	9,233,141,329	9,129,139,440
Short-term loan from related parties	6.6	-	-	2,050,000,000	-
Current portion of:					
- Long-term debt instruments	14	2,802,380,533	3,076,173,534	-	-
- Long-term loans from related parties	6.7	-	-	4,775,029,754	4,778,466,439
- Long-term loan	15	200,000,000	-	-	-
Accrued interest expense	14	872,060,516	915,739,056	658,780	658,780
Advances and deposits from customers		914,946,899	1,299,263,877	839,746,790	1,053,591,631
Other current liabilities	17	836,782,036	1,017,572,809	124,452,108	295,712,769
Total current liabilities		6,198,894,042	6,716,526,962	17,295,255,092	15,410,796,324
<b>Non-current liabilities</b>					
Long-term loan	15	1,850,000,000	-	-	-
Deferred tax liabilities	18	2,299,090,430	293,798,380	878,034	1,317,051
Employee benefit obligations	16	22,016,443	20,081,107	-	-
Total non-current liabilities		4,171,106,873	313,879,487	878,034	1,317,051
<b>Total liabilities</b>		<b>10,370,000,915</b>	<b>7,030,406,449</b>	<b>17,296,133,126</b>	<b>15,412,113,375</b>

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

**BANGKOK LAND PUBLIC COMPANY LIMITED**  
**STATEMENTS OF FINANCIAL POSITION (CONT.)**  
**AS AT MARCH 31, 2013**

		In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
Notes		2013	2012	2013	2012
<b>Shareholders' equity</b>					
Share capital					
Authorized share capital					
	26,671,687,159 common shares of Baht 1 par value	<u>26,671,687,159</u>	<u>26,671,687,159</u>	<u>26,671,687,159</u>	<u>26,671,687,159</u>
Issued and fully paid - up share					
	17,795,295,397 shares of Baht 1 par value	17,795,295,397	-	17,795,295,397	-
	17,794,400,220 shares of Baht 1 par value	-	17,794,400,220	-	17,794,400,220
Share subscription	19	413,190,591	-	413,190,591	-
Premium on share capital		1,550,438,037	1,550,164,833	1,550,438,037	1,550,164,833
Discount on share capital		(2,137,150,617)	(2,137,150,617)	(2,137,150,617)	(2,137,150,617)
Retained earnings					
- Appropriated for legal reserve	20	126,429,109	50,781,177	126,429,109	50,781,177
- Unappropriated		11,411,616,760	9,505,215,100	2,046,331,203	964,842,360
Other components of equity		<u>11,272,413,656</u>	<u>29,527,805</u>	<u>-</u>	<u>-</u>
<b>Total equity attributable to owner's of the Company</b>		<b><u>40,432,232,933</u></b>	<b><u>26,792,938,518</u></b>	<b><u>19,794,533,720</u></b>	<b><u>18,223,037,973</u></b>
Non-controlling interests		-	5,319,668,521	-	-
<b>Total shareholders' equity</b>		<b><u>40,432,232,933</u></b>	<b><u>32,112,607,039</u></b>	<b><u>19,794,533,720</u></b>	<b><u>18,223,037,973</u></b>
<b>TOTAL LIABILITIES AND</b>					
<b>SHAREHOLDERS' EQUITY</b>					
		<b><u>50,802,233,848</u></b>	<b><u>39,143,013,488</u></b>	<b><u>37,090,666,846</u></b>	<b><u>33,635,151,348</u></b>

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

**BANGKOK LAND PUBLIC COMPANY LIMITED**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED MARCH 31, 2013**

		In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
Notes		2013	2012	2013	2012
Sales		1,307,585,984	1,330,540,479	369,536,081	319,657,011
Rental and service revenues	6.1	2,419,654,010	2,023,286,951	3,742,300	3,523,922
<b>Total revenues</b>		<b>3,727,239,994</b>	<b>3,353,827,430</b>	<b>373,278,381</b>	<b>323,180,933</b>
Costs of sales		(950,712,519)	(1,020,505,464)	(276,158,585)	(175,821,620)
Costs of rental and services		(1,205,956,586)	(1,008,614,255)	-	-
<b>Total costs</b>		<b>(2,156,669,105)</b>	<b>(2,029,119,719)</b>	<b>(276,158,585)</b>	<b>(175,821,620)</b>
<b>Gross profit margin</b>		<b>1,570,570,889</b>	<b>1,324,707,711</b>	<b>97,119,796</b>	<b>147,359,313</b>
Gain on exchange rate, net		358,833,170	182,933,682	43,824,882	-
Dividend income	10	-	-	364,550,365	6,510,000,000
Other revenues	22	2,310,821,909	920,809,993	1,569,958,879	1,439,559,826
<b>Profit before expenses</b>		<b>4,240,225,968</b>	<b>2,428,451,386</b>	<b>2,075,453,922</b>	<b>8,096,919,139</b>
Selling expenses		(51,909,541)	(69,517,229)	(5,186,222)	(8,760,663)
Administrative expenses		(923,962,744)	(827,928,590)	(308,138,685)	(190,757,840)
Management benefit	24	(59,635,143)	(57,957,487)	(19,589,656)	(22,189,140)
Provision for pending lawsuit	28	-	(481,060,986)	-	-
Loss on exchange rate, net		-	-	-	(882,686,591)
<b>Total expenses</b>		<b>(1,035,507,428)</b>	<b>(1,436,464,292)</b>	<b>(332,914,563)</b>	<b>(1,104,394,234)</b>
<b>Profit before finance costs and income tax expense</b>		<b>3,204,718,540</b>	<b>991,987,094</b>	<b>1,742,539,359</b>	<b>6,992,524,905</b>
Finance costs	6.1	(119,753,560)	(67,264,295)	(227,489,281)	(391,837,296)
<b>Profit before income tax expense</b>		<b>3,084,964,980</b>	<b>924,722,799</b>	<b>1,515,050,078</b>	<b>6,600,687,609</b>
Income tax expense	18	(552,199,395)	(169,863,712)	(2,091,429)	(9,835,400)
<b>Net profit</b>		<b>2,532,765,585</b>	<b>754,859,087</b>	<b>1,512,958,649</b>	<b>6,590,852,209</b>

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

**BANGKOK LAND PUBLIC COMPANY LIMITED**  
**STATEMENTS OF COMPREHENSIVE INCOME (CONT.)**  
**FOR THE YEAR ENDED MARCH 31, 2013**

		In Baht			
		Consolidated		Separate	
		financial statements		financial statements	
Notes		2013	2012	2013	2012
<b>Net profit</b>		<b>2,532,765,585</b>	<b>754,859,087</b>	<b>1,512,958,649</b>	<b>6,590,852,209</b>
<b>Other comprehensive income</b>					
Currency translation differences		46,710	-	-	-
Depreciation on surplus on revaluation of assets		(27,399,596)	-	-	-
Surplus on revaluation of assets		8,455,676,097	-	-	-
Change in shareholding in subsidiaries		2,814,562,640	-	-	-
<b>Other comprehensive income</b>					
<b>for the year - net of income tax</b>		<b>11,242,885,851</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net profit and comprehensive income</b>		<b>13,775,651,436</b>	<b>754,859,087</b>	<b>1,512,958,649</b>	<b>6,590,852,209</b>
<b>Net profit and comprehensive income</b>					
<b>attributable to:</b>					
Owners of the Company		2,337,871,466	621,204,755	1,512,958,649	6,590,852,209
Non-controlling interests		194,894,119	133,654,332	-	-
		<u>2,532,765,585</u>	<u>754,859,087</u>	<u>1,512,958,649</u>	<u>6,590,852,209</u>
<b>Net profit and comprehensive income</b>					
<b>attributable to:</b>					
Owners of the Company		13,580,757,317	621,204,755	1,512,958,649	6,590,852,209
Non-controlling interests		194,894,119	133,654,332	-	-
		<u>13,775,651,436</u>	<u>754,859,087</u>	<u>1,512,958,649</u>	<u>6,590,852,209</u>
<b>Earnings per share</b>					
<b>Basic earnings per share (Baht)</b>	<b>26</b>	<b>0.13</b>	<b>0.03</b>	<b>0.09</b>	<b>0.37</b>
(2013 : 17,795 million shares)					
(2012 : 17,794 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 YEAR ENDED MARCH 31, 2013**

In Baht																	
Consolidated financial statements																	
		Retained earnings			Other components of equity												
		Net book value of subsidiaries exceed															
				Appropriated for legal reserve		Unappropriated		Currency translation differences		Surplus on revaluation of assets		Change in investment as of purchasing date in subsidiaries		Total equity attributable to owner's of the company controlling interests		Total	
Issued and paid-up share capital		Share subscription		Premium on share capital		Discount on share capital											
Note																	
	Balance as at March 31, 2011	17,794,400,220	-	1,550,164,833	(2,137,150,617)	-	8,934,791,522	1,343,610	-	28,184,195	-	29,527,805	26,171,733,763	5,186,014,189	31,357,747,952		
20	Appropriated for legal reserve	-	-	-	-	50,781,177	(50,781,177)	-	-	-	-	-	-	-	-	-	-
	Net profit for year	-	-	-	-	-	621,204,755	-	-	-	-	-	621,204,755	133,654,332	754,859,087		
	Balance as at March 31, 2012	17,794,400,220	-	1,550,164,833	(2,137,150,617)	50,781,177	9,505,215,100	1,343,610	-	28,184,195	-	29,527,805	26,792,938,518	5,319,668,521	32,112,607,039		
19	Share capital increase	895,177	-	273,204	-	-	-	-	-	-	-	-	1,188,381	-	1,188,381		
19	Share subscription	-	413,190,591	-	-	-	-	-	-	-	-	-	413,190,591	-	413,190,591		
21	Dividend payment	-	-	-	-	-	(355,821,874)	-	-	-	-	-	(355,821,874)	-	(355,821,874)		
10	Increase in investment in subsidiary	-	-	-	-	-	-	-	-	-	2,814,562,640	2,814,562,640	2,814,562,640	(5,514,562,640)	(2,700,000,000)		
	Currency translation differences	-	-	-	-	-	-	46,710	-	-	-	-	46,710	-	46,710		
	Depreciation on surplus on revaluation of assets	-	-	-	-	-	-	-	(27,399,596)	-	-	(27,399,596)	(27,399,596)	-	(27,399,596)		
4	Surplus on revaluation of assets	-	-	-	-	-	-	-	8,455,676,097	-	-	8,455,676,097	8,455,676,097	-	8,455,676,097		
20	Appropriated for legal reserve	-	-	-	-	-	75,647,932	(75,647,932)	-	-	-	-	-	-	-	-	-
	Net profit for year	-	-	-	-	-	2,337,871,466	-	-	-	-	-	2,337,871,466	194,894,119	2,532,765,585		
	Balance as at March 31, 2013	17,795,295,397	413,190,591	1,550,438,037	(2,137,150,617)	126,429,109	11,411,616,760	1,390,320	8,428,276,501	28,184,195	2,814,562,640	11,272,413,656	40,432,232,933	-	40,432,232,933		

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

**BANGKOK LAND PUBLIC COMPANY LIMITED**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEAR ENDED MARCH 31, 2013**

		In Baht						
		Separate financial statements						
		Retained earning (deficit)						
		Issued and paid-up share capital	Share subscription	Premium on share capital	Discount on share capital	Appropriated for legal reserve	Unappropriated	Total
	<b>Balance as at March 31, 2011</b>	<b>17,794,400,220</b>	-	<b>1,550,164,833</b>	<b>(2,137,150,617)</b>	-	<b>(5,575,228,672)</b>	<b>11,632,185,764</b>
20	Appropriated for legal reserve	-	-	-	-	50,781,177	(50,781,177.00)	-
	Net profit for year	-	-	-	-	-	6,590,852,209	6,590,852,209
	<b>Balance as at March 31, 2012</b>	<b>17,794,400,220</b>	-	<b>1,550,164,833</b>	<b>(2,137,150,617)</b>	<b>50,781,177</b>	<b>964,842,360</b>	<b>18,223,037,973</b>
19	Share capital increase	895,177	-	273,204	-	-	-	1,168,381
19	Share subscription	-	413,190,591	-	-	-	-	413,190,591
21	Dividend payment	-	-	-	-	-	(355,821,874)	(355,821,874)
20	Appropriated for legal reserve	-	-	-	-	75,647,932	(75,647,932)	-
	Net profit for year	-	-	-	-	-	1,512,958,649	1,512,958,649
	<b>Balance as at March 31, 2013</b>	<b>17,795,295,397</b>	<b>413,190,591</b>	<b>1,550,438,037</b>	<b>(2,137,150,617)</b>	<b>126,429,109</b>	<b>2,046,331,203</b>	<b>19,794,533,720</b>

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



**BANGKOK LAND PUBLIC COMPANY LIMITED**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEAR ENDED MARCH 31, 2013**

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before income tax expense	3,084,964,980	924,722,799	1,515,050,078	6,600,687,609
Net adjustments to reconcile profit before income tax expense to cash provided by operating activities:				
Depreciation				
- property and equipment	488,981,806	449,715,178	1,619,540	3,241,019
- infrastructure	64,844,646	64,844,648	64,844,646	64,844,648
- other assets	10,546,022	10,546,022	10,546,022	10,546,022
Interest income	(25,960,182)	(22,555,090)	(63,953,364)	(53,510,642)
Dividend income	-	-	(364,550,365)	(6,510,000,000)
Interest expense	85,192,560	67,264,295	191,280,484	391,837,296
Unrealised (gain)loss on exchange rate	(359,122,742)	127,129,302	(70,323,074)	882,686,591
Provision for employee benefit	3,225,336	20,081,107	-	-
Reversal of allowance for impairment of investment in subsidiaries	-	-	-	(60,420,510)
Reversal of allowance for doubtful accounts	-	(17,495,010)	(1,389,380,681)	(1,135,991,528)
Provision for pending lawsuit	-	481,060,986	-	-
Gain on sale of short-term investment	(6,937,396)	-	(6,937,396)	-
Gain on sale of fixed assets	(120,447)	(2,057,643)	-	(1,989,739)
Gain on revaluation of investment property	(2,094,789,876)	-	-	-
Gain on repurchase of exchangeable notes	-	(164,431,382)	-	-
Reversal of accrued interest	-	(513,285,175)	-	-
Gain on reversal of long outstanding account payable	(126,511,073)	(101,566,044)	-	(101,031,724)
Net profit (loss) provided by (use in) operating activities before changes in operating assets and liabilities	1,124,313,634	1,323,973,993	(111,804,110)	90,899,042
(Increase) decrease in operating assets:				
Trade receivable and other receivable	66,041,865	(8,546,449)	28,367,854	(1,653,659)
Real estate development cost	163,557,459	412,516,733	(92,053,492)	85,787,293
Other current assets	(19,881,349)	(12,796,412)	32,800	(35,032,275)
Other non-current assets	(97,766,787)	32,844,045	(23,967)	(22,168)
Increase (decrease) in operating liabilities:				
Payables to contractors	108,159,512	(36,530,800)	118,999,067	10,700,000
Trade payable and other payable	56,786,860	(4,301,085)	-	-

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

**BANGKOK LAND PUBLIC COMPANY LIMITED**  
**STATEMENTS OF CASH FLOWS (CONT)**  
**FOR THE YEAR ENDED MARCH 31, 2013**

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Other current liabilities	(451,440,724)	(238,149,864)	(393,842,587)	(6,650,907)
Other non-current liabilities	(1,290,000)	(263,295,671)	-	(273,340,083)
Cash recieved from refundable withholding tax	7,480,457	-	7,480,457	-
Income tax paid	(183,130,498)	(179,188,012)	(5,120,603)	(4,967,256)
Net cash provided by (used in) operating activities	772,830,429	1,026,526,478	(447,964,581)	(134,280,013)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest income received	25,960,182	22,555,090	312,260,409	1,106,470,166
Proceeds from sale of short-term investments	(501,229,139)	-	(501,229,139)	-
Decrease in short-term investments	609,758,976	601,128,985	609,758,976	397,498,387
(Increase) decrease in loans to and amounts due from related parties	-	-	90,922,890	(559,095,008)
Proceeds from sale of assets	2,097,819	4,691,078	-	3,551,402
Cash paid for purchase and construction of fixed assets	(513,422,424)	(918,882,870)	(13,001,010)	(392,169)
Net cash provided by (used in) investing activities	(376,834,586)	(290,507,717)	498,712,126	948,032,778
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Interest expense paid	(28,513,979)	(9,304,807)	-	(9,286,933)
Decrease in short-term loans and advances from directors	-	(32,261,233)	-	(32,261,233)
Increase (decrease) in short-term loans from and amount due to related parties	-	(6,489,139)	2,412,622,224	(211,518,449)
Decrease in long-term loans from and amount due to related parties	-	-	(3,436,684)	-
Proceed from long-term loan	2,100,000,000	-	-	-
Repayment of long-term loan	(50,000,000)	-	-	-
Cash paid for repurchase of exchangeable notes	-	(23,753,172)	-	-
Payment of investment in subsidiaries	(2,700,000,000)	-	(2,700,000,000)	-
Proceeds from share subscription	414,358,971	-	414,358,971	-
Dividend payment	(355,821,874)	-	(355,821,874)	-
Net cash used in financing activities	(619,976,882)	(71,808,351)	(232,277,363)	(253,066,615)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(223,981,039)</b>	<b>664,210,410</b>	<b>(181,529,818)</b>	<b>560,686,150</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>1,566,304,742</b>	<b>902,094,332</b>	<b>634,771,950</b>	<b>74,085,800</b>
<b>Cash and cash equivalents at end of the year</b>	<b>1,342,323,703</b>	<b>1,566,304,742</b>	<b>453,242,132</b>	<b>634,771,950</b>

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

**BANGKOK LAND PUBLIC COMPANY LIMITED**  
**STATEMENTS OF CASH FLOWS (CONT)**  
**FOR THE YEAR ENDED MARCH 31, 2013**

	In Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
<b>Supplemental Disclosures of Cash Flows Information:</b>				
1. Cash and cash equivalents :				
Cash on hand	36,257,614	59,401,867	10,982,861	15,987,743
Undeposited cheques	13,106,231	19,825,793	-	-
Saving accounts	613,386,169	1,199,628,508	22,628,497	610,045,637
Current accounts	443,775,086	32,062,282	419,630,774	8,738,570
Fixed deposits	235,798,603	255,386,292	-	-
Total	<u>1,342,323,703</u>	<u>1,566,304,742</u>	<u>453,242,132</u>	<u>634,771,950</u>
2. Non - cash transaction				
2.1 Transfer real estate development cost to property, plants and equipment	-	140,410,359	-	-
2.2 Transfer property, plants and equipment to investment property	400,285,147	-	-	-
2.3 Transfer real estate development cost to investment property	190,947,454	-	-	-
2.4 Set off dividend income from subsidiaries with				
- Short-term loan from related parties	-	-	364,550,365	-
- Long-term loan from related parties	-	-	-	6,510,000,000

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**

The following new accounting standards, amendments to accounting standards, new financial reporting standard and new interpretation are mandatory, but the Company has not early adopted them.

Effective for the periods beginning on or after January 1, 2013

TAS 20 (Revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rates
TFRS 8	Operating Segments
TSIC 10	Government Assistance - No Specific Relation to Operating Activities

Accounting Treatment Guidance for Transfers of Financial Assets

Effective for the periods beginning on or after January 1, 2014

TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TSIC 29	Service Concession Arrangements: Disclosure

The Company's management has determined that the new accounting standards, amendments to accounting standards, new financial reporting standard and new interpretation will not significantly impact the financial information being presented.

### **3. Significant accounting policies**

The financial statements for the year ended March 31, 2013 are prepared using the same accounting policies as were used in the preparation of the financial statements for the year ended March 31, 2012, except for disclosed in Note 4.

#### **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	2013	2012
<b>Direct investment :</b>			
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	100.00	55.17
Spooner Limited	Dormant	100.00	100.00
<b>Direct and indirect investment :</b>			
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**

Property, plant and equipment are stated at cost less accumulated depreciation and the allowance for accumulated impairment except for land, buildings, structure and interior equipment of exhibition hall and convention center which are stated at their revalued amounts. The revalued amount is the fair value determined on the basis of the property's existing use at the date of revaluation less accumulated depreciation which is calculated from the said fair value and allowance for accumulated impairment.

Revaluations are performed by independent professional appraisers, which the Company has the policy for the independent professional appraisers will be requested to perform the appraisal for the said assets at sufficient regularity to ensure that the book value of these assets does not differ materially from their fair values at the balance sheet date. Increase from appraisal value will be recorded in the shareholders' equity

under “Surplus on revaluation of assets”, and decrease from cost recorded as loss from decrease in revaluation of assets in the statements of income. Increase in revaluation of building and machines will be amortized in accordance to the remaining useful life of those assets.

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:

Exhibition Hall and Convention Centers - structure	50 years
Exhibition Hall and Convention Centers - building improvement	20 years
Buildings and other constructions	20 years
Other fixed assets	5 years

The depreciation as calculated above are recorded as follows:

- The depreciation for those calculated from the cost value is included in the calculation of the operating result.
- The depreciation for the revaluation surplus is written off to the surplus on revaluation of assets in the shareholders' equity.

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.

For the year ended March 31, 2013, the Company and its subsidiaries have changed their accounting policy for land, building, structure and building improvement of exhibition hall and convention center from cost method to revaluation method. The policy has been applied prospectively.

**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, 2013 and 2012.

**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) Employee benefits**

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

The provision for employee retirement benefits is recognised as a charge to results of operations over the employee's service period. It is calculated by estimating the amount of future benefit earned by employees in return for service provided to the Company in the current and future periods, with such benefit being discounted to determine the present value. The reference point for setting the discount rate is the yield rate of government bonds as at the reporting date. The calculation is performed by a qualified actuary using the Projected Unit Credit Method.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised in the statement of income on a straight-line basis over the average period until the benefits become vested. Any actuarial gains or losses are recognised in the statement of income in the period in which they arise.

**q) 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.

#### **4. Change in accounting policy**

For the year ended March 31, 2013, the Company and its subsidiaries have changed their accounting policy for land, building, structure and interior equipment of exhibition hall and convention center from cost method to revaluation method. Management takes the view that this policy provides reliable and more relevant information because it deals more accurately with the components of property, plant and equipment and is based on up-to-date values. The policy has been applied prospectively because it was not practicable to estimate the effects of applying the policy either retrospectively, or prospectively from any earlier date. Accordingly, the adoption of the new policy has no effect on prior years.

Effects of the change in such accounting policy to the consolidated and separate statements of financial position as at March 31, 2013 are as follows:

	In Million Baht	
	Consolidated	Separate
Assets		
Property, plant and equipment		
Cost - differences on revaluation of assets	10,109	-
Accumulated depreciation - differences on revaluation of assets	(27)	-
Deferred tax liabilities	(1,653)	-
	<u>8,429</u>	<u>-</u>
Shareholders'equity		
Surplus on revaluation of assets	<u>8,429</u>	<u>-</u>

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

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

**6. Transactions with related parties**

**6.1 Significant transactions with related parties**

Portion of revenues and expenses arose from transactions with related parties for the years ended March 31, 2013 and 2012 are summarized as follows:

		In Million Baht			
		Consolidated		Separate	
		financial statements		financial statements	
Pricing Policy		2013	2012	2013	2012
<b>Management fee :</b>					
<b>Subsidiary</b>	6% of sale				
Bangkok Airport Industry Company Limited	contract	-	-	8	31
<b>Rental Income :</b>					
<b>Subsidiary</b>					
Bangkok Land Agency Company Limited		-	-	1	1
<b>Interest Income :</b>					
	MLR rate				
<b>Subsidiaries</b>					
Bangkok Airport Industry Company Limited		-	-	26	27
Sinpornchai Company Limited		-	-	29	9
		-	-	55	36
<b>Dividend Income :</b>					
	Right to receive				
<b>Subsidiary</b>	dividend				
Bangkok Land (Cayman Islands) Limited		-	-	-	6,510
Impact Exhibition Management Company Limited		-	-	365	-
		-	-	365	6,510
<b>Interest expense :</b>					
	3.125%				
<b>Subsidiary</b>					
Bangkok Land (Cayman Islands) Limited		-	-	149	359

## 6.2 Advances and other receivables from related parties

The balances of receivables from related parties as at March 31, 2013 and 2012 are as follows:

	In Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
<b>Accrued income :</b>				
<b>Subsidiaries</b>				
Bangkok Airport Industry Company Limited	-	-	18	10
Bangkok Land Agency Company Limited	-	-	10	9
<b>Total Accrued income</b>	-	-	28	19
<b>Advances and other receivables :</b>				
<b>Subsidiaries</b>				
Bangkok Land Agency Company Limited	-	-	43	43
Spooner Limited	-	-	9	9
Bangkok Airport Industry Company Limited	-	-	225	225
<b>Total advances and other receivables</b>	-	-	277	277
<b>Interest receivables :</b>				
<b>Subsidiaries</b>				
Bangkok Airport Industry Company Limited	-	-	1,987	2,265
Sinpornchai Company Limited	-	-	97	68
Bangkok Land Agency Company Limited	-	-	23	23
Muang Thong Building Services Company Limited	-	-	1	1
Less: Allowance for doubtful accounts	-	-	(33)	(1,423)
<b>Total interest receivable</b>	-	-	2,075	934
<b>Total</b>	-	-	2,380	1,230

## 6.3 Short-term loans to related parties - net

The balances of short-term loans to related parties as at March 31, 2013 and 2012 are as follows:

	In Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
<b>Subsidiaries</b>				
Sinpornchai Company Limited	-	-	400	500

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

#### 6.4 Investment in loans

	In Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
<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.

#### 6.5 Payables to related parties

The balances of payables to related parties as at March 31, 2013 and 2012 are as follows:

	In Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
<b>Interest payable :</b>				
<b>Subsidiary</b>				
Bangkok Land (Cayman Islands) Company Limited	-	-	9,075	8,971
<b>Accrued management fee :</b>				
<b>Subsidiaries</b>				
Bangkok Land Agency Company Limited	-	-	29	29
Bangkok Land (Cayman Islands) Company Limited	-	-	50	50
<b>Total accrued management fee</b>	-	-	<b>79</b>	<b>79</b>
<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	1
<b>Total advances and other payables</b>	-	-	<b>79</b>	<b>79</b>
<b>Total payables to related parties</b>	-	-	<b>9,233</b>	<b>9,129</b>

## 6.6 Short-term loans from related parties - net

The balances of short-term loans from related parties as at March 31, 2013 and 2012 are as follows:

	In Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
<b>Subsidiaries</b>				
Impact Exhibition Management Company Limited	-	-	2,050	-

Loans from related parties carry interest at 6.5% rate. The loans are unsecured and have no repayment dates.

## 6.7 Long-term loans from related parties

Long-term loans from related companies as at March 31, 2013 and 2012 comprise of:

		Separate financial statements			
		2013		2012	
		Amount of loan		Amount of loan	
Due date	Interest rate	Original	Million	Original	Million
	per annum	Currency	Baht	Currency	Baht
<u>Loans from Bangkok Land (Cayman Islands) Limited (BL Cayman)</u>					
March 2001	3.125%	4,775 million		4,778 million	
		Baht	4,775	Baht	4,778
Long-term loans from related companies presented					
under current liabilities					
			4,775		4,778

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).

**BANGKOK LAND PUBLIC COMPANY LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2013**

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 10).

**7. Short-term investments**

As at March 31, 2013 and 2012 current investments comprise of:

	In Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Fixed deposit 6 -15 months	114	214	114	214
Investment in short-term debt instruments	-	1	-	1
<b>Total</b>	<b>114</b>	<b>215</b>	<b>114</b>	<b>215</b>

**8. Accounts receivable, net**

The aging of installments due as at March 31, 2013 and 2012 are as follows:

	In Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Accounts receivable	344	386	-	2
<u>Less Allowance for doubtful account</u>	<u>(60)</u>	<u>(60)</u>	<u>-</u>	<u>-</u>
Trade account receivable	284	326	-	2
Other receivable	78	102	15	41
<b>Total trade and other receivables - net</b>	<b>362</b>	<b>428</b>	<b>15</b>	<b>43</b>
The aging of accounts and notes receivable are as follows :				
Up to 3 months	191	198	-	1
3 - 6 months	34	38	-	1
6 - 12 months	54	74	-	-
Over 12 months	65	76	-	-
<b>Total</b>	<b>344</b>	<b>386</b>	<b>-</b>	<b>2</b>

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

Real estate development cost as at March 31, 2013 and 2012 comprises:

	In Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Land	13,713	13,798	13,293	13,293
Construction in progress	18,578	18,487	8,484	8,335
Infrastructure cost - areas for sale	1,181	1,014	1,137	981
- 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	1,019	952	599	536
	40,630	40,390	26,657	26,289
Less: Transfer to cost of sales to date				
- Cost of sales	(21,910)	(21,367)	(9,823)	(9,547)
- Accumulated depreciation of public area infrastructure	(956)	(891)	(956)	(891)
Allowance for net realizable value discounts	(2,121)	(2,121)	(437)	(437)
Transfer to property, plants and equipment	-	(140)	-	-
Transfer to investment property	(191)	-	-	-
Total	15,452	15,871	15,441	15,414
Less: Real estate development cost classified as current assets	(14,071)	(1,082)	(14,024)	(246)
Net	1,381	14,789	1,417	15,168

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 28). 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	
	2013	2012	2013	2012
Percentage of land mortgaged	1	1	1	1
Percentage of condominium units mortgaged	28	17	30	29



**BANGKOK LAND PUBLIC COMPANY LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2013**

**10. Investment in subsidiaries**

As at March 31, 2013 and 2012 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	
	2013	2012	2013	2012	2013	2012	2013	2012
<b>Investment in subsidiaries</b>								
Impact Exhibition Management								
Company Limited	12,953	12,953	100	55	9,848	7,148	365	-
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	5,320	60	60	3	3	-	-
Bangkok Land (Cayman Islands) Limited	USD 0.01	USD 0.01	100	100	-	-	-	6,510
Spooner Limited	-	-	100	100	-	-	-	-
Total					10,026	7,326	365	6,510
Less : Allowance for impairment loss					-	-		
Net					10,026	7,326		

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 6.7).

In March 2013, Impact Exhibition Management Company Limited paid dividend of Baht 365 million to the Company by set off with balance due by the Company to the subsidiary (Note 6.5).

On October 20, 2012 the Company's board of director has passed the resolutions to purchase 44.82 percent, or 58,048,960 ordinary shares, of Impact Exhibition Management Company Limited ("Impact") at a total price of Baht 3,000,000,000 from South East Asia Opportunities Fund Limited (previously named Juutland Limited) (the "seller").

Under the agreement, the Company and the seller agreed to purchase 58,048,960 ordinary shares of Impact (equivalent to 44.82 percent of the total issued shares of Impact with par value of Baht 100 per share) at the purchase price of Baht 3,000,000,000 (Baht 51.68 per share) payable by installments within 9 months from the date of signing. Notwithstanding the foregoing, if the Company chooses to make early payments of the purchase price and has paid a total of Baht 2,700 million to the seller within 3 months from the date of signing, the Company is not required to pay the balance (Baht 300 million) of the purchase price. In this regard, the parties agree that the purchase price of the Sale Shares will be reduced to Baht 2,700 million, and that the seller shall transfer the ownership of the Sale Shares to the Company upon receipt of such payments.

Upon completion of the Transaction, Impact shall become a 100% wholly own subsidiary of the Company.

**BANGKOK LAND PUBLIC COMPANY LIMITED**
**NOTES TO FINANCIAL STATEMENTS**
**MARCH 31, 2013**

On January 16, 2013 the Company made the final payment of Baht 2,100 million to the seller and completed the share purchase transaction. With the completion of this transaction, Impact is now fully owned by the Company, and the Company shall recorded a gain of Baht 2,814 million in shareholders' equity in the financial statements for the year ended March 31, 2013.

**11. Investment property**

As at March 31, 2013 and 2012 investment property consisted of:

	In Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
<b>Appraised Value</b>				
Beginning balance	706	706	5	5
Transfer from property, plant and equipment	400	-	-	-
Transfer from real estate	191	-	-	-
Gain on revaluation	2,095	-	-	-
Ending balance	3,392	706	5	5

**12. 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
<b>At Cost</b>								
April 1, 2011	2,965	688	3,050	5,617	230	763	59	846
Increase	109	-	10	-	-	68	16	715
Decrease	-	-	-	-	-	-	(7)	-
Transfer in (Transfer out)	140	-	659	(247)	-	1	-	(413)
March 31, 2012	3,214	688	3,719	5,370	230	832	68	1,148
Increase	-	-	41	-	2	95	13	362
Decrease	-	-	-	-	(3)	(4)	(4)	-
Transfer in (Transfer out)	(85)	(537)	668	665	34	14	-	(1,380)
March 31, 2013	3,129	151	4,428	6,035	263	937	77	130
<b>Accumulated Depreciation</b>								
April 1, 2011	-	232	922	555	150	508	44	-
Increase	-	34	203	121	11	72	8	-
Decrease	-	-	-	-	-	-	(6)	-
Transfer in (Transfer out)	-	-	6	(6)	-	-	-	-
March 31, 2012	-	266	1,131	670	161	580	46	-
Increase	-	21	215	130	11	75	9	-
Decrease	-	-	-	-	(1)	(4)	(3)	-
Transfer in (Transfer out)	-	(221)	-	-	-	-	-	-
March 31, 2013	-	66	1,346	800	171	651	52	-

**BANGKOK LAND PUBLIC COMPANY LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2013**

	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>Differences on revaluation of assets</u>									
April 1, 2011	-	-	-	-	-	-	-	-	-
Increase	-	-	-	-	-	-	-	-	-
Decrease	-	-	-	-	-	-	-	-	-
March 31, 2012	-	-	-	-	-	-	-	-	-
Increase	5,687	43	1,594	2,785	-	-	-	-	10,109
Decrease	-	-	-	-	-	-	-	-	-
March 31, 2013	5,687	43	1,594	2,785	-	-	-	-	10,109
<u>Accumulated depreciation -differences on revaluation of assets</u>									
April 1, 2011	-	-	-	-	-	-	-	-	-
Increase	-	-	-	-	-	-	-	-	-
Decrease	-	-	-	-	-	-	-	-	-
March 31, 2012	-	-	-	-	-	-	-	-	-
Increase	-	2	9	16	-	-	-	-	27
Decrease	-	-	-	-	-	-	-	-	-
March 31, 2013	-	2	9	16	-	-	-	-	27
<u>Net book value</u>									
March 31, 2012	3,214	422	2,588	4,700	69	252	22	1,148	12,415
March 31, 2013	8,816	126	4,667	8,004	92	286	25	130	22,146

As at March 31, 2013 and 2012, a portion of property with historical costs of Baht 560 million and Baht 589 million, respectively, are in use but fully depreciated.

As at March 31, 2013, a certain parcel of land and building of a subsidiary have been mortgaged as collateral for long-term loan. (Note 15).

**BANGKOK LAND PUBLIC COMPANY LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2013**

	Separate (In Million Baht)			
	Buildings and other construction	Furniture and fixtures	Motor vehicles	Total
<u>At Cost</u>				
April 1, 2011	30	10	13	53
Increase	-	-	-	-
Decrease	-	-	(7)	(7)
March 31, 2012	30	10	6	46
Increase	7	7	-	14
Decrease	-	-	-	-
March 31, 2013	37	17	6	60
<u>Accumulated Depreciation</u>				
April 1, 2011	27	9	10	46
Increase	2	-	1	3
Decrease	-	-	(5)	(5)
March 31, 2012	29	9	6	44
Increase	1	1	-	2
Decrease	-	-	-	-
March 31, 2013	30	10	6	46
<u>Net book value</u>				
March 31, 2012	1	1	-	2
March 31, 2013	7	7	-	14

As at March 31, 2013 and 2012, a portion of property with historical costs of Baht 43 million and Baht 13 million, respectively, are in use but fully depreciated.

The Group's company have applied the accounting for assets revaluation in accordance with the announcement of the Federation of Accounting Professions No. 18/2554 dated April 12, 2011 which allow the Company to use the former accounting for assets revaluation as per the announcement No. 25/2549 that transfer depreciation for capital surplus from asset revaluation shall be treated as already occurred to the retained earning directly without passing through the statement of comprehensive income until the accounting period beginning before January 1, 2016. If the Company and its subsidiaries recorded the depreciation of such surplus on revaluation of assets in the statements of income, the effect to the statements of income for the years ended March 31, 2013 and 2012 are as follows:

	In Million Baht	
	Consolidated	
	2013	2012
Depreciation recognized in shareholders' equity	27	-
Effect to statements of income from above depreciation recognized in shareholders' equity		
Profit for the years decrease	(27)	-
Earnings per share decrease (Unit : Baht per share)	(0.002)	-

**13. 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.

**14. Long-term debt instruments**

			Consolidated financial statements			
			2013		2012	
			Amount of loan		Amount of loan	
	Maturity	Interest	Original	Million	Original	Million
	date	rate per	Currency	Baht	Currency	Baht
		annum				
1. Exchangeable	October	4.50 %	13.97 million		13.97 million	
Bonds	2003		U.S. Dollars	411	U.S. Dollars	433
2. Exchangeable	March	3.125%	75.35 million		75.35 million	
Notes	2001		Swiss Francs	2,347	Swiss Francs	2,597
				2,758		3,030
Provision for premium on bond redemption				44		46
Total long-term debt instruments presented as current portion				2,802		3,076

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.

**15. Long-term loans**

	In Million Baht	
	Consolidated	
	financial statements	
	2013	2012
Long-term loans	2,050	-
<u>Less</u> Current portion due within one year	(200)	-
<b>Net</b>	<b>1,850</b>	<b>-</b>

In January 2013, a subsidiary has entered into a loan agreement with a commercial bank and borrowed Baht 2,100 million. This loan is secured by land and buildings of the subsidiary (Note 12) with a repayment term of 7 years by quarterly installments at an interest rate of MLR less 0.5% per annum.

The loan was repaid in full by the subsidiary in May 2013.

**16. 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 for the years ended March 31, 2013 and 2012, as follows:

	In Million Baht	
	Consolidated	
	financial statements	
	2013	2012
Provision for employee benefits - beginning	20.08	-
<u>Add</u> recognized amount	3.23	20.08
<u>Less</u> liability decrease from actual paid	(1.29)	-
Provision for employee benefits - ending	<b>22.02</b>	<b>20.08</b>

**BANGKOK LAND PUBLIC COMPANY LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2013**

	In Million Baht	
	Consolidated	
	financial statements	
	2013	2012
Present value of unfunded obligation as at March 31,	22.02	20.08
Expense recognised in profit or loss		
Current service cost	2.51	19.52
Interest cost	0.72	0.56
Total - recognized in the statement of income	3.23	20.08
Principal actuarial assumptions at the reporting date (Actuarial basis)		
Discount rate (%)	3.5861	3.5861
Future salary increase (%)	3	3
Retirement age (years old)	55	55

**17. Other current liabilities**

The balances of other current liabilities as at March 31, 2013 and 2012 are as follows :

	In Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Provision for loss on pending lawsuits (Note 28)	619	759	118	277
Accrued income tax	78	80	1	6
Others	140	179	5	13
Total	837	1,018	124	296

**18. Deferred income tax**

Deferred income taxes are calculated in full on temporary differences under the liability method using a principal tax rate of 20% (2012: 30%).

Deferred income tax as at March 31, 2013 and 2012 comprises:

	In Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Deferred income tax assets				
- allowance for doubtful accounts	11	18	-	-
- provision for employees benefits	4	6	-	-
- income recognition of real estate business	2	5	1	4
Total	17	29	1	4

**BANGKOK LAND PUBLIC COMPANY LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2013**

	In Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Deferred income tax liabilities				
- revaluation of property, plant and equipment	(1,653)	-	-	-
- revaluation of investment property	(564)	(194)	(1)	(1)
- others	(82)	(100)	-	-
Total	(2,299)	(294)	(1)	(1)

The movement on the deferred income tax is as follows:

	In Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Deferred income tax assets				
At beginning of the year	29	31	4	7
Income tax recognized in statement of income	(12)	(2)	(3)	(3)
At end of the year	17	29	1	4
Deferred income tax liabilities				
At beginning of the year	(294)	(294)	(1)	(1)
Income tax recognized in statement of income	(352)	-	-	-
Income tax recognized in other statement of income	(1,653)	-	-	-
At end of the year	(2,299)	(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 in 2012, 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, 2013 and 2012 consisted of:

	In Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Corporate income tax	188	168	-	7
Deferred income tax relating to temporary difference	429	2	3	3
Deferred tax income resulting from reduction in tax rate	(65)	-	(1)	-
Total	552	170	2	10



## **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:	1 <sup>st</sup> year : Baht 1.10 per share; 2 <sup>nd</sup> year : Baht 1.30 per share; 3 <sup>rd</sup> year : Baht 1.50 per share; 4 <sup>th</sup> year : Baht 1.70 per share; 5 <sup>th</sup> 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 March 31, 2013, the warrant holder of BLAND-W2 exercised 216,702,385 units and the Company received Baht 411,734,531.50 share proceeds from the issuance of 216,702,385 common shares to the warrant. This proceeds was proceeded as "Share subscription" in the statement of financial position as at March 31, 2013. The change of paid-up share capital was officially registered with Ministry of Commerce on April 4, 2013.

As at March 31, 2013, the outstanding of unexercised warrants (BLAND-W2 ) was 6,666,992,682 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:	1 <sup>st</sup> year : Baht 1.10 per share; 2 <sup>nd</sup> year : Baht 1.30 per share; 3 <sup>rd</sup> year : Baht 1.50 per share; 4 <sup>th</sup> year : Baht 1.70 per share; 5 <sup>th</sup> 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 March 31, 2013, the warrant holder of BLAND-W3 exercised 970,706 units and the Company received Baht 1,456,059 share proceeds from the issuance of 970,706 common shares to the warrant. This proceeds was proceeded as "Share subscription" in the statement of financial position as at March 31, 2013. The change of paid-up share capital was officially registered with Ministry of Commerce on April 4, 2013.

As at March 31, 2013, the outstanding of unexercised warrants (BLAND-W3 ) was 1,991,725,989 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.

## **21. Dividend payment**

At the shareholders' meeting held on July 30, 2012, the shareholders passed the resolution to approve the dividend payment at the rate of Baht 0.02 per share, totaling Baht 356 million. The Company already paid dividend in August 2012.

## **22. Other Revenues**

Other revenues for the years ended March 31, 2013 and 2012 comprise :

	In Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Interest income	26	23	64	54
Gain on reversal of long outstanding account payable	127	102	85	101
Reversal of accrued interest	-	513	-	-
Reversal of allowance for doubtful accounts	-	17	1,389	1,136
Reversal of allowance for impairment of investment in subsidiaries	-	-	-	60
Gain on revaluation of investment property	2,095	-	-	-
Others	63	266	32	89
<b>Total</b>	<b>2,311</b>	<b>921</b>	<b>1,570</b>	<b>1,440</b>

## **23. Expenses classified by nature of expenses**

Significant expenses by nature for the years end March 31, 2013 and 2012 are as follows:

	In Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Salary and wages and other employee benefits	581	461	36	37
Depreciation	564	525	77	79
Professional fee	70	37	41	22
Advertising expense	27	36	5	9
Other charges	54	21	46	6

## 24. 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.

Management benefit expenses for the years ended March 31, 2013 and 2012 consist of:

	In Million Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Management benefit expenses presented				
in costs of sales	24	24	-	-
Management benefit expenses presented				
in administrative expense	60	58	20	22
Total	84	82	20	22

## 25. Segment information

	Consolidated financial statements (In Million Baht)						
	For the year ended March 31, 2013						
	Exhibition						
	Real estate	Retail	center	Other			
	Business	business	business	service	Total	Elimination	Total
Segment revenue	846	225	2,554	143	3,768	(41)	3,727
Segment profit	384	68	666	4	1,122	(382)	740
Corporate expenses					(149)	-	(149)
Interest income					270	(244)	26
Dividend income					365	(365)	-
Gain on reversal of long outstanding Account payable					127	-	127
Gain on revaluation of investment property					2,175	(80)	2,095
Gain on sale of invesment					7	-	7
Gain on exchange rate, net					359	-	359
Reversal of allowance for doubtful account					1,389	(1,389)	-
Finance costs					(364)	244	(120)
Income tax expense					(562)	10	(552)
Profit of Non-controlling interests					(195)	-	(195)
Net income of equity holders of the parent					4,544	(2,206)	2,338

**BANGKOK LAND PUBLIC COMPANY LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2013**

	Consolidated financial statements (In Million Baht)						
	For the year ended March 31, 2012						
	Exhibition						
	Real estate	Retail	center	Other			
	Business	business	business	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
Property, plants and equipment							
as at March 31,2013	1,119	128	22,063	4	23,314	(1,168)	22,146
as at March 31,2012	600	100	14,676	8	15,384	(2,969)	12,415

## 26. Earnings per share

### Basic earnings per share

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

### Diluted earnings per share

Diluted earnings per share is calculated by dividing the net profit 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.

	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
Net profit attributable to shareholders (million Baht)	2,338	621	1,513	6,591
Weighted average number of ordinary shares in				
issue during the year (million shares)	18,676	17,794	18,676	17,794
Diluted earnings per share (Baht per share)	0.125	0.035	0.081	0.370

**27. Financial instruments**

As at March 31, 2013 and 2012 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, 2013 and March 2012, 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.

**28. Pending lawsuits**

As at March 31, 2013, 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 132 million alleging that the Company and Bangkok Airport Industry Company Limited had breached the purchase and sales agreements (March 31, 2012 : Baht 235 million). As at March 31, 2013, Baht 11 million is recorded in the financial statements (March 31, 2012: Baht 113 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, 2013, the outstanding principal, excluding interest, payables to this contractor recorded in the financial statements amounted to Baht 122 million (March 31, 2012: 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, 2013 of Baht 119 million in the consolidated financial statements and the separate financial statements of Baht 118 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 500 million in the financial statements for the year ended March 31, 2013. 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 14). 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. On October 1, 2012, the Court dismissed the plaintiff's claim citing that the 10 year status of limitations has expired. The bond holders has also filed a petition of this judgement to the Appeal Court.

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.

## **29. 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, 2013, debt to equity ratio in the consolidated financial statements and the separate financial statements are 0.26 : 1 and 0.87 : 1 respectively.

## **30. Commitments and contingent liabilities**

- a) As at March 31, 2013, 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 398 million. (Separate : Baht 337 million)
- b) As at March 31, 2013, 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 131 million. (Separate : Baht 36 million)

**31. Reclassifications**

As a result of reclassifications of certain items in financial statements for the year ended March 31, 2013 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.

**32. Event after the reporting period**

At the Board of Directors' Meeting held on April 18, 2013, the Board of Directors approved the convening of the shareholders' meeting on June 11, 2013 to consider following agendas.

1. Approve the issuance and offering of the Warrants to purchase the Company's ordinary shares No.4 ("BLAND-W4") in the amount not exceeding 6,950,000,000 units free of charge to the existing shareholders of the Company whose names appeared on the record date on May 20, 2013 as detailed below:

Type of Warrants:	Named certificate and transferable
Number of Warrants:	Not exceeding 6,950,000 units
Underlying Shares:	Not exceeding 6,950,000 units
Offering:	Offered to existing shareholders whose name appeared on the record date on May 20, 2013. The Company will allocate and offer to the existing shareholders pro-rata to their shareholding at the rate of 2.97 existing shares to 1 unit of warrants.
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:	Baht 2 per share, save for the adjustment of the exercise price
Term of Warrants:	5 years from the issuance date

2. Approve the registered capital reduction of the Company from Baht 26,671,687,159 to Baht 22,634,073,225 by cancelling 4,037,613,934 authorized but unissued ordinary shares at a par value of Baht 1 each (save for the authorized but unissued ordinary shares amounting to 1,991,725,989 shares which have been reserved for exercise of the holders of the BLAND W-3).
3. Approve the increase of the registered capital of the Company from Baht 22,634,073,225 to Baht 29,584,073,225 by issuance of 6,950,000,000 new ordinary shares at a par value of Baht 1 each with conversion rate 2.97 existing shares to 1 unit of warrant.
4. Approve the allotment of 6,950,000,000 new ordinary shares with a par value of Baht 1 each pursuant to the capital increase as a reserve for the exercise of the holders of the Warrants BLAND-W4 to be issued as mentioned above.

**33. Approval of financial statement**

These financial statements have been approved by the Company's management on May 27, 2013.