

ANNUAL REPORT

31 March 2014



**BANGKOK
LAND**
PUBLIC COMPANY
LIMITED

C O N T E N T S

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INFORMATION FOR INVESTORS

| | | |
|---------------------|---|-------------------------------|
| Company Name | Bangkok Land Public Company Limited | |
| Registration Number | 0107536001222 | |
| Registered Office | 47/569-576 Moo 3, 10 th Floor, New Geneva Building, 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 th 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 th 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 th February 1992 |
| | Par Value : | Baht 1 per share |
| | Lot Size : | 100 shares |
| | Number of shares issued : | * 20,643,891,506 |
| | Stock Sector : | Property |
| | Stock Symbol : | BLAND |
| Financial Calendar | Financial year-end : | 31 March |
| | 2014 full-year results announced : | 30 May 2014 |
| | Record Date | 9 July 2014 |
| | Share register to be closed | 10 July 2014 |
| | Annual General Meeting to be held | 30 July 2014 |
| | 2015 results to be announced ** | |
| | June 2014 quarter | 14 August 2014 |
| | September 2014 quarter | 14 November 2014 |
| | December 2014 quarter | 13 February 2015 |
| | March 2015 full year results | 29 May 2015 |

* as at 31 March 2014

** subject to change

HIGHLIGHTS

| | 2014 Baht m | 2013 Baht m | Change % |
|--|----------------|----------------|-------------|
| Total recurring revenue | 4,341 | 3,727 | 16.5 |
| Other revenue | 2,729 | 2,311 | 18.1 |
| Net profit | | | |
| Owner of the Company | 2,096 | 2,338 | (10.4) |
| Minority interest | - | 195 | (100.0) |
| Total assets | 55,220 | 50,802 | 8.7 |
| Total liabilities | 7,390 | 10,370 | (28.7) |
| Shareholders' equity | 47,830 | 40,432 | 18.3 |
| | Baht | Baht | % |
| Earnings per share | 0.10 | 0.13 | (23.1) |
| Adjusted net asset value per share | 2.43 | 2.40 | 1.3 |
| Dividend per share ** | 0.04 | 0.03 | 33.3 |
| Market share price at last trading date of the financial year | 1.54 | 1.97 | (21.8) |

** subject to AGM approval



REPORT OF THE CHAIRMAN

OVERVIEW

The year under review was a challenging one for the Company. With the continuing worldwide economic weakness and local political tension, signs of slowdown in various sectors of the Thai economy have been obvious.

Central banks around the world have been lowering interest rates to a multi-year extreme. Although even greater extremes could be possible, the current situation would likely lead the world to an economic contraction which, in my opinion, is happening or fast approaching.

Despite operating under a difficult environment, last year was a year with encouraging progress for the Company. Investors, both existing and new, have shown their confidence in the long term prospect of the Company. In May 2013, warrant holders exercised their rights to purchase 2.63 million new ordinary shares of the Company at a price of Baht 1.9 per share. This capital increment has provided Bangkok Land with Baht 4,996 million new funds for working capital and to early repay the Company's bank loan of Baht 2,050 million borrowed in 2012 to buy back Impact Exhibition Management Company Limited from a foreign minority shareholder.

RESULTS

In the year ended 31 March 2014, the Group reported a consolidated recurring operating profit of Baht 587 million and a net profit after non-recurring items and tax of Baht 2,096 million. During the year, the Group recognized an exchange loss of Baht 535 million in respect of the conversion of foreign currency bonds to Thai Baht at year end market exchange rates. Excluding this exchange loss, the Group would have recorded a net profit of Baht 2,631 million.

DIVIDEND

The directors have declared a dividend of Baht 0.04 per share. The recommended dividend will be proposed for shareholders' approval in the forthcoming Annual General Meeting on 30 July 2014.

In agreeing on this year's dividend, the board has also considered a higher amount of Baht 0.05 per share. However, in view of the ongoing unknown political situation, the board has finally proposed a dividend of Baht 0.04 per share which is an increase of 33.3% compared with last year.

Next year, with the Group's current financial position and developments, I am not only optimistic but confident that my fellow shareholders and I will be rewarded with a higher per share dividend payout of Baht 0.05.

OPERATIONS

In my report last year, I remarked that the Company planned to structure majority parts of its Impact exhibition and convention business into a real estate investment trust (REIT) and targeted to raise Baht 9.5 billion from an initial public offering (IPO) to sell 50% of this REIT in the second half of 2013.

Preparation works for this IPO plan dominated our daily affairs during the year and we have already filed an application with the Securities & Exchange Commission of Thailand (SEC) with approving procedures now at its final stage. A legal entity, RMI Company Limited, was also incorporated in July 2013 to act as manager of the investment trust once listing on the Stock Exchange of Thailand is complete. Although REIT is a worldwide accepted product, it is a new form of real estate investment in Thailand. The need to clarify and settle certain technical and legal issues among different government agencies and professional bodies has materially prolonged the listing approval process by the SEC.

I am aware of the concerns of investors on the progress of this IPO and would like to take this opportunity to reiterate that the position of the Company is to maximize the wealth of its shareholders. Please be assured that your management will use their best judgment and efforts to press ahead with the application and thereafter identify the most appropriate timing and market conditions to launch this IPO.

Last year, I also mentioned that new housing projects at our Srinakarin land bank were to be launched in early 2014. Design and major preparation works were completed during the first half of our financial year. However, with statistics of falling housing demand and tense political environment, in particular, during the second half of our financial year, it is apparent that we had already entered a period of slowdown. As political uncertainty was expected to take a further toll on the economy of the country, we had therefore reassessed our development plans and decided to temporary delay the launching of our housing projects to the second half of the current financial year.

With operating environment generally remained uncertain during last year, we did hold back other capital intensive developments, such as, new exhibition space, hotels and large shopping and entertainment facilities. Instead, we have focus on our daily operations and continue to construct the "Bee Hive" life style shopping complex, "Popular Walk" retail shop-house, "Double Lake" phase 2 residential condominiums and "Geneva Car park", a nine-storey parking facility with retail space on the ground floor.

FINANCE

The Group's financial position has grown stronger.

Consolidated total assets rose 8.7 percent to Baht 55,220 million (2013 - Baht 50,802 million).

Consolidated total liabilities declined 28.7 percent to Baht 7,390 million (2013 - Baht 10,370 million). Excluding Baht 3,207 million of foreign currency bonds, the Group's interest bearing debts have fell to zero.

Consolidated total liabilities to equity ratio was 0.15 times (2013 - 0.26 times), an improvement of 42 percent.

Shareholders' equity as at 31 March 2014 was Baht 47,830 million (2013 - Baht 40,432 million), an increase of 18.3 percent.

Adjusted net asset value was Baht 50,139 million (2013 - Baht 42,404 million) representing a per share value of Baht 2.43 (2013 - Baht 2.38), up 2.1 percent.

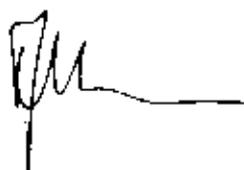
OUTLOOK

Under the current uncertain economic and political environment, I expect a difficult year ahead for the Thai economy. However, with the Group's unique debt free position and the strength of its ongoing businesses, Bangkok Land will withstand pressures and challenges that may be posed by the political turmoil and slowing economic activities.

In the year ahead, we will continue to focus on those matters over which we do have control - our operation and forge ahead with the IPO of Impact. At the same time, we will also continue to complete our existing projects and monitor closely new developments on politics and market conditions so as to identify the best opportunities to launch our ready-to-launch new projects.

APPRECIATION

Finally, I would like to thank most sincerely for all the support and confidence extended to the Company during the year ended 31 March 2014. Look forward to reporting further developments and improvements in the coming year.



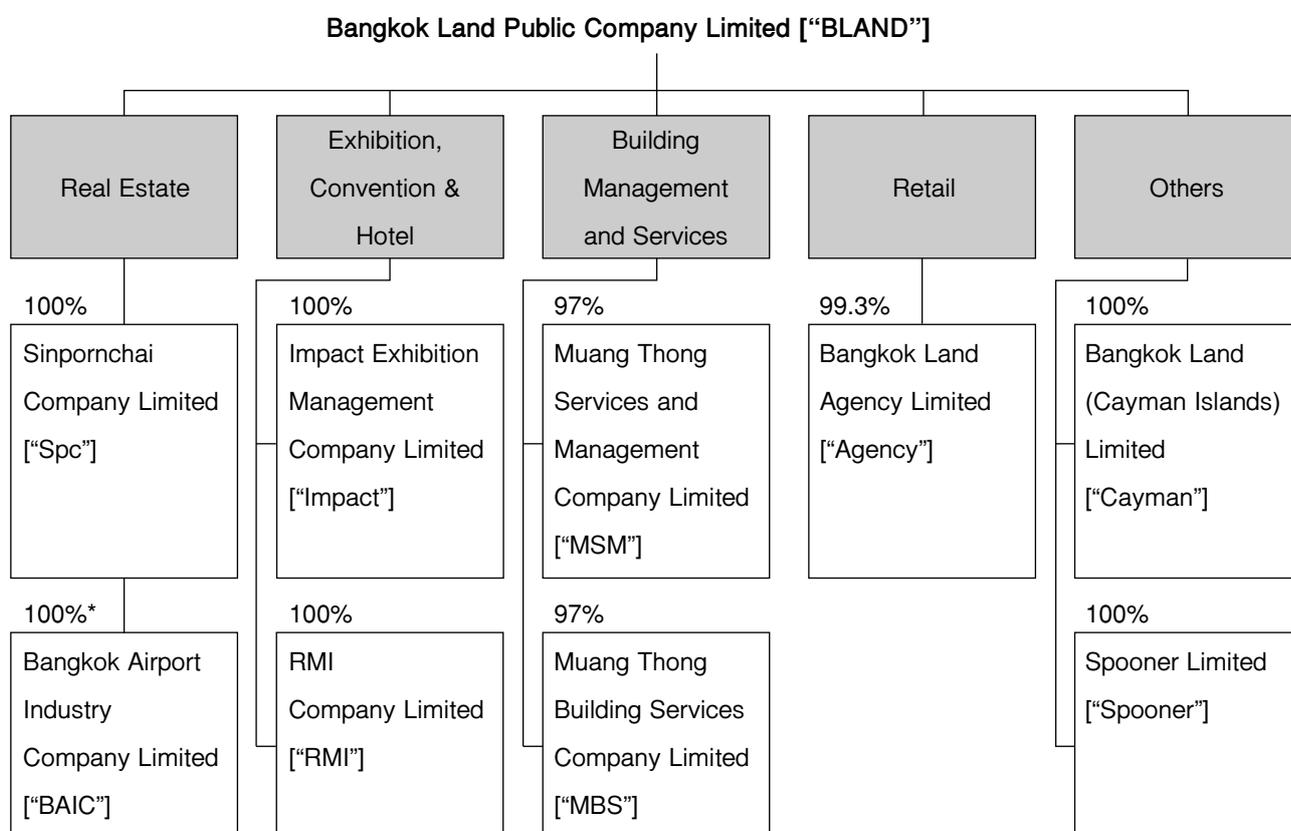
Anant Kanjanapas

Chairman

16 June 2014

BUSINESS PROFILE

CORPORATE STRUCTURE



* 60% owned by BLAND, 40% owned by Spc

REVENUE STRUCTURE

| Business | Operated by | 2014 | | 2013 | | 2012 | |
|--------------------------------|------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | | Baht mn. | % | Baht mn. | % | Baht mn. | % |
| Real Estate | BLAND, BAIC, Spc | 1,363 | 30.9 | 846 | 22.5 | 934 | 27.5 |
| Exhibition, Convention & Hotel | Impact, RMI | 2,660 | 60.3 | 2,554 | 67.8 | 2,129 | 62.7 |
| Building Management | MBS, MSM | 133 | 3.0 | 143 | 3.8 | 128 | 3.8 |
| Retail | Agency | 256 | 5.8 | 225 | 6.0 | 207 | 6.1 |
| Others | Cayman, Spooner | - | 0.0 | - | 0.0 | - | 0.0 |
| Total Revenue | | 4,412 | 100.0 | 3,768 | 100.0 | 3,398 | 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 and rental. Products include single houses, townhouses, condominiums, shop-houses, high rise office buildings, community and retail malls. These 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) Infrastructure and Building Management

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

4) Retail

Retail business is operated only at Muang Thong Thani Chaengwattanna. 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 2014.

RMI Company Limited was incorporated on 30 July 2013. It shall be the manager of the Impact exhibition and convention facilities real estate investment trust, IMPACT REIT, once offered to the public under the requirement of the Stock Exchange of Thailand.

MANAGEMENT DISCUSSION AND ANALYSIS - REVIEW OF OPERATION

PROFIT AND LOSS SUMMARY

| Baht millions | Revenue | | | Profit | | |
|--|--------------|--------------|-------------|--------------|--------------|--------------|
| | 2014 | 2013 | % change | 2014 | 2013 | % change |
| Business Segments | | | | | | |
| - Real Estate | 1,363 | 846 | 61.1 | 163 | 180 | -9.4 |
| - Exhibition, Convention & Hotel | 2,660 | 2,554 | 4.2 | 505 | 666 | -24.2 |
| - Retail | 256 | 225 | 13.8 | 106 | 67 | 58.2 |
| - Others | 133 | 143 | -7.0 | (17) | 5 | -440.0 |
| - Inter-segment Elimination | (71) | (41) | 73.2 | 31 | (17) | -282.4 |
| Total from Operation | 4,341 | 3,727 | 16.5 | 788 | 901 | -12.5 |
| Corporate Expenses | | | | (201) | (310) | -35.2 |
| Recurring Profit | | | | 587 | 591 | -0.7 |
| Non-recurring Items | | | | | | |
| - Net Borrowing Costs | | | | (190) | (94) | 102.1 |
| - Foreign Exchange Gain/(Losses) | | | | (535) | 359 | -249.0 |
| - Reverse of accrued interest | | | | 450 | - | |
| - Reverse of long outstanding accounts payable | | | | 417 | 127 | 228.3 |
| - Reverse of provision for legal proceeding | | | | 500 | - | |
| - Gain on Revaluation of Investment Properties | | | | 763 | 2,095 | -63.6 |
| - Gain on buy-back of exchangeable notes | | | | 387 | - | |
| - Other Non-recurring Items | | | | 2 | 7 | -71.4 |
| Profit before Tax | | | | 2,381 | 3,085 | -22.8 |
| Income Tax | | | | (285) | (552) | -48.4 |
| Profit for the Year | | | | 2,096 | 2,533 | -17.3 |
| Minority Interest | | | | - | (195) | -100.0 |
| Profit attributable to Shareholders | | | | 2,096 | 2,338 | -10.4 |

OVERVIEW

For the year ending 31 March 2014, the Group's total recurring revenue increased by 16.5 percent to Baht 4,341 million (2013 - Baht 3,727 million) primarily resulting from the increase of its continuing business operations in real estate, exhibition, conventions and hotel. Recurring business operating profit before tax was more or less the same as last year at Baht 587 million (2013 - Baht 591 million).

The Group also recorded Baht 535 million foreign exchange loss (2013 - Exchange gain of Baht 359 million), Baht 763 million (2013 - Baht 2,095 million) gain on revaluation of investment

properties, Baht 450 million and Baht 417 million write-backs of over accrued interest and unclaimed accounts payable, Baht 500 million reversal of lawsuit provision and Baht 190 million net interest expenses.

Overall, after income tax expenses of Baht 285 million, Bangkok Land recorded a consolidated net profit of Baht 2,096 million compared to Baht 2,338 million a year ago.

REAL ESTATE

| Baht millions | 2014 | 2013** | % change |
|----------------------------------|---------|--------|----------|
| Revenue | 1,363 | 846 | 61.1 |
| Cost of Sales | (1,163) | (544) | 113.8 |
| Gross Profit | 200 | 302 | -33.8 |
| Other Revenue | 107 | 28 | 282.1 |
| | 307 | 330 | -7.0 |
| Selling & Admin. Expenses | (144) | (150) | -4.0 |
| Contribution to Recurring Profit | 163 | 180 | -9.4 |
| Gross Profit Margin | 14.7% | 35.7% | -21.0 |

Real estate revenue recognized in the year comprised mainly sales of the Company new condominium project "Double Lake" and 100 rai of undeveloped land from the Company's land bank at Srinakarin Road.

Although real estate revenue rose 61.1 percent to Baht 1,363 million, gross profit of Baht 200 million was 33.8 percent lower than last year. The higher profit recognized last year was the result of land sales with low book cost at Muang Thong Thani Chaengwattana.

Selling and administration expenses remained relatively the same as last year at Baht 144 million.

Overall, contribution to recurring profit before tax for the year decreased 9.4 percent to Baht 163 million (2013 - Baht 180 million).

** Reconciliation with the segment information presented under note 25 of the audited accounts for the year ended 31 March 2013:-

| | |
|--|------------|
| 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 | 2014 | 2013 | % change |
|----------------------------------|---------|---------|----------|
| Revenue | 2,660 | 2,554 | 4.2 |
| Cost of Sales | (1,538) | (1,363) | 12.8 |
| Gross Profit | 1,122 | 1,191 | -5.8 |
| Other Revenue | 17 | 13 | 30.8 |
| | 1,139 | 1,204 | -5.4 |
| Selling & Admin. Expenses | (634) | (538) | 17.8 |
| Contribution to Recurring Profit | 505 | 666 | -24.2 |
| Gross Profit Margin | 42.2% | 46.6% | -4.4 |
| Occupancy Rate | 51.8% | 53.0% | -1.2 |

Impact's revenue came from its four principal business areas - exhibition & convention space rental, 53% (2013 - 55%); food & beverages, 21% (2013 - 20%); hotel, 7% (2013 - 6%) and other supplementary exhibition services, 19 percent (2013 - 19%).

Exhibition space utilization declined slightly by 1.2 percent to 51.8 percent. This shortfall was fully offset by a 4.2 percent increase in average rental rate during the year. In effect, exhibition space rental revenue for the year was Baht 1,404 million compared to Baht 1,414 million a year before.

Food and beverage revenue increased by 6.1 percent to Baht 555 million (2013 - Baht 523 million) resulting mainly from price increment and higher business volume corresponding to the increase of visitors.

Other services revenue rose 11 percent to Baht 523 million (2013 - Baht 471 million) which being the results of price increment and more supplementary exhibition services provided for customers.

Since its commencement of business in February 2011, Impact Novotel has been acting as an important supplementary service attracting more events to its exhibition and convention halls. This year the hotel recorded revenue of Baht 178 million (2013 - Baht 146 million) and EBITDA of Baht 31 million (2013 - Baht 10 million). Net loss after depreciation was Baht 5 million as compared to a net loss of Baht 10 million a year before.

With the effect of inflation and the increase in sales volume, cost of sales rose 12.8 percent to Baht 1,538 million (2013 - Baht 1,363 million). Sales and administration expenses also increased 17.8 percent to Baht 634 million (2013 - Baht 538 million) mainly as the result of more depreciation charges on completed venue upgrades and more manpower expenses to cope with the increased business.

Overall, our exhibition, convention and hotel business increased its revenue by 20 percent to Baht 2,660 million (2013 - Baht 2,554 million). However, this growth did not translate down to operating profit because of higher direct cost and administration overheads. As such, recurring profit before tax declined by 24.2 percent to Baht 505 million from Baht 666 million a year ago.

RETAIL AND BUILDING MANAGEMENT

| Baht millions | Retail | | | Infrastructure and Building Management | | |
|----------------------------------|--------|-------|----------|--|-------|----------|
| | 2014 | 2013 | % change | 2014 | 2013 | % change |
| Revenue | 256 | 225 | 13.8 | 133 | 143 | -7.0 |
| Cost of Sales | (143) | (149) | -4.0 | (123) | (125) | -1.6 |
| Gross Profit | 113 | 76 | 48.7 | 10 | 18 | -44.4 |
| Other Revenue | 31 | 17 | 82.4 | 6 | 6 | 0.0 |
| | 144 | 93 | 54.8 | 16 | 24 | -33.3 |
| Selling & Admin. Expenses | (38) | (26) | 46.2 | (33) | (19) | 73.7 |
| Contribution to Recurring Profit | 106 | 67 | 58.2 | (17) | 5 | -440.0 |
| Gross Profit Margin | 44.1% | 33.8% | 10.4 | 7.5% | 12.6% | -5.1 |

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

Overall, the Group reported contributing profit of Baht 106 million from its retail business and a loss of Baht 17 million from its infrastructure and building management business for the year ended 31 March 2014.

NON-RECURRING ITEMS

The Group recorded Baht 535 million exchange loss (2013 - Baht 359 million exchange gain) on conversion of its foreign currency bonds at prevailing market exchange rates as at 31 March 2014. Net borrowing cost for the year increased by 96 million to Baht 190 million (2013 - Baht 94 million) mainly resulted from interest expenses on discount of a debt instrument received from the Group's customer.

During the year, the Group revalued its investment properties to reflect the market value of these assets, and as such, reported a gain of Baht 763 million (2013 - Baht 2.095 million) presented as other revenue in the Group's income statements.

Other non-recurring items for the year mainly comprised Baht 450 million gain write-back of over accrued interest, Baht 417 million reversal of unclaimed accounts payable, Baht 500 million write-back of lawsuit provision and Baht 387 million gain on repurchase below nominal value of the Group's foreign currency bonds.

INCOME TAX

Income tax expenses for the year comprised of corporation income tax of Baht 119 million (2013 - Baht 180 million) on profits of the Company's subsidiaries and Baht 166 million of deferred tax on revaluation surplus of investment properties.

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 2014 stood at Baht 2.43 (2013 - Baht 2.38). The Company's closing share price on that date was Baht 1.54 (2013 - Baht 1.97) representing a discount of 36.6 percent (2013 - 17.3 percent) to its adjusted net asset value.

Adjusted net asset value per share

| Baht millions | 2014 | 2013 |
|--|---------|---------|
| Total shareholders' equity | 47,830 | 40,432 |
| Minority interest | 0 | 0 |
| Deferred tax on revaluation surplus of property, plant & equipments | 1,587 | 1,403 |
| Deferred tax on revaluation surplus of investment properties | 722 | 569 |
| Adjusted shareholders equity | 50,139 | 42,404 |
| Number of shares in issue (millions) | 20,644 | 17,795 |
| Value per share (Baht) | 2.43 | 2.38 |
| Closing market price per share (Baht) - last trading day of March | 1.54 | 1.97 |
| Share price premium/(discount) | (36.6%) | (17.3%) |

ASSETS

Total assets of the Group increased 8.7 percent to Baht 55,220 million (2013 - Baht 50,802 million) mainly as the result of proceeds of Baht 4,996 million received from issuing new ordinary shares of the Company to Bland-W2 warrant holders in May 2013.

Key components of assets comprised "property, plant and equipment" (41.5%), "real estate development cost" (26.8%), "land held for future use" (13.2%), "investment property" (8.6%) as well as cash and cash equivalent (7.9%), details of which are summarized next.

Real estate development cost

| Baht millions | 2014 | 2013 | % change |
|--------------------------------------|--------|--------|----------|
| Undeveloped Land | | | |
| - Srinakarin Road | 12,373 | 13,287 | -6.9 |
| - Muang Thong Thani & Others | 1,531 | 1,090 | 40.5 |
| | 13,904 | 14,377 | -3.3 |
| Finished Products & Work in Progress | 519 | 705 | -26.4 |
| Uncompleted Condominiums | 227 | 227 | 0.0 |
| Other discontinued Projects | 143 | 143 | 0.0 |
| Total | 14,793 | 15,452 | -4.3 |

Real estate development cost remained broadly unchanged compared to last year. The slight decrease of 4.3 percent to Baht 14,793 million (2013 - Baht 15,452 million) was primarily the net result of sales of 100 rai of undeveloped land at Srinakarin Road and the acquisition of 31 rai of land with close proximity to the Impact exhibition and convention venue.

Land held for future use

Land held for future use comprised a 375 rai of land and lake 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 2014.

Property, plant and equipments

Major new addition for the year was Baht 1,162 million of revaluation surplus which being an adjustment correcting an accounting error of last year's revaluation surplus of the group's asset revaluation exercise. This correction does not affect net profit of the Company and its subsidiaries for both financial years ended 31 March 2013 and 31 March 2014. Other capital expenditure for the year included Baht 150 million incurred mainly on renovation of the Group's offices and the additions of office equipments and furniture.

After deducting the total amount of depreciation charges of Baht 593 million, reported net book value of property, plant and equipments as at 31 March 2014 increased 4.3 percent to Baht 22,917 million (2013 - Baht 21,972 million).

Investment property

In response to market situation, the Company's community mall development "Bee Hive" at Muang Thong Thani which, at the time of this report, is still under construction has been repositioned as a rental property project. In the last quarter of the year total development cost of Baht 469 million Baht was reclassified as investment property (previously grouped under real estate development cost). A revaluation done at the end of the year resulted in a revaluation gain of Baht 134 million. Other investment properties were also revalued in the last quarter of the year with a surplus of Baht 629 million.

All property valuation was performed by an independent third party professional appraiser approved by the Stock Exchange of Thailand.

Taken together, total investment property increase by 39 percent to Baht 4,724 million (2013 - Baht 3,398 million) with a total revaluation surplus of Baht 763 million (2013 - Baht 2,095 million) recognized as other revenue in the consolidated financial statement of the Company.

LIQUIDITY

Net cash flow from recurring operating activities increased by Baht 609 million to Baht 1,389 million (2013 - Baht 780 million) primarily resulting from the effect of more cash outflow generated by higher revenue from sales of land inventory during the year ended 31 March 2014.

Non-recurring cash flow from investing activities included Baht 51 million interest incomes and Baht 2 million from the disposal of fixed assets.

Non-recurring cash flow from financial activities comprised Baht 4,999 million of issuing new shares to warrant holders of the Company.

Total recurring and non-recurring cash flow generated during the year was Baht 5,661 million. Together with cash of Baht 1,342 million brought forward from 31 March 2013, these cash flows were applied to settle bank borrowings (Baht 2,050 million), pay dividend (Baht 619 million), interest (Baht 237 million), capital expenditure (Baht 382 million), buy back of foreign currency bonds (Baht 153 million) and renovation of investment properties (Baht 94 million).

During the year, the Group also increased its short term investment in interest bearing debentures and fixed deposits with local financial institutions by 3,087 million to Baht 3,201 million (2013 Baht 114 million).

In effect, Bangkok Land's consolidated statements of cash flows for the year ended 31 March 2014 recorded a net decrease of Baht 180 million in cash and cash equivalent to Baht 1,162 million (2013 - Baht 1,342 million).

LIABILITIES

Consolidated total liabilities as at 31 March 2014 declined 28.7 percent to Baht 7,390 million compared to Baht 10,370 million in 2013. This reduced the Group's total liabilities to equity ratio to 0.15 times from 0.26 times a year ago.

Consolidated net total liabilities (net of cash, cash equivalent and short term investments) as at 31 March 2014 was Baht 3,028 million compared to Baht 8,914 million in 2013. This reduced the Group's net total liabilities to equity ratio to 0.06 times from 0.22 times a year ago.

The following table presents a summary of the Group's total liabilities as at 31 March 2014.

| Baht millions | Total | Interest Bearing | Non-interest Bearing |
|-----------------------------------|-------|------------------|----------------------|
| Bank Loans | - | - | - |
| Unsecured Debts in Default * | | | |
| - Bonds | 2,754 | 2,754 | - |
| - Overdue Interest (Bonds) | 453 | - | 453 |
| | 3,207 | 2,754 | 453 |
| Deferred Tax | 2,409 | - | 2,409 |
| Other Liabilities & Accruals | 1,774 | - | 1,774 |
| Total Liabilities | 7,390 | 2,754 | 4,636 |
| Total Liabilities excluding Bonds | 4,183 | - | 4,183 |

* The Baht 3,207 million unsecured bonds were in default for 15 years since 1999.

SHAREHOLDERS' EQUITY

Shareholders' equity rose 18.3 percent to Baht 47,830 million (2013 - Baht 40,432 million) chiefly reflecting the consolidated net profit after of Baht 2,096 million for the year ended 31 March 2014 together with Baht 4,999 million proceeds from the issuance of new shares to warrant holders of the Company.

COMMITMENT AND CONTINGENT LIABILITIES

As at 31 March 2014, the Group had major pending lawsuits of Baht 130 million by property buyers claiming refund of deposits paid on uncompleted projects and Baht 194 million by a contractor demanding settlement of a dispute on construction work performed. 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 2014 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 2014, 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 31 July 2013, at 11.00 a.m., at the Royal Jubilee Ballroom, Impact Challenger, Muang Thong Thani, Bannmai, Pakkred, Nonthaburi. Nine 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 1,308, representing 8,612,333,079 shares or 41.72 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.

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 websites, www.bangkokland.co.th and 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 2014 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.

RESPONSIBILITIES OF THE BOARD

Board Structure

Summary

As at 31 March 2014, 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 2014, 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 4 meetings during the year ended 31 March 2014. The attendance record of each member is set out below:-

| <u>Directors</u> | <u>Meetings attended/Total</u> |
|-----------------------------|--------------------------------|
| Mr. Thumgrong Chientachakul | 4/4 |
| Mr. Supavat Saicheua | 4/4 |
| Mr. Siriwat Likitnuruk | 4/4 |

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 12 meetings during the year ended 31 March 2014. The attendance record of each member is set out below:-

| <u>Directors</u> | <u>Meetings attended/Total</u> |
|--------------------------|--------------------------------|
| Mr. Anant Kanjanapas | 12/12 |
| Mr. Sui Hung Kanjanapas | 12/12 |
| Mr. Shui Pang Kanjanapas | 10/12 |

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 2014 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 assess 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 5 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 day 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 2014 is set out below:-

| Directors | Meetings attended/Total |
|--|-------------------------|
| Executive Directors | |
| Mr. Anant Kanjanapas | 5/5 |
| Mr. Sui Hung Kanjanapas | 5/5 |
| Mr. Shui Pang Kanjanapas | 5/5 |
| Non-Executive Directors | |
| Mr. Sakorn Kanjanapas | 0/5 |
| Mr. Burin Wongsanguan | 4/5 |
| Mr. Wattanasak Sanitwongse | 4/5 |
| Mr. Tawin Boonruangkhaio | 5/5 |
| Independent Non-Executive Directors | |
| Mr. Thumrong Chientachakul | 5/5 |
| Mr. Supavat Saicheua | 5/5 |
| Mr. Siriwat Likitnuruk | 5/5 |
| Mr. Panya Boonyapiwat | 5/5 |

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 30 May 2014.

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.

CORPORATE SOCIAL RESPONSIBILITY

Since the recent promotion of corporate social responsibility concepts by the Stock Exchange of Thailand, the Company has identified the following areas for attention and compliance:-

- 1) Good corporate governance
- 2) Fair competition
- 3) Human right observation
- 4) Fair treatment of employees
- 5) Fair treatments to suppliers and customers
- 6) Caring for the environment 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, 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.

Although the Group has been following this social responsibility polices (details included under Corporation Governance Practice section of this report), no written procedure manual has been prepared at the time of preparing this report. In view of the Group's organization structure and nature of its current business, the board of directors believes that the current arrangement is appropriate and adequate.

SHAREHOLDERS AND MANAGEMENT

EQUITY

Ordinary shares

On 18 April 2014, authorized capital of the Company was increased to 29,584,073,225 shares (2013 - 26,671,687,159 shares) with par value of Baht 1 per shares. This increase was made as a result of the Company shareholders approving the issuance of 6,950,000,000 units of warrants (Bland-W4) to the existing shareholders of the Company.

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.

On 30 June 2013, warrant holders of Bland-W3 exercised their rights and purchased 112,359 ordinary shares of the Company at a price of Baht 1.5 per share.

On 30 September 2013, warrant holders of Bland-W3 exercised their rights and purchased 63,898 ordinary shares of the Company at a price of Baht 1.5 per share. On the same date, warrant holders of Bland-W4 exercised their rights and purchased 1,368,013 ordinary shares of the Company at a price of Baht 2 per share.

On 31 March 2014, warrant holders of Bland-W3 exercised their rights and purchased 16,122 ordinary shares of the Company at a price of Baht 1.7 per share. On the same date, warrant holders of Bland-W4 exercised their rights and purchased 64,956 ordinary shares of the Company at a price of Baht 2 per share. Registration of these new shares with the Ministry of Commerce was completed on 4 April 2014.

In effect, as at 31 March 2014, the Company had authorized capital of Baht 29,584,073,225 (2013 - Baht 26,671,687,159) divided into 29,584,073,225 shares with a par value of 1 Baht per share. Paid-up capital was Baht 20,643,891,506 (2013 - Baht 17,795,295,397) representing 20,643,891,506 ordinary shares fully paid up at a par value of 1 Baht each.

On 6 June, 2014 the Company closed its share register and its list of shareholders revealed the following major information.

- (a) Number of shareholders - 32,129
- (b) Investors holding Non-voting depository receipts ("NVDR") - 498,131,385 shares

Total NVDR 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. NVDR shares information can be found at the web site of the Stock Exchange of Thailand, 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.

| | | |
|----|-----------------------------------|---------------------|
| 1) | BLAND-W3 | |
| | Security symbol | BLAND-W3 |
| | Total units | 1,994,248,065 |
| | Exercise ratio (warrant : share) | 1 : 1 |
| | Exercise price (per share) | |
| | Ending 7 November 2011 | 1st year - Baht 1.1 |
| | 8 November 2011 - 7 November 2012 | 2nd year - Baht 1.3 |
| | 8 November 2012 - 7 November 2013 | 3rd year - Baht 1.5 |
| | 8 November 2013 - 7 November 2014 | 4th year - Baht 1.7 |
| | 8 November 2014 - 7 November 2015 | 5th year - Baht 1.9 |
| | Exercise date | every 3 months |
| | Expiry date | 7 November 2015 |
| | Total units exercised | 2,522,076 |
| | Total units remaining | 1,991,533,610 |
| 2) | BLAND-W4 | |
| | Security symbol | BLAND-W4 |
| | Total units | 6,949,753,569 |
| | Exercise ratio (warrant : share) | 1 : 1 |
| | Exercise price (per share) | Baht 2.0 |
| | Exercise date | every 3 months |
| | Expiry date | 2 July 2018 |
| | Total units exercised | 1,432,969 |
| | Total units remaining | 6,948,320,600 |

MAJOR SHAREHOLDERS

Details of the 10 largest shareholders of the Company, according to the most up-to-date shareholder list as at 6 June 2014 are listed below.

| Rank | Name | Number of shares | % to paid-up capital |
|------|--------------------------------------|------------------|----------------------|
| 1 | Mr. Anant Kanjanapas | 4,203,166,760 | 20.36 |
| 2 | Miss Archchara Worasaknukul | 639,643,267 | 3.10 |
| 3 | Mr. Jean-Marie Verbughe | 577,080,000 | 2.80 |
| 4 | Thai NVDR Co. Ltd. | 498,131,385 | 2.41 |
| 5 | Mr. Wanchai Phanvichien | 430,100,000 | 2.08 |
| 6 | Mr. Chanya Mahadamrongkul | 393,745,680 | 1.91 |
| 7 | Mr. Sakorn Kanjanapas | 269,851,065 | 1.31 |
| 8 | Bangkok Land (Cayman Island) limited | 212,096,990 | 1.03 |
| 9 | Mr. Watchara Kaewsawang | 210,000,000 | 1.02 |
| 10 | State Street Bank Europe Limited | 207,856,700 | 1.01 |
| | Total | 7,641,671,847 | 37.02 |

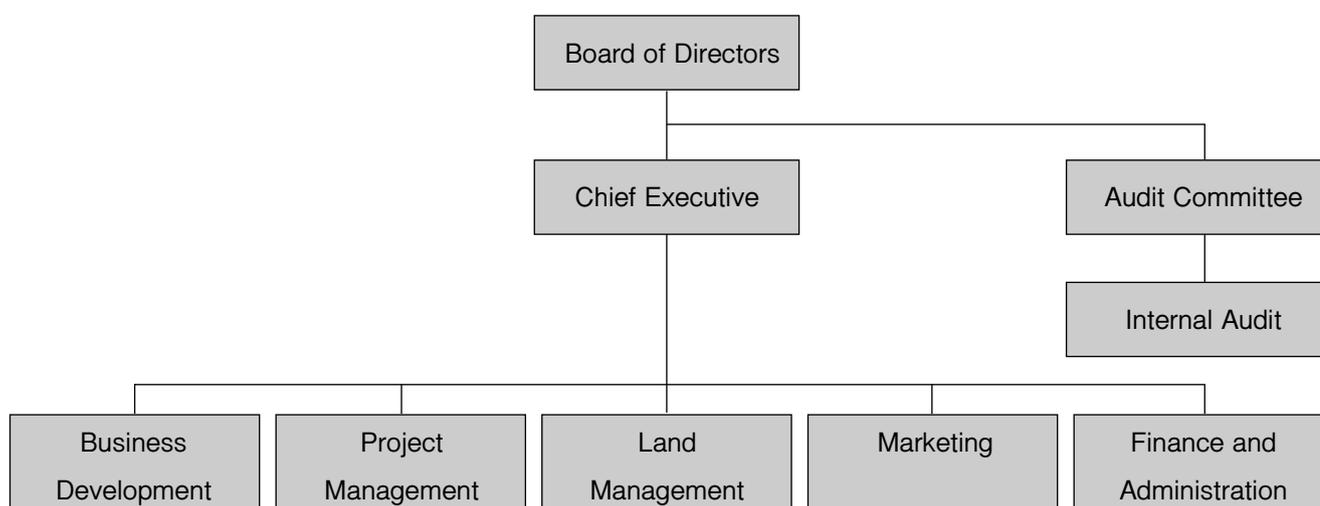
Source : Thailand Securities Company Limited

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

Non-executive Directors

Mr. Sakorn Kanjanapas
Mr. Burin Wongsanhuan
Mr. Wattanasak Sanitwongse
Mr. Tawin Boonruangkhaio

* Chairman of the Board and
Chief Executive Officer

Independent Directors

Mr. Thumrong Chientachakul (Chairman)
Mr. Supavat Saicheua
Mr. Siriwat Likitnuruk
Mr. Panya Boonyapiwat

AUTHORIZED SIGNATURE

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

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

SCOPE OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

Duties and responsibilities of the directors are summarized next.

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

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

SCOPE OF DUTIES AND RESPONSIBILITIES OF THE AUDIT COMMITTEE

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

- 1) Review the accuracy and adequacy of the Company's financial reports.
- 2) Review the Company's internal control system and internal audit system to ensure that they are suitable and efficient. Determine the internal audit unit's independence as well as approve the appointment, transfer, and dismissal of the chief of an internal audit unit or any unit being responsible for the Company's internal audit.
- 3) Review compliance with the Securities and Exchange Acts, regulation of the SET and any other relevant law.
- 4) Consider, select and nominate an independent person as the Company's auditor and to propose such person's remuneration as well as attend a non-management meeting with the auditor at least once a year.
- 5) Review connected transactions, or transactions that may lead to conflicts of interests as to ensure that the Company complies with all related rules.

- 6) Prepare and disclose in the Company's annual report an audit committee's report which must be signed by the Audit Committee's Chairman and consists of at least the following information:
- an opinion on the accuracy, completeness and creditability of the Company's financial report;
 - an opinion on the adequacy of the Company's internal control system;
 - an opinion on the compliance with SEC's and SET's laws and regulation and other laws relevant to the Company's business;
 - an opinion on the suitability of an auditor;
 - an opinion on transactions that may lead to conflicts of interest;
 - the number of audit committee meetings and the attendance of such meetings by each committee member;
 - an opinion or overview comment on issues that have arisen as the audit committee performed its duties as defined in the committee's charter; and
 - any other matters which should be made available to shareholders and general investors within the scope of duties and responsibilities assigned by the Company's Board of Directors.
- 7) Perform other duties as assigned by the Board of Directors of the Company with the consent of the Audit Committee.

DIRECTORS' REMUNERATION

The Company compensated its directors in the form of an annual fee based on meeting attendance. Payment of fees is normally made in the following financial year after the annual general meeting ("AGM"). Total director remuneration for the year ended 31 March 2014 was set at 6.89 million Baht at the AGM of 31 July 2013. Actual remuneration paid in the year was Baht 5.66 million.

SENIOR MANAGEMENT'S REMUNERATION

| | 2014 | | 2013 | |
|----------------------|----------------------|--------------------------|----------------------|--------------------------|
| | Number of Persons | Amount (Baht million) | Number of Persons | Amount (Baht million) |
| Salary and Allowance | | | | |
| - Directors | 5 | 14.28 | 4 | 11.55 |
| - Senior Management | 9 | 11.22 | 9 | 8.04 |
| Total | 14 | 25.50 | 13 | 19.59 |

DIRECTORS' PROFILE

Anant Kanjanapas Ph.D.

Chairman

Chief Executive Officer

Age 73, Mr. Anant Kanjanapas has been the Chief Executive Officer of the Company since 1990. He was appointed Chairman of the Group in 2003. Mr. Kanjanapas was educated in Thailand and Switzerland. He has had wide international experience in real estate, manufacturing, banking and retail sectors. Mr. Kanjanapas previously owned and operated several public and private companies in Asia, Europe and North America over a career span of more than 50 years.

Sui Hung Kanjanapas B.Sc.

Managing Director

Age 41, 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 39, 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 65, 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 78, 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 73, Mr. Wattanasak Sanitwongse was appointed director in 1993. He was educated in Thailand and Switzerland. Mr. Sanitwongse has had many years of experience in real estate, construction and watch business. He is also a director of his privately owned investment, Univest group of companies.

Mr. Tawin Boonruangkhaio LL.B.**Non-Executive Director**

Age 70, 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 56, 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 55, 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 61, 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 PhD**Independent Non-executive Director**

Age 51, 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 particularly important for Bangkok Land's real estate business. A benefit shortfall may result from lower than projected actual demands, which will in turn cause financial and other distress for the Company. Since the root cause of demand shortfalls is from planning overestimation, the Group adopts a prudent approach in its project development planning which includes detailed consideration of benefit shortfall analysis and close follow-ups on cost overruns.

Operational risk

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

Currency risk

The policy of the Group is to minimize its exposure to foreign currency fluctuations. Foreign exchange transactions will be hedged whenever feasible and cost effective. With the exception of two foreign currency bonds, US Dollars 13.38 million and Swiss Francs 61.6 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 13.38 | 436 | 4.36 |
| - Put Premium | USD 1.40 | 46 | 0.46 |
| Swiss Francs Bonds | CHF 61.60 | 2,272 | 22.72 |
| Total | | 2,754 | 27.54 |

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.

| | Fixed interest rate borrowings | Floating interest rate borrowings | Profit effect of 1% change in interest rate |
|----------------------|--------------------------------------|---|--|
| Baht millions | | | |
| Bonds | 2,754 | - | - |
| Bank Loans | - | - | - |

Liquidity risk

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

CONNECTED PARTIES TRANSACTIONS

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

For the year ended 31 March 2014, the Group disclosed details of transactions with related parties under note 5 of the Notes to Financial Statements. These transactions comprised those between the Company and its fully owned subsidiaries and those between fellow subsidiaries within Bangkok Land Group.

The Audit Committee have reviewed all connected party transactions and confirmed that these transactions were entered into by the Company and its subsidiaries in the normal course of business of the Group, under normal commercial terms, and in the interest of the Group and its shareholders.

The external auditor of the Company has also reviewed all connected party transactions and has the opinion that these transactions were properly and fairly disclosed in the financial statements of the Company for the year ended 31 March 2014.

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) 980 5500 Fax. (02) 504 4445 | 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) 504 4949 Fax. (02) 504 4982 | 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) 504 4949 Fax. (02) 504 4982 | Property development | 30,000,000 |
| Bangkok Land Agency Company Limited | 99.3% | 47/563-574 Moo 3, 9/F New Geneva Building Popular Road 3, Bannmai Pakkred, Nonthaburi 11120 Tel. (02) 503 5040 Fax. (02) 503 5064 | Retail | 200,000,000 |
| Muang Thong Services and Management Company Limited | 97% | 47/567-568, Moo 3, 9/F New Geneva Building Popular Road 3, Bannmai Pakkred, Nonthaburi 11120 Tel. (02) 980 5500 Fax. (02) 503 4784 | Infrastructure management | 25,000,000 |
| Muang Thong Building Services Company Limited | 97% | 47/567-568, Moo 3, 9/F New Geneva Building Popular Road 3, Bannmai Pakkred, Nonthaburi 11120 Tel. (02) 980 5500 Fax. (02) 503 4784 | 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) 949 0050 | 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 |
| RMI Company Limited | 100% | 47/569-576 Moo 3, 10/F New Geneva Building Popular Road 3, Bannmai Pakkred, Nonthaburi 11120 Tel. (02) 833 5576 | REIT management | 10,000,000 |

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

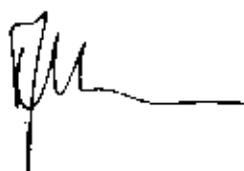
The Board of Directors is responsible for the maintenance of proper accounting records and the preparation and fair presentation of the financial statements of Bangkok Land Public Company Limited and its subsidiaries.

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 consistency 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 2014.



Anant Kanjanapas
Chairman and Chief Executive

REPORT OF AUDIT COMMITTEE

Dear Shareholders,

The Audit Committee of Bangkok Land Public Company Limited has three members. On 30 May 2014 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 2014, the Audit Committee has met totally of 4 times. The attendance record of each member is set out below:-

| Committee member | Meetings attended/ |
|---------------------------|--------------------|
| | Total |
| Mr.Thumrong Chientachakul | 4/4 |
| Mr. Supavat Saicheua | 4/4 |
| Mr. Siriwat Likitnuruk | 4/4 |

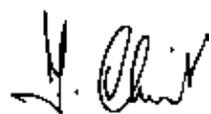
Major works performed by the Audit Committee are summarized next.

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

- b. an opinion on the adequacy of the Company's internal control system;
 - c. an opinion on the compliance with SEC's and SET's laws and regulation and other laws relevant to the Company's business;
 - d. an opinion on the suitability of an auditor;
 - e. an opinion on transactions that may lead to conflicts of interest;
 - f. the number of audit committee meetings and the attendance of such meetings by each committee member;
 - g. an opinion or overview comment on issues that have arisen as the audit committee performed its duties as defined in the committee's charter; and
 - h. any other matters which should be made available to shareholders and general investors within the scope of duties and responsibilities assigned by the Company's Board of Directors.
- 7) Together with other Board of Directors, members to set up the anti-corruption policy of the Company and its subsidiaries.
- 8) 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 31st March 2015. The proposed audit fee is Baht 5,330,000 which is the same as the previous year. Nomination shall be submitted to the Board before seeking the approval of shareholders at the 2014 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
30 May 2014

BANGKOK LAND PUBLIC COMPANY LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2014
AND INDEPENDENT AUDITOR'S REPORT

AUDITOR'S REPORT

To the Shareholders 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 statements of financial position as at March 31, 2014, the consolidated and separate statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other 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, 2014, 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.



(Kannika Wipanut)

Certified Public Accountant

Registration No. 7305

Karin Audit Company Limited

Bangkok

May 30, 2014

BANGKOK LAND PUBLIC COMPANY LIMITED
STATEMENTS OF FINANCIAL POSITION
AS AT MARCH 31, 2014

| | Notes | In Baht | | | |
|---|-------|-----------------------|-----------------------|-----------------------|-----------------------|
| | | Consolidated | | Separate | |
| | | financial statements | | financial statements | |
| | | 2014 | 2013 | 2014 | 2013 |
| ASSETS | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | | 1,161,829,120 | 1,342,323,703 | 73,126,476 | 453,242,132 |
| Short-term investments | 6 | 3,200,652,328 | 113,674,669 | 2,756,637,642 | 113,674,669 |
| Trade receivable and other receivable, net | 7 | 441,596,293 | 361,638,111 | 43,700,011 | 14,933,099 |
| Real estate development cost, net | 8 | 13,374,119,330 | 14,070,971,911 | 12,933,518,484 | 14,023,886,431 |
| Advance and receivables from related parties, net | 5.2 | - | - | 4,130,149,497 | 2,379,747,628 |
| Short-term loans to related parties, net | 5.3 | - | - | 721,740,755 | 400,061,546 |
| Investment in loans | 5.4 | - | - | 475,000,000 | 475,000,000 |
| Other current assets, net of allowance for doubtful accounts of Baht 50 million | | 110,355,747 | 60,989,830 | 35,547,210 | 13,795,672 |
| Total current assets | | 18,288,552,818 | 15,949,598,224 | 21,169,420,075 | 17,874,341,177 |
| Non-current assets | | | | | |
| Real estate development cost, net | 8 | 1,418,908,213 | 1,380,970,563 | 1,418,908,213 | 1,417,260,057 |
| Investments in subsidiaries | 9 | - | - | 10,026,886,908 | 10,026,886,908 |
| Investment property | 10 | 4,723,684,055 | 3,398,342,477 | 608,001,010 | 5,280,000 |
| Property, plants and equipment, net | 11 | 22,917,417,464 | 21,972,783,342 | 14,694,762 | 13,638,673 |
| Land held for future use | 12 | 7,285,035,600 | 7,285,035,600 | 7,285,035,600 | 7,285,035,600 |
| Deferred tax assets | 16 | 19,169,980 | 16,592,439 | - | 998,239 |
| Other non-current assets, net | | 567,094,064 | 798,911,203 | 458,979,700 | 467,226,192 |
| Total non-current assets | | 36,931,309,376 | 34,852,635,624 | 19,812,506,193 | 19,216,325,669 |
| TOTAL ASSETS | | 55,219,862,194 | 50,802,233,848 | 40,981,926,268 | 37,090,666,846 |

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, 2014

| In Baht | | | | | |
|---|-------------|-----------------------------|-----------------------|-----------------------------|-----------------------|
| | | Consolidated | | Separate | |
| | | financial statements | | financial statements | |
| Notes | 2014 | 2013 | 2014 | 2013 | |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | | | |
| Current liabilities | | | | | |
| Payables to contractors | 365,921,747 | 332,701,263 | 158,188,406 | 143,651,835 | |
| Trade payable and other payable | 299,631,601 | 240,022,795 | 121,768,251 | 128,574,496 | |
| Payable to related parties | 5.5 | - | - | 9,402,535,494 | 9,233,141,329 |
| Short-term loan from related parties, net | 5.6 | - | - | - | 2,050,000,000 |
| Current portion of: | | | | | |
| - Long-term debt instruments | 13 | 2,754,450,363 | 2,802,380,533 | - | - |
| - Long-term loans from related parties | 5.7 | - | - | 4,593,734,442 | 4,775,029,754 |
| - Long-term loans | 14 | - | 200,000,000 | - | - |
| Accrued interest expense | 13 | 453,701,979 | 872,060,516 | 658,780 | 658,780 |
| Advances and deposits from customers | | 746,968,078 | 914,946,899 | 598,712,865 | 839,746,790 |
| Other current liabilities | 15 | 337,307,142 | 1,078,441,518 | 138,683,241 | 124,452,108 |
| Total current liabilities | | 4,957,980,910 | 6,440,553,524 | 15,014,281,479 | 17,295,255,092 |
| Non-current liabilities | | | | | |
| Long-term loans | 14 | - | 1,850,000,000 | - | - |
| Deferred tax liabilities | 16 | 2,409,371,387 | 2,057,430,948 | 28,238,201 | 878,034 |
| Employee benefit obligations | 17 | 22,910,955 | 22,016,443 | - | - |
| Total non-current liabilities | | 2,432,282,342 | 3,929,447,391 | 28,238,201 | 878,034 |
| Total liabilities | | 7,390,263,252 | 10,370,000,915 | 15,042,519,680 | 17,296,133,126 |

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, 2014

| | | In Baht | | | |
|---|-------------|-----------------------------|------------------------|-----------------------------|----------------------|
| | | Consolidated | | Separate | |
| | | financial statements | | financial statements | |
| Notes | 2014 | 2013 | 2014 | 2013 | |
| Sales | | 1,817,925,802 | 1,307,585,984 | 1,202,802,285 | 369,536,081 |
| Rental and service revenues | 5.1 | 2,523,273,558 | 2,419,654,010 | 2,674,050 | 3,742,300 |
| Total revenues | | 4,341,199,360 | 3,727,239,994 | 1,205,476,335 | 373,278,381 |
| Costs of sales | | (1,674,773,637) | (950,712,519) | (1,144,667,634) | (276,158,585) |
| Costs of rental and services | | (1,220,770,650) | (1,205,956,586) | - | - |
| Total costs | | (2,895,544,287) | (2,156,669,105) | (1,144,667,634) | (276,158,585) |
| Gross profit margin | | 1,445,655,073 | 1,570,570,889 | 60,808,701 | 97,119,796 |
| Gain on exchange rate, net | | - | 358,833,170 | - | 43,824,882 |
| Dividend income | 9 | - | - | 1,700,000,000 | 364,550,365 |
| Other revenues | 21 | 2,729,397,103 | 2,310,821,909 | 783,041,606 | 1,569,958,879 |
| Profit before expenses | | 4,175,052,176 | 4,240,225,968 | 2,543,850,307 | 2,075,453,922 |
| Selling expenses | | (43,379,345) | (51,909,541) | (24,422,401) | (5,186,222) |
| Administrative expenses | | (904,447,714) | (923,962,744) | (226,147,691) | (308,138,685) |
| Management benefit expenses | 24 | (70,373,505) | (59,635,143) | (31,162,342) | (19,589,656) |
| Loss on exchange rate, net | | (534,601,519) | - | (89,125,008) | - |
| Total expenses | | (1,552,802,083) | (1,035,507,428) | (370,857,442) | (332,914,563) |
| Profit before finance costs and income tax expense | | 2,622,250,093 | 3,204,718,540 | 2,172,992,865 | 1,742,539,359 |
| Finance costs | 5.1 | (240,916,443) | (119,753,560) | (379,550,747) | (227,489,281) |
| Profit before income tax expense | | 2,381,333,650 | 3,084,964,980 | 1,793,442,118 | 1,515,050,078 |
| Income tax expense | 23 | (285,113,348) | (552,199,395) | (28,358,406) | (2,091,429) |
| Net profit | | 2,096,220,302 | 2,532,765,585 | 1,765,083,712 | 1,512,958,649 |

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, 2014

| | | In Baht | | | |
|--------------|---|-----------------------------|-----------------------|-----------------------------|----------------------|
| | | Consolidated | | Separate | |
| | | financial statements | | financial statements | |
| Notes | | 2014 | 2013 | 2014 | 2013 |
| | Net profit | 2,096,220,302 | 2,532,765,585 | 1,765,083,712 | 1,512,958,649 |
| | Other comprehensive income | | | | |
| | Currency translation differences | (162,296) | 46,710 | - | - |
| | Depreciation on surplus on revaluation of assets | (77,742,969) | (27,399,596) | - | - |
| | Surplus on revaluation of assets | 999,261,816 | 8,455,676,097 | - | - |
| | Other comprehensive income - net of income tax | 921,356,551 | 8,428,323,211 | - | - |
| | Net profit and comprehensive income | <u>3,017,576,853</u> | <u>10,961,088,796</u> | <u>1,765,083,712</u> | <u>1,512,958,649</u> |
| | Net profit attributable to: | | | | |
| | Owners of the Company | 2,096,220,302 | 2,337,871,466 | 1,765,083,712 | 1,512,958,649 |
| | Non-controlling interests | - | 194,894,119 | - | - |
| | | <u>2,096,220,302</u> | <u>2,532,765,585</u> | <u>1,765,083,712</u> | <u>1,512,958,649</u> |
| | Net profit and comprehensive income attributable to: | | | | |
| | Owners of the Company | 3,017,576,853 | 10,766,194,677 | 1,765,083,712 | 1,512,958,649 |
| | Non-controlling interests | - | 194,894,119 | - | - |
| | | <u>3,017,576,853</u> | <u>10,961,088,796</u> | <u>1,765,083,712</u> | <u>1,512,958,649</u> |
| | Earnings per share | | | | |
| | Basic earnings per share (Baht) | 26 | <u>0.102</u> | <u>0.131</u> | <u>0.086</u> |
| | (2014 : 20,614 million shares) | | | | <u>0.085</u> |
| | (2013 : 17,795 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, 2014

| | | In Baht | | | | | | | | | | | | |
|-------------------------------------|----------------------------------|--|--------------------------|---------------------------|--------------------------------|----------------|----------------------------------|----------------------------------|--|--|----------------------------------|---|---------------------------|-----------------|
| | | Consolidated financial statements | | | | | | | | | | | | |
| | | Retained earnings | | | | | Other components of equity | | | | | | | |
| Notes | 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 | Net book value of subsidiaries exceed investment as of purchasing date | Change in shareholding in subsidiaries | Total other components of equity | Total equity attributable to owner's of the Company | Non-controlling interests | Total |
| | 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 |
| 18 | 895,177 | - | 273,204 | - | - | - | - | - | - | - | - | 1,168,381 | - | 1,168,381 |
| 18 | - | 413,190,591 | - | - | - | - | - | - | - | - | - | 413,190,591 | - | 413,190,591 |
| 20 | - | - | - | - | - | (355,821,874) | - | - | - | - | - | (355,821,874) | - | (355,821,874) |
| | - | - | - | - | - | - | - | - | - | 2,814,562,640 | 2,814,562,640 | 2,814,562,640 | (5,514,562,640) | (2,700,000,000) |
| | - | - | - | - | - | - | 46,710 | - | - | - | 46,710 | 46,710 | - | 46,710 |
| | - | - | - | - | - | - | - | (27,399,596) | - | - | (27,399,596) | (27,399,596) | - | (27,399,596) |
| | - | - | - | - | - | - | - | 8,455,676,097 | - | - | 8,455,676,097 | 8,455,676,097 | - | 8,455,676,097 |
| 19 | - | - | - | - | 75,647,932 | (75,647,932) | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | 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 |
| 18 | 2,848,596,109 | (413,190,591) | 2,563,414,514 | - | - | - | - | - | - | - | - | 4,998,820,032 | - | 4,998,820,032 |
| 18 | - | 157,319 | - | - | - | - | - | - | - | - | - | 157,319 | - | 157,319 |
| | - | - | - | - | - | - | (162,296) | - | - | - | (162,296) | (162,296) | - | (162,296) |
| 20 | - | - | - | - | - | (619,188,195) | - | - | - | - | - | (619,188,195) | - | (619,188,195) |
| | - | - | - | - | - | - | - | (77,742,969) | - | - | (77,742,969) | (77,742,969) | - | (77,742,969) |
| | - | - | - | - | - | - | - | 999,261,816 | - | - | 999,261,816 | 999,261,816 | - | 999,261,816 |
| 19 | - | - | - | - | 88,254,186 | (88,254,186) | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | 2,096,220,302 | - | - | - | - | - | 2,096,220,302 | - | 2,096,220,302 |
| Balance as at March 31, 2014 | 20,643,891,506 | 157,319 | 4,113,852,551 | (2,137,150,617) | 214,683,295 | 12,800,394,681 | 1,228,024 | 9,349,795,348 | 28,184,195 | 2,814,562,640 | 12,193,770,207 | 47,829,598,942 | - | 47,829,598,942 |

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, 2014

| | In Baht | | | | | | | Total |
|-------------------------------------|-------------------------------|----------------------------------|--------------------|--------------------------|---------------------------|--------------------------------|------------------|----------------|
| | Separate financial statements | | | | | | | |
| | Notes | Issued and paid-up share capital | Share subscription | Premium on share capital | Discount on share capital | Appropriated for legal reserve | Unappropriated | |
| | | | | | | | Retained earning | |
| Balance as at March 31, 2012 | | 17,794,400,220 | - | 1,550,164,833 | (2,137,150,617) | 50,781,177 | 964,842,360 | 18,223,037,973 |
| Share capital increase | 18 | 895,177 | - | 273,204 | - | - | - | 1,168,381 |
| Share subscription | 18 | - | 413,190,591 | - | - | - | - | 413,190,591 |
| Dividend payment | 20 | - | - | - | - | - | (355,821,874) | (355,821,874) |
| Appropriated for legal reserve | 19 | - | - | - | - | 75,647,932 | (75,647,932) | - |
| Net profit for year | | - | - | - | - | - | 1,512,958,649 | 1,512,958,649 |
| Balance as at March 31, 2013 | | 17,795,295,397 | 413,190,591 | 1,550,438,037 | (2,137,150,617) | 126,429,109 | 2,046,331,203 | 19,794,533,720 |
| Share capital increase | 18 | 2,848,596,109 | (413,190,591) | 2,563,414,514 | - | - | - | 4,998,820,032 |
| Share subscription | 18 | - | 157,319 | - | - | - | - | 157,319 |
| Dividend payment | 20 | - | - | - | - | - | (619,188,195) | (619,188,195) |
| Appropriated for legal reserve | 19 | - | - | - | - | 88,254,186 | (88,254,186) | - |
| Net profit for year | | - | - | - | - | - | 1,765,083,712 | 1,765,083,712 |
| Balance as at March 31, 2014 | | 20,643,891,506 | 157,319 | 4,113,852,551 | (2,137,150,617) | 214,683,295 | 3,103,972,534 | 25,939,406,588 |

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, 2014

| | In Baht | | | |
|--|-----------------------------|-----------------|-----------------------------|-----------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2014 | 2013 | 2014 | 2013 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Profit before income tax expense | 2,381,333,650 | 3,084,964,980 | 1,793,442,118 | 1,515,050,078 |
| Net adjustments to reconcile profit before income tax expense to cash provided by (disbursement) operating activities: | | | | |
| Depreciation and amortization | 576,666,124 | 564,372,474 | 77,657,786 | 77,010,208 |
| Interest income | (51,002,617) | (25,960,182) | (98,225,112) | (63,953,364) |
| Dividend income | - | - | (1,700,000,000) | (364,550,365) |
| Interest expense | 240,916,443 | 85,192,560 | 379,550,747 | 191,280,484 |
| Unrealised (gain) loss on exchange rate | 520,142,768 | (359,122,742) | 91,039,601 | (70,323,074) |
| Provision for employee benefit | - | 3,225,336 | - | - |
| Gain on sale of fixed assets | (1,613,055) | (120,447) | - | - |
| Gain on revaluation of investment property | (762,935,454) | (2,094,789,876) | (134,227,723) | - |
| Gain on repurchase of exchangeable notes | (387,206,840) | - | - | - |
| Reversal of allowance for doubtful account | - | - | (33,432,069) | (1,389,380,681) |
| Reversal of provision for loss on pending lawsuits | (500,255,221) | - | - | - |
| Reversal of accrued interest | (450,018,278) | - | - | - |
| Gain on reversal of long outstanding account payable | (416,600,000) | (126,511,073) | - | - |
| Net profit (loss) provided by (use in) operating activities before changes in operating assets and liabilities | 1,149,427,520 | 1,131,251,030 | 375,805,348 | (104,866,714) |
| (Increase) decrease in operating assets: | | | | |
| Trade receivable and other receivable | (79,958,182) | 66,041,865 | (28,766,911) | 28,367,854 |
| Real estate development cost | (42,072,333) | 163,557,459 | 555,381,858 | (92,053,492) |
| Other current assets | (34,529,751) | (19,881,349) | (8,515,918) | 32,800 |
| Other non-current assets | 221,271,115 | (97,766,787) | (2,299,531) | (23,967) |
| Increase (decrease) in operating liabilities: | | | | |
| Payables to contractors | 33,220,481 | 108,159,512 | 7,730,327 | 118,999,067 |
| Trade payable and other payable | 59,608,806 | 56,786,860 | - | - |
| Other current liabilities | 259,291,551 | (451,440,724) | (236,237,193) | (393,842,587) |
| Other non-current liabilities | 894,512 | (1,290,000) | - | - |

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, 2014

| | In Baht | | | |
|---|-----------------------------|-----------------|-----------------------------|-----------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2014 | 2013 | 2014 | 2013 |
| Cash received from refundable withholding tax | - | 7,480,457 | - | 7,480,457 |
| Income tax paid | (177,728,548) | (183,130,498) | (13,235,619) | (5,120,603) |
| Net cash provided by (used in) operating activities | 1,389,425,171 | 779,767,825 | 649,862,361 | (441,027,185) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Interest income received | 51,002,617 | 25,960,182 | 84,065,912 | 312,260,409 |
| (Increase) decrease in short-term investments | (3,086,977,659) | 101,592,441 | (2,642,962,973) | 101,592,441 |
| (Increase) decrease in short-term loans to and receivable from related parties | - | - | (506,742,418) | 90,922,890 |
| Payment of investment in subsidiaries | - | (2,700,000,000) | - | (2,700,000,000) |
| Proceeds from sale of assets | 1,927,780 | 2,097,819 | - | - |
| Cash paid for purchase of investment property | (93,912,837) | - | - | - |
| Cash paid for purchase and construction of fixed assets | (381,626,015) | (513,422,424) | (3,323,207) | (13,001,010) |
| Net cash used in investing activities | (3,509,586,114) | (3,083,771,982) | (3,068,962,686) | (2,208,225,270) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Interest expense paid | (237,145,576) | (28,513,979) | (220,896,668) | - |
| Increase (decrease) in short-term loans from and amount due to related parties | - | - | (2,119,907,820) | 2,412,622,224 |
| 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 | (2,050,000,000) | (50,000,000) | - | - |
| Cash paid for repurchase of exchangeable notes | (152,977,222) | - | - | - |
| Proceeds from share subscription | 4,998,977,352 | 414,358,971 | 4,998,977,352 | 414,358,971 |
| Dividend payment | (619,188,195) | (355,821,874) | (619,188,195) | (355,821,874) |
| Net cash provided by financing activities | 1,939,666,359 | 2,080,023,118 | 2,038,984,669 | 2,467,722,637 |
| Net decrease in cash and cash equivalents | (180,494,584) | (223,981,039) | (380,115,656) | (181,529,818) |
| Cash and cash equivalents at beginning of the year | 1,342,323,703 | 1,566,304,742 | 453,242,132 | 634,771,950 |
| Cash and cash equivalents at end of the year | 1,161,829,119 | 1,342,323,703 | 73,126,476 | 453,242,132 |

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, 2014

| | In Baht | | | |
|---|----------------------|----------------------|----------------------|--------------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2014 | 2013 | 2014 | 2013 |
| Supplemental Disclosures of Cash Flows Information: | | | | |
| 1. Cash and cash equivalents : | | | | |
| Cash on hand | 70,367,435 | 36,257,614 | 6,963,085 | 10,982,861 |
| Undeposited cheques | 30,397,862 | 13,106,231 | 500,000 | - |
| Saving accounts | 876,057,729 | 613,386,169 | 57,008,199 | 22,628,497 |
| Current accounts | 79,716,647 | 443,775,086 | 8,655,192 | 419,630,774 |
| Fixed deposits | 105,289,446 | 235,798,603 | - | - |
| Total | <u>1,161,829,119</u> | <u>1,342,323,703</u> | <u>73,126,476</u> | <u>453,242,132</u> |
| 2. Non-cash transactions | | | | |
| 2.1 Transfer real estate development cost to property, plants and equipment | 167,649,331 | - | - | - |
| 2.2 Transfer property, plants and equipment to investment property | - | 400,285,147 | - | - |
| 2.3 Transfer real estate development cost to investment property | 468,493,287 | 190,947,454 | 468,493,287 | - |
| 2.4 Set off dividend income from subsidiary with short-term loan from related parties | - | - | - | 364,550,365 |
| 2.5 Realize dividend income and accrued dividend income | - | - | 1,700,000,000 | - |

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

BANGKOK LAND PUBLIC COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2014

1. General information

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

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

The principal business 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

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”) including related interpretations and guidelines promulgated by the Federation of Accounting Professions (FAP); applicable rules and regulations of the Thai Securities and Exchange Commission.

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

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

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

2.2 Adoption of new accounting standards

2.2.1 The FAP has issued the following new and revised TFRS relevant and effective for accounting periods beginning on or after January 1, 2013:

| | |
|--------------------------|--|
| TAS 12 | Income Taxes |
| 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 |
| TSIC 21 | Income Taxes-Recovery of Revalued Non-Depreciable Assets |
| TSIC 25 | Income Taxes–Changes in the Tax Status of an Entity or its Shareholders |
| FAP Announcement 34/2012 | Accounting guidance for Transfers of Financial Assets |

BANGKOK LAND PUBLIC COMPANY LIMITED**NOTES TO FINANCIAL STATEMENTS****MARCH 31, 2014**

In addition to the above new and revised TFRS, as at March 31, 2014 the FAP had issued a number of other new and revised TFRS which are effective for financial statements beginning on or after January 1, 2014 and have not been adopted in the preparation of these financial statements.

2.2.2 Those new and revised TFRS that are applicable, which become effective for annual financial periods beginning on or after 1 January in the year indicated in the following table, are as follows:

| <u>TFRS</u> | <u>Topic</u> | <u>Year effective</u> |
|-----------------------|--|-----------------------|
| TAS 1 (revised 2012) | Presentation of financial statements | 2014 |
| TAS 7 (revised 2012) | Statement of Cash Flows | 2014 |
| TAS 12 (revised 2012) | Income Taxes | 2014 |
| TAS 17 (revised 2012) | Leases | 2014 |
| TAS 18 (revised 2012) | Revenue Recognition | 2014 |
| TAS 19 (revised 2012) | Employee Benefits | 2014 |
| TAS 21 (revised 2012) | The Effects of Changes in Foreign Exchange Rates | 2014 |
| TAS 24 (revised 2012) | Related Party Disclosures | 2014 |
| TAS 28 (revised 2012) | Investments in Associates | 2014 |
| TAS 31 (revised 2012) | Interests in Joint Ventures | 2014 |
| TAS 34 (revised 2012) | Interim Financial Reports | 2014 |
| TAS 36 (revised 2012) | Impairment of Assets | 2014 |
| TAS 38 (revised 2012) | Intangible Assets | 2014 |
| TFRS 2 (revised 2012) | Share-based Payment | 2014 |
| TFRS 3 (revised 2012) | Business Combinations | 2014 |
| TFRS 4 | Insurance Contracts | 2016 |
| TFRS 5 (revised 2012) | Non-current Assets held for Sale and Discontinued Operations | 2014 |
| TFRS 8 (revised 2012) | Operating Segments | 2014 |
| TFRIC 1 | Changes in Existing Decommissioning, Restoration and Similar Liabilities | 2014 |
| TFRIC 4 | Determining whether an Arrangement contains a Lease | 2014 |
| TFRIC 5 | Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds | 2014 |
| TFRIC 7 | Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies | 2014 |

BANGKOK LAND PUBLIC COMPANY LIMITED**NOTES TO FINANCIAL STATEMENTS****MARCH 31, 2014**

| <u>TFRS</u> | <u>Topic</u> | <u>Year effective</u> |
|-------------|---|-----------------------|
| TFRIC 10 | Interim Financial Reporting and Impairment | 2014 |
| TFRIC 12 | Service Concession Arrangements | 2014 |
| TFRIC 13 | Customer Loyalty Programmes | 2014 |
| TFRIC 17 | Distributions of Non-cash Assets to Owners | 2014 |
| TFRIC 18 | Transfers of Assets from Customers | 2014 |
| TIC 15 | Operating Leases-Incentives | 2014 |
| TIC 27 | Evaluating the Substance of Transactions Involving the Legal Form of a Lease | 2014 |
| TIC 29 | Service Concession Arrangements – Disclosure | 2014 |
| TIC 32 | Intangible Assets-Web Site Costs | 2014 |

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

3. Significant accounting policies

The financial statements for the year ended March 31, 2014 are prepared using the same accounting policies as were used in the preparation of the financial statements for the year ended March 31, 2013.

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:

| | <u>Principal business</u> | <u>Percentage of holding</u> | |
|--|---------------------------------|------------------------------|-------------|
| | | <u>2014</u> | <u>2013</u> |
| Direct investment : | | | |
| Sinpornchai Company Limited | Property development | 100.00 | 100.00 |
| Bangkok Land (Cayman Islands) Limited | Financing | 100.00 | 100.00 |
| Muang Thong Services and Management Limited | Project management service | 97.00 | 97.00 |
| Muang Thong Building Services Limited | Building maintenance service | 97.00 | 97.00 |

BANGKOK LAND PUBLIC COMPANY LIMITED**NOTES TO FINANCIAL STATEMENTS****MARCH 31, 2014**

| | Principal business | Percentage of holding | |
|--|-------------------------------|-----------------------|--------|
| | | 2014 | 2013 |
| Impact Exhibition Management Company Limited | Exhibition convention & hotel | 100.00 | 100.00 |
| Spooner Limited | Dormant | 100.00 | 100.00 |
| Direct and indirect investment : | | | |
| Bangkok Land Agency Limited | Property renting | 99.30 | 99.30 |
| Bangkok Airport Industry Company Limited | Property development | 100.00 | 100.00 |
| RMI Company Limited | REIT manager | 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 recognitionProperty 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 loans are presented at the acquisition cost net of allowance for impairment (if any). Loss on impairment is recognized as an expense in the statement of comprehensive income.

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

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

i) Capitalisation of borrowing costs

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

j) Investment property

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

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

k) Property , plants and equipment

Land are stated at revalue amount (market approach) less provision for impairment of assets (if any). Buildings are stated at the revalued amount (replacement cost approach) less accumulated depreciation and provision for impairment of assets (if any). Equipment is stated at cost less relevant accumulated depreciation and provision for impairment of assets (if any).

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

BANGKOK LAND PUBLIC COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2014

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.

d) Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognized in profit or loss except to the extent that they relate to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and jointly-controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously. A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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, 2014 and 2013.

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. 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.

BANGKOK LAND PUBLIC COMPANY LIMITED

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MARCH 31, 2014

5. Transactions with related parties

5.1 Significant transactions with related parties

Portion of revenues and expenses arose from transactions with related parties for the years ended March 31, 2014 and 2013 are summarized as follows:

| | | In Million Baht | | | |
|--|------------------|----------------------|------|----------------------|------|
| | | Consolidated | | Separate | |
| | | financial statements | | financial statements | |
| Pricing Policy | | 2014 | 2013 | 2014 | 2013 |
| Management fee : | 6% of sale | | | | |
| Bangkok Airport Industry Company Limited | contract | - | - | 1 | 8 |
| Rental Income : | | | | | |
| Bangkok Land Agency Company Limited | | - | - | 1 | 1 |
| Interest Income : | MLR rate | | | | |
| Bangkok Airport Industry Company Limited | | - | - | 37 | 26 |
| Sinpornchai Company Limited | | - | - | 28 | 29 |
| | | - | - | 65 | 55 |
| Dividend Income : | Right to receive | | | | |
| Impact Exhibition Management Company Limited | dividend | - | - | 1,700 | 365 |
| Interest expense : | | | | | |
| Bangkok Land (Cayman Islands) Limited | 3.125% | - | - | 149 | 149 |
| Impact Exhibition Management Company Limited | 6.5% | - | - | 15 | 27 |
| | | - | - | 164 | 176 |

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NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2014

5.2 Advances and other receivables from related parties

The balances of receivables from related parties as at March 31, 2014 and 2013 are as follows:

| | In Million Baht | | | |
|---|----------------------|------|----------------------|-------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2014 | 2013 | 2014 | 2013 |
| Accrued income : | | | | |
| Bangkok Airport Industry Company Limited | - | - | 18 | 18 |
| Bangkok Land Agency Company Limited | - | - | 11 | 10 |
| Total Accrued income | - | - | 29 | 28 |
| Advances deposit and other receivables : | | | | |
| Bangkok Land Agency Company Limited | - | - | 43 | 43 |
| Spooner Limited | - | - | 10 | 9 |
| Bangkok Airport Industry Company Limited | - | - | 225 | 225 |
| Total advances and other receivables | - | - | 278 | 277 |
| Accrued dividend income | | | | |
| Impact Exhibition Management Company Limited | - | - | 1,700 | - |
| Interest receivables : | | | | |
| Bangkok Airport Industry Company Limited | - | - | 1,974 | 1,987 |
| Sinpornchai Company Limited | - | - | 125 | 97 |
| Bangkok Land Agency Company Limited | - | - | 23 | 23 |
| Muang Thong Building Services Company Limited | - | - | 1 | 1 |
| Less: Allowance for doubtful accounts | - | - | - | (33) |
| Total interest receivable | - | - | 2,123 | 2,075 |
| Total | - | - | 4,130 | 2,380 |

BANGKOK LAND PUBLIC COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2014

5.3 Short-term loans to related parties, net

The balances of receivables from related parties as at March 31, 2014 and 2013 are as follows:

| | In Million Baht | | | |
|--|----------------------|------|----------------------|------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2014 | 2013 | 2014 | 2013 |
| Bangkok Airport Industry Company Limited | - | - | 322 | - |
| Sinpornchai Company Limited | - | - | 400 | 400 |
| | - | - | 722 | 400 |

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

5.4 Investment in loans

| | In Million Baht | | | |
|--|----------------------|------|----------------------|------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2014 | 2013 | 2014 | 2013 |
| 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.

BANGKOK LAND PUBLIC COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

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5.5 Payables to related parties

The balances of payables to related parties as at March 31, 2014 and 2013 are as follows:

| | In Million Baht | | | |
|---|----------------------|------|----------------------|-------|
| | Consolidated | | Separate | |
| | financial statements | | Financial statements | |
| | 2014 | 2013 | 2014 | 2013 |
| Interest payable : | | | | |
| Bangkok Land (Cayman Islands) Company Limited | - | - | 9,315 | 9,075 |
| Accrued management fee : | | | | |
| Bangkok Land Agency Company Limited | - | - | 29 | 29 |
| Bangkok Land (Cayman Islands) Company Limited | - | - | 50 | 50 |
| Total accrued management fee | - | - | 79 | 79 |
| Advances and other payables : | | | | |
| Muang Thong Services and Management Company Limited | - | - | 4 | 4 |
| Muang Thong Building Services Company Limited | - | - | 4 | 4 |
| Bangkok Airport Industry Company Limited | - | - | - | 70 |
| Impact Exhibition Management Company Limited | - | - | 1 | 1 |
| Total advances and other payables | - | - | 9 | 79 |
| Total payables to related parties | - | - | 9,403 | 9,233 |

5.6 Short-term loans from related parties, net

The balances of short-term loans from related parties as at March 31, 2014 and 2013 are as follows:

| | In Million Baht | | | |
|--|----------------------|------|----------------------|-------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2014 | 2013 | 2014 | 2013 |
| 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.

BANGKOK LAND PUBLIC COMPANY LIMITED**NOTES TO FINANCIAL STATEMENTS****MARCH 31, 2014****5.7 Long-term loans from related parties**

Long-term loans from related companies as at March 31, 2014 and 2013 comprise of:

| <u>Due date</u> | <u>Interest rate</u> per annum | <u>In Million Baht</u> | |
|--|-----------------------------------|--------------------------------------|-------------|
| | | <u>Separate financial statements</u> | |
| | | <u>2014</u> | <u>2013</u> |
| <u>Loans from Bangkok Land (Cayman Islands) Limited (BL Cayman)</u> | | | |
| March 2001 | 3.125% | 4,594 | 4,775 |
| Long-term loans from related companies presented under current liabilities | | 4,594 | 4,775 |

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 13).

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, 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).

6. Short-term investments

As at March 31, 2014 and 2013 short-term investments comprise of:

| | <u>In Million Baht</u> | | | |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | <u>Consolidated</u> | | <u>Separate</u> | |
| | <u>financial statements</u> | <u>financial statements</u> | <u>financial statements</u> | <u>financial statements</u> |
| | <u>2014</u> | <u>2013</u> | <u>2014</u> | <u>2013</u> |
| Fixed deposit 6 -15 months | 1,414 | 114 | 1,114 | 114 |
| Investment in short-term debt instruments | 1,787 | - | 1,643 | - |
| Total | 3,201 | 114 | 2,757 | 114 |

BANGKOK LAND PUBLIC COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2014

7. Trade receivable and other receivable, net

Trade receivable and other receivable as at March 31, 2014 and 2013 are as follows:

| | In Million Baht | | | |
|--|----------------------|------------|----------------------|-----------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2014 | 2013 | 2014 | 2013 |
| Accounts receivable | 371 | 344 | - | - |
| <u>Less</u> Allowance for doubtful account | (78) | (60) | - | - |
| Trade account receivable | 293 | 284 | - | - |
| Other receivable | 149 | 78 | 44 | 15 |
| Total trade and other receivables - net | <u>442</u> | <u>362</u> | <u>44</u> | <u>15</u> |
| The aging of trade receivable are as follows : | | | | |
| Up to 3 months | | | | |
| 3 - 6 months | 213 | 191 | - | - |
| 6 - 12 months | 39 | 34 | - | - |
| Over 12 months | 59 | 54 | - | - |
| Total | <u>60</u> | <u>65</u> | <u>-</u> | <u>-</u> |
| | <u>371</u> | <u>344</u> | <u>-</u> | <u>-</u> |

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MARCH 31, 2014

8. Real estate development cost, net

Real estate development cost as at March 31, 2014 and 2013 comprises:

| | In Million Baht | | | |
|---|----------------------|---------------------|----------------------|---------------------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2014 | 2013 | 2014 | 2013 |
| Land | 14,157 | 13,713 | 13,374 | 13,293 |
| Construction in progress | 18,857 | 18,578 | 8,710 | 8,484 |
| Infrastructure cost - areas for sale | 1,351 | 1,181 | 1,298 | 1,137 |
| - public areas | 1,297 | 1,297 | 1,297 | 1,297 |
| Project management fee | 993 | 995 | 483 | 485 |
| Borrowing costs | 3,831 | 3,847 | 1,346 | 1,362 |
| Other related costs | 1,158 | 1,019 | 739 | 599 |
| | <u>41,644</u> | <u>40,630</u> | <u>27,247</u> | <u>26,657</u> |
| Less: Transfer to cost of sales to date | | | | |
| - Cost of sales | (23,073) | (21,910) | (10,968) | (9,823) |
| - Accumulated depreciation of public area infrastructure | (1,021) | (956) | (1,021) | (956) |
| Allowance for net realizable value discounts | (2,121) | (2,121) | (437) | (437) |
| Transfer to property, plants and equipment | (167) | - | - | - |
| Transfer to investment property | (469) | (191) | (469) | - |
| Total | <u>14,793</u> | <u>15,452</u> | <u>14,352</u> | <u>15,441</u> |
| Less: Real estate development cost classified as current assets | (13,374) | (14,071) | (12,933) | (14,024) |
| Net | <u><u>1,419</u></u> | <u><u>1,381</u></u> | <u><u>1,419</u></u> | <u><u>1,417</u></u> |

Part of the land and condominium units have been 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:

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| | Consolidated | | Separate | |
|---|----------------------|------|----------------------|------|
| | financial statements | | financial statements | |
| | 2014 | 2013 | 2014 | 2013 |
| Percentage of land mortgaged | 1 | 1 | 1 | 1 |
| Percentage of condominium units mortgaged | 30 | 28 | 30 | 30 |

On August 21, 2013, the Company entered into an agreement with a non-related company to sell 321 rai of land at a total price of Baht 3,216.93 million. Land ownership shall be transferred to the buyer in 3 tranches with the 1st 100 rai on October 10, 2013, the 2nd 100 rai on or before October 10, 2015 and the balance of 121 rai on or before October 10, 2016 at the option of the buyer.

9. Investment in subsidiaries

As at March 31, 2014 and 2013, investment in subsidiaries comprise of :

| | Separate financial statements | | | | | | | |
|---|-------------------------------|----------|--------------------------|------|-----------------|---------------|--------------|------------|
| | In Million Baht | | | | In Million Baht | | | |
| | Paid-up share capital | | Percentage of holding(%) | | At Cost | | Dividend | |
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| Investment in subsidiaries | | | | | | | | |
| Impact Exhibition Management Company Limited | 12,953 | 12,953 | 100 | 100 | 9,848 | 9,848 | 1,700 | 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 | - | - | - | - |
| Spooner Limited | - | - | 100 | 100 | - | - | - | - |
| Total | | | | | 10,026 | 10,026 | 1,700 | 365 |

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.

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10. Investment property

During for the years ended As at March 31, 2014 and 2013, the movements of investment property are as follows :

| | In Million Baht | | | |
|---|----------------------|--------------|----------------------|----------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2014 | 2013 | 2014 | 2013 |
| Appraised Value | | | | |
| Beginning balance | 3,398 | 706 | 5 | 5 |
| Increase | 94 | - | - | - |
| Transfer from property, plant and equipment | - | 406 | - | - |
| Transfer from real estate development cost | 469 | 191 | 469 | - |
| Gain on revaluation | 763 | 2,095 | 134 | - |
| Ending balance | <u>4,724</u> | <u>3,398</u> | <u>608</u> | <u>5</u> |

Investment property is stated at fair value based on the latest appraised value (market approach) of independent valuers.

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11. Property, plants and equipment, net

| | Consolidated (In Million Baht) | | | | | | | | Total |
|---|--------------------------------|----------------------------------|------------------------------|-----------------------|------------------------|------------------------|----------------|--------------------------|--------|
| | Land | Buildings and other construction | Impact Hall interior systems | Impact Hall structure | Buildings improvements | Furniture and fixtures | Motor vehicles | Construction in progress | |
| <u>At Cost</u> | | | | | | | | | |
| March 31, 2013 | 2,975 | 151 | 4,428 | 6,035 | 257 | 937 | 77 | 116 | 14,976 |
| Increase | - | 18 | 51 | - | - | 150 | 14 | 149 | 382 |
| Decrease | - | - | - | - | - | (4) | (2) | - | (6) |
| Transfer in (Transfer out) | 167 | - | 83 | - | 17 | 47 | - | (147) | 167 |
| March 31, 2014 | 3,142 | 169 | 4,562 | 6,035 | 274 | 1,130 | 89 | 118 | 15,519 |
| <u>Accumulated Depreciation</u> | | | | | | | | | |
| March 31, 2013 | - | 66 | 1,346 | 800 | 171 | 651 | 52 | - | 3,086 |
| Increase | - | 8 | 240 | 142 | 12 | 90 | 10 | - | 502 |
| Decrease | - | - | - | - | - | (4) | (2) | - | (6) |
| March 31, 2014 | - | 74 | 1,586 | 942 | 183 | 737 | 60 | - | 3,582 |
| <u>Differences on revaluation of assets</u> | | | | | | | | | |
| March 31, 2013 | 5,687 | 43 | 1,594 | 2,785 | - | - | - | - | 10,109 |
| Increase | 995 | - | - | - | - | - | - | - | 995 |
| Decrease | - | - | - | - | - | - | - | - | - |
| March 31, 2014 | 6,682 | 43 | 1,594 | 2,785 | - | - | - | - | 11,104 |
| <u>Accumulated depreciation -differences on revaluation of assets</u> | | | | | | | | | |
| March 31, 2013 | - | 2 | 9 | 16 | - | - | - | - | 27 |
| Increase | - | 4 | 40 | 53 | - | - | - | - | 97 |
| Decrease | - | - | - | - | - | - | - | - | - |
| March 31, 2014 | - | 6 | 49 | 69 | - | - | - | - | 124 |
| <u>Net book value</u> | | | | | | | | | |
| March 31, 2013 | 8,662 | 126 | 4,667 | 8,004 | 86 | 286 | 25 | 116 | 21,972 |
| March 31, 2014 | 9,824 | 132 | 4,521 | 7,809 | 91 | 393 | 29 | 118 | 22,917 |

As at March 31, 2014 and 2013, a portion of property with historical costs of Baht 626 million and Baht 560 million, respectively, are in use but fully depreciated.

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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 14).

| | Separate (In Million Baht) | | | |
|---------------------------------|----------------------------|---------------------------|-------------------|-------|
| | Building Improvements | Furniture and fixtures | Motor vehicles | Total |
| <u>Cost</u> | | | | |
| March 31, 2013 | 37 | 17 | 6 | 60 |
| Increase | - | 2 | 1 | 3 |
| Decrease | - | - | - | - |
| March 31, 2014 | 37 | 19 | 7 | 63 |
| <u>Accumulated Depreciation</u> | | | | |
| March 31, 2013 | 30 | 10 | 6 | 46 |
| Increase | - | 2 | - | 2 |
| Decrease | - | - | - | - |
| March 31, 2014 | 30 | 12 | 6 | 48 |
| <u>Net book value</u> | | | | |
| March 31, 2013 | 7 | 7 | - | 14 |
| March 31, 2014 | 7 | 7 | 1 | 15 |

As at March 31, 2014 and 2013, a portion of property with historical costs of Baht 43 million respectively, are in use but fully depreciated.

The Group has 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, 2014 and 2013 are as follows:

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| | In Million Baht | |
|---|-----------------|---------|
| | Consolidated | |
| | 2014 | 2013 |
| Depreciation recognized in shareholders' equity | 97 | 27 |
| Effect to statements of income from above depreciation recognized in shareholders' equity | | |
| Profit for the years decrease | (97) | (27) |
| Earnings per share decrease (Unit : Baht per share) | (0.005) | (0.002) |

12. Land held for future use

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

As a result of the liquidation of NALF, the fund transferred plots of land totaling Baht 7,285 million to the Company which was presented under "Land held for future use".

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

13. Long-term debt instruments

| | Maturity date | Interest rate per annum | Consolidated financial statements | | | |
|---|---------------|-------------------------|-----------------------------------|--------------|----------------------------|--------------|
| | | | 2014 | | 2013 | |
| | | | Amount | | Amount | |
| | | | Original Currency | Million Baht | Original Currency | Million Baht |
| 1. Exchangeable Bonds | October 2003 | 4.50 % | 13.38 million U.S. Dollars | 436 | 13.97 million U.S. Dollars | 411 |
| 2. Exchangeable Notes | March 2001 | 3.125% | 61.60 million Swiss Francs | 2,272 | 75.35 million Swiss Francs | 2,347 |
| | | | | 2,708 | | 2,758 |
| Provision for premium on bond redemption | | | | 46 | | 44 |
| Total long-term debt instruments presented as current portion | | | | 2,754 | | 2,802 |

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

In September 2013, the Company's legal advisor has reviewed the terms and conditions of these debt instruments and has the opinion that Bland Cayman has over accrued interest payable in the sum of Baht 450 million. This over accrued interest was therefore written back in the financial statements of the Group as other income in the consolidated statement of comprehensive income for the year ended March 31, 2014.

BANGKOK LAND PUBLIC COMPANY LIMITED**NOTES TO FINANCIAL STATEMENTS****MARCH 31, 2014****14. Long-term loans**

As of March 31, 2014 and 2013, the Company has long-term loans as follows:

| | In Million Baht | |
|---|----------------------|-------|
| | Consolidated | |
| | financial statements | |
| | 2014 | 2013 |
| Long-term loans | - | 2,050 |
| <u>Less</u> Current portion due within one year | - | (200) |
| Net | - | 1,850 |

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 11) 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.

15. Other current liabilities

The balances of other current liabilities as at March 31, 2014 and 2013, are as follows :

| | In Million Baht | | | |
|--|----------------------|-------|----------------------|------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2014 | 2013 | 2014 | 2013 |
| Provision for loss on pending lawsuits (Note 28) | 129 | 619 | 126 | 118 |
| Accrued income tax | 46 | 78 | - | 1 |
| Others | 162 | 381 | 13 | 5 |
| Total | 337 | 1,078 | 139 | 124 |

BANGKOK LAND PUBLIC COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2014

16. Deferred tax

Deferred tax as at March 31, 2014 and 2013 comprises:

| | In Million Baht | | | |
|--------------------------|----------------------|---------|----------------------|------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2014 | 2013 | 2014 | 2013 |
| Deferred tax assets | 19 | 17 | - | 1 |
| Deferred tax liabilities | (2,409) | (2,057) | (28) | (1) |

Movements in total deferred tax assets and liabilities during the year were as follows:

| | In Million Baht | | | | |
|--|-----------------------------------|-------------------|-------------------------|----------|-------------------|
| | Consolidated financial statements | | | | |
| | (Charged) / credited to: | | | | |
| | April 1, 2013 | Other | | | March 31, 2014 |
| | | Profit or loss | comprehensive income | Equity | |
| Deferred tax assets | | | | | |
| Allowance for doubtful accounts | 11 | 4 | - | - | 15 |
| Provision for employees benefits | 4 | - | - | - | 4 |
| Income recognition of real estate business | 2 | (2) | - | - | - |
| Total | 17 | 2 | - | - | 19 |
| Deferred tax liabilities | | | | | |
| Revaluation of property, plant and equipment | (1,403) | - | (184) | - | (1,587) |
| Revaluation of investment property | (569) | (153) | - | - | (722) |
| Income recognition of real estate business | - | (1) | - | - | (1) |
| Others | (85) | (14) | - | - | (99) |
| Total | (2,057) | (168) | (184) | - | (2,409) |

BANGKOK LAND PUBLIC COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2014

| | In Million Baht | | | | |
|--|-----------------------------------|-------------------|----------------------------------|----------|-------------------|
| | Consolidated financial statements | | | | |
| | (Charged) / credited to: | | | | |
| | April 1, 2012 | Profit or loss | Other comprehensive income | Equity | March 31, 2013 |
| Deferred tax assets | | | | | |
| Allowance for doubtful accounts | 18 | (7) | - | - | 11 |
| Provision for employees benefits | 6 | (2) | - | - | 4 |
| Income recognition of real estate business | 5 | (3) | - | - | 2 |
| Total | 29 | (12) | - | - | 17 |

| | | | | | |
|--|--------------|--------------|----------------|----------|----------------|
| Deferred tax liabilities | | | | | |
| Revaluation of property, plant and equipment | - | - | (1,403) | - | (1,403) |
| Revaluation of investment property | (194) | (375) | - | - | (569) |
| Others | (100) | 15 | - | - | (85) |
| Total | (294) | (360) | (1,403) | - | (2,057) |

| | In Million Baht | | | | |
|--|-------------------------------|-------------------|----------------------------------|----------|-------------------|
| | Separate financial statements | | | | |
| | (Charged) / credited to: | | | | |
| | April 1, 2013 | Profit or loss | Other comprehensive income | Equity | March 31, 2014 |
| Deferred tax assets | | | | | |
| Income recognition of real estate business | 1 | (1) | - | - | - |
| Total | 1 | (1) | - | - | - |
| Deferred tax liabilities | | | | | |
| Revaluation of investment property | (1) | (26) | - | - | (27) |
| Income recognition of real estate business | - | (1) | - | - | (1) |
| Total | (1) | (27) | - | - | (28) |

BANGKOK LAND PUBLIC COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2014

| | In Million Baht | | | | |
|--|-------------------------------|-------------------|----------------------------------|----------|-------------------|
| | Separate financial statements | | | | |
| | (Charged) / credited to: | | | | |
| | April 1, 2012 | Profit or loss | Other comprehensive income | Equity | March 31, 2013 |
| Deferred tax assets | | | | | |
| Income recognition of real estate business | 4 | (3) | - | - | 1 |
| Total | <u>4</u> | <u>(3)</u> | <u>-</u> | <u>-</u> | <u>1</u> |
| Deferred tax liabilities | | | | | |
| Revaluation of investment property | (1) | - | - | - | (1) |
| Total | <u>(1)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(1)</u> |

Deferred 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 428 million in 2014, which may carry forward against future taxable income (Separate : Baht 428 million).

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.

17. 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, 2014 and 2013, as follows:

| | In Million Baht | |
|---|--------------------------------------|---------------|
| | Consolidated financial statements | |
| | 2014 | 2013 |
| Provision for employee benefits - beginning | 22.02 | 20.08 |
| <u>Add</u> recognized amount | 1.84 | 3.23 |
| <u>Less</u> liability decrease from actual paid | <u>(0.95)</u> | <u>(1.29)</u> |

BANGKOK LAND PUBLIC COMPANY LIMITED**NOTES TO FINANCIAL STATEMENTS****MARCH 31, 2014**

| | In Million Baht | |
|---|----------------------|--------|
| | Consolidated | |
| | financial statements | |
| | 2014 | 2013 |
| Provision for employee benefits - ending | 22.91 | 22.02 |
| Present value of unfunded obligation as at March 31, | 22.91 | 22.02 |
| Expense recognised in profit or loss | | |
| Current service cost | 1.24 | 2.51 |
| Interest cost | 0.60 | 0.72 |
| Total – recognized in the statement of income | 1.84 | 3.23 |
| Principal actuarial assumptions at the reporting date (Actuarial basis) | | |
| Discount rate (%) | 3.3558 | 3.5861 |
| Future salary increase (%) | 3 | 3 |
| Retirement age (years old) | 55 | 55 |

18. a) Share capital

At the extraordinary meeting of the shareholders held on June 11, 2013, the shareholders has resolutions as follows:

1. 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).
2. Approve the increase of the registered share 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.
3. 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.

The Company has already registered the decrease and increase of registered share capital with Ministry of Commerce on June 12, 2013 and June 13, 2013 respectively.

b) Warrants

1. On May 26, 2008, warrants to purchase ordinary shares of the Company was listed on the Stock Exchange of Thailand (trading commencement on May 26, 2008) – BLAND-W2 with major characteristics as follows:

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

On 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 recorded 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.

On May 2, 2013 (the last exercise date of BLAND-W2) the warrant holder exercised 2,629,378,748 units and the Company received Baht 4,995,819,621.20 from the issuance of 2,629,378,748 common shares to the warrant. The change of paid-up share capital was officially registered with Ministry of Commerce on May 15, 2013.

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 |

BANGKOK LAND PUBLIC COMPANY LIMITED

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| | |
|---------------------|---|
| Underlying Shares: | 1,999,038,869 shares |
| Offering: | Offered to existing shareholders whose name appeared on the registration book |
| Rights of Warrants: | The holder of warrant certificate has the right to purchase ordinary share of the Company of 1 warrant for 1 new share. |
| Exercise Price: | 1st year : Baht 1.10 per share; 2nd year : Baht 1.30 per share; 3rd year : Baht 1.50 per share; 4th year : Baht 1.70 per share; 5th year : Baht 1.90 per share; |
| Term of Warrants: | 5 years from the issuance date of November 8, 2010 with the last exercise date being November 8, 2015. |

On 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 recorded 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.

On June 30, 2013, the warrant holder of BLAND-W3 exercised 112,359 units and the Company received Baht 168,538.50 share proceeds from the issuance of 112,359 common shares to the warrant. The change of paid-up share capital was officially registered with Ministry of Commerce on July 3, 2013.

On September 30, 2013, the warrant holder of BLAND-W3 exercised 63,898 units and the Company received Baht 95,847 share proceeds from the issuance of 63,898 common shares to the warrant. The change of paid-up share capital was officially registered with Ministry of Commerce on October 3, 2013.

On March 31, 2014, the warrant holder of BLAND-W3 exercised 16,122 units and the Company received Baht 27,407 share proceeds from the issuance of 16,122 common shares to the warrant. This proceeds was recorded as “Share subscription” in the statement of financial position as at March 31, 2014. The change of paid-up share capital was officially registered with Ministry of Commerce on April 4, 2014.

As at March 31, 2014, the outstanding of unexercised warrants (BLAND-W3) was 1,991,533,610 units.

3. At the extraordinary meeting of the shareholders held on June 11, 2013, the shareholders resolved to issue and offer the warrants (BLAND-W4) to the shareholders as detailed belows :

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| | |
|---------------------|---|
| Type of Warrants: | Named certificate and transferable |
| Number of Warrants: | 6,949,753,569 units |
| Underlying Shares: | 6,949,753,569 shares |
| 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 of July 3, 2013. The first exercise date is September 30, 2013, and the last exercise date is July 2, 2018. |

On September 30, 2013, the warrant holder of BLAND-W4 exercised 1,368,013 units and the Company received Baht 2,736,026 share proceeds from the issuance of 1,368,013 common shares to the warrant. The change of paid-up share capital was officially registered with Ministry of Commerce on October 3, 2013.

On March 31, 2014, the warrant holder of BLAND-W4 exercised 64,956 units and the Company received Baht 129,912 share proceeds from the issuance of 64,956 common shares to the warrant. This proceeds was recorded as "Share subscription" in the statement of financial position as at March 31, 2014. The change of paid-up share capital was officially registered with Ministry of Commerce on April 4, 2014.

As at March 31, 2014, the outstanding of unexercised warrants (BLAND-W4) was 6,948,320,600 units.

BANGKOK LAND PUBLIC COMPANY LIMITED**NOTES TO FINANCIAL STATEMENTS****MARCH 31, 2014**

19. 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.

20. 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.

At the shareholders' meeting held on July 31, 2013, the shareholders passed the resolution to approve the dividend payment at the rate of Baht 0.03 per share, totaling Baht 619 million.

21. Other revenues

Other revenues for the years ended March 31, 2014 and 2013 comprise :

| | In Million Baht | | | |
|--|----------------------|----------------------|----------------------|----------------------|
| | Consolidated | | Separate | |
| | financial statements | financial statements | financial statements | financial statements |
| | 2014 | 2013 | 2014 | 2013 |
| Interest income | 51 | 26 | 98 | 64 |
| Gain on reversal of long outstanding account payable | 417 | 127 | 417 | 85 |
| Reversal of accrued interest (Note 13) | 450 | - | - | - |
| Reversal of provision for loss on pending lawsuits (Note 28) | 500 | - | - | - |
| Reversal of allowance for doubtful account | - | - | 33 | 1,389 |
| Gain on revaluation of investment property | 763 | 2,095 | 134 | - |
| Gain on repurchase of exchangeable notes | 387 | - | - | - |
| Others | 161 | 63 | 101 | 32 |
| Total | <u>2,729</u> | <u>2,311</u> | <u>783</u> | <u>1,570</u> |

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22. Expenses classified by nature of expenses

Significant expenses by nature for the years end March 31, 2014 and 2013 are as follows:

| | In Million Baht | | | |
|--|----------------------|------|----------------------|------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2014 | 2013 | 2014 | 2013 |
| Salary and wages and other employee benefits | 637 | 581 | 43 | 36 |
| Depreciation | 681 | 564 | 77 | 77 |
| Professional fee | 28 | 70 | 18 | 41 |
| Advertising expense | 38 | 27 | 24 | 5 |
| Other charges | 45 | 54 | 16 | 46 |

23. Income tax

Income tax recognized in profit or loss

For the years ended March 31, 2014 and 2013, income tax expense consisted of the following:

| | In Million Baht | | | |
|---|----------------------|------------|----------------------|----------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2014 | 2013 | 2014 | 2013 |
| Corporate income tax: | | | | |
| Corporate income tax | 119 | 180 | - | 1 |
| Deferred income taxes: | | | | |
| Relating to origination and reversal of temporary differences | 166 | 437 | 28 | 2 |
| Deferred tax income resulting from reduction in tax rate | - | (65) | - | (1) |
| Income tax (revenue) in statements of comprehensive income | <u>285</u> | <u>552</u> | <u>28</u> | <u>2</u> |

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Reconciliation of effective tax rate

| | In Million Baht | | | |
|--|----------------------|------------|-------------|------------|
| | Consolidated | | | |
| | financial statements | | | |
| | Rate (%) | 2014 | Rate (%) | 2013 |
| Profit before income tax expense | | 2,381 | | 3,085 |
| Income tax using the Thai corporation tax rate | 20 | 476 | 20 | 617 |
| Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit-net | | (357) | | (437) |
| Total | | <u>119</u> | | <u>180</u> |

| | In Million Baht | | | |
|--|----------------------|----------|-------------|----------|
| | Separate | | | |
| | financial statements | | | |
| | Rate (%) | 2014 | Rate (%) | 2013 |
| Profit before income tax expense | | 1,793 | | 1,515 |
| Income tax using the Thai corporation tax rate | 20 | 359 | 20 | 303 |
| Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit-net | | (359) | | (302) |
| Total | | <u>-</u> | | <u>1</u> |

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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, 2014 and 2013 consist of:

| | In Million Baht | | | |
|--|----------------------|-----------|----------------------|-----------|
| | Consolidated | | Separate | |
| | financial statements | | financial statements | |
| | 2014 | 2013 | 2014 | 2013 |
| Management benefit expenses presented in costs | | | | |
| of sales | 29 | 24 | - | - |
| Management benefit expenses presented in | | | | |
| administrative expense | 70 | 60 | 31 | 20 |
| Total | <u>99</u> | <u>84</u> | <u>31</u> | <u>20</u> |

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25. Segment information

| | Consolidated financial statements (In Million Baht) | | | | | | |
|---|---|--------------------|-------------------------------|------------------|-------|-------------|-------|
| | For the year ended March 31, 2014 | | | | | | |
| | Real estate Business | Retail business | Exhibition center business | Other service | Total | Elimination | Total |
| Segment revenue | 1,363 | 256 | 2,660 | 133 | 4,412 | (71) | 4,341 |
| Segment profit | 163 | 106 | 505 | (17) | 757 | 31 | 788 |
| Corporate expenses | | | | | (201) | - | (201) |
| Interest income | | | | | 291 | (240) | 51 |
| Dividend income | | | | | 1,700 | (1,700) | - |
| Gain on reversal of long outstanding account payable | | | | | 417 | - | 417 |
| Gain on revaluation of investment property | | | | | 763 | - | 763 |
| Reversal of accrued interest | | | | | 450 | - | 450 |
| Reversal of provision for loss on pending lawsuits | | | | | 500 | - | 500 |
| Gain on sale of assets | | | | | 2 | - | 2 |
| Gain on repurchase of exchangeable notes | | | | | 387 | - | 387 |
| Loss on exchange rate, net | | | | | (535) | - | (535) |
| Reversal of allowance for doubtful account | | | | | 33 | (33) | - |
| Finance costs | | | | | (481) | 240 | (241) |
| Income tax expense | | | | | (285) | - | (285) |
| Net profit of period | | | | | 3,798 | (1,702) | 2,096 |

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| Consolidated financial statements (In Million Baht) | | | | | | | |
|---|-------------------------|--------------------|-------------------------------|------------------|--------|-------------|--------|
| For the year ended March 31, 2013 | | | | | | | |
| | Real estate Business | Retail business | Exhibition center business | Other service | Total | Elimination | Total |
| Segment revenue | 846 | 225 | 2,554 | 143 | 3,768 | (41) | 3,727 |
| Segment profit | 19 | 68 | 666 | 4 | 757 | (17) | 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 disposal of investment | | | | | 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 profit of equity holders of the parent | | | | | 4,179 | (1,841) | 2,338 |
| Property, plants and equipment | | | | | | | |
| As at March 31, 2014 | 1,256 | 134 | 21,356 | 7 | 22,753 | 164 | 22,917 |
| As at March 31, 2013 | 1,119 | 122 | 20,565 | 4 | 21,810 | 162 | 21,972 |

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.

Earning per share for the years ended March 31, 2014 and 2013 comprise :

| | Consolidated | | Separate | |
|--|----------------------|----------------------|----------------------|----------------------|
| | financial statements | financial statements | financial statements | financial statements |
| | 2014 | 2013 | 2014 | 2013 |
| Net profit attributable to shareholders (million Baht) | 2,096 | 2,338 | 1,765 | 1,513 |
| Weighted average number of ordinary shares in issue during the year (million shares) | 20,614 | 18,676 | 20,614 | 18,676 |
| Diluted earnings per share (Baht per share) | 0.102 | 0.125 | 0.086 | 0.081 |

27. Financial instruments

As at March 31, 2014 and 2013 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 13.

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, 2014 and March 2013, 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, 2014, 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 130 million alleging that the Company and Bangkok Airport Industry Company Limited had breached the purchase and sales agreements (March 31, 2013 : Baht 132 million). As at March 31, 2014, Baht 9 million is recorded in the financial statements (March 31, 2013: Baht 11 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, 2014, the outstanding principal, excluding interest, payables to this contractor recorded in the financial statements amounted to Baht 122 million (March 31, 2013: Baht 122 million).

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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, 2014 of Baht 128 million in the consolidated financial statements and the separate financial statements of Baht 127 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. Subsequently on December 20, 2013 the Appeal Court has judgement to dismiss the plaintiff’s claim. The subsidiary therefore reversed the total amount of provision claims in the financial statements for the year ended March 31, 2014. Presently, the plaintiff is in process to file a petition to the Supreme 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, requesting for the payment of USD 1 million exchangeable notes (Note 13). The plaintiff has demanded the Company to repay a total amount of Baht 59 million (principal of Baht 35 million and interest plus put premium of Baht 24 million) together with additional interest of 4.5% per annum on the principal of USD 1 million for the period from the date of filing the lawsuit until the date of settlement. 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 Supreme 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, 2014, debt to equity ratio in the consolidated financial statements and the separate financial statements are 0.16 : 1 and 0.58 : 1, respectively.

30. Commitments and contingent liabilities

- a) As at March 31, 2014, 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 980 million (Separate : Baht 372 million).
- b) As at March 31, 2014, 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 169 million (Separate : Baht 36 million).

31. Other

The Group's financial advisor submitted to the SEC an application to request for approval of setting up a Real Estate Investment Trust (REIT) to invest in Impact Arena, Impact exhibition, Impact Challenger, Impact Forum and Car park P2. This properties are owned by the Company's subsidiary, Impact Exhibition Management Company Limited.

32. Reclassification

Certain amounts in the financial statements for the year ended March 31, 2013, have been reclassified to conform to the current period, which no effect on net income or shareholders' equity previously reported.

33. Approval of financial statements

These financial statements have been approved by the Company's management on May 30, 2014.