

Annual Report 2010/11

The Year of Transition



Our City Our Future

BTS Group Holdings Public Company Limited
Annual Report 2010/11

Connecting
CITY SOLUTIONS



Creating
CITY SOLUTIONS



Developing
CITY SOLUTIONS



Providing
CITY SOLUTIONS



OUR AMBITION

VISION

To provide the community with a unique and comprehensive range of [City Solutions](#), that significantly contributes to an improved way of life.

MISSION

We aim to provide a sustainable and leading set of [City Solutions](#) to urban communities across Asia, supporting critical needs in our four principal business areas; Mass Transit, Media, Property and Services.

VALUES

- **Delivering Customer Satisfaction:** Our success is dependent on our ability to develop long-lasting customer relationships. This will be achieved by listening, understanding, and anticipating our customers' needs and delivering products or services that satisfy those needs. We are easy to do business with and always strive to be responsive and professional.
- **Creating Shareholder Value:** We strive to deliver accretion of shareholder value through earnings growth and improvement in operational effectiveness. Specifically, we aim to deliver long-term shareholder returns to our investors that outperform returns from investment alternatives with a similar risk profile.
- **Supporting Sustainable Growth:** Our client base and shareholder value must be enhanced in a sustainable manner. We conduct our business upholding sustainable practices that reduce environmental impact compared to competing products and services.
- **Developing Communities:** We are an integral part of the communities which we operate in. We provide [City Solutions](#) that enhance our customers' sense of community. We contribute revenues and resources to work with local communities supporting education and children's welfare and we promote the health and well-being of BTS employees and their families.



Transformation

Stable Cash Flow



Servicing over 500,000 passengers
per weekday

The BTS Group has an exclusive concession for the BTS SkyTrain which forms the backbone of Bangkok's mass transit system. We serve over 145 million passengers per year and have seen mass transit revenue grow in every year since inception.

Connecting City Solutions



Transcendence

Growth Potential

Creating Innovative Media
for modern Communities

VGI Global Media is Thailand's largest out-of-home media company with a dominant market share of the Transit and In-Store media sectors. The Company leverages its unique sales expertise across innovative out of home media reaching 7.6mn people daily

Creating City Solutions



Abstracts

Transmission

Building Brands

Laying the foundation
for future growth

As an established property player, the BTS Group now focuses on development of property along Bangkok's rapidly expanding mass transit network and the launch of its Abstracts condominium brand



Transition

Smart Solutions

Practical services
for a thriving society

Our services business provide strategic support to our 3 core businesses as well as providing e-money services, construction management and hotel management services to the greater community

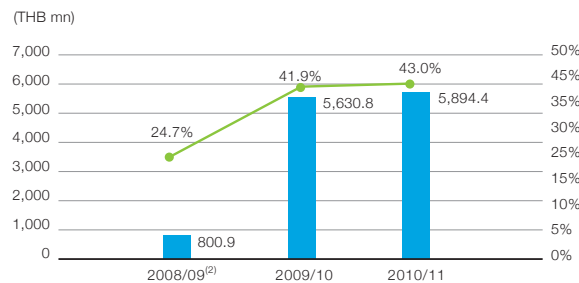
Providing City Solutions

1.2

KEY FIGURES

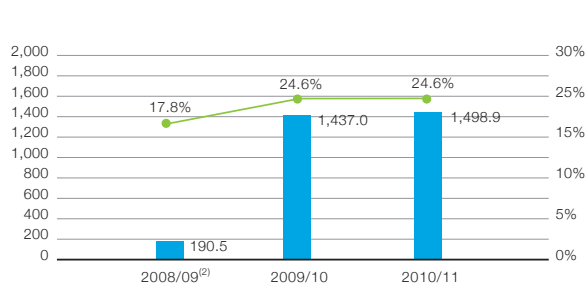
INCOME			PROFITABILITY AND RETURN			LIQUIDITY			STABILITY		
Operating revenue (THB mn)			Gross profit margin (%)			Cash from operations (THB mn)			Net debt (THB mn)		
2010/11	5,894.4	+4.7%	2010/11	43.0%	+1.1%	2010/11	2,981.0	+35.8%	2010/11	21,005.0	+99.1%
2009/10	5,630.8		2009/10	41.9%		2009/10	2,195.4		2009/10	10,552.4	
EBITDA (THB mn)			EBITDA margin (%)			Capex (THB mn)			Net Debt / Equity (x)		
2010/11	3,241.3	-56.5%	2010/11	47.5%	-21.6%	2010/11	4,227.6	+121.3%	2010/11	0.55x	+0.11x
2009/10	7,446.5		2009/10	69.1%		2009/10	1,910.0		2009/10	0.44x	
Operating EBIT (THB mn)			Operating EBIT margin (%)			Net Cash (THB mn)			Total Assets (THB mn)		
2010/11	1,498.9	+4.3%	2010/11	24.6%	+0.0%	2010/11	1,825.4	-26.3%	2010/11	63,826.2	+4.2%
2009/10	1,437.0		2009/10	24.6%		2009/10	2,477.7		2009/10	61,277.9	
Net Profit after minority interest (THB mn)			Dividend / Share (THB)			DSCR (x)			Total Equity (THB mn)		
2010/11	284.9	-94.7%	2010/11	0.0355 ⁽¹⁾	>100%	2010/11	1.74x	-2.01x	2010/11	37,859.2	+58.9%
2009/10	5,396.5		2009/10	0		2009/10	3.75x		2009/10	23,820.6	

Operating revenue (THB mn) and gross profit margin (%)



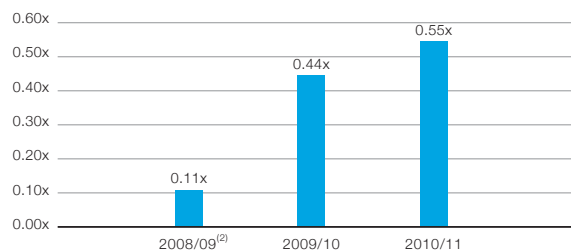
Operating revenue (THB mn) Gross Profit margin (%)

Operational EBIT (THB mn) and Operational margin (%)

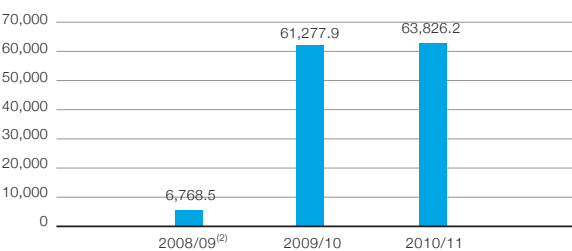


Operational EBIT (THB mn) Operational EBIT margin (%)

Net debt to equity



Total assets (THB mn)

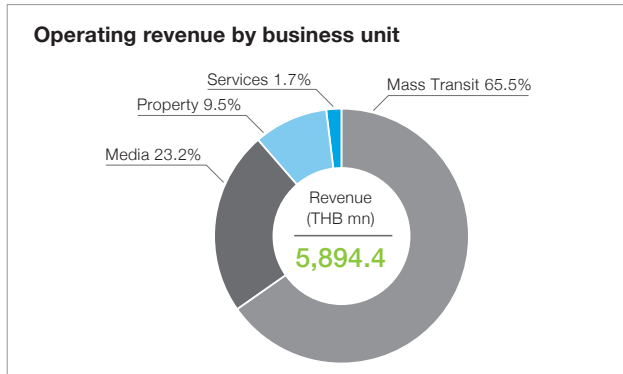


⁽¹⁾ Subject to shareholder approval. Please see Section 4.1: Capital Markets Review.

⁽²⁾ Tanayong Plc. and subsidiaries only

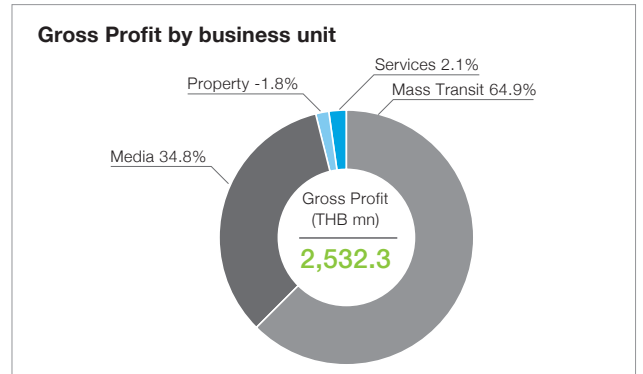
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BTS GROUP AT A GLANCE



Operating Revenue (THB mn)

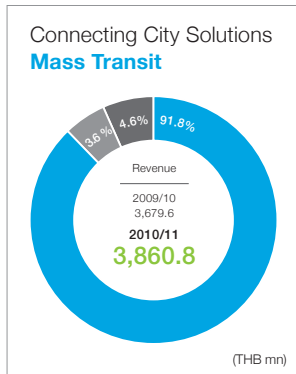
5,894.4



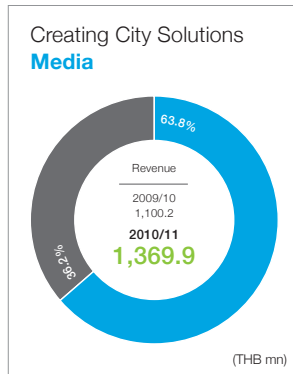
Gross Profit (THB mn)

2,532.3

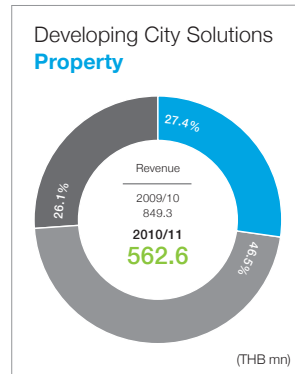
The BTS Group has 4 business units



Core system O&M BRT
O&M Silom line



BTS-related
Non BTS-related



Commercial NHA
Residential



Thana City Golf



1.4

MASS TRANSIT OUR CORE BUSINESS

“Our Concession Agreement is unique. Since we were responsible for 100% of the system investment costs, we do not have to share revenue with any third parties”

The BTS Group, via its majority-owned subsidiary Bangkok Mass Transit System Public. Co. Ltd. (BTSC) has a concession agreement (“Agreement”) with the Bangkok Metropolitan Administration (BMA) to operate the Core network⁽¹⁾ until December 2029. The 30 year concession is a Build-Transfer-Operate (BTO) concession for civil works and Build-Operate-Transfer (BOT) concession for mechanical and electrical (M&E) works. Under the Agreement, BTSC has the right to receive 100% of revenues it collects from fare-box (ticket sales⁽²⁾) and commercial (advertising and retail space management) without any revenue sharing to any third parties. The Concession Agreement includes a first right to negotiate on extensions to the Core network (Sukhumvit and Silom Lines). Commercial operations commenced in December 1999 and BTSC has seen revenue growth in every year since inception. Fare-box revenue is expected to grow markedly in line with the aggressive expansion of Bangkok’s mass transit network (See see section 3.7.1: Business overview – Mass Transit for details).

As Bangkok’s first mass transit network, the Core network runs through the key commercial, residential and office areas of central Bangkok. Bangkok was and remains a mono-centric city and property development accelerated along the core network, forming the ‘backbone’ of Bangkok, which we believe will remain the key destination for Bangkok’s growing mass transit passengers.

Owing to its expertise in the operation of mass transit rail systems, BTSC has subsequently been awarded operation and maintenance (O&M) agreements by the Government for certain extensions to the Core Network. This O&M revenue⁽³⁾ is complimentary to Company’s fare-box revenue, and the Company is not exposed to any ridership risk on the extensions. In 2010/11, BTSC was also awarded the O&M contract for the Bus Rapid Transit (BRT) line. As the mass transit network expands, BTSC also expects to be a major player in O&M of the extensions. For more details on Bangkok’s existing mass transit routes, please refer to section 3.7.1: Business overview – Mass Transit for details.

⁽¹⁾ The Core network comprises the original mass transit line in Bangkok, specifically, two lines, the Sukhumvit Line and the Silom Line (collectively, the “Green Line”), covering 23 stations with a combined track length of 23.5 km

⁽²⁾ Revenues from ticket sales are recorded as “fare-box revenue” in the financial statements and presented as revenues from the Mass Transit business in the Company’s presentation of results. Revenue from the management of the commercial areas is recorded as “Rental and service income” and presented as revenues of the Group’s Media business in the Company’s presentation of results.

⁽³⁾ O&M revenue is recorded as “Service Income from train operation management” in the financial statements and also presented as revenues from the Mass Transit business in the Company’s presentation of results

BTS SkyTrain existing route

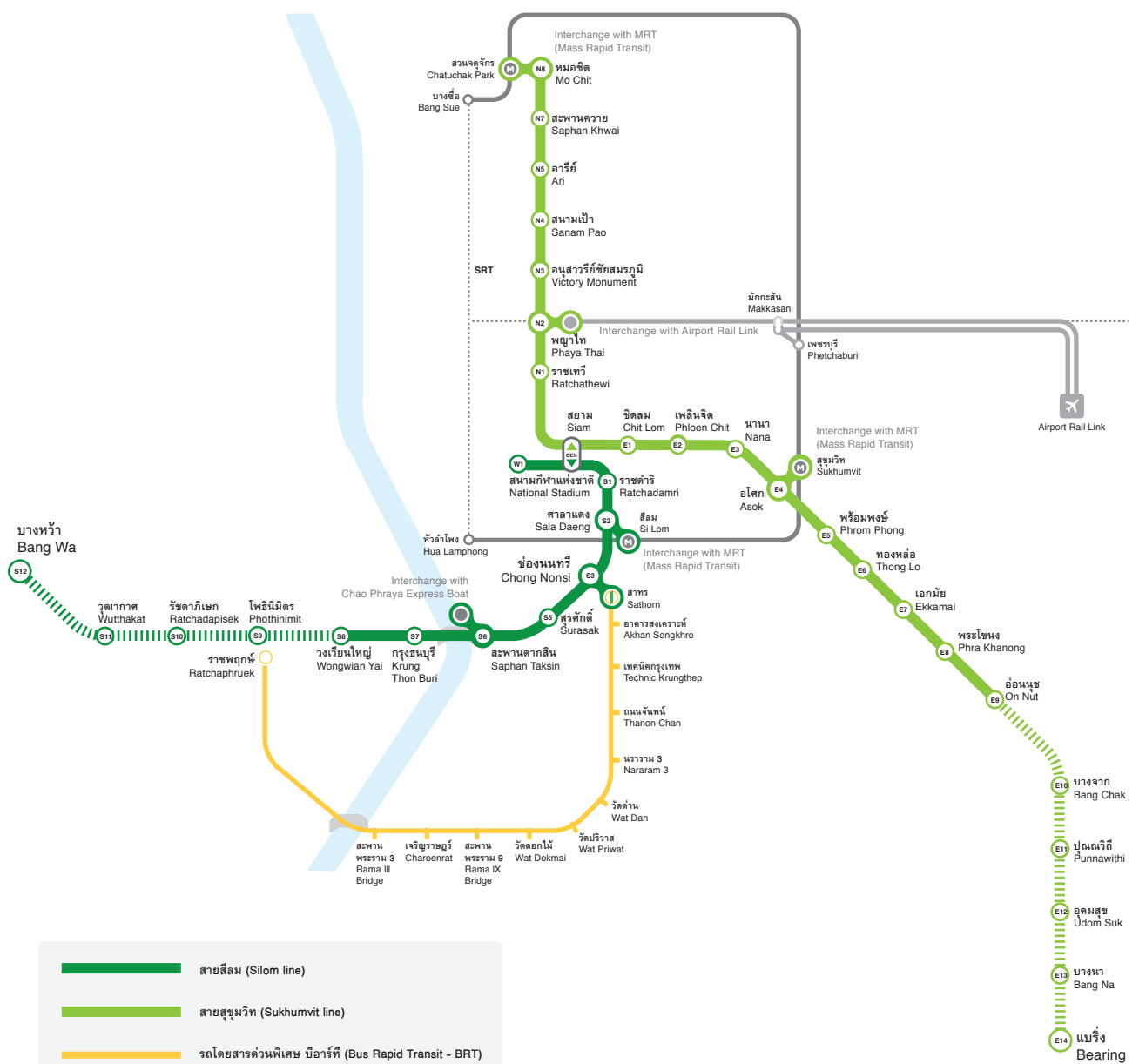


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2.0

Highlights 2010/11 & Outlook

This Section provides reviews key overview of events of the past fiscal year and provides an overview of the year ahead. You will also find the Chairman's statement and key financial highlights of the past 2 years

2.1 Message from Bangkok's Deputy Governor

2.2 Important Events 2010/11

2.3 Message from the Chairman

2.4 Financial Highlights

2.5 Business Outlook 2011/12



2.1

MESSAGE FROM BANGKOK'S DEPUTY GOVERNOR

As the Deputy Governor whose responsibilities include Traffic and Transportation, and on behalf of Bangkok Metropolitan Administration (BMA), I would like to congratulate BTS Group Holdings PCL (BTS Group) for its success in the past year.

I would like to commend the Company's endeavour in committing to serve the passengers' demand in terms of convenience and safety, which has been clearly and consistently exhibited, especially during the unrest at the beginning of last year.

In recent years, BMA and Bangkok Mass Transit System Co., Ltd. (BTSC) have worked closely together to expand the mass transit network and its service capability, which in turn has enhanced the quality of life of the people in Bangkok. The current collaborative projects include the Silom line extension (Saphan Taksin – Wongwian Yai) and Bus Rapid Transit (BRT) which directly connects to BTS SkyTrain system. In addition, we are now further developing two extension lines; the Sukhumvit line extension (On Nut – Bearing) which is expected to begin operation on 12 August 2011; and the Silom line extension (Wongwian Yai – Bang Wa) which is expected to begin operation in December 2012. Both extension lines will be operated by BTSC.

Furthermore, BMA plans to develop monorail and light rail mass transit systems. Both systems will be integrated with the core mass transit network, including the BTS SkyTrain, in order to have a more complete and mature mass transit system which can provide increased convenience to passengers. These efforts reflect Bangkok Governor M.R.L. Sukhumphan Boriphat's intention to "accelerate the expansion of Bangkok's mass transit network which will allow Bangkok's residents to commute with convenience, speed, safety, and predictability".

Finally, I wish BTS Group all the success not only in its mass transit business which serves daily life of Bangkok's residents, but also in its other businesses, which evolve around the quality of life of the people in Bangkok and reflect the BTS Group's vision of providing the community with a unique and comprehensive range of City Solutions.



A handwritten signature in black ink, which appears to read "Teerachon Manomaiphibul".

Teerachon Manomaiphibul
Deputy Governor of Bangkok

2.2

IMPORTANT EVENTS 2010/11



April / May 2010: The year started in tumultuous fashion with extended political disturbances across the Country. As one of the key demonstration sites was located close to the BTS SkyTrain Central station (Siam), the disturbances caused the operations of the SkyTrain to be shut for 8 full days as well as partial service interruption for 19 days. The demonstrations were cleared on 19 May 2010, and property damage to the BTS SkyTrain system was limited to THB 5.8mn.

6 May 2010: The Company successfully completed the acquisition of 94.6% of Bangkok Mass Transit System Public Co., Ltd. (BTSC). The acquisition was the largest Transportation sector merger & acquisition in Thailand's history and marked the re-unification of BTSC as a subsidiary under Tanayong. The acquisition consideration of THB 40,034.5mn was financed 51.6% by cash (courtesy of a THB 21,000mn credit facility provided by Bangkok bank Plc.) and 48.4% by a rights offering (28,166.9mn shares) to existing shareholders. Pursuant to the acquisition, the Company changed its name to BTS Group Holdings Plc. (from Tanayong Public Co., Ltd.) and was re-categorised to the Transportation sub-index (from Property) of the Stock Exchange of Thailand.

June / August 2010: The Company completed a 14,572.2mn shares rights offering to existing shareholders and 5,535.8mn share placement to domestic financial institutions. The proceeds were used to fully repay THB 12,000mn of the THB 21,000mn debt facility taken on by the Company in order to finance the acquisition of BTSC.

At the Annual General Meeting in July 2010, Shareholders approved the restructuring of the Board of Directors. This change in the Company's leadership saw the inclusion of several additional highly qualified Board members with relevant and insightful experience at the highest corporate level.

July 2010: The Company launches its 2 inaugural projects under the Abstracts brand. Although the Company has been in real estate development since it was founded in 1968, this marks the refinement of its strategy to develop property only along existing or future mass transit routes. Customers who buy Abstracts condominium receive 10-years free unlimited travel on the BTS SkyTrain.

Bangkok Smartcard System (BSS) partners with Vix ERG for the design and delivery of a smartcard clearing house solution. BSS

expects to implement a common ticketing system across the SkyTrain and MRT Subway within 2011/12.

29 November 2010: The BTS Group executed the operation and maintenance contract for the Sukhumvit Line extension (On Nut – Bearing) with Krungthep Thanakom Co., Ltd., the subsidiary company of the Bangkok Metropolitan Administration. The extension is due to operate from 12 August 2011 and will see income from train operating management increase by approximately THB 630mn per year.

14 December 2010: The BTS Group is added as a constituent member of SET50 Index, Thailand's largest 50 companies by market capitalisation. Aside from market capitalisation, eligible companies must maintain certain turnover and free float conditions. The inclusion has expanded the investor base that can invest in BTS stock (see "section 4.1: Capital Markets review" for more details)

25 January 2011: The BTS Group issues a THB 10,000mn (USD 327mn), 5-year, THB denominated, USD settled convertible bond in the overseas market. The offering was highly sought after with demand closer to USD 800mn. The issue pays a coupon of 1% in years 1 and 2, followed by 0% in years 3 through 5 and therefore reduced the company's borrowing cost significantly. Overall annual interest cost savings are estimated at THB 340mn rising to THB 600mn in the event of no redemption (see section 4.1: "Capital Markets Review" for more details).

25 February 2011: The Company's Board announces the payment of an interim dividend of THB 0.0129 per share (or approximately a 1.7% dividend yield based on the share price of 0.75 THB / share as at 31 March 2011). The payment is the first dividend that the company has paid since the Asian Financial Crisis and marks the return to payout following the rehabilitation and restructuring of the Company in recent years.

31 March 2011: Ridership on the BTS SkyTrain in the month of March hits new record heights. The average weekday ridership in March was 509,106 passengers. This was as a result of several factors including organic growth, the introduction into full service of the Company's new fleet of twelve 4-car trains, as well as the impact of higher fuel costs on alternative forms of transport.

2.3

MESSAGE FROM THE CHAIRMAN



I would like to give my sincere appreciation to our employees, our business partners and all our stakeholders for their dedication and support. Though much has been achieved in this year of transition, much hard work remains and we are confident that we can take this Company from strength to strength.

Dear Shareholders

The fiscal year 2011 was one of the most momentous years in the history of the Company. We started the year as 'Tanayong Public Company Limited' and ended as 'BTS Group Holdings Public Company Limited' but our name change was surpassed by far more significant changes that took place across the organisation.

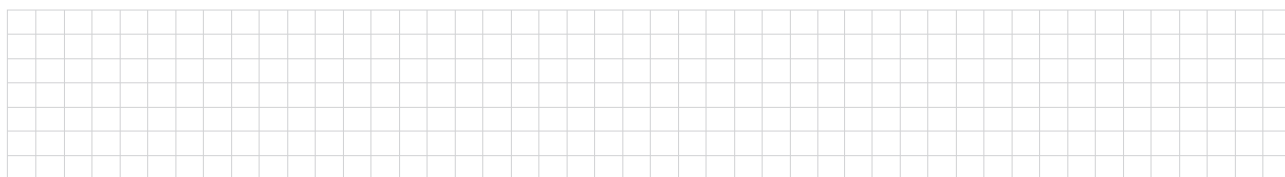
Welcoming back our core business – Mass Transit . . .

On 4 May 2010, we successfully acquired 94.6% of the shares in our former subsidiary, Bangkok Mass Transit System Public Co., Ltd. (BTSC). BTSC is the concessionaire for Bangkok's original skytrain network and now generates strong and steady cash flows. The acquisition transformed the nature of business and strengthened the income profile of Tanayong. Subsequently, to reflect the core business of mass transit, Tanayong changed its name to BTS Group Holdings Public Company Limited and was re-categorised from the Property sector to the Transportation and Logistics sector of the Thai Stock Exchange. Our business is now categorised into 4 business units; Mass Transit, Media, Property and Services.

In light of the new business structure and nature, it became necessary for the Company to implement a corporate-wide restructuring and I am happy to give you an update of some of the key developments as follows.

. . . and Leading by example

In order to help the Company achieve change and deliver its strategic ambition, we decided that the leadership team would benefit from additional reinforcements. We therefore invited some highly qualified and experienced individuals who subsequently joined our Board of Directors in July. I would like to express my gratitude to our outgoing Directors for their valuable contribution to the Group's success over the years. Our corporate governance structure was also updated with the introduction of an Executive Committee and the adoption of a more comprehensive risk management policy. Details of how this has fostered a more active and effective Board and management team can be viewed in more detail in our Corporate Governance Report.



Core business resilience in the face of domestic disruption . . .

In the backdrop to these internal changes, Thai politics was also undergoing transition. Political demonstrations in April and May 2010 resulted in a disrupted service on the BTS SkyTrain. However, following the end of the demonstrations, ridership rebounded immediately. I am pleased to say that in March 2011, ridership beat historical records; averaging 509,106 passengers per weekday. It is a remarkable testament to the resilience of the business and the employees of BTSC that annual revenue from mass transit has increased in every single year of operation since inception.

. . . the Company resumed dividend payment

Despite the impact from the Thai domestic disruption, Group operational revenues rose 4.7% to THB 5,894.4mn. In addition to achieving record revenues on the BTS SkyTrain, we also began the operation of Bangkok's inaugural Bus Rapid Transit system. Our Media business had a stellar year with revenue increase of 24.5%. Our strategy to develop Property along the mass transit route remains in its incubation stage as we build our Abstracts condominium brand. Although operating profit was dampened by the impact of forced service interruptions and interest costs associated with the BTSC acquisition, the Company was able to pay an interim dividend of THB 0.0129 per share and, subject to shareholder approval, expects a final dividend of THB 0.0226 per share. More details on our operating performance can be sought in the management discussion and analysis.

and BTS Group was accepted into Thailand's SET50 Index

In January 2011 we were also included for the first time in the SET50 Index, Thailand's largest companies in terms of market capitalisation which increased our stock visibility markedly. More details can be seen in our 'Capital Markets Review'. In addition, the company still maintains the highest standard of services as evidenced by our Lloyds Register (Rail), ISO 9001:2008 and OHSAS 18001:2007 certifications, leading international accreditation standards for occupational health and safety as well as quality management systems.

Strong support from the debt and capital markets

Further testament to the strength of our business was demonstrated by our track record in the debt and capital markets. The Company raised more than THB 44,000mn in cash in the form of debt, new shares and convertible bonds. The latter also demonstrated the demand for BTS Group in the overseas markets. The entire issue was placed to overseas investors and as a result of strong demand and an innovative Letter of Credit backed structure, the Company will pay a coupon of 1% for the first two years only. Since securing the deal, lending rates have increased 0.50% and are expected to increase further by the end of 2011, resulting in significant savings to the Company.

Leaves us with a strong foundation for the future

Following all these changes, the Company is on a very firm foundation for the future. Our leadership developments will continue to drive change in the organisation towards achieving our strategic ambition. Our core business is optimally poised to benefit from the aggressive expansion of Bangkok's mass transit network. The Bangkok Metropolitan Administration has already awarded BTSC the operation contract of the Sukhumvit Line extension (On Nut – Bearing) which is expected to begin operation in August 2011.

I would like to give my sincere appreciation to our employees, our business partners and all our stakeholders for their dedication and support. Though much has been achieved in this year of transition, much hard work remains and we are confident that we can take this Company from strength to strength.

Yours sincerely,

Keeree Kanjanapas

2.4

FINANCIAL HIGHLIGHTS



	2010/11	2009/10
INCOME STATEMENT (THB mn)		
Operating revenue	5,894.4	5,630.8
Total revenue	6,830.6	10,782.0
EBITDA	3,241.3	7,446.5
EBIT	2,053.8	6,307.3
Net income	345.6	5,691.6
Net income attributable to equity holders of the parent	284.9	5,396.5
BALANCE SHEET (THB mn)		
Total Assets	63,826.2	61,277.9
Net debt	21,005.0	10,552.4
Shareholders' equity	37,859.2	23,820.6
CASH FLOW (THB mn)		
Cash from operating activities	2,981.0	2,195.4
Capital expenditures	4,227.6	1,910.0
PER SHARE DATA (THB / share)		
Earnings per share	0.005	0.154
Dividend paid per share ⁽¹⁾	0.0129	–
Book value per share	0.68	0.43
KEY RATIOS		
EBITDA margin (%)	47.5%	69.1%
EBIT margin (%)	30.1%	58.5%
Net debt to equity (times)	0.55	0.44
Interest coverage ratio (times) ⁽²⁾	1.28	11.56
ROA (%)	0.54%	9.29%
ROE (%)	0.91%	23.89%
SHARE INFORMATION (as of 31 March)		
Share price (THB)	0.75	0.71
Outstanding shares (mn)	55,889.3	7,614.4
Market capitalisation (THB mn)	41,917.0	5,406.2

⁽¹⁾ On 24 March 2011, the Company paid an interim dividend of THB 0.0129 per share. On 17 June 2011, the Board of Directors approved the final (additional) dividend for 2010/11 of THB 0.02264 per share. This remains subject to shareholders approval on 26 July 2011

⁽²⁾ EBIT divided by Finance cost



MASS TRANSIT



MEDIA



PROPERTY



SERVICES

2.5

BUSINESS OUTLOOK 2011/12

Core Business

>15%

Expected Ridership growth

>15%

O&M income as a % of mass transit revenue

Media Business

+40%

Revenue Growth

50%

Revenue contribution (non BTS Media)

Property Business

THB 360mn

Expected revenue recognised from first Abstracts project

Services Business

1.5mn

Targeted Initial Card Users

“We expect to see healthy revenue growth across our mass transit and media businesses and overall maintenance of our margins.”

Looking forward to 2011/12 and beyond, BTS Group expects to build up on the operating results of 2010/11 (see section 4.4: Management discussion & analysis for more details).

For our **Mass Transit** division, we expect to see 15% ridership growth resulting from a full year effect of our new rolling stock and operation of feeder lines such as the Airport link and bus rapid transit. Further, the Sukhumvit line extension is expected to begin operation in August 2011 and this will also contribute to a healthy growth in our operation & maintenance (O&M) income. We expect O&M income to reach 15% of mass transit revenue (from 8% in 2010/11).

With the Silom line extension (Wongwian Yai – Bang Wa) expected to commence operations in December 2012, we would also expect to sign the O&M contract within this fiscal year.

Margins related to our core network should be maintained, however, there may be a slight softening of our overall operating margins due to the higher contribution of the lower-margin O&M income.

Our **Media** business division is also expected to carry on from the healthy 25% revenue growth experienced in 2010/11 with total forecast revenue growth of

approximately 40% in 2011/12. Growth is expected to be driven primarily by new projects, largely related to modern trade, but also from new advertising space on the new 12-car trains. This modern trade growth means that we would expect the revenue contribution from non BTS-related media to climb to approximately 50% (from 36% in 2010/11) of media revenue.

Again, owing to the increasing contribution of the lower margin non-BTS business, we might expect to see a slight softening of the margins.

In 2011/12 our **Property** division is expected to recognise the first contribution of revenue from our new condominium brand, via Abstracts Sukhumvit 66/1. Our four-star hotel at Surasak BTS is also expected to have a soft opening towards the end of the year. Although revenue growth is expected at around 40% in 2011/12, investment in future projects is expected to dampen down profitability.

Similarly in our **Services** division, although we will see top line growth, we are still in the investment stage of the cycle and would not to see any material profit contribution for a few years. However, we look forward to the roll out of the common ticketing system across the BTS SkyTrain and MRT Subway within the year.

3.0

The Company and Our Industry

This Section provides key information on our Company structure, history and leadership team. You will also find our Business & Industry Overview which includes highlights of each business, key milestones of the year, as well as more information on the competitive landscape of our business units.

3.1 Corporate Structure

3.2 Corporate Information

3.3 Our History

3.4 Our Board of Directors

3.5 Our Management

3.6 Organisation Chart

3.7 Business and Industry Overview

3.7.1 Mass Transit

3.7.2 Media

3.7.3 Property

3.7.4 Services

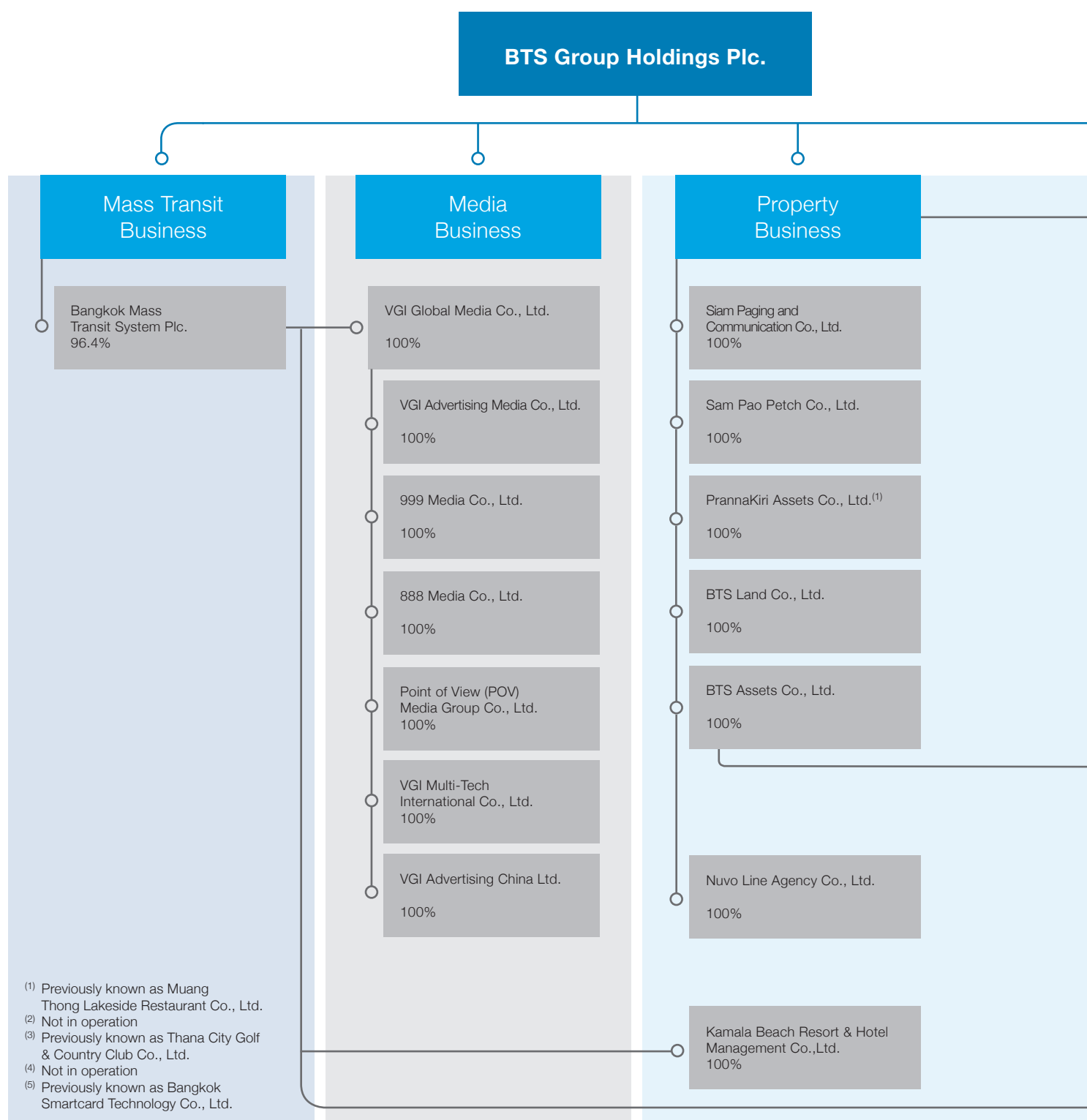
3.8 Subsidiaries and Associates Information

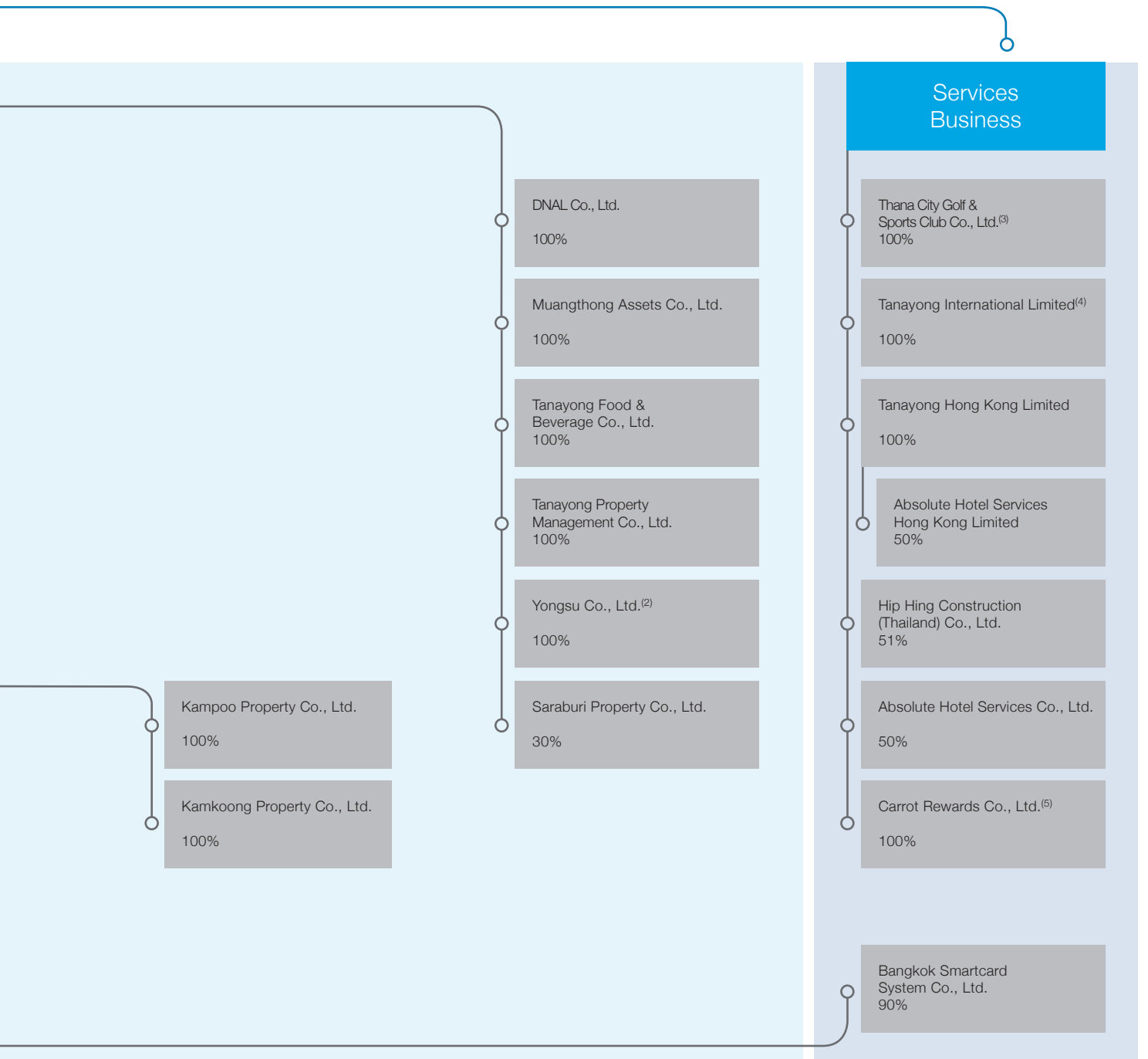


3.1

CORPORATE STRUCTURE

Corporate Structure of the Company,
Subsidiaries and Associates, as of 16 June 2011





3.2

CORPORATE INFORMATION

BTS Group Holdings Public Company Limited

Principal Business

- Mass Transit Business
- Media Business
- Property Business
- Services Business

Revenue Structure¹

Revenue Type	Fiscal Year End 31 Mar 2011	
	THB mn	%
Mass Transit	3,860.8	65.5%
Media	1,369.9	23.2%
Property	562.6	9.5%
Services	101.0	1.7%
Total	5,894.4	100.0%

Year Established:	1968
Equity first trade date:	1 March 1991
Stock Code:	BTS
Convertible Bond Code	ISIN XS0580087376
Registered Capital ²	Baht 49,420,252,268.80
Registered Paid-up Capital ²	Baht 36,600,495,792.64
No. of Listed Shares ²	57,188,274,676 shares
Par Value	Baht 0.64 per share

¹ Please see the full detail in Notes to consolidated financial statements (Notes 2.2)

² As of 6 June 2011

Registered Address

14 – 15 Floor TST Tower
21 Soi Choeypuang Viphavadee-Rangsit Road
Jumpol, Chatuchak, Bangkok 10900
Registration No. 0107536000421
Website www.btsgroup.co.th

Stock Registrar

Thailand Securities Depository Co., Ltd.

The Stock Exchange of Thailand Building,
62 Ratchadapisek Road,
Klongtoey, Bangkok 10110
Tel: +66 (0) 2229 2800 Fax: +66 (0) 2654 5427

Key Contact Details

Corporate Head Office:

Telephone: +66 (0) 2273 8511-5 / +66 (0) 2273 8611-5

Fax: +66 (0) 2273 8516 / +66 (0) 2273 8616

Company Secretary:

Email: companysecretary@btsgroup.co.th

Telephone : +66 (0) 2273 8611-15

Investor Relations:

Email: ir@btsgroup.co.th

Telephone : +66 (0) 2273 8631

Corporate Communications:

Email: corpcomm@btsgroup.co.th

Telephone: +66 (0) 2617 7300 #1832

Fax: +66 (0) 2617 7135

Convertible Bond Registrar

Deutsche Bank Luxembourg S.A.

2 Boulevard Konrad, Adenauer,
L-1115 Luxembourg
Tel: + (352) 42122-1 Fax: + (352) 437136

Convertible Bond Trustee

DB Trustees (Hong Kong) Ltd.

Level 52, International Commerce Centre
1 Austin Road West, Kowloon, Hong Kong
Tel: + (852) 2203 8888 Fax: + (852) 2203 7320

Auditor

Ernst & Young Office Limited

33rd Floor, Lake Rajada Office Complex
193/136-137 New Ratchadapisek Road,
Klongtoey, Bangkok 10110
Tel: +66 (0) 2264 0777 Fax: +66 (0) 2264 0789-90
Mr.Termphong Opanaphan, Certified Public Accountant No. 4501

Legal Advisor

Weerawong, Chinnavat & Peangpanor Ltd.

22nd Floor, Mercury Tower,
540 Ploenchit Road, Lumpini
Pathumwan, Bangkok 10330
Tel: +66 (0) 2264 8000 Fax: +66 (0) 2657 2222



OUR HISTORY



1968 (Mar)

Established under the company name Tanayong Company Limited (Tanayong) to operate in the field of Property Development.

1988

Launched its first Property Development project at 'Thana City', an integrated mixed-use 'satellite city' development located near Bangkok's Suvarnabhumi airport.

1991 (Mar)

Tanayong is listed on the Stock Exchange of Thailand (SET) under the Property Development sector.

1992

Tanayong establishes a wholly-owned subsidiary Bangkok Transit System Corporation Ltd. (BTSC) which bids for and wins the concession from the Bangkok Metropolitan Authority (BMA) to design, build and operate Bangkok's first mass transit system.

1997

Asian financial crisis hits the region. Tanayong and BTSC suffer under the weight of dollar-denominated debt as the Thai Baht depreciates against the US dollar by more than 130% in less than 6 months.

1999 (Dec)

Commercial operation of the BTS SkyTrain begins.

2006

Tanayong successfully exits from formal rehabilitation procedures and its shares resume trading on the SET on 28 December.

2006-2008

BTSC enters a court supervised rehabilitation procedure, during which Tanayong's shareholding gets diluted to less than 1%.

2008

BTSC successfully formally exits from the rehabilitation procedure.

2009 (May)

Commencement of operations of the Silom line extension (Saphan Taksin – Wongwian Yai) for which BTSC is appointed the operator by the BMA.

2009 (Aug)

BTSC issues THB 12,000mn of senior unsecured debentures to domestic retail investors to refinance existing debt.

2009 (Sep)

BTSC expands into the Media business through the acquisition of 100% of VGI Global Media Co., Ltd.

2010 (May)

The Company acquires 94.6% of BTSC, returning Mass Transit operations to be the primary business of the Company. The acquisition is financed 51.6% (THB 20,655.7mn) by cash and 48.4% (THB 19,378.8mn by new equity issuance). Capital is increased from THB 7,614.4mn to THB 35,781.3mn via issuance of 28,166.9mn new ordinary shares. The Company also changes its name to BTS Group Holdings Plc. and is re-categorised under the Transportation sector of SET.

2010 (May)

The Group begins operation and maintenance of Bangkok's inaugural Bus Rapid Transit (BRT) system after being awarded the contract by the BMA.

2010 (Jun - Aug)

The Company successfully completes a rights offering (existing shareholders) and private placement (financial institutions) in order to raise funds to repay the BTSC acquisition loan. Paid-up capital increases from THB 35,781.3mn to THB 54,813.3mn with the issuance of 20,108.0mn shares.

2010 (Nov)

The BTS Group executed the operation and maintenance contract for the Sukhumvit Line extension (On Nut – Bearing) with Krungthep Thanakom Co., Ltd., the subsidiary company of the Bangkok Metropolitan Administration. The extension is due to operate from 12 August 2011.

2011 (Jan)

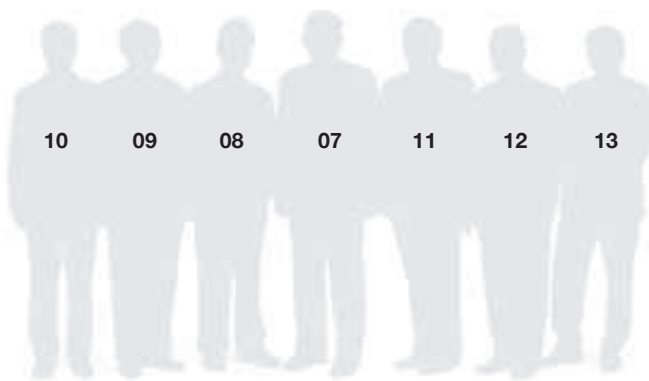
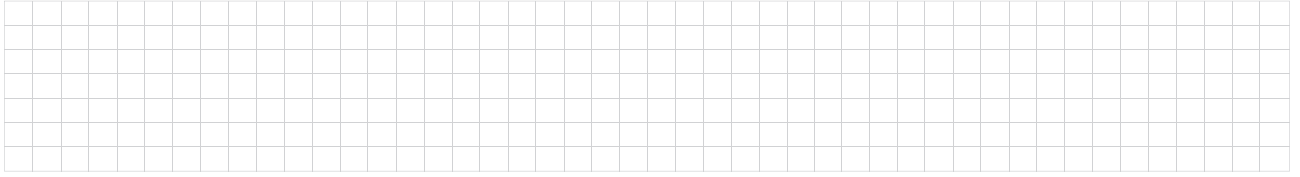
The Company issues THB 10,000mn of THB denominated, USD settled convertible bonds, the proceeds of which are used to fully repay the BTSC acquisition loan.

3.4

OUR BOARD OF DIRECTORS



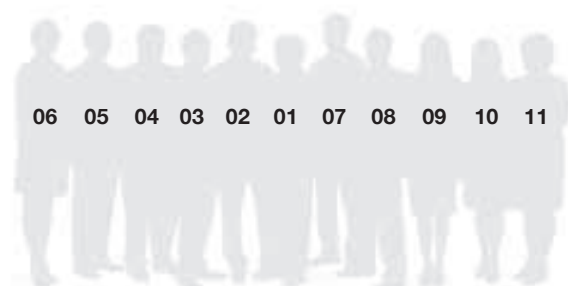
- 01 Mr. Keeree Kanjanapas**
Chairman / Executive Chairman
- 02 Mr. Kavin Kanjanapas**
Executive Director
- 03 Mr. Cheong Ying Chew, Henry**
Independent Director
- 04 Dr. Anat Arbhabharama**
Executive Director
- 05 Mr. Surapong Laoha-Unya**
Executive Director
- 06 Mr. Rangsin Kritalug**
Executive Director
and Chief Operating Officer



- 07 Lt. Gen. Phisal Thepsithar**
Independent Director
- 08 Dr. Paul Tong**
Director
- 09 Dr. Amorn Chandarasomboon**
Independent Director
- 10 Mr. Kin Chan**
Director
- 11 Mr. Suchin Wanglee**
Independent Director
- 12 Mr. Charoen Wattanasin**
Independent Director
- 13 Mr. Kong Chi Keung**
Executive Director

3.5

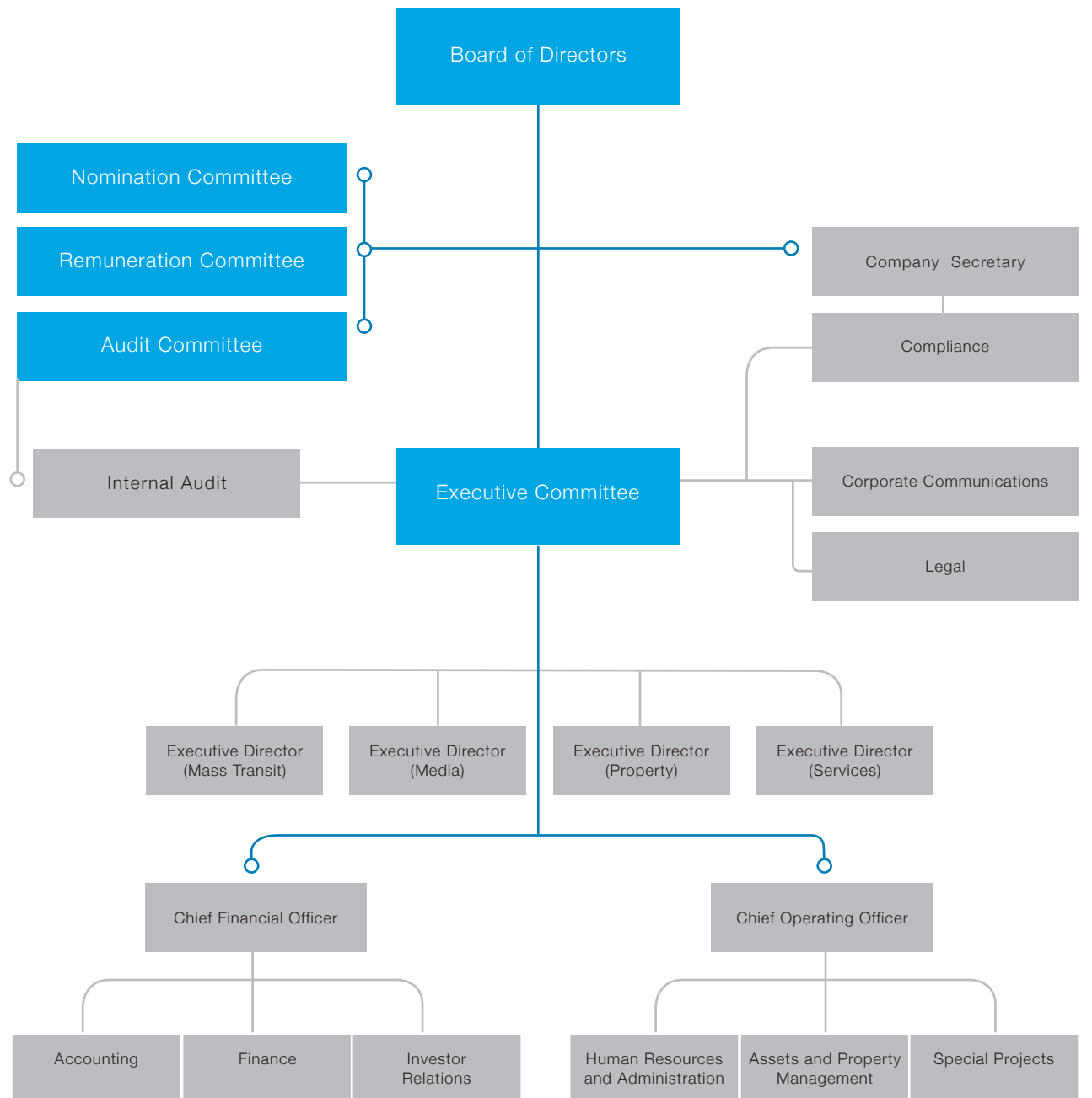
OUR MANAGEMENT



- | | |
|--|--|
| <p>01 Mr. Keeree Kanjanapas
Chairman</p> <p>02 Mr. Kong Chi Keung
Executive Director</p> <p>03 Mr. Surapong Laoha-Unya
Executive Director</p> <p>04 Mr. Kavin Kanjanapas
Executive Director</p> <p>05 Mr. Surayut Thavikulwat
Chief Financial Officer</p> <p>06 Miss Chawadee Rungruang
Financial Controller</p> | <p>07 Mr. Daniel Ross
Financial Director</p> <p>08 Mr. Rangsin Kritalug
Executive Director and
Chief Operating Officer</p> <p>09 Miss Chayada Yodyingammakul
Legal Director</p> <p>10 Mrs. Patchaneeya Pootme
Corporate Communications Director</p> <p>11 Mrs. Duangkamol Chaichanakajorn
Accounting Director</p> |
|--|--|

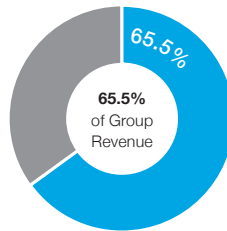
3.6

ORGANISATION CHART



3.7

BUSINESS AND INDUSTRY OVERVIEW: MASS TRANSIT



CONNECTING CITY SOLUTIONS

“Our financial results are a testament to the remarkable resilience of this business. Despite forced service interruptions in April and May, mass transit revenue still rose by 4.9%. The Mass Transit business has seen revenue grow in every year since inception in 1999”

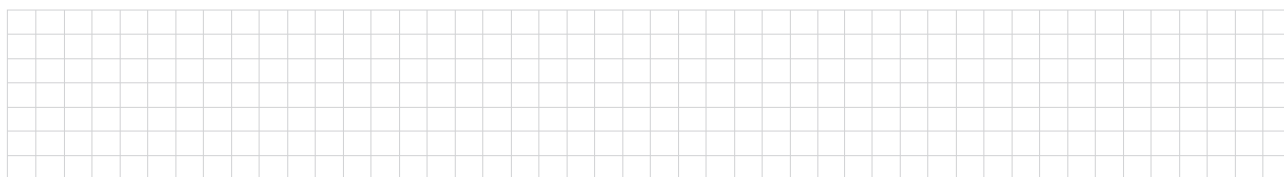
Surapong Laoha-Unya,
Executive Director for Mass Transit

The fiscal year ending 31 March 2011 was a remarkable year for the Group's mass transit business. It began with prolonged political demonstrations which paralysed much of the country and the BTS SkyTrain was no exception. As one of the main protest sites was situated near the Central Station (Siam), the BTS SkyTrain system had to be closed fully for 8 days and provided only limited service on 19 days. During the protests, the Company and its security team was in close contact with the police and Government authorities. The BTS became a symbol of public unity with daily news broadcasts on its operating hours being followed with keen interest. Ultimately, the disruption cost the Company an estimated THB 180mn worth of lost revenue and there was minor damage to BTS Rajdamri station. The amount of lost revenue could have been more had the disruption not occurred during the seasonal low (Songkran holidays) for the BTS SkyTrain's ridership.

In spite of the huge disruption to services, both ridership and fare-box revenue managed to increase year over year. Although the Company was not able to reach its target ridership increase of 8%, March ridership did increase 10.5% year over year. The average fare for the year increased 1.2% to THB 24.4 per trip.

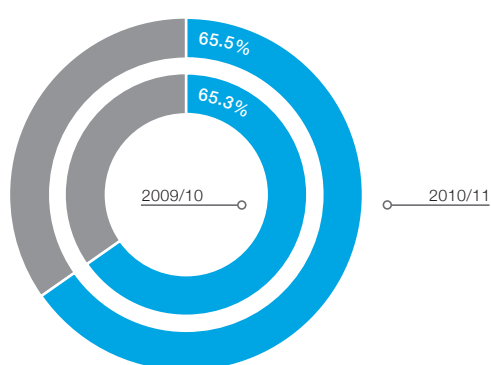
Recurring revenue which the company received from operation and maintenance contracts increased as the company signed a contract with the BMA subsidiary, Krungthep Thanakom to operate and manage the bus and stations for Bangkok's first Bus Rapid Transit (BRT) system. This operation and management (O&M) income is expected to increase further in 2011/12 following the successful execution of the Sukhumvit line extension (On Nut – Bearing) O&M agreement. The extension is expected to begin operating in August 2011.

The BTS Group continues to invest in the system infrastructure with the enhancement of the network's signaling system to a computer-based train control system. Significantly, the Group also took delivery of twelve new 4-car trains and these have now been put into full service. This has resulted in an estimated 45% increase in ridership capacity and increase in our peak load capacity. We look forward to delivering further improvements in the coming year.



Key Performance Highlights – Mass transit

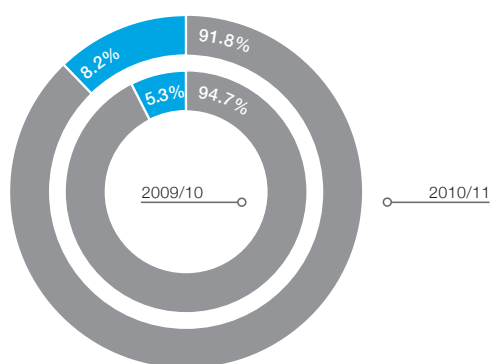
Mass transit revenue (% of operating revenue)



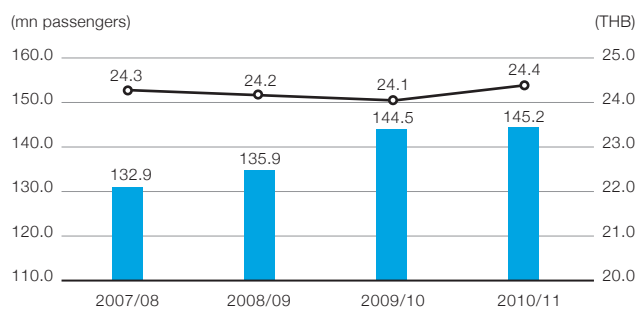
Key Figures

THB mn	2010/11	2009/10	Change (%)
Revenue	3,860.8	3,679.6	4.9%
Gross Profit	1,642.6	1,506.3	9.0%
EBITDA	2,087.6	1,971.7	5.9%
EBIT	1,115.3	986.6	13.0%
Gross profit margin (%)	42.5%	40.9%	
EBITDA Margin (%)	54.1%	53.6%	
EBIT margin (%)	28.9%	26.8%	

Mass transit revenue by segment



Historical ridership and average fare price



■ Fare box revenue

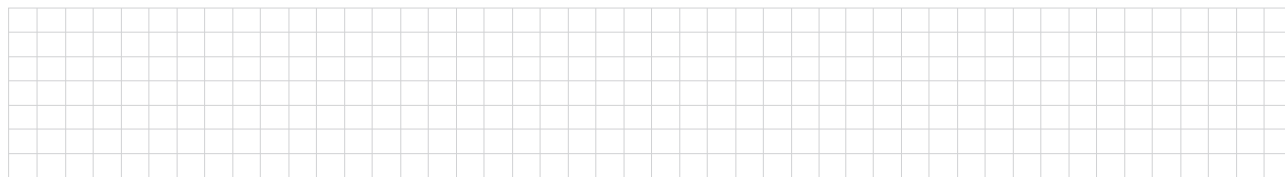
■ O&M revenue

■ Total ridership (mn passengers)

—○— Average fare price (THB) - RHS

Key Developments 2010/11

- Record ridership of 145.2mn passengers for the year
- Record daily ridership of 509,106 per weekday achieved in March 2011 and 572,941 on 1 April 2011
- New fleet of twelve 4-car trains began servicing the Silom line in December 2010, expanding capacity by around 45%
- Executed an additional contract to operate and maintain the Sukhumvit line extension by the local Government
- Signed contract to operate and maintain the Bus Rapid Transit (BRT) operation



Mass transit market overview

Presently, forms of mass transit in Bangkok include rail-based (including the BTS SkyTrain and MRT Subway), road-based (buses), water-based (ferries) and others (mini-vans, limited standard gauge over-ground rail) modes of transport. The market share (as measured in terms of number of trips per day) of each form as of 2009 was 89.6% for bus, 5.2% for rail mass transit, 2.0% for ferry and 3.2% for others.

Aggressive rail network expansion in progress

Since the inception of BTS SkyTrain (the first rail mass transit system in Bangkok) in December 1999, rail mass transit usage in Bangkok has seen a gradual rise and in 2009 accounted for 0.62mn trips (or 5.2% of the total 11.9mn trips per day). This relatively slow growth in market share can be largely attributed to the delayed formation of a comprehensive transport plan as well as implementation delays. However, expansion of public transportation infrastructure is now a priority agenda of political parties' election campaigns and in February 2010, the Ministry of Transport's Office of Transport and Traffic Policy and Planning (OTP) approved the Mass Rapid Transit Master Plan in Bangkok Metropolitan Region (or M-MAP) which incorporates an aggressive development plan of Bangkok's rail mass transit into a more mature network.

OTP's M-MAP is classified into a five-year immediate plan (by 2014), a ten-year plan (by 2019) and a twenty-year plan (2029). This will expand the mass transit rail network from 73.7km currently to 235.8km by 2014, 377.0km in 2019 and 495.0km in 2029). Of the additional 162km of the current five-year plan, 52.6km is now under construction, 83.5km is now under bidding process and 25.5km is now under environmental impact assessment (EIA) process.

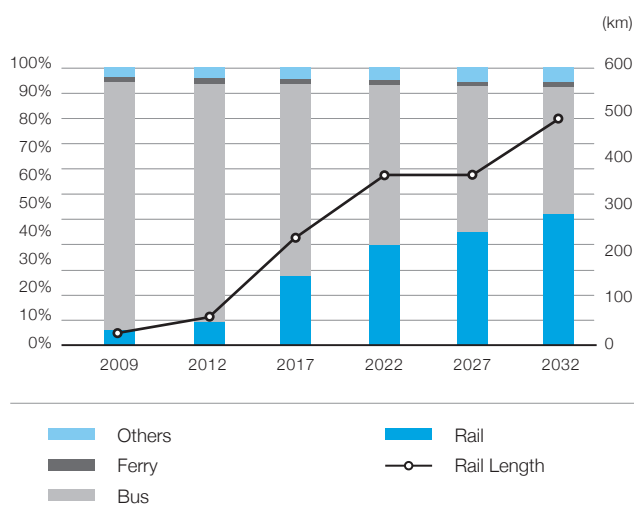
Major shift in market share expected

Whilst customer choice of which form of transport depends on a number of factors such as affordability (relative price), convenience (proximity as well as punctuality), total journey time and safety, it is expected that the change in market share of Bangkok's mass transit market will be primarily driven by congestion of road-based transit and new supply of rail-based transit (i.e. the aggressive expansion of the network). Bangkok suffers from some of the most severe road-based traffic congestion in the world and according to the OTP, the average vehicle speed of private vehicles along the main streets of Bangkok in 2009 during rush hours was 19.4km / hour in

the morning and 23.9km / hour in the evening, and has remained at these levels for the past 5 years. With little increase in the supply of road space and a reduction in the number of buses we would not expect road-based traffic congestion to improve.

As a result of the rail network expansion, the footprint of the mass transit network will develop to become more pervasive, allowing a much broader population base to complete their journeys on less congested, and more punctual forms of transit. OTP has conducted a study and forecasts that rail mass transit demand in Bangkok will significantly replace bus transit demand between now and 2032 as a result of expansion of rail network length. By 2032, mass transit market share in Bangkok is projected rise to 46.7%.

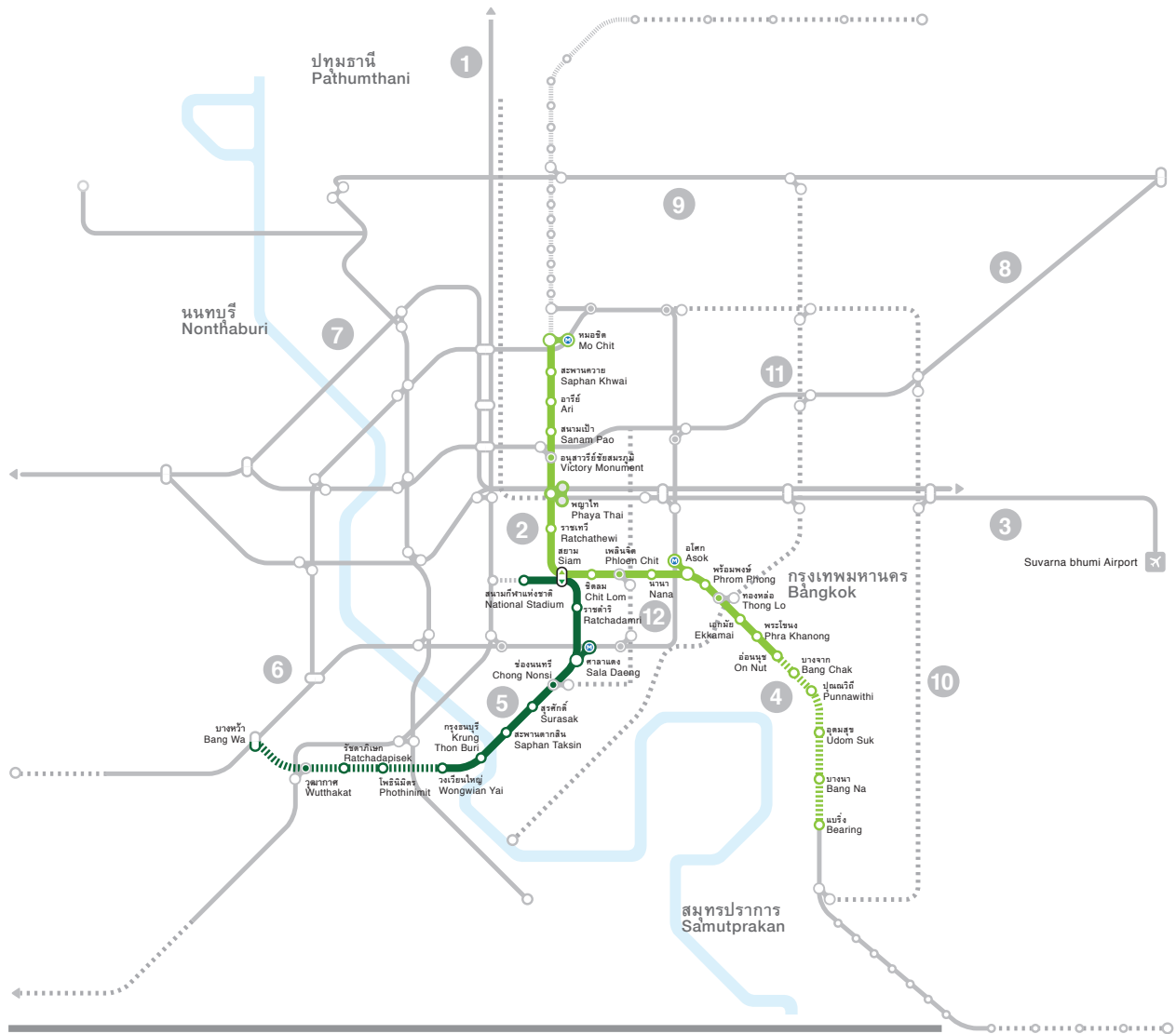
Bangkok's mass transit market share (forecast)



Source: BTS, OTP's rail mass transit master plan for Bangkok Metropolitan and surrounding areas and OTP's transport data and model integrated with multimodal transport and logistics (TDML II)



Map of BTS SkyTrain network against future network

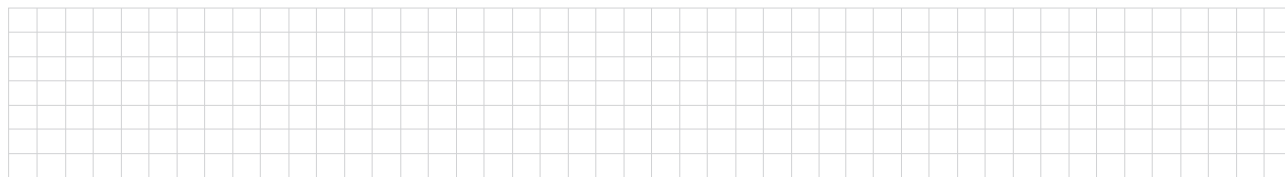


สัญลักษณ์/LEGEND

- 1 Dark red line (Thammasat University - Maha Chai)
- 2 Light red line (Sala Ya - Hua Mak)
- 3 Airport rail link line (Phaya Thai - Makkasan - Suvarnabhumi)
- 4 Dark green line (Lam Luk Ka - Mo Chit - Samut Prakan - Bangpu)
- 5 Light green line (Yotse - Bang Wa)
- 6 Blue line (Bang Sue - Tha Pra, Hua Lamphong - Buddhamonthon Sai 4)
- 7 Purple line (Bang Yai - Rat Burana)
- 8 Orange line (Taling Chan - Min Buri)
- 9 Pink line (Khae Rai - Min Buri)
- 10 Yellow line (Lat Phrao - Samroong)
- 11 Gray line (Watcharapon - Rama IX Bridge)
- 12 Light blue line (Din Daeng - Sathorn)

- 1 สายสีแดงเข้ม (ธรรมศาสตร์ - มหาชัย)
- 2 สายสีแดงอ่อน (ศาลายา - หัวหมาก)
- 3 รถไฟฟ้าแอร์พอร์ตลิงค์ (พญาไท - มักกะสัน - สุวรรณภูมิ)
- 4 สายสีเขียวเข้ม (ลำลูกกา - หมอชิต - สมุทรปราการ - บางปู)
- 5 สายสีเขียวอ่อน (ยศเส - บางหว้า)
- 6 สายสีน้ำเงิน (บางซื่อ - ท่าพระ - หัวลำโพง - พุทธมณฑลสาย 4)
- 7 สายสีม่วง (บางใหญ่ - ราษฎร์บูรณะ/แคราย - ปากเกร็ด)
- 8 สายสีส้ม (ตลิ่งชัน - มีนบุรี)
- 9 สายสีชมพู (แคราย - มีนบุรี)
- 10 สายสีเหลือง (ลาดพร้าว - พัฒนาการ - สำโรง)
- 11 สายสีเทา (วัชรพล - สะพานพระราม 9)
- 12 สายสีฟ้า (ดินแดง - สาทร)

Source: OTP's Annual Report 2009



Bangkok's rail network currently immature

Rail mass transit systems are well-known transportation system in terms of time efficiency, reliability and safety and are a common transportation system among developed countries. As the systems were invested in earlier, they have now reached a more mature state and pervasive (defined as rail mass transit length per million population) state. Berlin and New York for example, have mature and pervasive networks with 100.2km and 126.8km of rail mass transit length per million of population. Meanwhile in Asia, Singapore and Hong Kong are examples where the development of rail mass transit systems have become more mature as both systems were introduced more than 20 years ago and cover a broad footprint of residential and business areas. Pervasion in Singapore and Hong Kong has reached 30.5km and 31.1km per million of population respectively.

Rail mass transit development in major cities

	Population (mn)	Rail mass transit length (km)	Urban mass transit pervasion*
Asia			
Bangkok	6.9	73.7	10.8
Tokyo	8.5	320.0	37.7
Hong Kong	7.0	218.2	31.3
Singapore	4.8	147.7	30.5
Beijing	11.5	228.0	19.8
Seoul	10.0	152.0	15.2
Jakarta	8.8	110.3	12.5
Europe			
Berlin	3.4	339.4	100.2
London	8.3	430.0	51.9
Paris	9.6	244.4	25.3
America			
New York	8.4	1,060.3	126.8

Source: United Nations Statistic Division, MTR Corporation Limited, SMRT Corporation Limited, BTSC, BMCL, official websites of rail mass transit system in major cities

* rail mass transit length per mn population

However, pervasion in Bangkok is one of the lowest at just 10.8km of rail mass transit length per million of population. Nevertheless, after a completion of the OTP's five-year immediate plan, mass transit penetration in Bangkok is expected to increase 220% to 34.4km per million of population, comparable to other countries in Asia.

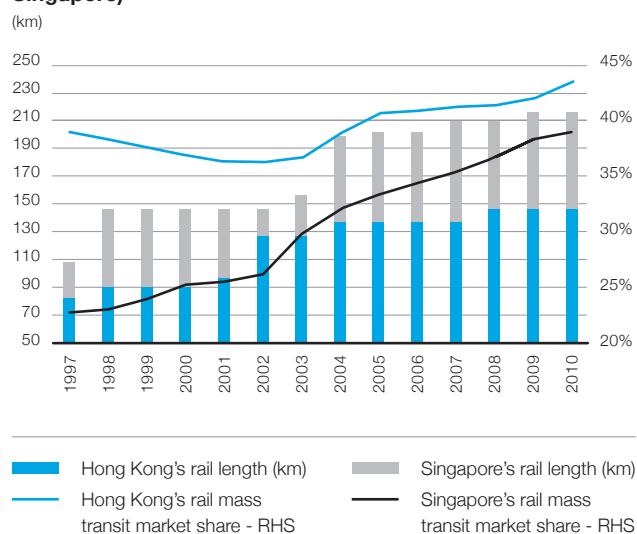
Singapore and Hong Kong already mature

Singapore opened the first mass rapid transit system (MRT) in

November 1987 and light rail transit (LRT) in November 1999. The Government of Singapore realises the importance of the rail mass transit system to substantially support economic growth and has continuously built up the rail mass transit system to the current length of 147.7km. As such, rail ridership growth (6.60% compound annual growth rate or CAGR) was considerably greater than bus ridership growth (0.64% CAGR) between 1994 and 2011. Corresponding market share (as measured by passenger trips) of rail mass transit system therefore grew significantly from 19.5% in 1994/95 to 39.2% in 2010/11 whilst market share of the bus system declined from 80.5% to 60.8% in the same period. Singapore expects to enlarge its rail mass transit system to 278km by 2020 to accommodate an expected 60.7% growth in travelling demand from the current 8.9mn trips per day to about 14.3mn trips per day in 2020.

Hong Kong's rail mass transit system is by comparison more mature. This is due to the early development of the infrastructure which has been in operation since 1979. As a result of an intense development of rail mass transit infrastructure, Hong Kong's public transport market share (as measured by passenger trips) is split between rail system (43.9%) and bus system (54.8%). Growth has slowed however, with rail mass transit market share increasing only 4.8% (from 39.1% to 43.9%) in the past 14 years compared to a system length extension of 100.3% (from 109.0km to 218.2km).

Historical rail mass transit market share (Hong Kong and Singapore)



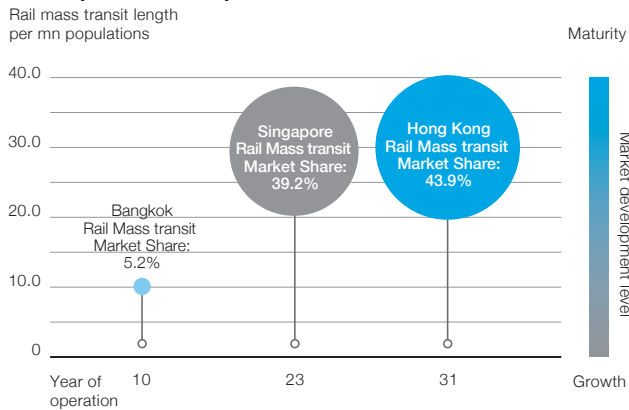
Source: Singapore's Land Transport Authority and Hong Kong's Transport department



Bangkok network set for growth

The clear conclusion from analysis of market share and network pervasion of Bangkok versus other cities is the anticipated growth opportunity of Bangkok's rail mass transit market into a more mature market within the near future.

Development of comparable rail mass transit markets



Source: OTP, Singapore's Land Transport Authority, Hong Kong's Transport Department, MTR Corporation Limited, SMRT Corporation Limited

Income growth makes rail transit more affordable

Although the rail transport network in Bangkok provides a speedy and reliable form of transport, the fare is still relatively higher than other modes of transportation. For example, BMTA's regular non air-conditioned buses charge a minimum fare of THB 7 to most destinations within metropolitan Bangkok while BMTA's air-conditioned buses charge a minimum fare of THB 11. However, in the past few decades, Thailand and Bangkok has experienced significant economic growth in line with the country's industrialisation and subsequent transition to a services and export-based economy. According to the World Bank's data, Thailand's real GDP per capita grew at a compound annual growth rate of 4.2% during the period between 1980 and 2009. Furthermore, according to Thailand's Office of the National Economic and Social Development Board, Bangkok accounted for 10.3% of the country's population and for approximately 26.0% of the country's GDP in 2009. Bangkok's gross provincial product per capita was approximately THB 342,605 (U.S.\$ 11,420) in 2009 from THB 254,087 (U.S.\$ 8,470) in 2002, representing a compounded annual growth rate of 4.4%.

Overview of Bangkok's Existing Mass Transit System

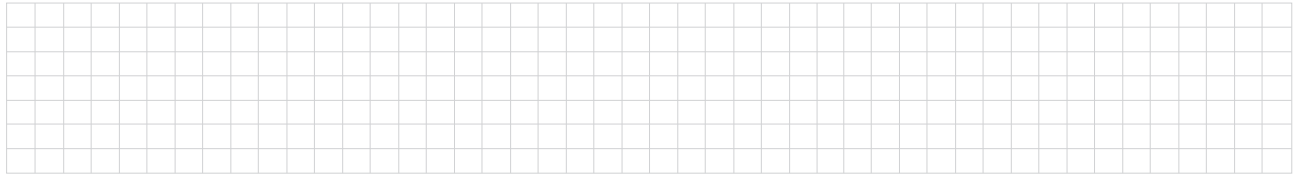
BTS SkyTrain

The BTS SkyTrain is Thailand's first elevated electric railway system and is constructed above certain of central Bangkok's major public roadways. It is operated by BTSC. Currently, there are 35 three-car and 12 four-car trains, which service BTS SkyTrain and its extension's 25 stations and run on 2 separate lines with a combined track length of 25.7km. The Sukhumvit Line, or the Dark Green Line, consists of 17 stations and runs northwards and eastwards from central Bangkok, connecting Mo Chit and On Nut. The Silom Line or the Light Green Line consists of 9 stations and runs through one of Bangkok's central business districts, connecting National Stadium and Wongwian Yai. Both lines intersect at Siam Station, which is the System's single shared interchange station. In the fiscal year 2010/11, BTS SkyTrain carried a total of 145.2 million passengers on the system. Ridership has grown at 8.6% CAGR since inception.

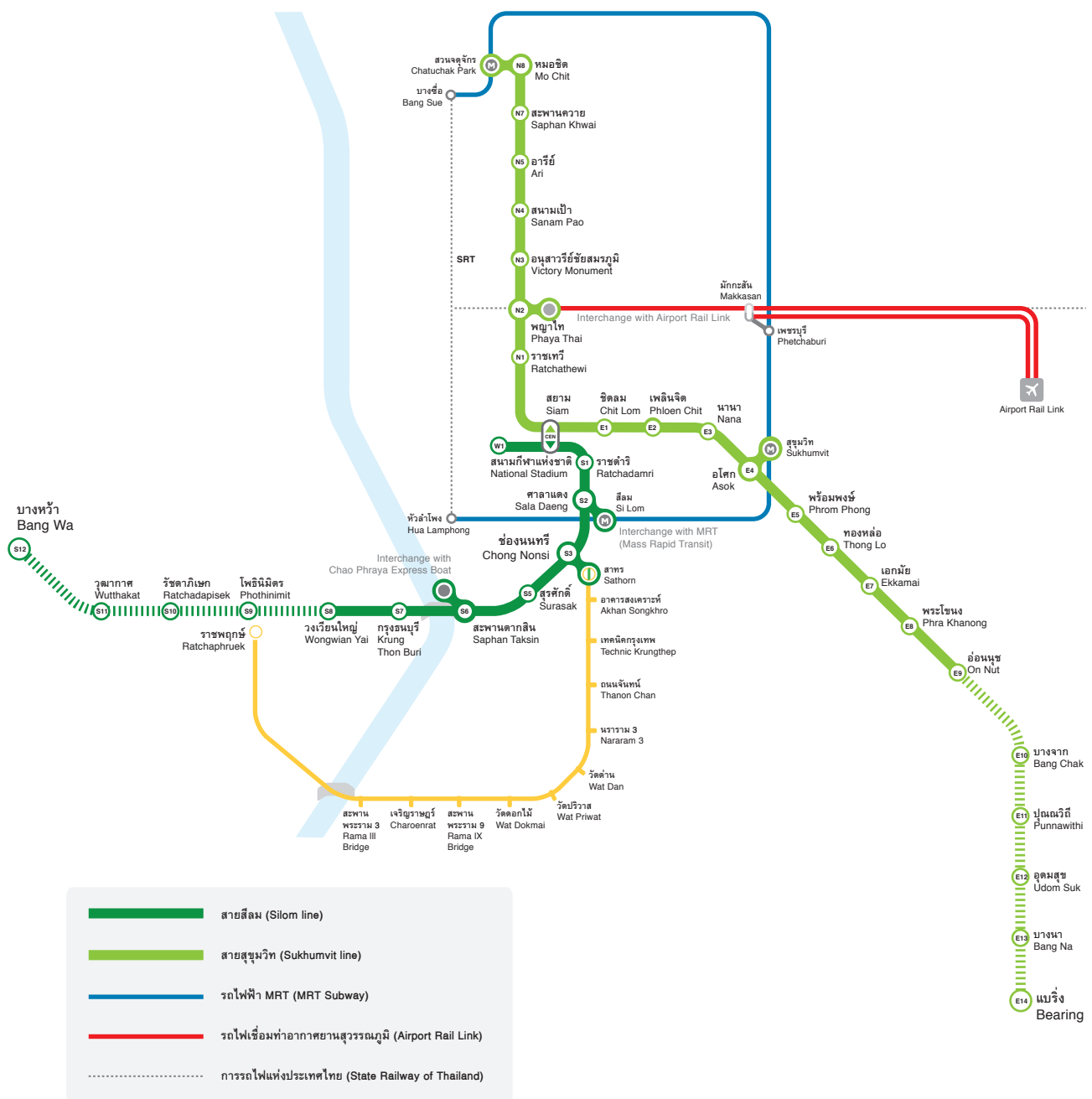
Bangkok MRT Subway

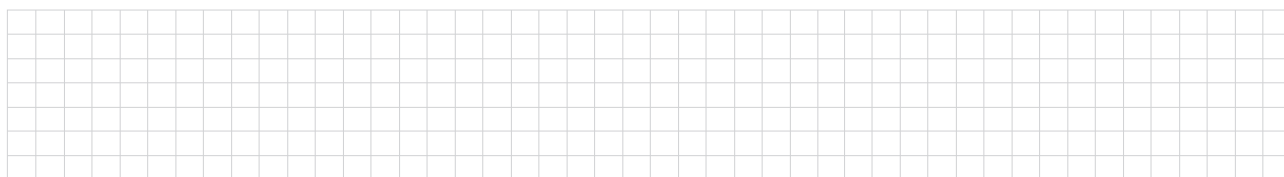
The Blue Line was the first underground mass transit railway system in Thailand. It runs 20.0km through 18 stations from Hua Lamphong Railway Station to Bang Sue. The Bangkok MRT Subway, Bangkok's underground metro system, operates through 19 three-car trains with a maximum capacity of 120.2mn passengers per year in 2010. In 2010, the Bangkok MRT Subway operated at 54.0% of its capacity. In the calendar year 2010, the Bangkok MRT Subway trains carried a total of 64.9mn passengers on the system. The system is connected to the BTS SkyTrain at three stations — Sala Daeng, Asoke and Mo Chit stations.

The Bangkok MRT Subway is solely operated by BMCL under a concession agreement with the MRTA to exclusively operate the existing network of the Metropolitan Rapid Transit System Chaloem Ratchamongkhon Line (the "Blue Line"). The concession includes the exclusive right to operate the current Bangkok MRT Subway system, as well as the right to manage commercial and advertising space in the system for 25 years until 2029. The MRTA was responsible for the civil and construction investment while BMCL was responsible for the electrical and mechanical works ("E&M") and rolling stock investment. Under the concession agreement, BMCL is required to pay a certain percentage of fare and commercial revenue along with an annual remuneration to MRTA. The MRT started operations on 3 July 2004.



Overview of Bangkok's Existing Mass Transit System





Suvarnabhumi Airport Link

The Suvarnabhumi Airport Rail Link (“SARL”) is a rapid transit line that connects Suvarnabhumi Airport to Phaya Thai station in central Bangkok. The line is 28.0km long and is elevated, running above the existing eastern railway, with an underground terminal at the airport. It is owned and operated by State Railway of Thailand (“SRT”). The SARL commenced its operations on 23 August 2010. Services consist of the Express Line, a 15-minute non-stop service between the Makkasan city air terminal and the airport, and the City Line, an approximately 30-minute commuter rail service with stops at eight stations from the airport to Phaya Thai station. The SARL connects directly with the existing BTS SkyTrain at concourse level at Phaya Thai station.

Bangkok Rapid Transit (BRT)

The BRT is a project pioneered by the BMA to link the various Bangkok mass transit systems and provide an integrated public service for the city and its suburbs. It operates a bus service that is faster than the general bus service using a special lane reserved for the BRT on existing roads. The BRT has 12 stations, covering 15.0km, running from Chong Nonsi on Narathiwat Ratchanakarin Road, crossing Rama III Bridge to Ratchapruet Road. The BRT Sathorn station is connected to the BTS Chong Nonsi station.

The BMA outsourced the management to BTSC via a Bus Operation Agreement as well as a Station Management Agreement. Under the Agreements, the BMA receive all the revenue from fares, and BTSC receive pre-agreed annual fees. In return, BTSC bears the operating expenses, maintenance expenses and investment in the buses.

Ridership of Mass Transit System in Bangkok (mn passengers)

Type of vehicle	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
MRT Subway	-	-	-	26.8	57.2	57.8	60.0	62.2	63.7	64.9
Growth				N.A.	113.1%	1.1%	3.9%	3.5%	2.6%	1.8%
BTS SkyTrain*	79.3	96.5	105.1	107.6	131.9	138.6	132.9	135.9	144.5	145.2
Growth	N.A.	21.8%	8.9%	2.4%	22.6%	5.1%	-4.1%**	2.3%	6.3%	0.5%

Source: BTS and Bangkok Metro PCL

* Fiscal year end 31 March

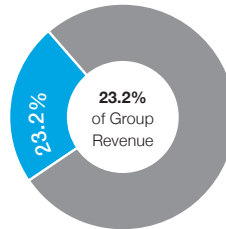
** Political and economics factors

Whilst the expansion of the network will be of primary benefit the public, ridership of the BTS SkyTrain, MRT Subway, SRT Airport Link and BRT can all expect to receive mutual benefit as each line acts as feeders to each other. However, as the Core Network of the

BTS SkyTrain sits at the centre of the network expansion and covers the key commercial and residential routes, these should remain the ultimate destination for the majority of mass transit passengers.

3.7

BUSINESS AND INDUSTRY OVERVIEW: MEDIA



CREATING CITY SOLUTIONS

“Our business has out-grown the Advertising industry as a whole, as well as the Transit sector and the In-store sector. This is evidence of the product differentiation that VGI offers to advertising agencies and direct customers”

Marut Arthakaivalvatee,
Chief Executive Officer for Media

In 2010/11 the BTS Group's Media business (which is conducted through the Group's majority owned subsidiary VGI Global Media Co., Ltd. or VGI) achieved a historically high record level of revenue and profitability. The company also saw revenue almost double in its non-BTS related advertising, with excellent growth from modern-trade related media. In spite of severe disruption to the BTS SkyTrain as a result of system closures in April and May, our BTS-related Media business still saw slight revenue growth compared to 2009/10.

Already Thailand's leading Out-of-home media company, VGI further cemented its partnership with existing players in the modern-trade sector. In 2010, Tesco Lotus appointed VGI to manage its in-store Tesco radio as well as Tesco supermarket sales floor area, adding to the existing contracts the Company already has with Tesco, BigC, Watsons and Carrefour. We regard this as a firm affirmation of the confidence that our partners have in our business model and sales expertise.

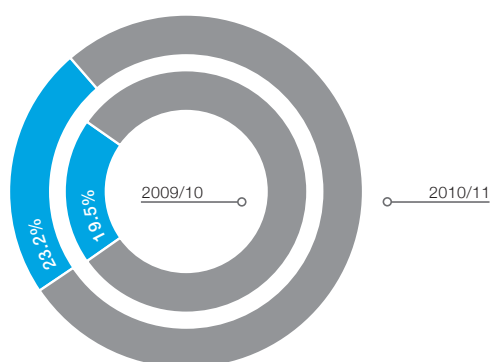
VGI also demonstrated the power of its platform through the results of Point of View Media (POV) which is responsible for managing a portfolio of office buildings. VGI had acquired POV in October 2009 and following full integration in November 2009, POV sales had been enhanced by 40% year over year as a result of the unique distribution platform that BTS Group offers for media buyers.

Revenue from BTS-related media comprised approximately 63.8% of total Media income in 2010/11. Key products remain the 'in-train' LCD followed by 'on-station' static media. Price increases were limited during the year however occupancy increased slightly.



Key Performance Highlights – Media

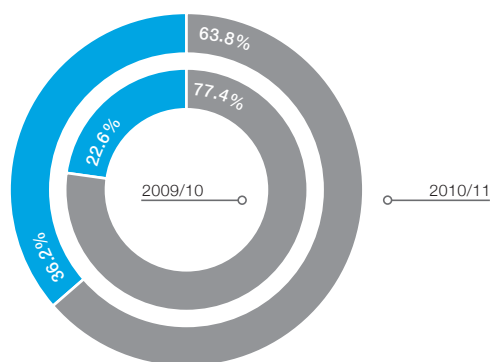
Media business revenue (% of operating revenue)



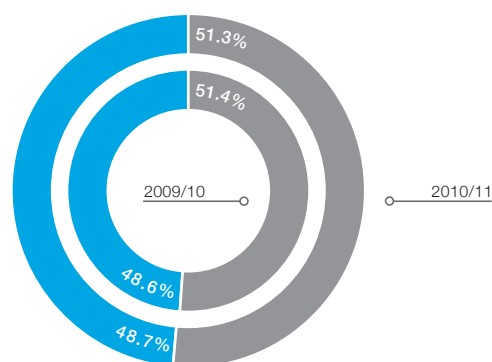
Key Figures

THB mn	2010/11	2009/10	Change (%)
Revenue	1,369.9	1,100.2	24.5%
Gross Profit	882.2	748.4	17.9%
EBITDA	742.4	604.6	22.8%
EBIT	652.7	517.9	26.0%
Gross profit margin (%)	64.4%	68.0%	
EBITDA Margin (%)	54.2%	55.0%	
EBIT margin (%)	47.6%	47.1%	

Media revenue by segment



Media revenue by media type



■ BTS related media

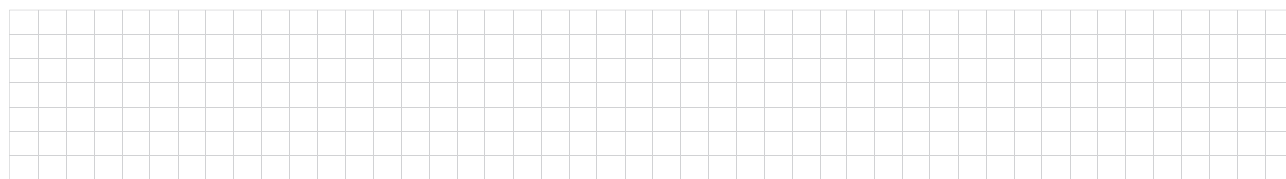
■ Modern trade and office building

■ Digital

■ Static

Key Developments 2010/11

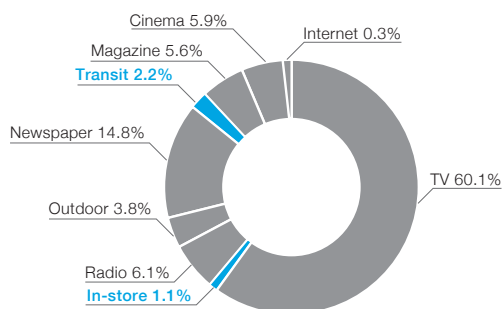
- Record revenue of THB 1,369.9mn, representing growth of 24.5% year over year
- New contracts secured in the modern trade sector with Tesco Lotus
- Further diversification away from mass transit business reliance with non BTS-related (modern trade and commercial revenue) now responsible for 36.2% of total media revenue.
- Extended audience reach with new contract on Bus Rapid Transit buses
- Excellent progress with the integration of POV (acquired in 2009)



Media market overview

The total estimated size of advertising expenditures in Thailand in 2010 was THB 101,032mn. The BTS Group is active in the Transit media and In-store media segments of the advertising industry which accounted for 2.23% and 1.11% of total advertising market share respectively.

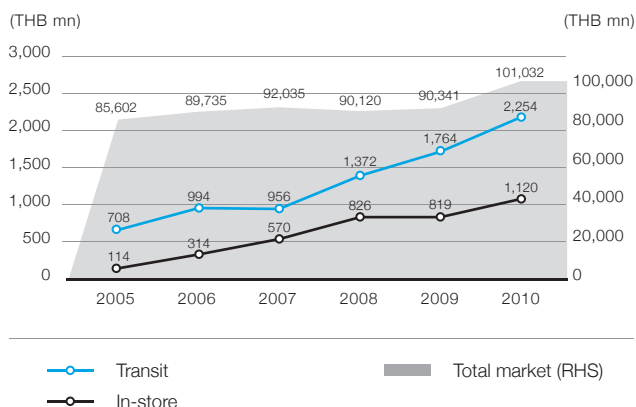
Thai media market by market type



Source: The Nielsen Company (Thailand)

Although advertising expenditures of the Transit and In-store sectors are relatively low compared to the overall market, the BTS Group estimates that it commands a majority market share; 55.4% and 63.3% market share of these respective segments. More importantly, growth in these sectors has out-paced other sectors (and the industry as a whole) over the past 5 years. The Transit and In-store media sectors have enjoyed impressive compound annual growth rate (CAGR) of 21.3% and 46.3% respectively, compared to the total advertising market of just 2.8%.

Historical Thai advertising expenditures (Transit & In-store)



Source: The Nielsen Company (Thailand)

The faster expansion of the Transit media market was mainly due to the significant development of the mass transit system in Thailand. Strong growth in ridership, new mass transit networks (BRT and Airport Rail Link), new advertising technologies (LCD in train and Train-body wrap) and a high direct influence of the advertisement to the target group are several contributing factors. Similarly, for In-store media, the rapid branch expansion of modern trade retailers across Thailand (Tesco Lotus, BigC and Carrefour) created a larger audience and advertising space at the point of purchase. The outlook of Thai Transit media market also remains bright. Growth is expected to occur in parallel to the continued growth of the mass transit network. The larger coverage area of the network and strong increase in ridership prospect is expected to lead to an increase in advertising expenditure within the sector on account of the larger audience. There is also opportunity for growth in the form of new digital advertising technologies, many of which incorporate sound in order to demand more customer attention and this may replace certain existing static media.

Whilst the expansion of large-format retail stores in Thailand will be limited due to tighter development laws imposed under the Retail Act, we can expect the major modern trade retailers to shift their expansion strategy to smaller format models such as Tesco Express and 'Mini' BigC. BTS Group already has a foothold in this market through its relationships with retailers, for example, radio media in Tesco Express (598 branches) and will look to expand further.

Key Players

The key players within the Thai Transit media market are divided according to transportation type. For example, bus advertising is mainly operated by Plan B Media Co. Ltd., BTS SkyTrain advertising is exclusively operated by VGI Global Media and MRT underground advertising is mainly operated by Bangkok Metro Network Limited. Since our route is located within Bangkok's central business district (CBD) and key commercial and residential areas, the Company believes that it has a strong competitive advantage in terms of audience size and profiling compared to other competitors.

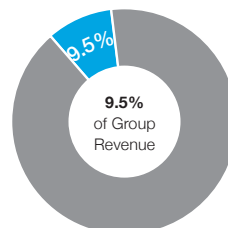
Key players in in-store media market

Type	Tesco Lotus	BigC	Carrefour	Tops
Radio	VGI	RS In-Store	RS In-Store	RS In-Store
In-store LCD	VGI	—	RS In-Store	RS In-Store
Visual Signboard / Lightbox	VGI	VGI	VGI	—
On-Shelf/Sales Floor	VGI	ACT Media	IMS	ACT Media
Demo Testing	Demo Power	Demo Power	Demo Power	Demo Power

Source: VGI information as of 15 May 2011

3.7

BUSINESS AND INDUSTRY OVERVIEW: PROPERTY



DEVELOPING CITY SOLUTIONS

“We now focus on development of property along mass transit routes only. We aim to build our Abstracts brand to support our Group-wide “City Solutions” concept and to ensure that our Property business is self sustaining”

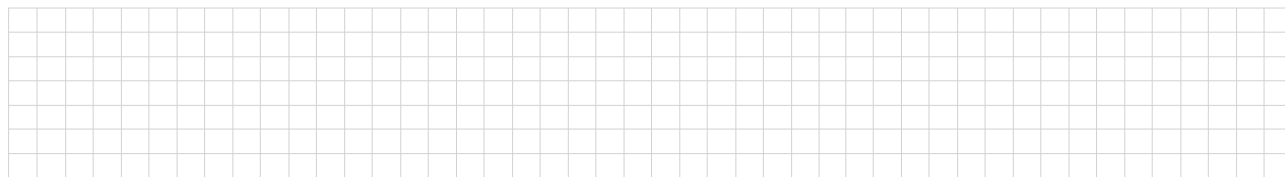
Rangsin Kritalug,
Executive Director for Property

In 2010/11 the Group launched its inaugural condominium projects under the Abstracts brand. Each development will be within 250m of existing or future mass transit routes and the purchase of each unit will come with 10-years free unlimited travel on the BTS SkyTrain. Having an established track record is a key success factor in the Bangkok condominium market, and the BTS Group intends to build up this brand using its existing land bank over the coming few years.

Financial results for the year 2010/11 reflect the sales of the Group’s ‘legacy’ property assets. More specifically, of total revenue of THB 562.6mn, THB 146.9mn or 26.1% was from the sale of property projects at Thana City. Going forward, the Group aims to sell out the remaining inventory of approximately THB 130mn, by fiscal year-end. Secondly, THB 261.8mn or 46.5% of total 2010/11 revenue was derived from the project management services related to the development of low-cost housing with the National Housing Authority (NHA). The Company has concluded its policy not to continue with the NHA work, but expects to realise future revenue of approximately THB 100mn in 2011/12.

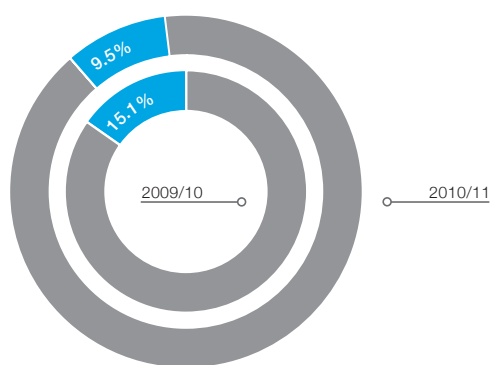
As such, the relevance of the Abstracts condominium sales will become increasingly more prominent. BTS Group has already adopted IFRS (IAS 18) and only recognises revenue from Property sales on transfer of units to customers. In 2011/12, BTS Group will transfer units of its Abstracts Sukhumvit 66/1 project to customers, followed by Abstracts Phahonyothin Park in 2012/13.

Elsewhere, the Group continues to recognise revenue from a diverse array of property assets which include hospitality assets (proprietary owned), serviced apartments, housing and land sales (Thana City).

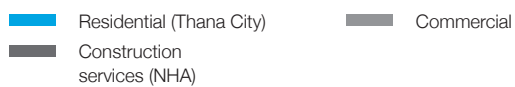
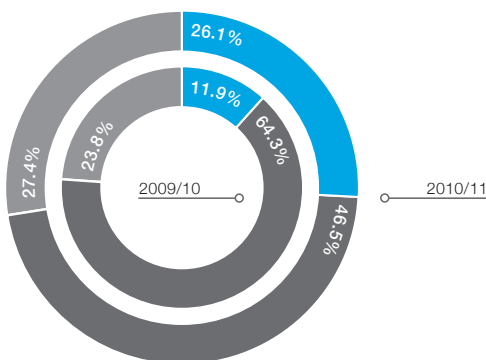


Key Performance Highlights – Property

Property business revenue (% of operating revenue)



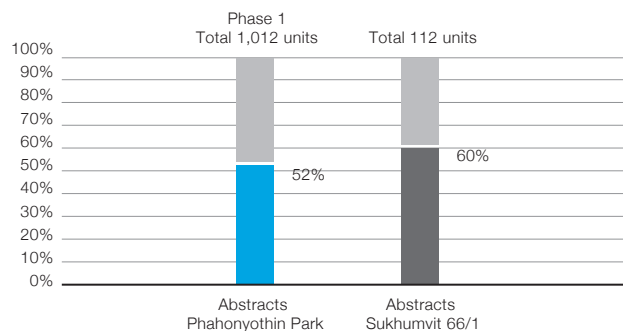
Property revenue by segment



Key Figures

THB millions	2010/11	2009/10	Change (%)
Revenue	562.6	849.3	-33.7%
Gross Profit	(42.6)	102.7	-141.5%
EBITDA	(246.3)	(13.7)	1692.4%
EBIT	(316.8)	(57.1)	455.2%
Gross profit margin (%)	-7.6%	12.1%	
EBITDA Margin (%)	-43.8%	-1.6%	
EBIT margin (%)	-56.3%	-6.7%	

Presales rate (as of 31 May 2011)



Key Developments 2010/11

- Launch of inaugural condominium brands under the Abstracts brand
- As of 31 May 2011, sales of 60% achieved on Abstracts Sukhumvit 66/1
- As of 31 May 2011, sales of 52% achieved on Abstracts Phahonyothin Park
- Thana City sales objective of 101 units or THB 146.9mn achieved
- Project management services for National Housing Association reach 96.2% completion

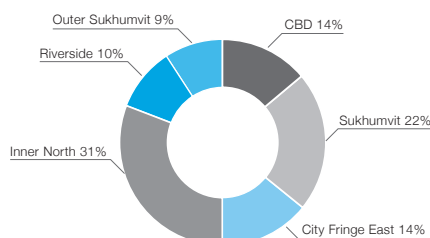


Property market overview

Supply and Demand

At the end of 2010, total supply of existing condominiums reached 163,394 units, a 20.6% increase year-over-year.

Bangkok's condominium supply breakdown in 2010



Source: Jones Lang Lasalle, Bangkok Property Markets Overview, February 2011

Whilst market concerns of condominium oversupply continued through 2010, in calendar Q1 2011 the market responded and we saw a QoQ reduction of 46% in new supply. Further, there is a significant difference in both take up rates and pricing of units which are located in close proximity to the mass transit stations.

Sales prices of condominium units that are located within 200m from mass transit stations achieved an average sales price of THB 90,929psm compared to THB 68,402psm for projects 201 – 500m away, THB 64,530psm for projects 501 – 1,000m away and THB 53,567psm for projects greater than 1,000m away. Bangkok weather conditions and traffic congestion mean that close proximity to mass transit is highly favourable. High average temperatures and humidity as well as torrential downpours mean that it is often inconvenient to walk even relatively short distances.

Despite the higher prices, take-up rate within 200m of mass transit stations were also higher than more distant projects with a take up rate of approximately 72.0%. Although projects that were located 201-500m away saw a take-up rate of only 40.8% as lack of immediate accessibility did not justify the higher prices.

Key Trends

Recent years has seen an increase in market share by the larger developers. This was driven primarily by their greater financial strength and bank lending support during the last financial crisis. Further, the larger players are more cost competitive as they have greater purchasing power with their suppliers.

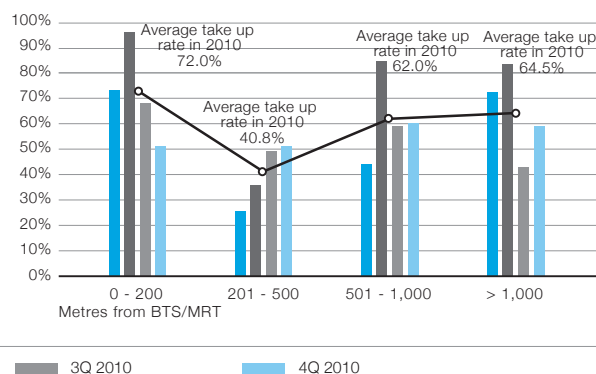
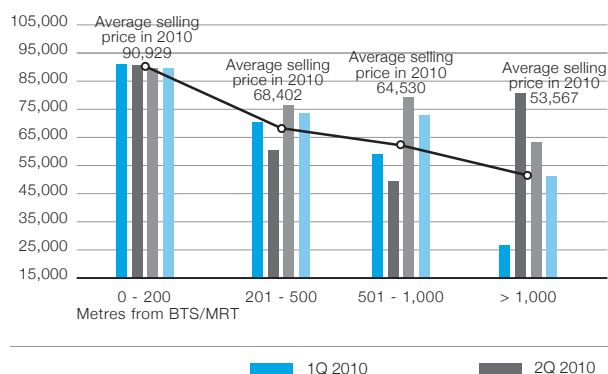
Development along the mass transit routes has been a feature of the property development market for several years now. This trend continues unabated and this is evident in the increasing proportion of development in the northern fringe of Bangkok (which is served by both BTS SkyTrain and MRT Subway) as well as the Southern fringe (which is increasingly served by the mass transit (both existing and future lines)). Whilst earlier on in the development cycle, more development took place in the CBD, we have also seen a shift in development towards the suburban areas as scarcity of land plots and increasing land prices in the centre make projects less feasible and the extension of mass transit routes into the suburbs continues.

Key Players

The property development market in Bangkok is dominated by the major listed companies. Although market share varies according to segment, the 6 largest players are Asian Property, Land & House, LPN Development, Prukpa, Quality House and Supalai. Typically these players will have product spanning both the housing and condominium sectors.

Selling price and Take up rate of condominium by distance from BTS/MRT stations

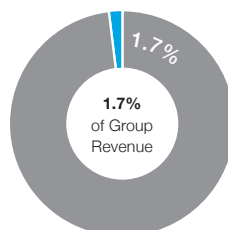
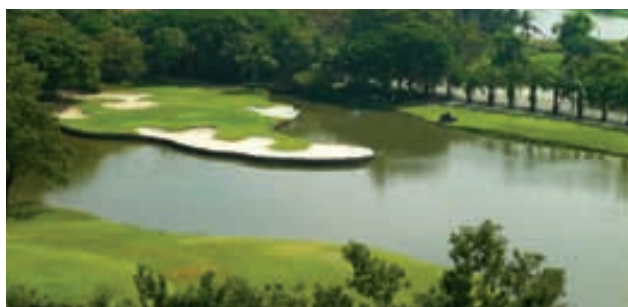
(THB per square metre)



Source: Colliers International Thailand Research

3.7

BUSINESS AND INDUSTRY OVERVIEW SERVICES



PROVIDING CITY SOLUTIONS

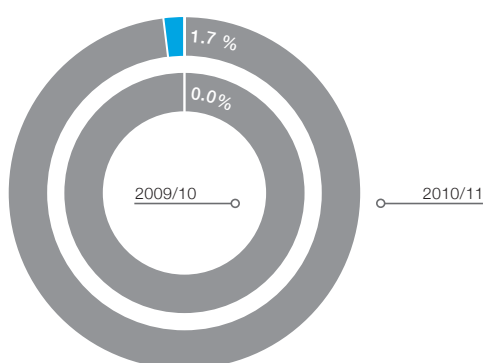
“This year we saw great strides in our progress to implement an e-money service system with a common ticketing system across Bangkok’s major mass transit network. We look forward to a full launch within the coming fiscal year and extension of the clearing house system to support the retail sector within 2012”

Nelson Leung,
Executive Director for Bangkok Smartcard system

Our Services business provides strategic support and complements our 3 primary businesses. The Key components include an e-money services business (Bangkok Smartcard System Co., Ltd. or BSS) which is developing an e-money service system with a common ticketing system across Bangkok’s major mass transit network. The Group also has joint ventures in the fields of construction management, hotel management and leisure management.

Key Performance Highlights – Services

Service business revenue (% of total revenue)



Key Figures

THB mn	2010/11	2009/10	Change (%)
Revenue	101.0	1.7	5819.7%
Gross Profit	53.1	1.7	3009.6%
EBITDA	1.2	(17.0)	-107.0%
EBIT	(2.1)	(17.0)	N.A.
Gross profit margin (%)	52.5%	100.0%	
EBITDA Margin (%)	1.2%	-994.6%	
EBIT margin (%)	-2.1%	-994.6%	

Key Developments 2010/11

- The Group forms a strategic alliance on its e-money business with Bangkok Bank via the sale of a 10% equity stake in Bangkok Smart Card System Co., Ltd. (BSS)
- BSS partners with Vix Erg on the procurement and delivery of clearing house system
- Li Kay Engineering becomes new partner on Construction Management Business Hip Hing Construction (Thailand) Co., Ltd.
- Hip Hing Thailand is engaged on 3 projects and completes 3 projects
- Our Hotel Management Business (Absolute Hotel Services) continues aggressive expansion across Asia with 46 hotels under management by 31 March 2011

3.8

SUBSIDIARIES AND ASSOCIATES INFORMATION

As of 17 June 2011

Company	Type of Business	Office Location Tel, Fax	Paid-up Capital (THB)	Shareholding (%)
1. Mass Transit Business				
Bangkok Mass Transit System Public Company Limited	Mass Transit	1000 BTS Building, Phahonyothin Road, Chomphon, Chatuchak Bangkok 10900 Tel: +66 (0) 2617-7300 Fax: +66 (0) 2617-7133	16,067,133,653	96.44
2. Media Business				
VGI Global Media Co., Ltd.	Advertising on the BTS Skytrain, station and leading superstores	21 TST Tower, 9 th Floor Viphavadi-Rangsit Road Chomphon, Chatuchak, Bangkok 10900 Tel: +66 (0) 2273-8884 Fax: +66 (0) 273-8883	100,000,000	100.00 (held by Bangkok Mass Transit System Plc.)
VGI Advertising Media Co., Ltd.	Advertising in the leading superstores	As per VGI Global Media Tel: +66 (0) 2273-8884 Fax: +66 (0) 2273-8883	10,000,000	100.00 (held by VGI Global Media Co., Ltd.)
999 Media Co., Ltd.	Advertising in the leading superstores	As per VGI Global Media Tel: +66 (0) 2273-8884 Fax: +66 (0) 2273-8883	30,000,000	100.00 (held by VGI Global Media Co., Ltd.)
888 Media Co., Ltd.	Advertising in the leading superstores	As per VGI Global Media Tel: +66 (0) 2273-8884 Fax: +66 (0) 2273-8883	20,000,000	100.00 (held by VGI Global Media Co., Ltd.)
Point of View (POV) Media Group Co., Ltd.	Advertising in office buildings and others	As per VGI Global Media Tel: +66 (0) 2273-8884 Fax: +66 (0) 2273-8883	40,000,000	100.00 (held by VGI Global Media Co., Ltd.)
VGI Multi-Tech International Co., Ltd.	LCDs for rent to the companies in VGI Group	As per VGI Global Media Tel: +66 (0) 2273-8884 Fax: +66 (0) 2273-8883	90,000,000	100.00 (held by VGI Global Media Co., Ltd.)
VGI Advertising China Ltd.	Advertising in Modern Trade stores overseas	Room 43A13, 4 Floor, Building B, No.666, Beijing East Road, Huangpu District, Shanghai, China	USD 900,000	100.00 (held by VGI Global Media Co., Ltd.)
3. Property Business				
BTS Assets Co., Ltd.	Land Owner, Hotel and Property Development	21 Soi Choei Phuang, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900 Tel: +66 (0) 2273-8511-5 Fax: +66 (0) 2273-8516	800,000,000	100.00
BTS Land Co., Ltd.	Develop the Brand for Property and Service Business	As per BTS Assets Co. Ltd	10,000,000	100.00
Siam Paging and Communication Co., Ltd.	Land Owner and Property Development	As per BTS Assets Co. Ltd	5,000,000	100.00
Sam Pao Petch Co., Ltd.	Land Owner	100-100/1 Moo 4, Bangna-Trad Road Km.14, Bangchalong, Bangplee, Samutprakarn Tel: +66 (0) 2336-1938-9 Fax: +66 (0) 2336-1985	1,000,000	100.00
PrannaKiri Assets Co., Ltd ¹ .	Land Owner and Property Development	As per BTS Assets Co. Ltd	311,000,000	100.00
Kampoo Property Co., Ltd.	Land Owner and Property Development	As per BTS Assets Co. Ltd	1,075,000,000	100.00 (held by BTS Assets Co., Ltd.)
Kamkoong Property Co., Ltd.	Land Owner and Property Development	As per BTS Assets Co. Ltd	375,000,000	100.00 (held by BTS Assets Co., Ltd.)



Company	Type of Business	Office Location Tel, Fax	Paid-up Capital (THB)	Shareholding (%)
DNAL Co., Ltd.	Office Building for Rent	As per BTS Assets Co. Ltd	50,000,000	100.00
Muangthong Assets Co., Ltd. ²	Hotel	As per BTS Assets Co. Ltd	125,000,000	100.00
Yongsu Co., Ltd.	Cease Business Operation	As per BTS Assets Co. Ltd	234,000,000	100.00
Tanayong Food & Beverage Co., Ltd.	Land Owner and Property Development	As per Sam Pao Petch Co., Ltd. Tel: +66 (0) 2336-0889 Fax: +66 (0) 2336-1985	1,000,000	100.00
Tanayong Property Management Co., Ltd.	Building Management	As per Tanayong Food & Beverage Co., Ltd.	1,000,000	100.00
Kamala Beach Resort & Hotel Management Co., Ltd.	Land Owner and Property Development	As per BTS Assets Co. Ltd	859,000,000	100.00 (held by Bangkok Mass Transit System Plc.)
Nuvo Line Agency Co., Ltd.	Land Owner and Property Development	As per BTS Assets Co. Ltd	2,001,000,000	100.00
Saraburi Property Co., Ltd.	Cease Business Operation	As per Sam Pao Petch Co., Ltd.	25,000,000	30.00

4. Services Business

Thana City Golf & Sports Club Co., Ltd. ³	Management and Operation of Golf Course	As per Sam Pao Petch Co., Ltd.	20,000,000	100.00
Tanayong International Limited	Ceased Business Operation	Wilmington Trust Corporate Services (Cayman) Limited P.O. Box 32322 SM 4 th Floor, Century Yard, Cricket Square, Elgin Avenue, George Town, Cayman Islands	USD 1,000	100.00
Tanayong Hong Kong Limited	Securities Investment	11F Malahon Centre 10-12 Stanley St. Central Hong Kong	HK \$10,000	100.00
Bangkok Smartcard System Co., Ltd.	Provide e-money services and Common ticketing system	21 TST Tower, 19 Floor, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900 Tel: +66 (0) 2617 8338 Fax: +66 (0) 2617 8339	400,000,000	90.00 (held by Bangkok Mass Transit System Plc.)
Carrot Rewards Co., Ltd. ⁴	Provide technology regarding services of e-money system for Bangkok Smartcard System Co., Ltd. and the operation of coupon kiosks and CRM loyalty program	21 TST Tower, 24 Floor, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900 Tel: +66 (0) 2617 8338 Fax: +66 (0) 2617 8339	2,000,000	100.00
Hip Hing Construction (Thailand) Co., Ltd.	Construction and Construction Management	As per BTS Assets Co. Ltd Tel: +66 (0) 2273-8733 Fax: +66 (0) 2273-8730	25,000,000	51.00
Absolute Hotel Services Co., Ltd.	Hotel Management	As per BTS Assets Co. Ltd Bangkok 10900 Tel: +66 (0) 2273-8507 Fax: +66 (0) 2273-8509	8,000,000	50.00
Absolute Hotel Services Hong Kong Limited	Hotel Management	Unit 2602, 26 Floor, Office Tower Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong	HK \$1,700,000	50.00 (held by Tanayong Hong Kong Limited)

¹ formerly known as Muang Thong Lakeside Restaurant Co., Ltd. and changed the company name on 18 January 2010)

² formerly known as Muangthong Apartment Co., Ltd. and changed the company name on 16 May 2008

³ formerly known as Thana City Golf & Country Club Co., Ltd. and changed the company name on 22 February 2010

⁴ formerly known as Bangkok Smartcard Technology Co., Ltd. and changed the company name on 11 May 2011

4.0

Annual Business Review

This Section provides a more in-depth review of key aspects of our business. You will also find our detailed Management Discussion & Analysis of the financial performance of the Group.

4.1 Capital Markets Review

4.2 Risk Management Review

4.3 Corporate Social Responsibility Review

4.4 Management Discussion & Analysis



4.1

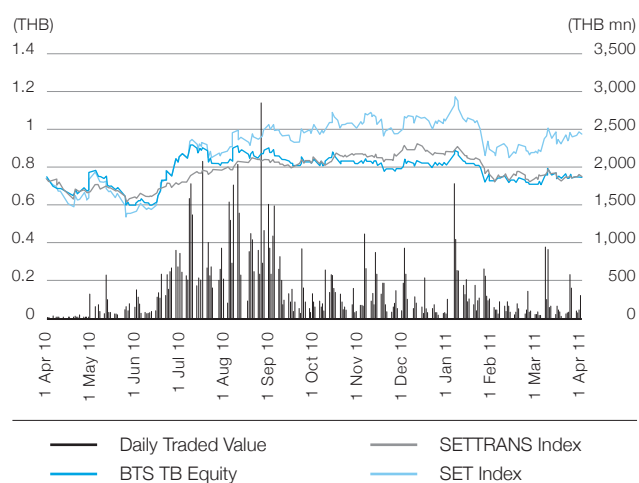
CAPITAL MARKETS REVIEW

“In 2010/11, the Company raised over THB 44,000mn in cash from the debt and equity capital markets, was included in the SET50 Index and saw its credit rating affirmed at “A/stable”

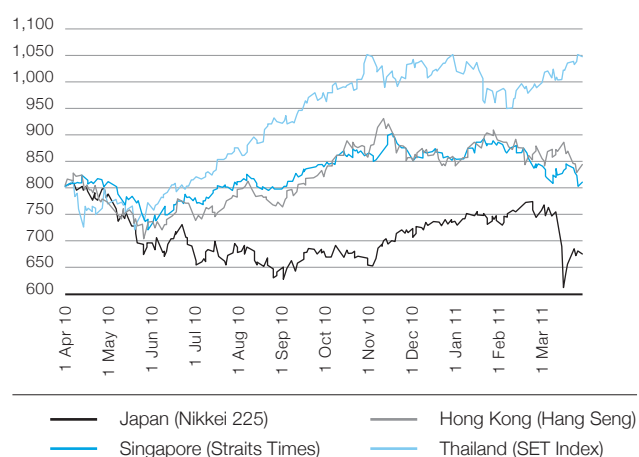
Historical Share Price Analysis

BTS share price rose 5.63% in the year-ended 31 Mar 2011, outperforming the SET Transportation index which rose 3.45% but underperforming the broader SET Index which was one of the world's best performers of the year. The peak in the Company's share price was achieved in January 2011, following the entry by BTS into the SET50 Index.

BTS annual stock performance



SET Index performance (SET versus regional peers)



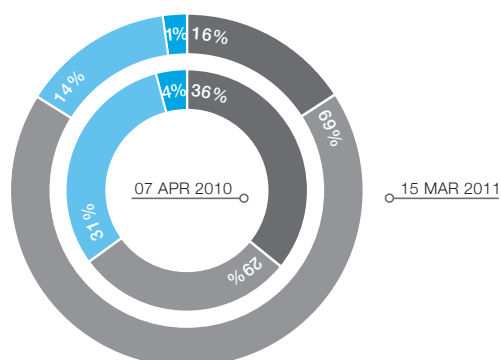
Share Performance and Liquidity

Following the acquisition of Bangkok Mass Transit Public Company Limited (BTSC) on 6 May 2010 (see section 2.2: Important Events), liquidity in the Company's stock also increased dramatically. In 2010/11, the average daily traded volume was THB 457.7mn shares (an increase of 893% from 2009/10) and the average daily traded value was THB 380.8mn (an increase of 1,204% from 2009/10).

Key Share Data	2010/11	2009/10	2008/09
Year-end (share price in THB)	0.75	0.71	0.37
Year-high (share price in THB)	0.92	0.83	0.92
Year-low (share price in THB)	0.60	0.37	0.18
Year average (share price in THB)	0.78	0.59	0.47
Average daily traded Value (THB millions)	380.81	29.20	9.00
Average daily trade Volume (millions of shares)	457.68	46.09	18.89
Number of shares outstanding at year-end (millions)	55,889.3	7,614.4	5,813.3
Market capitalisation at year-end (THB millions)	41,917.0	5,406.2	2,150.9
Relative Performance			
BTS TB	5.63%	91.9%	-56.5%
SET Transportation Index	3.45%	107.1%	-63.3%
SET Index	32.9%	82.6%	-47.2%
Hong Kong (Hang Seng)	10.8%	56.4%	-40.6%
Japan (Nikkei 225)	-12.0%	36.8%	-35.3%
Singapore (STI)	7.6%	69.9%	-43.5%

Shareholder Structure

Following the acquisition of BTSC, the Company's capital base expanded dramatically. During the fiscal year, the Company issued and paid-up a total of 48,274.9mn new ordinary shares, both to existing shareholders as well as to financial institutions. As such, the profile of shareholders of the Company has changed considerably. As of 15 March 2011, the Company's shareholding was dominated by Thai retail investors who accounted for 68.6% of total shareholding and the Company had a total of 35,818⁽¹⁾ shareholders. The free float of the Company has consequently seen a dramatic transition rising to approximately 44.4%⁽¹⁾ of total paid-up capital as of 15 March 2011.

Shareholder by Shareholder Type⁽¹⁾

- Thai-Juristic
 Thai-Individual
- Overseas-Juristic
 Overseas-Individual

Shareholder Distribution (15 Mar 2011)⁽¹⁾

No. of Shares Held	Shareholders	% of shareholders
1 - 10,000	9,139	25.5
10,001 - 50,000	7,983	22.3
50,001 - 100,000	5,594	15.6
100,001 - 500,000	8,450	23.6
100,001 - 1m	2,111	5.9
1m - 10m	2,249	6.3
10m - 100m	261	0.7
>100m	31	0.1
Total	35,818	100.0

(1) Source: BTS Group Holdings PCL

Top 10 major shareholders (as of 15 March 2011)

	Number of shares (mn)	%
1. Mr. Keeree Kanjanapas Group ⁽¹⁾⁽⁴⁾	24,313.4	43.50
2. Thai Rail Investments Company Limited ⁽²⁾	3,883.5	6.95
3. LFI Investors Limited ⁽³⁾	2,326.1	4.16
4. Bangkok Bank Public Company Limited	1,723.6	3.08
5. UOB Kay Hian (Hong Kong) Limited	1,146.7	2.05
6. SCB Dividend Stock 70/30 LTF	544.7	0.97
7. Thai NVDR Co., Ltd.	535.4	0.96
8. VMS Private Investment Partners II Limited	450.0	0.81
9. Chatri Sophonanich	320.0	0.57
10. Government Pension Fund ⁽⁵⁾	318.9	0.57

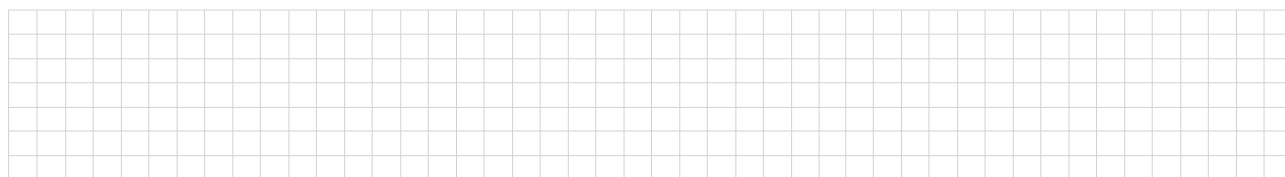
(1) Mr. Keeree Kanjanapas Group consists of (i) Mr. Keeree Kanjanapas holding 21,977,483,535 shares, (ii) Mr. Kavin Kanjanapas holding 10,961,009 shares, (iii) K2J Holding Co., Ltd. holding 2,250,000,000 shares, (iv) Amsfield Holdings Pte. Ltd. holding 68,627,186 shares and (v) Crossventure Investments Limited holding 6,332,582 shares. As of 18 May 2011, Mr. Keeree Kanjanapas Group holds 23,963,404,312 shares (or equivalent to 42.88%), consisting of (i) Mr. Keeree Kanjanapas holding 21,633,816,117 shares, (ii) Mr. Kavin Kanjanapas holding 10,961,009 shares, (iii) K2J Holding Co., Ltd. holding 2,250,000,000 shares, and (iv) Amsfield Holdings Pte. Ltd. holding 68,627,186 shares (information from the report of the change of securities holding (From 59-2) of Mr. Keeree Kanjanapas submitted to the Office of Securities and Exchange Commission).

(2) Thai Rail Investment Company Limited is a company under the control of Ashmore Funds.

(3) LFI Investors Ltd. is a company under the control of Farallon Funds. LFI Investors Ltd. holds 1,126,280,966 shares on its own name and holds 1,199,820,395 shares through the custodian, GOLDMAN SACHS & CO.

(4) Mr. Keeree Kanjanapas (including his concert party or his related persons (as defined in Section 258 of the Securities and Exchange Act B.E. 2535 (1992)) and any person who acts on his or his related person's behalf do not own any shares or units or have any beneficial interest in or control (a) Thai Rail Investments Company Limited, (b) any funds managed by Ashmore Funds which have their direct or indirect investment in Thai Rail Investments Company Limited, (c) LFI Investors Ltd., and (d) any funds managed by Farallon Funds which have their direct or indirect investment in LFI Investors Ltd.

(5) Government Pension Fund holds 131,000,000 shares on its own name (GPF EQ-TH) and holds 165,180,200 shares through Government Pension Fund by KASIKORN Asset Management Co., Ltd. and holds 22,764,300 shares through Government Pension Fund by MFC Asset Management Public Company Limited.



SET50 Index Constituent Member: On 14 December 2010, the BTS Group was announced as a constituent member of SET50 Index. The SET50 Index comprises Thailand's largest 50 companies by market capitalisation which also conforms to certain turnover and free float conditions. For turnover, the monthly turnover value of the company stock must be at least 50% of the average turnover for each company in the SET and for the free float, a minimum threshold of 20% of paid-up capital must be maintained. The SET re-assess the Index constituents on a twice-yearly basis (during June and December for inclusion in the index in July and January respectively).

As a result of the inclusion in the SET50 Index, BTS potential shareholder base expanded. For example, BTS shares automatically became eligible under certain investment funds investment criteria, and saw liquidity jump at the start of January.

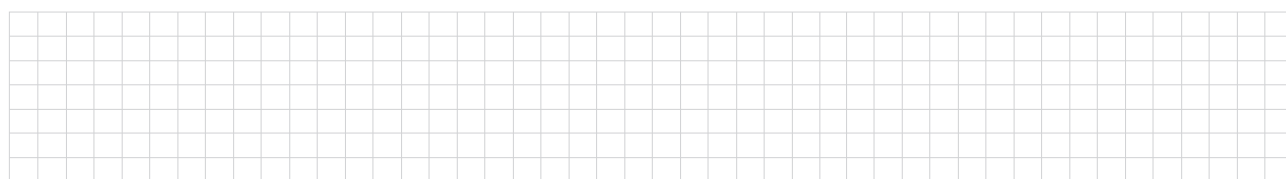
Dividend Policy

BTS Group and its subsidiaries have a policy to pay dividends of not less than 50% of net profit. The dividend payment policy takes into consideration the current cash flow and financial status, future business plan and investment capital requirement. For several years the Company has been unable to pay out a dividend as a result of the retained losses that were a legacy of the rehabilitation process. In November 2010, the shareholders approved the par-reduction of the Company's shares from THB 1 per share to THB 0.64 per share. This capital reduction process was effective in January 2011 and removed retained losses on the Company's balance sheet, enabling the Company to be in a position to pay out dividends subject to future profitability. Going forward, it is the intention of the Company to pay out a dividend at least in line with other SET 50 companies. In accordance with this policy, on 24 March 2011, the Company paid out a dividend of THB 0.0129 per share (totaling THB 720.7mn) and the Board has proposed a final dividend of THB 0.0226 per share to the shareholders meeting. If such dividend is approved, then the total annual dividend will be THB 0.0355 per share (totaling THB 2,015.5mn), which corresponds to a dividend yield of 4.7% based on share price of THB 0.75 as of 31 March 2011.

Credit Rating and Outlook

In April 2011, TRIS Ratings Co. Ltd. (TRIS) assigned a credit rating of "A" with a "stable" outlook to BTS Group Holdings Plc. TRIS Ratings was established in 1993 and has provided credit rating services to assist the development of the Thai debt capital markets. TRIS was responsible for rating the THB 12,000mn series of debentures issued by Bangkok Mass Transit System Public Company Limited in August 2010 ("A / Stable") and extended their coverage to include BTS Group Holdings following the acquisition of BTSC.

Company	Issuer Rating / Outlook	Issue Rating / Outlook
BTS Group Holdings Public Co. Ltd	A / Stable	
Bangkok Mass Transit System Public. Co. Ltd:	A / Stable	
BTS128A: THB 2,500mn senior debentures due 2012		A / Stable
BTS138A: THB2,500mn senior debentures due 2013		A / Stable
BTS148A: THB4,000mn senior debentures due 2014		A / Stable
BTS158A: THB1,500mn senior debentures due 2015		A / Stable
BTS168A: THB1,500mn senior debentures due 2016		A / Stable



Other Capital Market Activity

New Equity Issuance: During the fiscal year, the Company issued 48,274.9mn new ordinary shares and 5,027.0mn new warrants. The capital expansion was all related to the acquisition of BTSC. The warrants (which were issued for free to those who subscribed to the rights offering and private placement) have a term of 3 years and are exercisable quarterly from the first exercise date on 28 December 2012 and the last exercise date on 11 November 2013 at a strike price of THB 0.7 per warrant (1 warrant: 1 share)

BTS Equity issued 2010/11

	Number of shares	Date traded	Use of Funds
BTS Common Shares			
1. Acquisition consideration	28,166.9mn	11 May 2010	Share consideration for acquisition of BTSC shares
2. Rights offering / Private placement	19,032.0mn	16 June 2010	Repay portion of acquisition loan used for cash consideration of acquisition of BTSC shares
3. Private placement	1,076.0mn	6 Aug 2010	Repay portion of acquisition loan used for cash consideration of acquisition of BTSC shares
BTS-W2 Warrants	5,027.0mn	25 Nov 2010	Not yet exercised

Subsequent Event: In April 2011, BTS Group made a public offering of its shares to a group of specific investors who are shareholders of BTSC as consideration for BTSC Shareholders who make a payment for their subscription with their ordinary shares held in BTSC (Share swap). On 6 June 2011, the Company registered the new paid-up capital of 1,299mn shares as consideration to BTSC shareholders for the share swap. Therefore, total issued shares of BTS Group (as at 6 June 2011) was 57,188.3mn shares corresponding to paid-up share capital of THB 36,600.5mn.

Convertible Bonds: On 25 January 2011, the BTS Group issued a THB 10,000mn (USD 327mn), 5-year, THB denominated, USD settled convertible bond (CB) in the overseas market. The proceeds were used to fully repay all outstanding amounts of the acquisition loan for BTSC. The offering, which was placed by Morgan Stanley, was highly sought after with demand closer to USD 800mn and the coupon payment is 1% in years 1 and 2, followed by 0% in years 3 through 5.

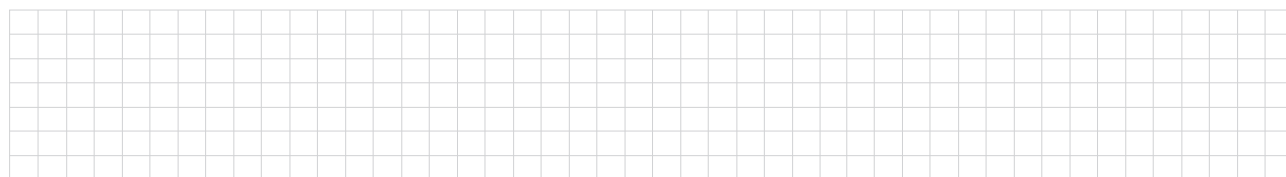
For the first time in Thailand, the CB was backed by an irrevocable stand-by letter of credit. All in cost to the Company is 2.5% in years 1 and 2, thereafter 0%. The issuance is effective at reducing the Company's borrowing cost. Based on lending rates in June 2011 when the minimum lending rate (MLR) was 6.875% the Company saves an estimated THB 340mn per annum. These savings could rise to as much as THB 600mn in years 3 through 5 (2013 – 2015) based on the same interest rate and assuming no redemption. Following the CB issuance, approximately 90.0% of the Group's borrowing is fixed rate and the Company does not have any exchange rate exposure on the principal amount of the CB.

CB Key Terms

BTS Group Convertible Bonds	Key Feature
Issue Amount	THB 10,000mn
Settlement Date	25-Jan-2011
Maturity Date	25-Jan-2016
Investor Put Option	25-Jan-2013
Coupon Rate	1% per annum for the first 2 years
Initial Conversion Price	THB 0.9266 a share
Initial Conversion Premium	13%
Conversion Period	Any time on or after 40th day following the closing date to 15 days prior to the maturity date
Issuer Cash Settlement Option	Yes

Investor Relations

The Company has placed a high priority on a professional investor relations function (IR). The aim of the IR function is to establish and maintain open, accurate, relevant and timely communications with existing and potential BTS Group investors and shareholders. The function reports directly to the Financial Director and works closely with all members of the Group including the finance functions and executive management of each business unit. The IR unit has both a 1-year and 3-year plan and provides updates to the Board of Directors on a regular basis. Key performance indicators are established in order to align the goals of the division with the goals of the Company. In short, these are related to increased visibility such as number of meetings held, number of roadshows attended and quality of product and service offerings.

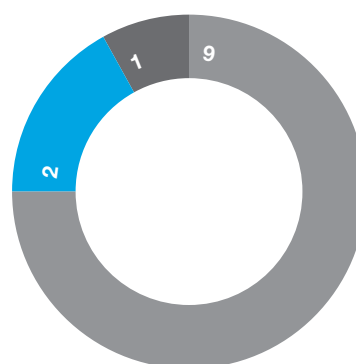


During the course of the year, the Company has been actively engaging with existing and potential shareholders as well as the brokerage community. The Company held quarterly earnings conferences and the webcasts of these are available both on the Company's website as well as on the SET website. Executive Management and the IR team met 82 Investment companies and held 36 one-on-one meetings with investors and fund managers. IR also represented the Company at 2 Investor Conferences ("Thailand Focus" co-hosted by the Stock Exchange of Thailand, Merrill Lynch and Phatra Securities as well as Citi ASEAN Investor Conference in Singapore). Executive management has since participated in one non-deal roadshow hosted by Morgan Stanley and one further conference ("Utility & Transportation Day" hosted by SCB Securities Co., Ltd. and for the year-ended 2011/12, expect to increase its communication efforts across all areas.

Investor Relations Key Statistics	2010/11	Meetings attended by Top Management
Companies Met (Buy-side) – domestic	52	100%
Companies Met (Buy-side) - overseas	30	100%
Companies Met (Sell-side) – domestic	17	100%
Companies Met (Sell-side) - overseas	4	100%
Number of One-on-One meetings held	36	100%
Number of Roadshows / Conferences	2	100%

At the start of the year, the Company was not covered by analysts, however by 31 March 2011, the Company was covered by 12 analysts. The securities companies that added BTS to their coverage portfolio were Asia Plus Securities, Bualuang Securities, Capital Nomura Securities, DBS Vickers Securities, Finansia Syrus Securities, Kim Eng Securities, KGI Securities, KT ZMICO, Phatra Securities, Phillip Securities, Tisco Securities and IV Global Securities. Their summary recommendations are below:-

Analyst Summary Recommendations



Positive Negative Neutral

The Company website represents one of the key communications channels with the investment community and in February 2011, the Company launched its re-vamped website. The website is the definitive source of information on the Group and has been designed based on Best Corporate Governance Practices. Its contents include live share price feeds, download versions of publications (including annual reports, company presentations and IR newsletters), financial calendar, webcasts of analyst meetings. The Company also releases monthly ridership data for the BTS SkyTrain and provides an e-mail alert service such that investors can be automatically alerted when there are any new press releases or website updates.

Contact Information on the Company and the BTS Group share	
Head of Investor Relations	Daniel Ross (Financial Director)
Investor Relations Officers	Norasak Suphakorntanakit, Sineemas Sotpiparpnukul
Contact Telephone	+66 (0) 2273 8631, +66 (0) 2273 8636, +66 (0) 2273 8637
Email	ir@btsgroup.co.th
SET symbol	BTS
Warrant	BTS-W2
Convertible Bonds	ISIN XS0580087376
Shareholder registrar	Thailand Securities Depository Co.,Ltd. 62 The Stock Exchange of Thailand Building Ratchadapisek Road, Klongtoey, Bangkok 10110, Thailand Tel : +66 (0) 2229 2800 Fax : +66 (0) 2654 5427 TSD CALL CENTER : +66 (0) 2229 2888 E-mail: TSDCallCenter@set.or.th Website: http://www.tsd.co.th

4.2

RISK MANAGEMENT REVIEW

“The BTS Group places a high priority on risk management and updated its risk management policy in May 2011”

In May 2011, the BTS Group initiated a major update of its Risk Management Policy, on account of both the material increase in the size of the business and the change in the nature of the business following the acquisition of BTSC. The BTS Group has established both a “top down” and “bottom up” approach to risk management and emphasizes the importance of in-house ownership of the risk management procedure with clear designated responsibilities across

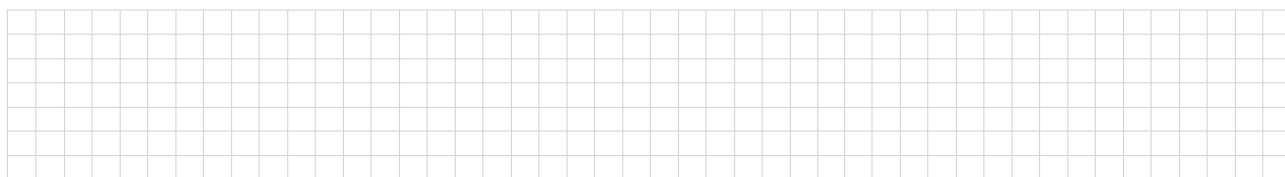
the risk management framework. The revised policy has been developed in accordance with the standards set out by the risk management framework of the Committee of the Sponsoring Organisations of the Treadway Commission (COSO) and expands on their earlier Internal Control Framework. Further details can be seen within the Corporate Governance Report in this annual report. We focus on risks by categorising them into four key risk categories; strategic, operational, compliance and finance. The following section highlights some of the key risks which Board of Directors consider may be a material threat at the current time but it is not meant to be a comprehensive list of risks to which the Company is exposed.

Key Risks

RISKS & OPPORTUNITIES			
Strategic - Industry changes - Macroeconomic changes - Supply & Demand - Competition - Acquisitions	Operational - Recruitment / HR - Political - Reputation / Social - Health & Safety - Technological changes - Supply Chain - Cost Efficiency	Financial - Interest Rates - Exchange Rates - Availability of debt / funding - Cash Flow - Accounting & Tax - Liquidity - Counterparty Risk	Compliance - Legal - Regulatory - Market Practice - Environment
Corporate Governance			
Internal Controls			

The principal risk categories that the BTS Group focuses on are as follows:-

- 1. Strategic risk:** Strategic risks (and opportunities) are the types of risks that may have an impact on the Group and each business unit achieving its strategic ambitions.
- 2. Operational risk:** Operational risk includes adverse unexpected developments resulting from internal processes, people or systems, or from external events that are linked to the running of each business. This risk may negatively affect Company's reputation, financial performance as well as expose the Company to penalty expense if it cannot deliver such services or product to counterparty.
- 3. Financial risk:** Due to the significant investment amount required to facilitate business expansion, the Company is exposed to various financial risks such as liquidity risk, credit risk, foreign exchange risk and interest rate risk. Financial risk also pertains to the Company's ability to meet financial covenants such as liabilities and other financial instruments. In addition, the Company's competence to finance new projects investment is also connected to this risk.
- 4. Legal and compliance risk:** Legal and compliance risk relates to changes in government regulatory and compliance requirements that might impact the Company's operating activities and financial results. Examples for this risk are environmental regulation, labour laws, stock exchange regulation, industry regulation.



Key Risk Factors

1. Strategic risk

1.1 Thai Economic risk

Our earnings performance depends materially on domestic demand. A negative development in Thailand's economic condition such as slowing growth rate of gross domestic product (GDP), high inflation rate and decreasing consumer purchasing power may erode the Company's earnings.

The Company believes that affordable and good quality services can fortify the Company's growth even amidst a sluggish economic environment. Historical performance of our core business of mass transit shows evidence of 'recession resilience' with revenue increasing in every year since the start of commercial operations in 1999 and showing compound annual growth rate of 8.5% over the same period. Further, our customer satisfaction score (co-ordinated by an independent organisation) improved to 4.01 (out of maximum 5.00) in 2010 from 3.97 in 2009 and ridership growth of 3.38% was in spite of Thai GDP contraction of 2.3% in 2009.

1.2 Market risk

The Company is exposed to various market and customer segments including mass transit, media, property and services. The business nature of each market segment is different from other market segments. The Company might not be able to achieve the earnings growth target for a certain period due to changes in market factors such as supply and demand situation, degree of competition, influence from government policy and so forth.

Our mass transit business growth significantly relies on the government's ability to execute its rail mass transit expansion plan as well as the development of other alternative mass transit systems. In the past 10 years, Bangkok's rail mass transit system has expanded from 23.5km to 73.7km which is comparatively low growth compared to Singapore and Hong Kong. However, in February 2010 the Thai Government approved an aggressive rail mass transit extension plan following the M-MAP (see section 3.7.1: Business & Industry Overview – Mass Transit). If the Government decelerates the rail mass transit extension investment or the constructions of projects are delayed, our future ridership growth may not materialise as quickly.

During 2005 - 2010, Transit and In-store media markets in Thailand grew at an outstanding compound annual growth rate (CAGR) of

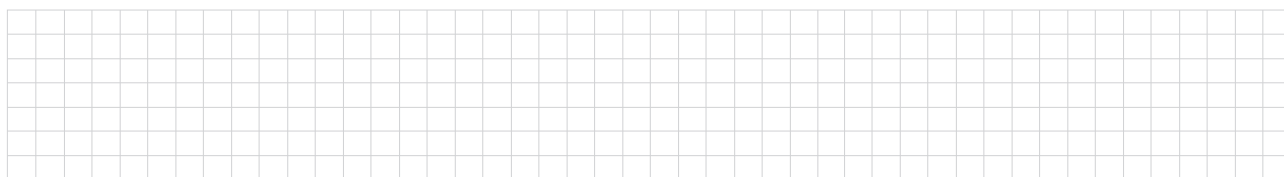
21.3% and 46.3%, respectively. This is due mainly to impressive ridership growth as well as branch expansion of modern trade retailers across Thailand. Our media business, VGI Global Media, controls the largest market share estimated around 55.4% and 63.3% of the Transit and In-store media markets respectively, while the market consists of few major players. If the markets face a higher degree of competition or a slowdown in the market growth rate, our media earnings performance may be dampened.

Our property business now focuses on condominium development along rail mass transit system in Bangkok. The property development market in Bangkok is highly competitive and oversupply in certain segments may result in the Company not achieving its sales forecast. In order to mitigate this, the Company only develops condominiums that are in close proximity to mass transit stations. Condominium developments near Bangkok's central business district (CBD) mass transit stations have experienced stronger demand than locations not close to the stations (see section 3.7.3: Business & Industry Overview – Property).

Although there are several risks associated with the Group's business units and the Company has risk management in place to cover individual business unit risk, the management team also aims to utilise synergies across each business unit to enhance the Group's strength. For example, our property business unit differentiates itself from other property developers by introducing a 10 years free BTS SkyTrain travelling privilege to our condominium buyers. Control of the media business unit means we are able to be more flexible in the use of our mass transit system advertising space, for example, by advertising on the ticket barriers. We believe cross-business synergies helps to reduce our exposure to market risk.

1.3 Investment risk

The Company continues to consider investment opportunities in new projects or opportunistic acquisitions. If any such opportunity is executed, investment may require considerable capital resources and effort to develop the new business. For any equity component of the investment, shareholders could be exposed to the dilution from additional capital requirements and investment return risk from the new project. For example, in 4Q 10/11, we participated in the bidding process for the rail mass transit (purple line) extension. Had the Company been successful in its bid, it would have had to procure significant capital to fund the project.



2.5 Reputation risk

The BTS brand is well known by the market since introduction to the market more than 10 years ago. Recent customer surveys indicate the public has a very positive perception of the BTS brand. However, our mass transit business unit is exposed to reputation risk if customer satisfaction on the BTS SkyTrain declines. The customer services department always analyses customer feedback and reports to the management in order to underpin customer satisfaction level.

Our Abstracts brand on condominium projects was launched in 2Q 10/11. Success in the Property sector is highly dependent on the brand recognition and established track record. Any inability to build and maintain our brand recognition could have a material adverse effect on the success of the Company's business. The Company has dedicated significant in-house and external consultant resources to the build up of the brand. Further the Company has a unique brand differential due to the relationship with the BTS SkyTrain whereby it can offer free 10-year travel with sales of condominium units and advertise across the BTS SkyTrain network in unique places.

3. Financial Risk

3.1 Liquidity risk

Liquidity risk relates to the Company's capability to manage its cash flow including servicing interest expense and debt principal repayment within a certain period. An increase in working capital requirements or reduction in revenue may impair the Company's ability to meet its ongoing cash flow obligations.

The management team closely monitors working capital requirements and cash inflow and cash outflow using internal management data and the Group's financial projections. In analysing, the Company pays close attention to the cash conversion cycle (payables, receivables etc) as well as key debt related financial indicators (debt-service coverage ratio). As of 31 March 2011, the Company's interest coverage ratio and net debt to equity ratio were 1.3 times and 0.55 times respectively, illustrating the Company's strength in meeting its debt obligation.

3.2 Credit risk

Credit risk represents the Company's ability to raise funds or re-finance debt in the capital markets. A downgrading of the Company's

credit confidence may result in more difficulty in accessing the capital market as well as potentially higher progressive financial cost.

The Company as well as its subsidiary BTSC has been assigned an Investment grade credit rating of "A" by TRIS ratings, corresponding to a "low credit risk level....with a strong capacity to pay interest and repay principal on time". The outlook is also for the credit rating is also "Stable". In 2010/11 BTS Group successfully tapped the equity, debt and convertible debt markets demonstrating investor confidence in the Company.

3.3 Interest rate risk

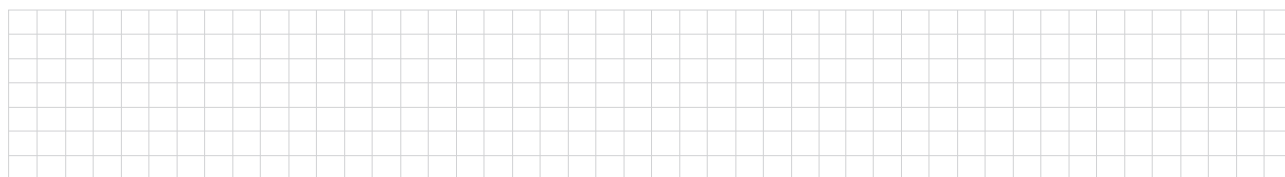
As of 31 March 2011, the Company has total interest bearing debt of approximately THB 22,830mn the key items of which are convertible debentures-liability component of THB 8,487mn, long-term debenture (BTSC) of THB 11,907mn and other bank loans of THB 2,437mn. Convertible bond and debenture issues are subject to fixed rate coupons, but other bank loans are linked to a commercial bank's minimum lending rate (MLR). The Company's interest expense will increase if a commercial bank raises the MLR. Conversely, the Company may lose an opportunity to borrow at cheaper interest rates if the market interest rate declines below the rate of existing fixed rate debt.

Our management team always monitors global and domestic economic situation as well as interest rate trend in order to balance the Company's fixed and float interest rate exposure. In the current rising interest rate environment, the Company has reduced its floating rate interest exposure which stood at only 10% of interest bearing liabilities as of 31 March 2011. The average interest rate on its fixed rate debt is 4.3%.

3.4 Foreign exchange rate risk

The Company is exposed to fluctuations in exchange rates on Thai Baht currency versus Euro currency and U.S. dollar currency. Although as of 31 March 2011, the Group had no significant outstanding debt liabilities in foreign currencies, the Company has capital expenditure obligations in foreign currencies of approximately EUR 21.6mn and foreign currency payment obligations under the Siemens maintenance agreement of approximately of EUR 2.0mn per year.

The Company intends to minimise foreign currency commitments because our income is chiefly generated in Thai Baht. However, we



The Company considers new investment only in businesses related to our four core business units – mass transit, media, property and services. Any new investment should both have projected internal rate of return (IRR) greater than our investment hurdle rate and provide business synergy to the Group.

2. Operational risk

2.1 Business interruption risk

Our business operation is exposed to interruption risk which may be the result of political turmoil and acts of terrorism amongst other things. In 1Q 10/11, the Company lost revenue of approximately THB 180mn as a result of political demonstrations which forced the SkyTrain system to close for 8 days and reduced service on several days. In the future, our earnings performance may be negatively impacted if such interruptions occur.

The Company has made insurance agreements such as business interruption insurance, property damage insurance (including from terrorism or political demonstrations) in order to protect the Company from such unexpected events. However, such policies will be subject to minimum 'deductibles' such that if any interruption is less than the minimum period, it would not be beneficial to claim. Further, in May 2011, the Thai Government agreed in principal to compensate BTS for both property loss and revenue loss, however payment details are yet to be finalised.

2.2 Operating cost risk

Major items of our operating costs include personnel expense, real estate development costs, electricity costs and maintenance costs. The Company is exposed to the increase of operating costs such as a change in the price of raw materials, increase in salary costs, rising energy / electricity price and cost of spare parts all of which may squeeze our operating profit margin.

The management team consequently monitors movement on operating costs. According to the Concession Agreement, the Company is able to adjust the authorised fare price based on certain increases in consumer price index (CPI), significant change in energy cost and so forth. Further, the Company is less exposed to an increase in fuel prices as the electricity prices in Thailand are calculated based on approximately 65% proportion of natural gas price, 15% proportion of lignite and coal prices. Our property business represents only a small proportion of our

overall business (9.5% of revenues in fiscal year 2010/11) so the fluctuation of raw material costs in relation to property development such as steel is unlikely to have a material effect on our overall business. However given that we are still relatively small property player and have less purchasing power, it may have a material effect on our ability to compete with other property developers.

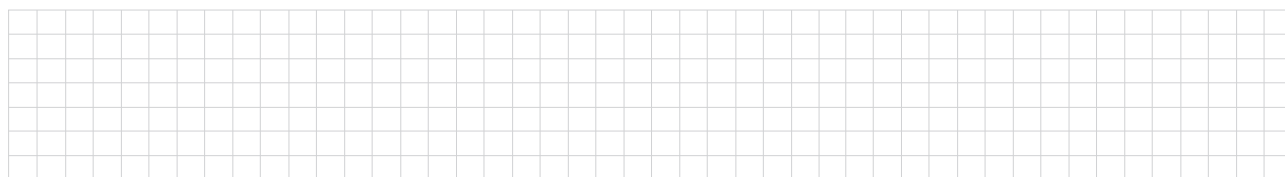
2.3 Human Resource risk

As of 31 March 2011, the Company employed 2,545 full-time employees. Our operations, particularly in relation to our mass transit and property businesses, require employees with specific skill sets, which may be difficult to source in the market. Although none of the Group's employees are unionised and the Company has never experienced any collective work stoppages, there can be no assurance that the Company will not experience disruptions in the operation due to disputes or other problems with employees, which would adversely affect our operation. The success of our strategy depends on our ability to attract, retain and motivate a capable workforce. In order to counter this risk, the Group has to provide an attractive remuneration package, including monetary and non-monetary components. In addition to salary benefits, the Company provides variable bonus payments, provident fund scheme and other welfare such as a savings cooperative scheme.

2.4 Technology management risk

Our operation requires a reasonable investment in technology such as rolling stock, signalling system, automatic fare collection system and LCDs for the media business. Our investment and maintenance budget may be positively or negatively impacted due to a change in technology.

The management team realises the importance of new technology investment in order to achieve higher operating efficiency and enlarge services and product capability. A decision on new technology investment is based on total benefits that will arise in the future. For example, the Company recently invested in changing the signalling system from analogue to digital. The new signalling system can increase the system capacity by reducing minimum headway from approximately 2 minutes to 1.5 minutes, decrease our ongoing maintenance cost and also reduced our dependence on any one provider of equipment, as well as increases flexibility on expansion of the network.



may not be able to completely avoid certain foreign exchange transactions such as the purchase of rolling stock and spare parts which the Company procures directly from overseas manufacturers. The Company will consider hedging its exposure to foreign currency only where the exposure is deemed material and the cost of such hedging is not punitive.

4. Legal and compliance risk

4.1 Concession agreement risk

Our revenues rely mainly on the concession agreement. The extension of the concession agreement, which expires in December 2029, is subject to the consent of Ministry of Interior and Bangkok Metropolitan Administration (BMA). Any termination or failure to extend the concession agreement would have a material impact to our future cash flows.



Following the Asian financial crisis, the Company went through business rehabilitation as a result of its exposure to foreign currency debt. Despite financial difficulty and owing to its technical expertise and strong relationship with the Government agencies the Company had no issue regarding the termination of the Concession Agreement. Subsequently, we also collaborate with the BMA to design and operate many mass transit development projects such as the existing Silom line extension (Saphan Taksin – Wongwian Yai), the first Bus Rapid Transit (BRT) system in Bangkok and two future extensions (Onnut – Bearing and Wongwian Yai – Bangwa). We will continue to develop our operating efficiency as well as maintain strong relationships with government agencies.

4.2 Environmental risk

Our business operation is subject to environmental regulations such as pollution constraint and environment impact assessment. The Company might face an additional investing requirement or business process adjustment if there are tighter environmental requirements.

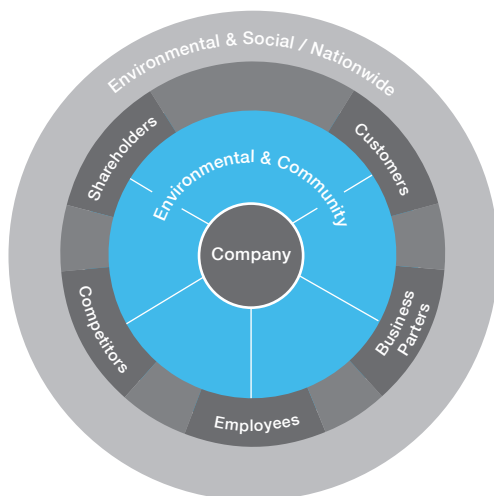
Our SkyTrain operation is an environmental friendly system which produces significantly less carbon dioxide emission than road-based transit vehicles. An increasing in ridership is also positive to the environment because our SkyTrain system benefits from economies of scale in terms of energy consumption. The Company believes we are in a good position to reduce pollution to the city as rail mass transit market share increases and we will continue to play the role of a good corporate citizen by reducing our environmental impact.

4.3

CORPORATE SOCIAL RESPONSIBILITY REVIEW

“Corporate Social Responsibility in the BTS Group is implemented with the realisation that social responsibility stems from the Group’s overall operational policies, applicable to every part of the organisation”

As an organisation with staff numbering in the thousands, together with shareholders numbering in the tens of thousands, we still constitute only a small part of society compared to the total population of the country. However, the BTS Group believes that if all companies actively contribute to society, conducting business with good governance and providing long-term benefits, then it would create a powerful economic driving force, offering significant advantages to society, both at community level and for the country as a whole.



Since its inception, the BTS Group engaged in property development with the vision of creating a satellite city, aimed at relieving the population density of the capital. This has in turn led to involvement in the development of mass transit projects which align with this vision for city development.

Since commencing operations, the mass transit system has proven itself not only by raising the international image of Bangkok, but also by relieving traffic congestion, reducing urban pollution and transport energy consumption.

The BTS Group realises that the development and expansion of cities in the future will no longer rely on the traditional arteries of urban

transportation, such as rivers, canals or even roads, but that mass transit systems will take over the principal role in framing the direction of city expansion, as well as linking all satellite cities to the capital. The expansion of mass transit will therefore continue to shape the form of city planning and lifestyle in the near future.

“Our City, Our Future” is thus the slogan of the BTS Group, which acknowledges the importance of participating at every level in developing the city of the future, designed for living in balance and harmony. The resulting growth and improved organisation of the city helps facilitate more convenient urban lifestyles, which in turn forms part of the foundation for more sustainable social and economic growth.

The BTS Group has implemented and framed the organisation’s Corporate Social Responsibility policies in a unified manner across the four core businesses of mass transit, media, property and services, with all parties focused on achieving the same goals, as appropriate to their expertise and resources.

The Group CSR policy can be divided into the following categories:-

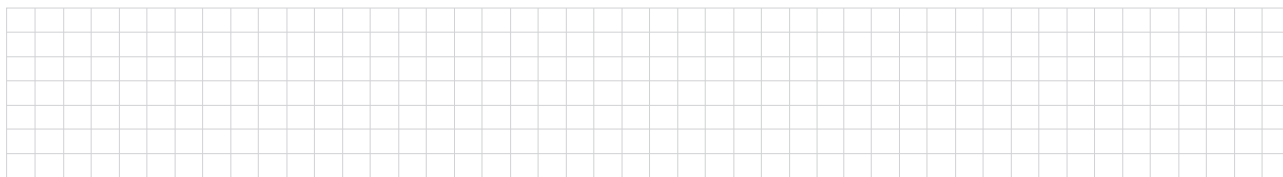
1. Ongoing Projects at the Macro Level–Thai Elephant Conservation Project

The need for a balanced ecology is not specific to big cities, but also the country as a whole. The BTS Group understands that while the city requires more urgent improvement and better organisation, attention should also be given to conserving resources in rural areas. When the concept of ‘forest importance’ was originated, it featured a symbol depicting “Elephants” as representatives of the forest.

Although elephants are large, they are sensitive and need to be surrounded by stable ecology. Nowadays people consider elephants mostly for leisure and entertainment, which is indicative of the loss of balance between forest and city. Consequently, in a quest for survival, elephants have been brought into the city to earn money for their upkeep.

The BTS Group decided to become involved in alleviating the plight of these proud animals through the following initiatives:-

- In 2006 the Group’s businesses started providing support to Thai elephants by reproducing elephant paintings on BTS passes, the



proceeds of which were presented to the Elephant Conservation Centre, under the patronage of HRH Princess Galayani Vadhana Krom Luang Narathiwas Rajanagarindra.

- The Group's businesses presented money to support the Chang Yim Project of the Bangkok Metropolitan Administration, to help in solving the problem of abandonment of crippled elephants.
- In 2010 BTS Group presented a cash totaling THB 1,499,999 comprising of donations by BTS passengers and contributions from the company to support the operations of the Elephant Conservation Centre located in Lampang province, under the patronage of HRH Princess Galayani Vadhana Krom Luang Narathiwas Rajanagarindra, which provides care and assistance to injured elephants nationwide.
- In March 2011, BTS Group initiated the "2nd BTS Group Thai Elephant Conservation Project", providing support for the construction of a new elephant hospital in Krabi province. When complete, the new facility will serve 14 provinces in the southern region, providing first-aid treatment to injured elephants that have mostly been retired from working in heavy industry and the tourism business. Currently the entire southern region lacks any proper facility to provide such care for injured elephants.

2. Special Projects at the Macro Level – Relief Fund Raising Projects

- The flooding in Northern, Central and North-Western regions in November 2010 was a major disaster and affected many areas. In response, BTS Group mobilised all available fund raising networks, such as donations by BTS passengers, suppliers, staff and contributions from companies in the Group, raising a cash total of THB 2,151,982.5 which was presented to Channel 3.
- BTS Group and BTS passengers presented a cash donation of THB 1,000,000 to Krobkruakao 3, to support flood relief efforts in affected areas of southern Thailand in April 2011.
- A cash amount of THB 3,473,950.5, raised from contributions by the BTS Group and passengers was presented to Channel 3, to help support relief efforts, following the devastating earthquake and tsunami in Japan in March 2011.

3. Continuing Projects at the Community Level, both in Bangkok and other provinces

Through continuous participation in community development, education, public health and sport, BTS Group has placed great emphasis on supporting youth education:

Education

- HRH Princess Maha Chakri Sirindhorn graciously presided over the opening ceremony of the Botanic Exhibition Building of Chiang Klang Prachapattana School in Nan province, which was constructed in 2009 and funded by contributions from the company, BTS passengers and the Parents and Alumni Association of Chiang Klang Prachapattana. This exhibition building now serves as the base for the study and compilation of rare plants locally and nationwide, under the Royal Initiative of HRH Princess Maha Chakri Sirindhorn for the Conservation of Plant Genetics.
- The Group's businesses presented sportswear, uniforms, educational and sports equipment to children of Baan Talnoi School, Hangchat district, Lampang province.
- To date, more than 500 education scholarships have been granted to students in the provinces of Kanchanaburi, Nakhonratchasima, Ubolratchathani, Nan, Uttaradit, Lampang and Khon Kaen.
- Direct assistance with the construction of permanent school buildings was provided by volunteer staff from the Group, using funds raised by staff themselves, for the construction of a new building for the Baan Tab Berg Ruam Jai School building in Petchaboon province.
- The Group's businesses organised an educational trip for students from Ban Thung Kabin's Border Patrol Police School, Sa-Kaew province and students from Watpatum-wanaram School, to visit Bangkok and ride on the BTS SkyTrain and also hosted lunch for them.

Public Health

- In order to provide the public with free health check-up services, the 8th 'Sky Clinic' was organised from 8-11 July 2010 at BTS Wongwian Yai Station, to pay tribute to the memory of HRH Princess Galyani Vadhana Krom Luang Narathiwas Rajanagarindra. This annual event is held in cooperation with the Thai Traditional Medicine College and 11 city hospitals - The Bangkok Christian, Kluaynamthai, Kasemrad Prachachuen, Chaophya, Saint Louis, Thonburi, Phaythai 3, Bangkok Adventist, Vibhavadi, Hua Chiew, Metta International Eye Center (Sukhumvit Branch).
- The Group's businesses in cooperation with the Bangkok Metropolitan Administration and Lactasoy, organised the 4th Vegetarian Food Festival from 8-10 October 2010 at the walkway of BTS National Stadium Station. The purpose was to encourage people to abstain from eating animal products and to



adopt a healthier lifestyle. The event provided many kinds of healthy vegetarian food and soy milk from Lactasoy, with a thousand portions of food being served daily free of charge.

Sport

- The Group's businesses presented a cash donation to the Senanikom Badminton Group, sponsoring the 7th Fusion Excel Sena Badminton Championship 2010, with the aim of discovering up-and-coming new sports stars.

4. Continuing programmes at an operational level – Fair treatment of others

Apart from the above programmes, the BTS Group focuses on raising the awareness of all employees in understanding their roles and responsibilities towards others in society. Mindful of the sense that "their hearts are our hearts", individuals may have different roles to play on various occasions. Apart from being a BTS Group staff member, we may also be a customer, shareholder or a business partner of someone else. However we all exist together in the same society. Therefore what we expect to receive as a customer, should in turn be what we as a Group deliver to our customers. If we understand this then our actions in dealing with others will always be fair and balanced, no matter whom we are dealing with, be they shareholders, customers, suppliers or our competitors. This attitude promotes a sense of social responsibility at all levels of the organisation.

Based on an awareness for the fair treatment of others, matters can proceed with transparency and quality control. Feedback and suggestions received from customers, shareholders and investors through the Hotline Centre or other social networks, can be effectively addressed and policies successfully implemented.



4.4

MANAGEMENT DISCUSSION & ANALYSIS

“BTS Group overcame the political disturbance to register a 5% increase in operating revenue as well as an improvement in operating margins. This was driven by excellent growth from our media business and continued growth from our mass transit operations”

Introduction

During the fiscal year ended March 2011 (2010/11), the Company acquired 94.6% in Bangkok Mass Transit System Public Co., Ltd (BTSC), its former subsidiary. As the acquisition of the shares of BTSC and its subsidiaries was considered to be a business combination under common control, the Company has restated the consolidated and separate financial statements for the fiscal year ended 31 March 2010 (2009/10) as if BTSC and its subsidiaries, acquired 4 May 2010, had been a subsidiary of the Company since it was established. More details on this transaction can be found in section 4.1: Capital Markets Review.

Income Statement

For 2010/11, **operating revenue of the Company and subsidiaries** (together the “Group”) **increased 4.7% to THB 5,894.4mn**, with increased revenues from mass transit and media offset by a reduced performance in the property business. Revenues from mass transit, media, property and services contributed 65.5%, 23.2%, 9.5% and 1.7% of total operating revenues respectively.

Cost of sales totaled THB 3,362.1mn, a 2.8% increase YoY mainly on account of the media business where costs increased 38.7% as a result of the higher revenue from modern trade. Gross profit increased by THB 173.2mn or 7.3% to THB 2,532.3mn and **the gross profit margin increased correspondingly to 43.0% from 41.9%.**

Selling & administration expenses increased THB 112.9mn or 10.0% YoY primarily from increased marketing costs in the property business but also from higher payroll expenses.

In 2010/11, key non-operational items were THB 171.4mn for costs related to business combination under common control (legal and advisory fees related to the acquisition of BTSC) and THB 723.4mn of gains related to debt settlement.

Finance costs bore a heavy burden on the Group owing largely to interest expenses and fees related to the BTSC share acquisition. Total finance costs rose by THB 1,056.4mn or 193.7% to THB 1,601.9mn. This, together with non-operational revenue of THB 936.2mn (versus THB 5,151.2mn in 2009/10) meant that net profit for the year was THB 345.6mn compared to THB 5,691.6mn in the previous year.

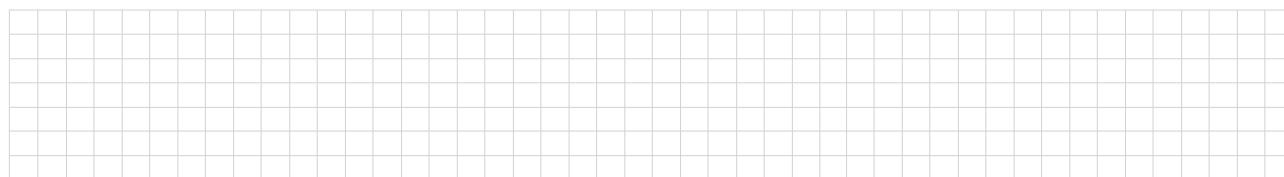
Consequently, **operational EBIT rose by 4.3% to THB 1,498.9mn**; while, the corresponding EBIT margin remained at 24.6% compared to 2010/11.

During 2009/10 and 2010/11, the Company and its subsidiaries incurred corporate tax of THB 70.2mn and THB 106.3mn, respectively. As of 31 March 2011, the Company had a tax loss carried forward of THB 307.4mn, of which THB 194.6mn, and THB 112.8mn will expire in March 2012 and March 2014 respectively.

BTSC, the Company’s main subsidiary, paid no corporate income tax for 2009/10 and 2010/11 as BTSC still had a tax loss carried forward as of 31 March 2011 of THB 11,882.9mn which will expire in 2012/13.

Operating Revenue (THB mn)	2010/11	% of Total	2009/10	% Change (YoY)	2010/11 margin ⁽¹⁾	2009/10 margin ⁽¹⁾
Mass Transit	3,860.8	65.5%	3,679.6	4.9%	42.5%	40.9%
Media	1,369.9	23.2%	1,100.2	24.5%	64.4%	68.0%
Property	562.6	9.5%	849.3	-33.8%	-8.1%	12.1%
Services	101.0	1.7%	1.7	5819.7%	52.6%	N.A.
TOTAL	5,894.4	100.0%	5,630.8	4.7%	42.96%	41.90%

⁽¹⁾ Gross Profit Margin



In 2010/11, the Group had a net profit of THB 345.6mn, a decrease from a net profit of THB 5,691.6mn in 2009/10. This is due to BTSC's gain on debt restructuring of THB 4,942.2mn in 2009/10.

Cash Flow

Cash flow from operations increased 35.8% to THB 2,981.0mn on account of reduced working capital requirements (higher accrued costs of construction, lengthened payables and higher other current liabilities). However, cash flow from investing activities increased considerably to THB 24,794.5mn primarily on account of the acquisition consideration for BTSC (THB 20,655.7mn) but also as the Group invested in new rolling stock and invested in its real estate business. This investing activity was supported primarily by the issuance of new shares during the course of the year (THB 12,837.5mn) but also from the issuance of long-term debt (net increase of THB 1,780.5mn) and convertible bonds (THB 10,000mn). During 2010/11 the Company also paid a dividend of THB 717.6mn and as a result cash reduced by THB 652.3mn to THB 1,825.4mn.

detail in the Notes to the financial statements. Details on new equity issued during 2010/11 can be seen in section 4.1: Capital Markets Review. The Group also saw an increase in fixed assets by 4.8% or THB 2,565.7mn as a result of the investment in new rolling stock and BRT cars, investment in signaling system, new land at Phayathai as well as construction progress on the hotel at Surasak BTS station.

Mass Transit Business

Total revenue from our mass transit business increased by 4.9% YoY to THB 3,860.8mn. Net fare-box revenue increased 1.7% to THB 3,544.8mn with the result of 0.5% ridership growth and a 1.2% growth in the average fare. Natural YoY ridership growth of 5.6% (for the last 9 months of the year) was offset by the closure and interruption of the SkyTrain system during April and May 2010. It is estimated that revenue loss from the 8 days service closure and 19 days partial closure amounted to THB 180mn. That fare-box revenue for the year still increased is testament to the strength of our core business. Total annual ridership was 145.2mn passengers (versus 144.5mn in 2009/10) and the average fare for the year rose slightly to THB 24.44 / trip (versus THB 24.15 in 2009/10).

Summary Cash Flow

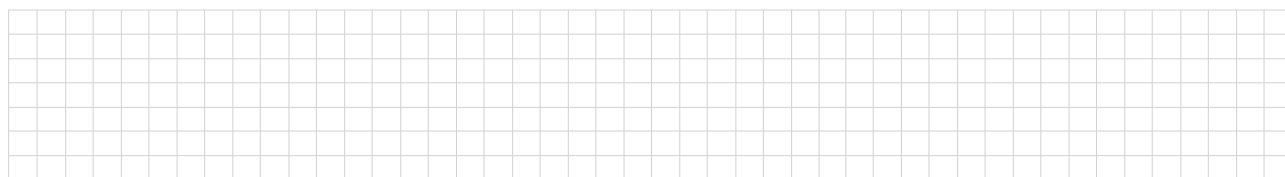
	2010/11	2009/10	Change
	(THB mn)	(THB mn)	(%)
Cash from (used in) operating activities	2,981.0	2,195.4	35.8
Net cash from (used in) operating activities	1,360.5	1,546.2	(12.0)
Net cash (used in) investing activities	(24,794.5)	(3,818.1)	549.4
Net cash from financing activities	22,782.4	398.2	5622.0
Net increase (decrease) in cash and cash equivalents	(652.3)	(1,873.7)	(65.2)
Cash and cash equivalents at end of the year	1,825.4	2,477.7	(26.3)

Balance Sheet

Total assets stood at THB 63,826.2mn, a 4.2% increase from 31 March 2010. The key changes in the structure of the balance sheet (such as increase in shareholders' equity from THB 23,820.6mn to THB 37,859.2mn, decrease in Ordinary shares to be issued for business combination under common control from THB 19,378.8mn to THB 0mn) are as a result of the re-statements of accounts in relation to the acquisition of shares in BTSC as a business combination under common control, and these are explained in more

Income from train operating management also showed strong growth, rising 62.1% YoY to THB 316.0mn. This is on account of the commencement of operations of the Bus Rapid Transit (BRT) system which BTSC began to operate from May 2010.

Cost of fare box for the year decreased by 3.0% to THB 2,051.2mn. The decrease in cost of fare box was due to reduced maintenance costs. Cost of train operating management rose 186.1% to THB 167.1mn due to the commencement of BRT operations.



Mass transit SG&A increased 1.5% or by THB 7.6mn to THB 527.3mn. Payroll & staff benefits increased by THB 27.6mn or 27.3% YoY on account of an increase in BRT staff. Depreciation and amortisation also decreased by THB 57.8mn or 5.9% YoY to THB 972.3mn primarily due to the adjustment of ridership base used for depreciation calculation.

Media Business

Media business revenue saw excellent operational results with total revenue increasing 24.5% or THB 269.7mn to THB 1,369.9mn. The primary reason for the increase was revenue from the modern trade sector which rose THB 208.7mn or 97.7% to THB 422.5mn as a result of new contracts signed and increased occupancy on existing contracts. Further, revenues related to office building media grew THB 58.9mn or 317.9% YoY on account of both the full year effect (PoV Media was acquired in October 2009) as well as synergies realised with existing sales platform. Revenue from BTS-related advertising grew slightly to THB 873.9mn.

Cost of sales increased 48.8% or THB 148.8mn to THB 485.4mn. Key increases relate to costs of modern trade, which saw a 69% or THB 134.5mn and costs related to Office building sales (up THB 23.3mn) both of which rose on the back of higher sales. Media SG&A decreased only 0.47% or THB 1.1mn as the business realised economies of scale.

As a result of the increased contribution from lower margin modern trade business, the gross profit margin declined from 68.0% to 64.4% but the operating profit margin remained stable at 48.2%.

Property Business

In 2010/11, revenue from the group's property business declined 33.8% or THB 286.6mn to THB 562.6mn. This was primarily the result of a decline in revenue from construction services which fell THB 284.4mn or 52.1% to THB 261.8mn due to a wind-down in the number of units transferred in relation to the National Housing Authority (low-cost housing) project. This was offset by sales of real estate which increased by THB 46.1mn or 45.7% as the company accelerated sales of its Thana city project.

Property cost of sales fell THB 138.3mn or 18.5% as cost of construction services fell (THB 256.7mn or 49.8%) but this was offset by an increase in cost of sales of real estate which rose THB 111.5mn

or 104.9% to THB 217.8mn. Property selling and administration expenses rose THB 116.7mn or 73.9% to THB 274.2mn. The increase was driven by the higher marketing expenses related to the launch of Abstracts condominium brand (THB 111.7mn in 2010/11 compared to THB 0mn in 2009/10).

Services Business

Our Services business recognised revenue of THB 101.0mn in 2010/11 compared with THB 1.7mn in 2009/10. The majority of the revenue contribution came from fee income from Thana City Golf course which completed renovation in November 2010.

Business Performance Outlook

Please refer to section 2.4: Business Outlook 2011/12

5.0

Corporate Governance Report

In this Section we outline our Corporate Governance structure and policy. Here you will also find the roles and responsibilities of the Board of Directors and sub-committees, meeting attendance and remuneration details. BTS Group's approach to Risk Management and Directors' and Executives' profiles are also found here.

- 5.1 Policy Statement and Structure
- 5.2 Corporate Governance Policy
- 5.3 Remuneration Committee Report
- 5.4 Nomination Committee Report
- 5.5 Risk Management Policy
- 5.6 Internal Controls
- 5.7 Related Transactions
- 5.8 Director and Executive Profiles



5.1

POLICY STATEMENT AND STRUCTURE

Definition & Objective

Corporate governance can be defined as the set of processes, rules and standards that govern the manner in which a corporation is run. The purpose of corporate governance is to facilitate effective, accountable and prudent management in order to deliver the long-term strategy of the company. This should be achieved whilst aligning as closely as possible, the interests of all stakeholders. Stakeholders range from individuals (including customers, shareholders, employees, managers, directors) and companies (including suppliers, and investors) to the corporation itself and society as a whole.

Corporate Governance in Thailand

The development of effective corporate governance (CG) has high priority in Thailand and the country now ranks 4th in Asia in accordance with CG Watch 2010. CG Watch is a report produced in collaboration between CLSA and the Asian Corporate Governance Association. The four key promoters of CG in Thailand are:-

- The **Stock Exchange of Thailand (SET) and Securities and Exchange Commission (SEC)** who issue regulations as well as guidelines and monitor compliance in relation to various corporate governance aspects. The SEC also implements a prevention, intervention and sanction scheme for CG enforcement.
- The **National Corporate Governance Committee (NCGC)** established by the Thai Government in 2002 and chaired by the Prime Minister or assigned Deputy Prime Minister to promote principles of CG and ensure delivery of concrete outcomes.
- **Thai Institute of Directors (IODT)** which together educates local market participants on director professionalism and best CG practices, as well as publishing an annual CG report in collaboration with the SET, SEC and NCGC which includes CG ratings of Thai-listed companies. The ratings are based on the Principles of Corporate Governance of the OECD and the results are available to the capital markets participants. The SEC requires securities companies to disclose the rating in its research reports.

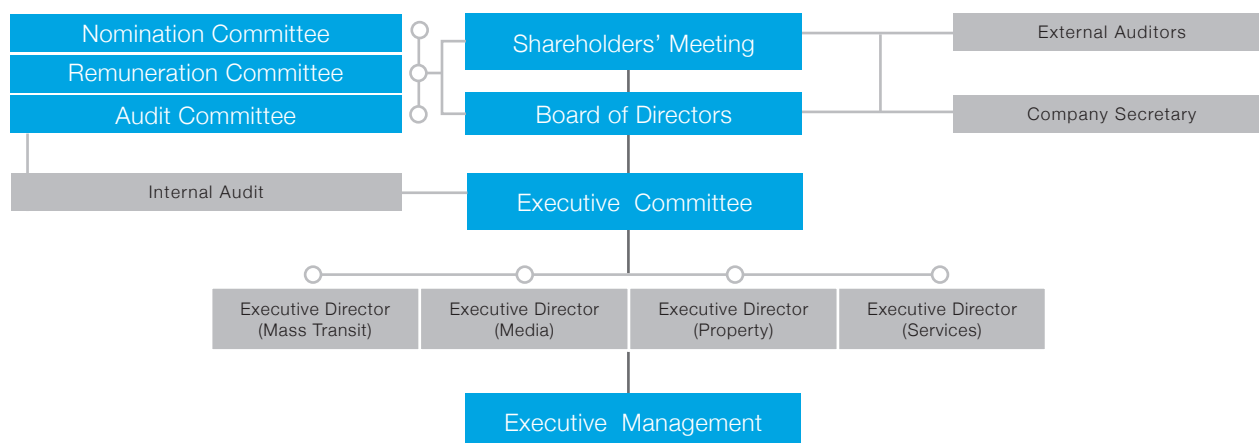
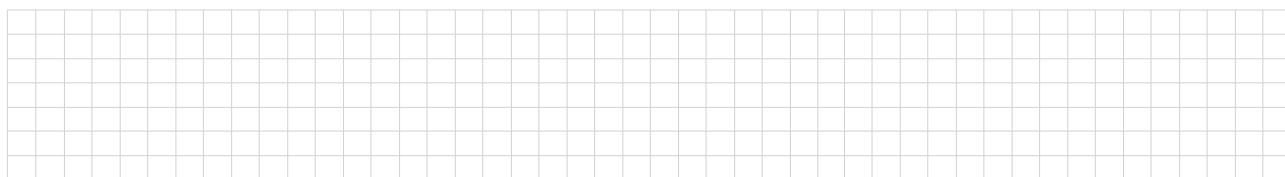
Several other capital markets participants such as the Thai Investors Association and the Thai Listed Companies Association also promote best CG practice as part of their corporate mission.

Corporate Governance in the BTS Group

BTS Group Holdings Plc. is a public limited liability company established under the laws of Thailand. Its common shares are listed on the Stock Exchange of Thailand (SET) and it is a member of the SET50 Index, which comprises Thailand's largest 50 companies by market capitalisation. The company's management and supervision structure is based on two-tiered system, comprising a Board of Directors (and sub-boards, including a Nomination Committee, Remuneration Committee and Audit Committee) as well as an Executive Committee.

The BTS Group Board is committed to maintaining high standards of corporate governance and has complied with the Principles of Good Corporate Governance for Listed Companies 2006. In particular, the underlying principles of CG which we focus on achieving are:-

- Accountability
- Leadership
- Transparency
- Fairness (Equitable Treatment)
- Focus on long term sustainability
- Integrity



Our corporate governance structure is based on the requirements of the Code of Good Corporate Governance promoted by the SET and supported by the IODT, the company's Articles of Association and the rules and regulations that apply to public companies under the regulation of the Securities and Exchange Commission (SEC) as well as listed companies under the Stock Exchange of Thailand (SET). This is further complimented by several internal procedures.

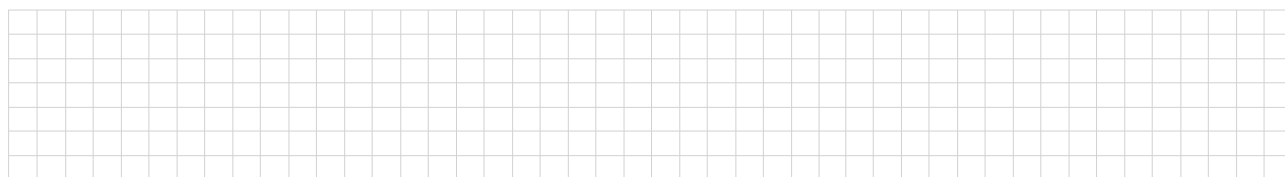
The BTS Group conducts ongoing assessments of its corporate governance policy in order to ensure that the policy is appropriate for the current market situation and the Company's business operations. In accordance with best practice corporate governance the Company has developed an Information & Investor Relations policy to ensure adequate disclosures to the capital markets.

The following is a summary of the members, key responsibilities and dynamics of the key bodies in our corporate governance structure:-

BOARD OF DIRECTORS

As of 17 June 2011 the Board of Directors consists of 13 members as follows:-

Current Director Name	Position	Authorised Director	Appointment Date
1. Mr. Keeree Kanjanapas	Chairman	Group A	29 July 2010
2. Dr. Paul Tong	Director	No	29 July 2010
3. Dr. Anat Arbhabhira	Director	Group B	29 July 2010
4. Mr. Surapong Laoha-Unya	Director	Group A	29 July 2010
5. Mr. Kavin Kanjanapas	Director	Group A	29 July 2010
6. Mr. Rangsin Kritalug	Director	Group B	29 July 2010
7. Mr. Kong Chi Keung	Director	Group B	29 July 2010
8. Mr. Kin Chan	Director	No	29 July 2010
9. Lt. Gen. Phisal Thepsithar	Independent Director	No	29 July 2010
10. Dr. Amorn Chandarasomboon	Independent Director	No	29 July 2010
11. Mr. Suchin Wanglee	Independent Director	No	29 July 2010
12. Mr. Charoen Wattanasin	Independent Director	No	29 July 2010
13. Mr. Cheong Ying Chew Henry	Independent Director	No	29 July 2010



The detailed profile of the Board of Directors can be found in section 5.8 and their attendance record can be seen in section 5.3: Remuneration Report. Directors who have authority to sign for and on behalf of the Company consist of any one Director from the Group A Directors signing jointly with any one Director from the Group B Directors, totaling 2 persons together with the Company's seal affixed.

Roles and Responsibilities of the Board of Directors

1. To perform their duties in accordance with the law, the objectives and the Company's Articles of Association as well as the resolutions of the shareholders' meeting with honesty and due care for the benefit of the Company's shareholders and disclosing complete, accurate and transparent information to shareholders.
2. To determine the Company's vision, policies, business direction and supervise the Management in order for them to perform effectively and to efficiently achieve their performance so as to maximise the value for the Company and its shareholders.
3. To determine the Company's policies, strategies, business plans, annual budget including progress of the monthly and quarterly performance of the Company, compared to the business plan and budget, and to also consider the future trends for the year ahead.
4. To govern the business operations to comply with business ethics and the Code of Conduct. To review corporate governance regularly and evaluate its compliance at least once a year.
5. To regularly evaluate the Management's performance and to ensure the appropriateness of the remuneration system for the executives under the supervision of the Remuneration Committee.
6. To supervise the Management to ensure the accounting system, financial reports and audit system are accountable, as well as to ensure that the Company has an appropriate and sufficient risk management and internal control system.
7. To consider and approve the acquisition and disposition of assets, investment in new businesses and any operational matters as required by law, excluding the operational matters legally requiring the resolution of the shareholders' meeting.
8. To consider and/or comment on the connected transactions of the Company and its subsidiaries with regard to compliance with the law, notifications, regulations and relevant rules.
9. To monitor and prevent conflicts of interest among stakeholders of the Company. Further, any Director shall report to the

Company, without delay, if he or she has any conflict of interest in a contract executed with the Company or acquires more shares or sells shares in the Company or its subsidiaries. Any conflicted Director shall have no right to approve such transaction.

10. To report about the responsibility of the external auditor in the preparation of the financial statements in conjunction with his report on the Company's Annual Report, covering key issues under the Policy Statement on Code of Best Practice of Directors of Listed Companies of the SET.
11. To delegate one or more Directors or other persons to perform any tasks on behalf of the Board of Directors. However, such delegation shall not be the authorisation or sub-authorisation that allows the Director or any authorised person, who has a conflict of interest or a conflict of any kind with the Company or its subsidiaries, to approve such transaction.
12. To appoint a sub-committee to assist in monitoring management and the internal control system to be in accordance with policy, such as the Executive Committee, the Audit Committee, the Remuneration Committee and the Nomination Committee.
13. To appoint the Company Secretary to ensure that the Board of Directors and the Company complies with the law and relevant regulations.

AUDIT COMMITTEE

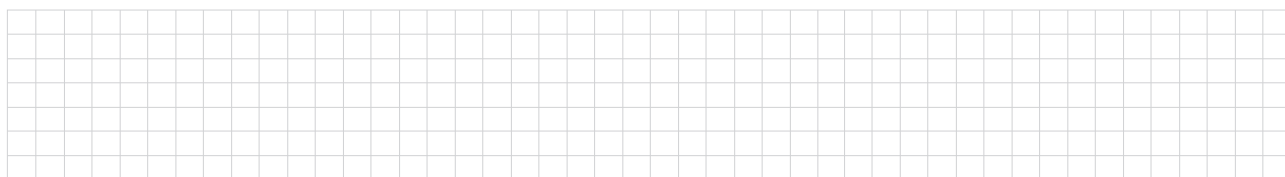
As of 17 June 2011 the Audit Committee (AC) consists of 3 members (all Independent Directors):-

Current Member Name	Position		Meeting Attendance ⁽¹⁾
1. Lt. Gen. Phisal Thepsithar	Chairman of the AC	Independent Director	6/6
2. Mr. Suchin Wanglee	Member of the AC	Independent Director	5/5
3. Mr. Charoen Wattanasin	Member of the AC	Independent Director	4/5
Former Member Name			
4. Pol. Maj. Gen. Vara Leammonkol	Member of the AC	Independent Director	1/1
5. Mr. Chaiyasit Puvapiromquan	Member of the AC	Independent Director	1/1

On 10 February 2011, Mr. Pipob Intaratut Head of Internal Audit was assigned to be the Secretary to the Audit Committee.

Lt. Gen. Phisal Thepsithar is a member of the Audit Committee, who is knowledgeable and experienced in reviewing the Company's financial statements.

⁽¹⁾ During 2010/11



Roles and Responsibilities of the Audit Committee

Broadly speaking, the Audit Committee is responsible for oversight of financial reporting and internal audit process however the full charter of the Audit Committee is detailed in the Audit Committee report contained in this annual report. Further, in May 2011, the Audit Committee added the responsibility of reviewing the sufficiency of the Company's risk management policy to its charter.

The Thai Securities and Exchange Commission strictly regulates the qualification criteria (primarily relating to independence) for members of the Audit Committee, which must have a minimum of 3 members, and these are specified under the Securities and Exchange Act B.E. 2535.

REMUNERATION COMMITTEE

For details of the members, responsibilities and policies of the Remuneration Committee, please refer to section 5.3: Remuneration Report included in this annual report.

NOMINATION COMMITTEE

For details of the members, responsibilities and policies of the Nomination Committee, please refer to section 5.4: Nomination Report included in this annual report.

INTERNAL AUDIT

The internal audit function has the responsibility to audit the operation of all departments, as well as the finance and accounting systems, information technology and other internal control processes and give guidance where relevant such that the integrity, accuracy and completeness of such systems are maintained. The internal audit also supports the risk management framework of the Company by conducting risk self-assessment workshops with each department in the Company. To preserve the independence of the internal audit function, the Head of Internal Audit, Mr. Pipop Intaratut reports directly to the Audit Committee (which comprises solely Independent members). The Internal audit is tasked with reporting to the Audit Committee on its findings at least on a quarterly basis.

EXECUTIVE COMMITTEE

As of 17 June 2011 the Executive Committee consists of 6 members as follows:-

Name	Position
1. Mr. Keeree Kanjanapas	Executive Chairman
2. Dr. Anat Arhahhirama	Executive Director
3. Mr. Surapong Laoha-Unya	Executive Director
4. Mr. Kavin Kanjanapas	Executive Director
5. Mr. Rangsin Kritlug	Executive Director and Chief Operating Officer
6. Mr. Kong Chi Keung	Executive Director

Miss Chayada Yodyingtamakul is the Secretary to the Executive Committee.

Roles and Responsibilities of the Executive Committee

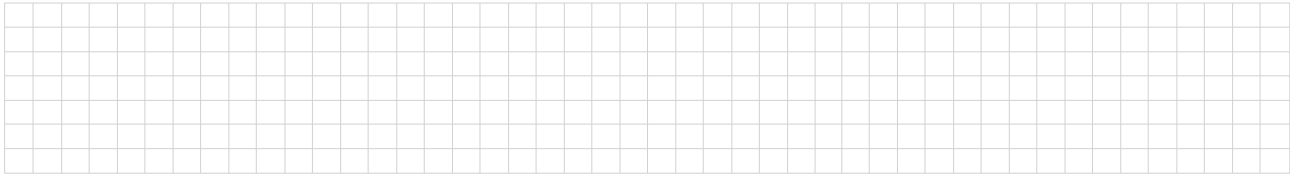
The Executive Committee is delegated by the Board of Directors to (i) propose the appropriate business policy, direction, strategy, and management structure for the Company's business operations and (ii) prepare a business plan, budget, management authorities of the Company to the Board of Directors for approval. It is also charged with reviewing and monitoring the Company's performance to ensure compliance with approved policy and the business plan, approving any new projects, developing the risk management structure of the organisation and reporting on progress of each to the Board of Directors.

EXECUTIVE MANAGEMENT

As of 17 June 2011, BTS Group non-directors executives consisted of 6 persons as follows:-

Name	Position
1. Mrs. Duangkamol Chaichanakajorn	Accounting Director
2. Mrs. Patchaneeya Pootme	Corporate Communications Director
3. Mr. Surayut Thavikulwat	Chief Financial Officer
4. Mr. Daniel Ross	Financial Director
5. Miss Chawadee Rungruang	Financial Controller
6. Miss Chayada Yodyingtamakul	Legal Director

The detailed profile of the executive management can be found in section 5.8.



Roles and Responsibilities of the Executives

Executive management is responsible for working with the Executive Committee on the preparation of the business plan, budget and management authorities of the Company for the Executive Committee's approval, and to effectively manage the business operations in accordance with such approved plan as well as the Company's policies, strategy, operational structure and any other rules and regulations. In performing these tasks or any other tasks assigned by the Board of Directors, management must exercise a duty of care and loyalty on behalf of the shareholders and provide regular updates to the Board of Directors.

COMPANY SECRETARY

The Board of Directors' Meeting No. 1/2011, held on 11 February 2011, appointed Miss Chayada Yodyingtammakul, Legal Director, as a Company Secretary. The Company Secretary has responsibility for the Company's compliance with statutory and regulatory requirements as well as the upkeep of good corporate governance principles. Such responsibilities include (i) organising and recording of the Board of Directors' and shareholders' meetings (ii) ensuring compliance with information disclosure requirements of the Stock Exchange of Thailand and Securities and Exchange Commission (iii) maintaining report on conflicts of interest as well as change of securities holding of the Directors or the Executives. The Company Secretary has completed the Corporate Secretary Development Program (2008), organised by Thai Listed Companies Association and also regularly and consistently enrolls in the training or seminar organised by the Stock Exchange of Thailand and Securities and Exchange Commission.

MEETINGS

The Board of Directors and Audit Committee meet at least once a quarter. The Executive Committee meets on a monthly basis and the Remuneration and Nomination Committees both meet on an annual basis. In the case where it is deemed appropriate or consideration or approval is required for any outstanding matters, the Board and sub committees as well as non-executive directors will conduct additional meetings. For details of Board of Director attendance please see the relevant table in the Remuneration Report and Nomination Report.

In 2010, the BTS Group was assigned a 3-star rating for CG or a company with a "Good" standard of corporate governance. The

report is issued by the IODT and the score is based on the OECD's 'Principles of Corporate Governance'. Following on from its transfer to become one of Thailand's largest listed companies in May 2010, the Company recognised the importance of further improvement of its CG structure and initiated a major enhancement. This wide-ranging reform included the expansion of the Board of Directors, the addition of an Executive Committee, adoption of a new Risk Management Policy as well as the introduction of new policies all of which can be seen in the corporate governance policy.



5.2

CORPORATE GOVERNANCE POLICY

The BTS Group has developed a detailed corporate governance policy, with key extracts detailed below. For a copy of the full corporate governance policy, please refer to the Company's form 56-1, or contact Investor Relations at ir@btsgroup.co.th

A) Shareholder Rights

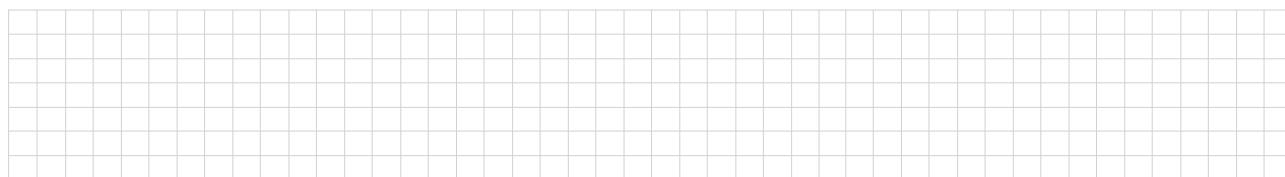
The Company places emphasis on the rights of shareholders as the true owner of the Company. The shareholders are encouraged to exercise their fundamental rights, e.g. sale, purchase or transfer of shares, profit sharing, receipt of the adequate information either via the Company's or the SET's websites or other channels, attendance at shareholders' meetings to acknowledge the Company's annual business performance, and voting rights at the shareholders' meetings to approve significant matters as specified by law, such as the appointment or removal of directors, directors' remuneration, the appointment of the auditor and determination of the auditor's fee, dividend payment or suspension of dividend payment, any capital increase and issuance of new shares, and making enquiries or comments on the matters that the Board of Directors presents or requests for approval at the shareholders' meeting.

Shareholders' Meeting: The Board of Directors must hold the Annual General Meeting of Shareholders within 120 days from the end of the Company's fiscal year. Other shareholders' meetings shall be called Extraordinary General Meetings and are to be held when deemed necessary and appropriate. The Company has appointed a Company Secretary and established a compliance unit to ensure that shareholders' meetings are called and held as required by law and in accordance with the guidelines for shareholders' meetings as stipulated by the SET. In the shareholders' meeting, the Company arranges for its legal advisor to provide legal advice and act as a moderator in the inspection and vote counting, as well as the financial advisor to provide an explanation or answer to enquiries in the complicated matters proposed to the meeting. The Company also arranges the Company's Auditors to present at the annual general meeting of shareholders on the agenda of the approval of Company's financial statements.

Invitation Letter and shareholders facilitation: The Company assigned Thailand Securities Depository Co., Ltd., its securities registrar, to deliver the invitation, stating the place, date and time of the meeting together with the meeting's agenda and sufficient supporting documents for each agenda item to shareholders no less

than 7 days before the shareholders' meeting as required by law in order to allow shareholders sufficient time to study the documents. The documents must include detailed objectives and the reason for each proposed agenda item, as well as the comments of the Board of Directors on each agenda item. There shall be no hidden agenda or other agenda item not stated in the invitation to the shareholders' meeting for the consideration and approval of the shareholders, except for urgent matters that arise after the invitation is sent. The Company must send an English version of the invitation and supporting documents to foreign shareholders. The Company also publishes the invitation together with the supporting documents on the Company's website in advance. In addition, the invitation shall be announced through a Thai newspaper for 3 consecutive days prior to the meeting date. The Company has implemented the Barcode System of the Thailand Securities Depository Co., Ltd. for the registration and vote counting for the purpose of transparency and efficiency. The registration opens two hours prior to the meeting and extends until the period before the last meeting agenda. The Company also invites the shareholders to a reception. The Company's officers are assigned to welcome and facilitate the shareholders attending the meeting. The stamp duty is also provided for the attendance on proxy.

On and After the Meeting Date: Before each meeting, the Company Secretary introduces to the meeting the Board of Directors, executives, the Company's auditor and legal advisor who acts as a moderator. The Company Secretary shall also inform the meeting about the voting procedures and vote counting in the meeting. After the information has been provided for each agenda, the Chairman of the Meeting shall give the floor to all attendants to express opinions or enquires relevant to the agenda. The enquiries shall be answered clearly and precisely and given adequate time for debate. For the agenda on the appointment of directors, individual votes are required. Also, the minutes of meetings shall be completely recorded and can be reviewed by shareholders. The resolutions of the meeting are also to be clearly recorded with details of approved, non-approved, and abstention votes for all agenda items which require a vote, as well as recording opinions, suggestions and answers to the material questions relating to each agenda item. The Company shall summarise the significant resolutions to the SET's website within the same day as the meeting, or at least no later than 9.00 a.m. of the following business day. The minutes of the shareholders' meeting shall be submitted



to the SET within 14 days, as well as published on the Company's website.

B) Equitable Treatment of Shareholders

Proposing agendas and nominating candidates to be elected as Directors:

In advance of the Annual General Meeting of Shareholders, the Company shall allow the minority shareholders to propose agenda items and nominate candidates to be elected as directors. The objective is to promote the equitable treatment of shareholders. Shareholders with a combined holding of at least 5% of the Company's total issued shares who have continually held such shares for at least 6 months prior to the nomination, are entitled to propose agenda items and nominate candidates to be elected as directors. The Company will publish such criteria on the Company's website as well as publish an announcement on the SET's website.

Appointing Proxies: To maintain the rights of those shareholders who cannot attend in person, the Company is to attach a proxy form to the invitation and include the list of documents and evidence required for the appointment of a proxy is also clearly stated. The shareholders may assign a representative or an independent director to attend the meeting and cast the vote on his/her behalf. The Company will specify in the invitation the name of at least one independent director, whom a shareholder can give proxy to. The Company will also disclose the invitation and proxy forms, together with details and procedures on the Company's website.

Access to Information: The Company favors no particular group of stakeholders, giving all equal access to its public information, whether through the Company's website at www.btsgroup.co.th, or through Investor Relations Department at +66 (0) 2273 8631, +66 (0) 2273 8636 and +66 (0) 2273 8637, Email: ir@btsgroup.co.th.

The Company has established a set of **rules on the use of inside information** and published such in the Code of Conduct as a guideline for the standard practice for the directors, executives, and employees to prevent the use of inside information by such persons for their own benefit. Policies include (i) requirement for directors, executives, including their spouses and minor children to report any changes in the holding of securities (ii) informing directors, executives, employees and related persons to the Company, such as legal advisors, auditors and financial advisors of the prohibition use of inside information (iii) restrictions on insider trading in Company shares during 'close' periods (which typically relates to the period

leading up to the release of financial results or any other significant information to the public up until 48 hours after the information has been publically disclosed). Violations are punishable both under SEC regulations as well as under the Company's code of conduct. There are four levels of disciplinary action depending on the characteristics of the violation and impact of the action namely; written warning, written warning with work suspension, dismissal with severance pay and dismissal without severance pay.

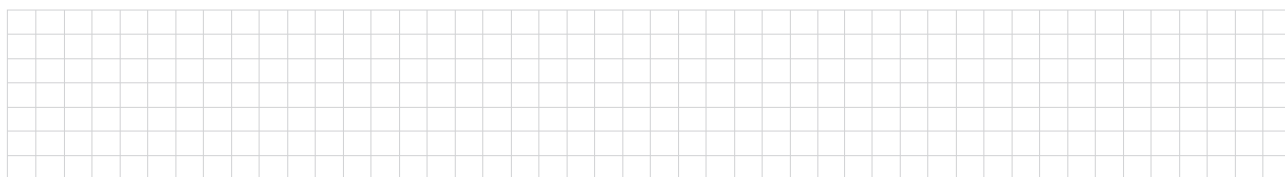
C) Role of Stakeholders

The Company is aware of the role of stakeholders and pays close attention to the significance of the rights of all groups of stakeholders, such as shareholders, employees, customers and business partners, as well as the public and the community, by ensuring that they are treated properly, equitably and honestly. The Company realises that the good relationship with all groups of stakeholders is significant for long-term development and sustained growth of the Company. Therefore, the Company stipulates the written policy in the Code of Conduct and distributes this to all executives and employees of the Company for their acknowledgement and compliance.

Treatment of Stakeholders

Shareholders : The Company operates its business with transparency, justice and fairness to ensure business growth with the objective of generating shareholder returns that outperform returns from other investment alternatives of a similar risk profile. (Please refer to the "Rights of Shareholders" and "Equitable Treatment of Shareholders" for more details)

Customers: The Company aims to create client satisfaction and confidence by focusing on its responsibility and client's need, in order to ensure business success. It does this by continuing to improve quality and features of the products and services to meet customers' needs and to maintain good relationships in the long run. The Company conducts a survey on the satisfactory of its customers and uses it as a guideline for the improvement of service and management. The Company also organises the personnel development program for the staff customer services before they begin their duties, as well as to continuously enhance their skill and knowledge for the utmost benefit of customers. The Company also emphasises on safety of its clients. In the mass transit system business for instance, BTSC has received various standard management certification, e.g. ISO 9001 for Quality Management System, OHSAS 18001 for Occupational Health and Safety Zone and Lloyds Register (Rail) for Safety Management.



Employees : As the Company strongly believes that human resources are a principal and valuable resource, it prioritises fair and equitable treatment towards employees without discrimination. It also respects the international human rights principles and values the importance of their wellness and occupational health & safety, working environment and the support of corporate culture and team work. All employees are equally provided with the opportunity for career progression and partake in a clean and fair evaluation procedure. The Company values the quality of employees and places emphasis on the personnel development. The Company consistently arranges internal and external training as well as organises joint activities to develop good relations between employees and the executives. These are all an integral part of the Company's human resource management policy full details of which can be seen in the Company's Form 56-1.

As of 31 March 2011, the Company and subsidiaries had 2,545 employees, with remuneration (salary, bonus and provident fund) for the fiscal year 2010/11 of THB 918.5mn. Welfare is provided in the form of provident fund, savings, investments and loan schemes (via a Savings and Credit Co-operative), housing loan welfare as well as life, health and personal accident insurance.

Business Partners: The Company values its business partners as the key to its success through mutual support. The Company therefore treats all business partners on the basis of equality and fair competition. The Company places emphasis on the transparency and justification in negotiation and concluding contracts with its business partners, aiming for fair consideration for both parties. Terms and conditions of contracts shall be complied with as well as the Company's ethics.

Competitors : The Company competes within the scope of laws and business ethics and based on fair practice. The Company shall not discredit or seek for confidential information of competitors in a corrupt or unfair manner but shall professionally operate the business with trustworthiness.

Creditors: The Company places emphasis on its trustworthiness and therefore strictly conforms with conditions and agreements that made with creditors in order to create reliability. The Company pays all interest and principal accurately, timely, and completely. Also, the Company shall not use the loan proceeds in the way that is contrary to its objectives nor hide any information that may be harmful to creditors.

Society, the Community and the Environment: The Corporate Social Responsibility programme of the BTS Group is being implemented with the realisation that social responsibility stems from Group's overall operational policies, applicable to every part of the organisation.

The Company believes that if all companies actively contribute to society, conducting business with good governance and providing long-term benefits, then it would create a powerful economic driving force, offering significant advantages to society, both at community level and for the country as a whole.

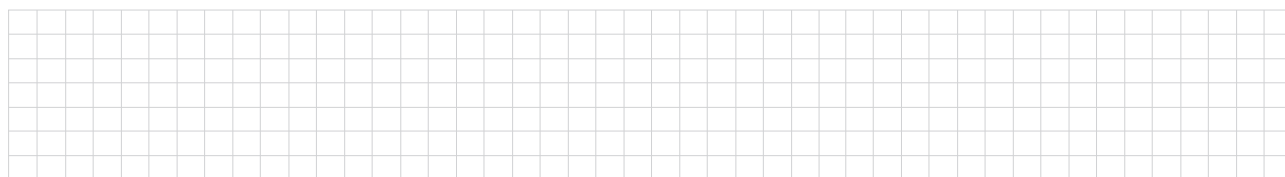
The Company considers that it is our responsibility to support and procure corporate social activities, benefit the society in various aspects. The Company organises ongoing corporate social activities covering activities that benefit the society at a macro level, community level and operation level. Please see Section 4.3: Corporate Social Responsibility Review for more details.

Additional Policies on the Code of Ethics: In 2011, the Company has considered additional policies on the Code of Ethics as recommended by the IODT related to human rights (policy of non-discrimination), anti-corruption and bribery, respect for intellectual property, information technology and communications (information security standards).

Complaint Channel: The Company has provided a channel for all stakeholders to communicate or express any concerns directly to the Board of Directors. The stakeholders may submit the complaint to the Company Secretary Office by email at CompanySecretary@btsgroup.co.th or by letter to the Company's address. All stakeholders' communication will be kept confidential and the Company Secretary will collect all concerns and report to the Board of Directors.

D) Disclosure & Transparency

Financial and Non-Financial Disclosure: The Board of Directors has a duty to fully, sufficiently, reliably and on a timely basis disclose financial and non-financial information to all shareholders and stakeholders to ensure equal treatment. The Company shall develop the Company's website and regularly update information to ensure its completeness, accuracy and timeliness. Such disclosure shall be complied with care, clarity, accuracy and transparency and also conveyed in simple and concise language.



Investor Relations: The Company has placed a high priority on a professional investor relations functions (IR). The aim of the IR function is to establish and maintain open, accurate, relevant and timely communications with existing and potential Company's investors and shareholders. For more information please refer to the section 4.1: Capital Markets Review in this Annual report.

For enquiries by shareholders and investors, please contact our Investor Relations department.

Contact Telephone: +66 (0) 2273 8631, +66 (0) 2273 8636, +66 (0) 2273 8637
Email: ir@btsgroup.co.th

Significant Information Disclosure: The Company has a policy to disclose significant information to the public, namely the Company's objectives; financial status and performance; shareholding structure and voting rights; list of directors; members of the sub-committees and executives including their shareholding; material foreseeable risk factors; related to the business operations and finances; corporate governance structure and policies as well as directors' responsibilities regarding the financial report and report of the Chairman of the Audit Committee; information on the numbers of meetings each director and member of the Audit Committee attended in comparison with the number the meetings of the Board of Directors and the Audit Committee, as well as the profile of each director and executive; the criteria for determining the remuneration of the directors and executives, including the remuneration of directors individually; to report the information regarding the Company's business operations, information affecting the Company's share price, investment decision making, or the rights and benefits of shareholders in accordance with the notification of the SET and relevant laws and regulations. Additionally, the Company also discloses information as required by relevant regulations and law, including the financial reports and the annual report for investors, shareholders and potential investors to use in investment decision making, via the SET and the Company's website at www.btsgroup.co.th.

E) Board Responsibilities

The Board's responsibilities include the determination of the Company vision and business direction and the regular supervision and evaluation of management (via various sub-committees or otherwise) with the purpose of delivering enhanced shareholder value. In achieving this, the Board of Directors must ensure that their duties are carried out in compliance with the law, objectives and

articles of association of the Company as well as paying due concern to corporate governance, conflicts of interest, business ethics and code of conduct.

The Board of Directors is committed to build the Company and its subsidiaries into a leading organisation that is perceived at the international level as one of the most successful companies in Thailand with synergistic business operations, resilient management and competent personnel that play a key role in achieving the Company's vision, mission and strategy. The Board of Directors has the necessary leadership, vision and independence in making its decisions and takes responsibility for corporate governance for the benefit of the shareholders. The Board of Directors has duties and responsibilities to the Company's shareholders to monitor management performance. The duties of the Board of Directors and the Management are clearly segregated.

Composition of the Board of Directors

The Board of Directors consists of 13 Directors (as at 17 June 2011) as follows:

- 6 Executive Directors
- 2 Non-Executive Directors
- 5 Independent Directors

The Board of Directors has established sub-committees to manage and operate the business in line with good corporate governance, such as, the Audit Committee, the Nomination Committee, the Remuneration Committee and the Executive Committee. The Audit Committee consists entirely of Independent Directors.

For more details on the (i) Authorities and Responsibilities of the Board of Directors and Executive Committee, please see section 5.1: Policy Statement & Structure: (ii) Roles and Responsibilities of the Audit Committee please see section 6.2: Audit Committee Report (iii) Roles and Responsibilities of the Remuneration Committee please see section 5.3: Remuneration Committee Report and (iv) Roles and Responsibilities of the Nomination Committee please see section 5.4: Nomination Committee Report.

Director Qualifications and Self Assessment

Directors are nominated in line with the Company's **Nomination policy** which can be seen in more detail in the Nomination Committee Report. Moreover, the Company encourages the Company's Directors to enroll in various director training programs organised by IODT i.e. Director Certification Program (DCP), Director Accreditation



Program (DAP), Role of the Compensation Committee (RCC), Audit Committee Program (ACP) and the training program organised by Capital Markets Academy. For the Directors newly appointed to the Board, the Company organises an orientation session on the Company's business plan, the authorities and responsibilities of the Board of Directors and sub-committees, including relevant information such as annual report, corporate governance policy and code of conduct. In addition, the Company provides the Directors with the Director's Handbook, consisting of useful information for the directors of listed companies, e.g. Public Limited Company Act, Securities and Exchange Act, Director Fiduciary Duty Check List for Directors of Listed Companies, the Principles of Good Corporate Governance for Listed Companies, 2006, the Listed Companies' Director's Handbook, Disclosure Guidelines for Listed Companies' Management, rules and regulations on the Acquisition or Disposal of Assets and the connected transactions.

The Board of Directors conducts a **self-assessment** on the performance of the Board of Directors annually so as to review their accomplishment, problems, and obstacles to the performance in the past year for further correction and improvement. The assessment covers (i) structure and qualifications of the Board of Directors (ii) director meetings (iii) director duties (iv) relationship with management (v) self development of directors and development of management.

Independent Directors

The Company's independent directors shall constitute no less than one third of the Board of Directors and shall consist of at least three persons. In order to be nominated as an Independent Director, such nominated person shall possess the qualifications as specified in the Company's definition of Independent Directors, which is equal to the minimal requirements of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand. Such independence restrictions include a 1% cap on the proportion of voting shares held by such director and connected persons, not being a current or recent employee, and other independence criteria that can be seen in full in the Company's form 56-1 and at www.sec.or.th.

Conflict of Interest

The Board of Directors has established written guidelines on conflicts of interest as published in the Code of Conduct, by adhering to the principles of the Stock Exchange of Thailand and the Securities and Exchange Act for the utmost benefit of the Company. There is a responsibility of all personnel at all levels to vigilantly resolve issues

of conflict of interest based on ethical conduct, honesty, judgment, rational decision making and independence. The Company also discloses sufficient information in the best interests of the Company's shareholders.

The Company requires the directors and executives to submit the report on the conflict of interest, and to notify of any change therein, to the Company Secretary, in the form approved by the Board of Directors. The Company Secretary shall keep and maintain the reports and submit the copy of the report to the Chairman of Board of Directors and the Chairman of the Audit Committee for the purpose of monitoring the good corporate governance on the conflict of interest.

In order to prevent an occurrence of a transaction which may conflict with the best interest of the shareholders, the Company has established a set of policies on the conflict of interest relating to (i) conducting new business (ii) holding shares in a company in which the Company makes investment (iii) lending money to a company with which the Company has a joint venture (iv) preparing loan documents in writing (v) entering into related party transactions with the same commercial terms as those an ordinary person would agree with any unrelated counterparty under the similar circumstances. For further details of these policies please refer to the Company's form 56-1.

Code of Conduct and Ethics

The Board of Directors has established a set of policies that govern the Company to operate its business with honesty and adhere to the principle of corporate governance and the code of conduct and ethics of the Company, which are stipulated in writing in the Code of Conduct. The Code of Conduct stipulates the guideline for treatment to shareholders, employees, all groups of stakeholders, and public, society and relevant parties. The Company consistently complies with such standard and communicates with the executives and employees. The executives have a responsibility to ensure and encourage that their subordinates comply with such ethics, as well as to behave as a role model.

5.3

REMUNERATION COMMITTEE REPORT

Remuneration Committee

As of 17 June 2011 the Remuneration Committee (RC) consisted of 5 members as shown below:-

Name	Position		Meeting attendance ⁽¹⁾
1. Lt. Gen. Phisal Thepsithar	Chairman of the RC	Independent Director	1/1
2. Mr. Suchin Wanglee	Member of the RC	Independent Director	0/0
3. Mr. Charoen Wattanasin	Member of the RC	Independent Director	0/0
4. Mr. Rangsin Kritalug	Member of the RC	Executive Director	1/1
5. Mr. Kong Chi Keung	Member of the RC	Executive Director	0/0
Former Member Name ⁽²⁾			
Pol. Maj. Gen. Vara Leammongklok	Member of the RC	Independent Director	1/1
Mr. Chaiyasit Puvapiromquan	Member of the RC	Independent Director	1/1

⁽¹⁾ for 2010/11

⁽²⁾ Former directors whose resignations were effective on 29 July 2010

The responsibilities of the Remuneration committee include (i) considering the form, criteria, eligibility and proportion of the remuneration (both monetary and non-monetary and including share-related incentives) of the Executive Chairman and Directors of the Company. (ii) proposing the performance appraisal criteria, as well as amount and form of remuneration, of the Executive Chairman to the Board of Directors (iii) proposing the amount and form of the Executive Chairman and Board of Director's remuneration to the Board of Directors (the latter requires subsequent Shareholder's meeting approval) (iv) reporting on its own performance to the Board (v) considering suitability and conditions in offering share-related incentives to directors or employees.

In attending to its responsibilities, the Remuneration Committee must ensure that the incentives of the Company, its employees, Directors and Executive Chairman are in alignment and that they serve to support the long term benefit of the shareholders. It also performs an annual assessment on the performance of the Executive Chairman.

Remuneration Policy

The BTS Group has established a remuneration policy with an objective to provide remuneration in a form that will attract, retain and motivate key staff at all levels of the organisation. In particular, the Group places great importance on attracting, retaining and motivating a Board of Directors and senior management team with the appropriate professional, managerial and technical expertise to help realise the strategic objectives of the Group. The Remuneration Policy pays strict attention to ensuring that remuneration will avoid situations where Directors or senior management will take risks that are not in line with the Group's risk appetite.

Basis of Director Remuneration

The remuneration level of the Board of Directors and Sub-committees is in line with other SET50 companies in Thailand.

Remuneration level	2010/11 (THB)	2009/10 (THB)
Chairman of the Board	60,000 per month	35,000 per month
Chairman of the Audit Committee	50,000 per month	30,000 per month
Directors	30,000 per month	20,000 per month
Meeting Allowance		
Chairman of Audit Committee	20,000 per meeting	25,000 per meeting
Audit Committee Member	20,000 per meeting	20,000 per meeting
Other Directors	None	None

Director Remuneration and Meeting Attendance 2010/11

Current Director Name (as of 17 June 2011)	Total 2010/11 (THB)	Remuneration (THB)	Meeting Allowance	Days Service	Meeting Attendance ⁽⁶⁾
1. Mr. Keeree Kanjanapas ⁽¹⁾	620,000	620,000	-	365	10/10
2. Dr. Paul Tong ⁽¹⁾	320,000	320,000	-	365	8/10
3. Dr. Anat Arbhabhira ⁽¹⁾	320,000	320,000	-	365	10/10
4. Mr. Surapong Laoha-Unya ⁽²⁾	240,000	240,000	-	246	7/7
5. Mr. Kavin Kanjanapas ⁽¹⁾	320,000	320,000	-	365	10/10
6. Mr. Rangsini Kritalug ⁽¹⁾	320,000	320,000	-	365	10/10
7. Mr. Kong Chi Keung ⁽¹⁾	320,000	320,000	-	365	10/10
8. Mr. Kin Chan ⁽²⁾	240,000	240,000	-	246	3/7
9. Lt. Gen. Phisal Thepsithar ⁽¹⁾	645,000	520,000	125,000	365	8/10
10. Dr. Amorn Chandarasomboon ⁽²⁾	240,000	240,000	-	246	5/7
11. Mr. Suchin Wanglee ⁽²⁾	340,000	240,000	100,000	246	5/7
12. Mr. Charoen Wattanasin ⁽²⁾	320,000	240,000	80,000	246	5/7
13. Mr. Cheong Ying Chew Henry ⁽²⁾	240,000	240,000	-	246	5/7
Former Director Name					
14. Mr. Craig Webster ⁽³⁾	-	-	-	246	3/7
15. Mr. John Sunderland ⁽³⁾	-	-	-	246	4/7
16. Mr. Sutham Sirtipsakorn ⁽⁴⁾	80,000	80,000	-	120	3/3
17. Mr. Cheung Che Kin ⁽⁴⁾	80,000	80,000	-	120	2/3
18. Mr. Kom Panomreongsak ⁽⁴⁾	80,000	80,000	-	120	3/3
19. Mr. Lo Yun Sum ⁽⁴⁾	80,000	80,000	-	120	0/3
20. Pol. Maj. Gen. Vara Leammongkol ⁽⁴⁾	100,000	80,000	20,000	120	2/3
21. Mr. Chaiyasit Puvapiromquan ⁽⁴⁾	100,000	80,000	20,000	120	2/3
Total Director Remuneration	5,005,000	4,660,000	345,000		

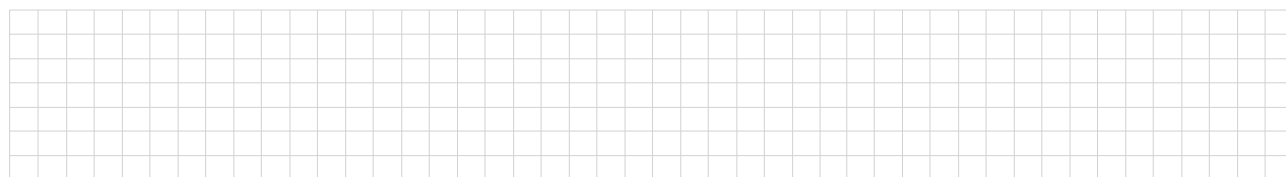
(1) Former directors whose resignations were effective on 29 July 2010 and who were re-appointed as the new Directors by the Annual General Meeting of Shareholders for the Year 2010, held on 29 July 2010.

(2) New Directors that were appointed by the Annual General Meeting of Shareholders for the Year 2010, held on 29 July 2010.

(3) John Sunderland and Craig Webster were appointed by the Annual General Meeting of Shareholders for the Year 2010, held on 29 July 2010. John Sunderland subsequently resigned on 30 April 2011 and Craig Webster subsequently resigned on 27 May 2011.

(4) Former directors whose resignations were effective on 29 July 2010.

(5) Attendance record at Board of Director meetings



During the shareholders in the Annual General Meeting of Shareholders for the Year 2010, which was held on 29 July 2010, the Company restructured the Board which involved the resignation of the full Board (13 directors) as indicated in the table. Of those that resigned 7 were re-appointed and an additional 8 Directors were appointed.

Total remuneration paid to Directors for fiscal year 2010/11 was THB 5.0mn, comprised of THB 4.66mn remuneration and THB 0.35mn in meeting fees. There was no non-monetary remuneration paid during 2010/11.

Director Remuneration Profile	2010/11	2009/10	2008/09
Number of Persons	21	14	13
Total remuneration (THB)	5,005,000	3,585,000	3,160,000

Executive remuneration

Total remuneration for the year 2010/11 paid to executives were THB 39.4mn. At the start of the year there were 17 executives, but on 1 August 2010, the Company changed its executive structure following which there are 9 executives.

Executive Remuneration Profile	2010/11	2009/10	2008/09
Number of Persons	17	17	14
Total remuneration (THB)	39,423,460 ⁽¹⁾	49,348,220	34,020,439

⁽¹⁾ totaling THB 20.3mn Salary & bonus (1 Apr – 31 August 2010) for 17 executives plus THB 19.1mn salary, bonus and provident fund (1 Sep 2010 – 31 Mar 2011) for 9 executives

Base Salary: The objective of the base salary is to enable the company to recruit and retain executives of a caliber in line with that of other SET50 companies in Thailand.

Short-term incentive (annual bonus): The objective of the short-term incentive is to reward executives based on the financial performance of the consolidated Group as well as the overall economic situation.

Long-term incentive: The Company currently has no long-term incentive remuneration plan in place, but this is currently under the consideration of the Remuneration Committee. The matter has been approved by the Board of Directors' Meeting No. 4/2011 held on 17 June 2011 and remains subject to Shareholders' approval.

Provident Fund: The Company initiated a Provident Scheme in the November 2010. Under the Company's provident fund scheme, all staff members must contribute 5% of their salary to the Fund, and the Company matches this with an additional 5% of the salary. The Provident Fund scheme is regulated by the Thai Securities and Exchange Commission under The Provident Fund Act B.E. 2530 which impose strict limits on investment criteria and requires the Fund to be managed by a licensed Asset Management Company. More details can be seen at www.thaipvd.com.

Executive shareholdings: Executive Management holdings are disclosed in section 5.8: Directors & Executives profile.

5.4

NOMINATION COMMITTEE REPORT

Nomination Committee

As of 17 June 2011 the Nomination Committee consisted of 5 members as shown below.

Existing Member Name	Position		Meeting attendance ⁽¹⁾
1. Lt. Gen. Phisal Thepsithar	Chairman of the Nomination Committee	Independent Director	1/1
2. Mr. Suchin Wanglee	Member of the Nomination Committee	Independent Director	0/0
3. Mr. Charoen Wattanasin	Member of the Nomination Committee	Independent Director	0/0
4. Mr. Rangsin Kritalug	Member of the Nomination Committee	Executive Director	1/1
5. Mr. Kong Chi Keung	Member of the Nomination Committee	Executive Director	0/0
Former Member Name⁽²⁾			
Pol. Maj. Gen. Vara Leammongkolk	Member of the Nomination Committee	Independent Director	1/1
Mr. Chaiyasit Puvapiromquan	Member of the Nomination Committee	Independent Director	1/1

(1) for 2010/11

(2) Former directors whose resignations were effective on 29 July 2010

Nomination Policy

The Nomination Committee is responsible for determining the qualification of candidates as well as proposing suitable persons to be Board of Directors so that they may in turn be proposed to the Shareholder's meeting. Such nomination process should take in to account balance of skills on the board and the knowledge, experience, length of service and performance of the directors as well as requirements stipulated by law or regulations of the government authorities. It also reviews Director's external interests to identify any actual, perceived or potential conflicts of interests, including the time available to commit to their duties to the company. These criteria are in addition to qualification requirements as prescribed pursuant to the Public Limited Company Act B.E. 2535 (1992) (as amended), Securities and Exchange Act B.E. 2535 (1992) (as amended) and relevant notifications of the Securities and Exchange Commission of Thailand and Capital Market Supervisory Board. In case of the nomination of Independent Directors, such nominated person shall possess the qualifications as specified

in the Company's Definition of Independent Directors, which is equal to the minimal requirements of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.

In accordance with good corporate governance promoting the equitable treatment of shareholders, the Company allows minority shareholders, who have a combined holding of at least 5% of the Company's total issued shares and have continually held such shares for at least 6 months, to nominate candidates to be elected as director for the Annual General Meeting of Shareholders.

Further the Company's Articles of Association specify further rules and regulations relating to the nomination and removal of directors such as the retirement by rotation, in every Annual General Meeting of Shareholders, of at least one-third (1/3) of the Directors (Directors who retire by rotation are eligible for re-election). In the election process, each shareholder shall have one vote for one share and is entitled to use all or none (but not a portion of) of his or her votes to elect any Director. Aside from resignation by rotation, Director's may be removed if they lack qualifications or possess prohibited characteristics as defined by the Public Limited Companies Act B.E. 2535 (1992), are removed by a resolution of a shareholders' meeting, or are removed by court order.

The shareholders' meeting may pass a resolution removing any Director from his office prior to the expiration of the Director's term of office, by a vote of not less than three-quarters (3/4) of the number of shareholders attending the meeting who have the right to vote and who have shares totalling not less than half (1/2) of the number of shares held by the shareholders attending the meeting and having the right to vote.

In case of a vacancy in the Board of Directors for reasons other than the expiration of the Director's term of office, the Board of Directors may resolve, with a vote of not less than three-quarters (3/4) of the number of Directors remaining, to elect a person who has the qualification and possesses no prohibited characteristics under the Public Limited Companies Act B.E. 2535 (1992) as the substitute Director at the next meeting of the Board of Directors, unless the remaining term of office of the said Director is less than two months.



Following the acquisition of BTSC, the Company restructured the Board of Directors on account of the change in size and business profile of the Group. On 29 July 2010, the Shareholder's meeting approved the appointment of 15 Directors, 7 of which were retiring directors and 8 of which were newly proposed Directors. In 1Q 11/12 both John Sunderland and Craig Webster resigned from the Board of Directors. The Board of Director's Meeting No. 3/2011 held on 27 May 2011 acknowledged their resignation but did not resolve to elect any substitute director in their place.

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5.5

RISK MANAGEMENT POLICY

Introduction

The following section presents an overview of BTS Group's approach to risk management, the parties responsible for each stage of the process as well as the key types of risks that the Group focuses on. In May 2011, the BTS Group updated its Risk Management Policy, on account of both the material increase in the size of the business and the change in the nature of the business following the acquisition of BTSC. The revised policy has been developed in accordance with the standards set out by the Committee of the Sponsoring Organisations of the Treadway Commission (COSO).

Taking risks is an integral part of entrepreneurial behavior. The objectives of the risk management process should be to encourage management to take risk in a controlled manner. Key safeguards embedded in the BTS Group's Risk Management policy include ensuring compliance with legal requirements and the ensuring the integrity of the company's financial reporting but the BTS Group risk management approach is also integrated with areas of corporate governance and a system of internal controls. An in depth view of BTS Group's corporate governance framework can be found in the corporate governance policy within this Annual Report.

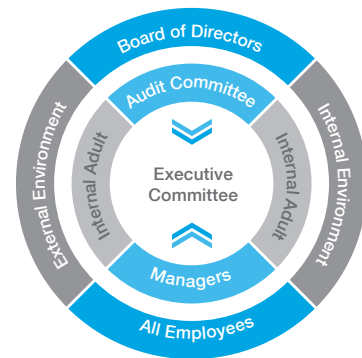
Risk Management in the BTS Group

The BTS Group has established both a "top down" and "bottom up" approach to risk management.

The **Board of Directors** provide the top down oversight and accountability and has the responsibility of i) setting out the risk policy and framework ii) reviewing the appropriateness of the policy and framework on an ongoing basis and iii) ensuring that risk management and internal controls are implemented. In order to achieve this end, the **Audit Committee** is tasked with evaluating the sufficiency of the risk management process and providing advice and support to both the Board and the Management.

At the core of the Company's Risk Management structure is the **Executive Committee (Ex-com)**. The Ex-com is responsible for monitoring and controlling key risks and any conditions that may have a material effect on business operations. Further, the Ex-com acts as the centre of risk management engagement with the ability to reach out to the rest of the organisation.

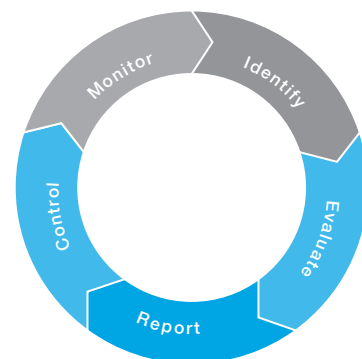
Each employee in the firm is encouraged to increase awareness of



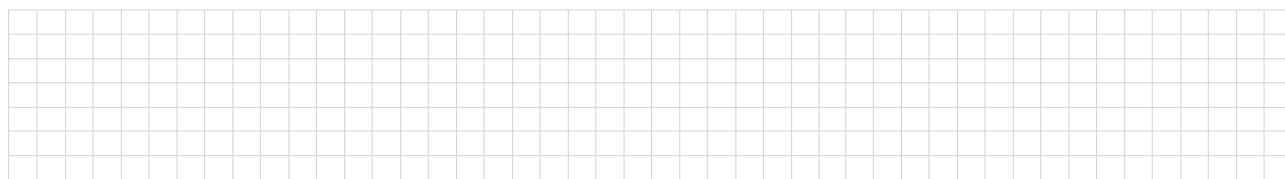
the impact their own responsibilities may have on the organisation as a whole. Our 'bottom-up' risk management approach is supported by our **internal audit** team. Aside from the role of verifying the effectiveness and integrity of existing internal controls, the internal audit team also plays a critical role by facilitating a risk self-assessment workshops with each department. This process aims to educate and increase awareness of 'bottom-up' risks that each department may be exposed to. The internal audit function is also responsible for an independent audit of the risk management process and coordinating risk assessment to the Audit Committee.

Risk Management Framework

The Risk Management framework is a continuous and developing process which is central to the BTS Group's strategic management and designed to provide 'reasonable assurance'.



For reporting and compliance related objectives, the system is designed to provide reasonable assurance that objectives are actually



met. For strategic and operational objectives (which are subject to external influences) the framework is designed to provide reasonable assurance that management and the board are at least aware of the progress of the company in achieving its objectives.

1. Risk Identification: With the aim of identifying our organisation's exposure to uncertainty, the BTS Group has developed a methodical approach to identifying risk. Each business unit is responsible for conducting an annual review of the risks. Further the Holding company takes a top down approach and evaluates risks within each of the four primary categories; Strategic, Operational, Financial and Compliance. The BTS Group believes that an in-house approach to risk management is most effective.

2. Risk Evaluation: The Company has developed a "Risk Map". This map summarises material risks that could impact the Company's strategic objectives and financial, such as earnings and continued operations. Risks are considered a material threat if they are above the Company's risk threshold. Each risk is also described, and estimated in terms of probability of occurrence and severity of impact in the case it occurs.

3. Risk Reporting: The efficient communication of risk intelligence within a company is critical and supported by a sound corporate governance structure. Specifically, the Ex-com is minimally required (in the absence of any material changes to the risk environment) to provide a Risk Management review at least once a year to the Audit committee and Board of Directors.

4. Risk Control: For risks which are identified as being above the acceptable threshold, the Company implements countermeasures to reduce or control the risk. Examples may include the introduction or adaptation of internal control measures or the purchase of insurance products. Following the implementation of correction measures, the impact of the specific risk should be below the risk threshold.

5. Risk Monitoring: Risk monitoring involves both the ongoing assessment of risks as well as the ongoing review of the system that monitors the risks. This is in order for the risk management framework to remain effective in an external and internal environment that is dynamic in nature. Lead responsibility for monitoring falls with the Ex-com as well as the internal audit. The overall system's integrity

is also reviewed by the Board of Directors in the annual 'Evaluation on the Adequacy of the Internal Control System'.

Key Risks:

The BTS Group categorises risks into four key categories; Strategic, Operational, Financial and Compliance. Certain risks may span more than one category and the list of risks is not meant to be an exhaustive list of the risks that the company faces.

1. Strategic: Strategic risks (and opportunities) are the types of risks that may have an impact on the Group and each business unit achieving its strategic ambitions.

2. Operational: Operational risks include adverse unexpected developments resulting from internal processes, people or systems, or from external events that are linked to the day-to-day running of each business.

3. Financial Risks: Financial risks relate to effective control and management of the finances of the organisation.

4. Compliance: Compliance risks cover failures to implement or comply with appropriate policies or procedures.

5.6

INTERNAL CONTROLS

Internal control can be considered a subset of the overall Risk Management process. Specifically, internal control are the systems and processes that are in place to provide reasonable assurance of achieving objectives relating to a) Effectiveness and efficiency of operations; b) Reliability of financial reporting; and c) Compliance with laws and regulations.

As with the overall Risk Management system, the Company places great importance on effectiveness of its internal control system and the Audit Committee is assigned by the Board of Directors to evaluate the adequacy of the internal control system on an annual basis. The Company assesses internal controls across 5 difference areas; The Environment for Organisational Controls, Risk Assessment Measures, Management Control Measures, Information and Communication Measures, and Monitoring Measures, as follows:-

The Environment for Organisational Controls

In order to have an effective risk management and internal control system, it is critical to encourage, and promote a work environment that places importance on an effective process and the achievement of results. Therefore, the Company focuses on creating these conditions and encourages every employee to understand the key features of the internal control system as follows:-

- The Board of Directors is responsible for setting clear business goals. Executive management then holds meetings to convert these business goals into short and long-term business plans (as well as the annual budget) and management in turn communicates this to all departments in order to ensure awareness of the established goals. The Company assesses business operations on a quarterly basis to assess overall performance and improve the business plan. The annual budget is revised every six months.
- The Company reviews the organisational and corporate governance structure with consideration to the efficiency of the Management, and notifies the employees of any changes to the structure.
- The Company establishes policies and procedures concerning approval of transactions related to finance, procurement and asset management to prevent any misconduct.

The Company has a Code of Conduct including rules, practices and penalties for management and employees and each employee receives a copy of this at the commencement of employment and

is notified of any changes. Each employee also received a copy of the Company's Corporate Governance Policy (see section 5.2: Corporate Governance Policy).

Risk Assessment Measures

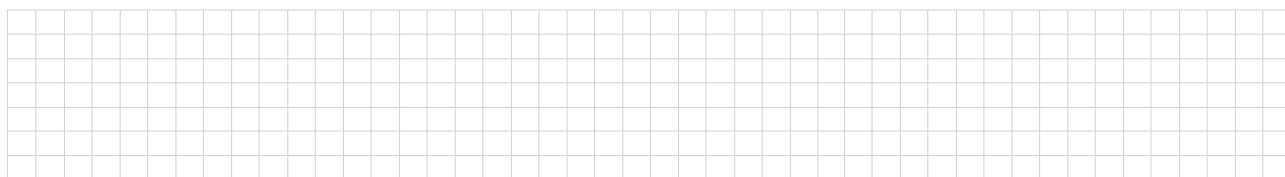
The Company has specified clear and harmonised objectives; both at the organisational and operational level in order for the Company to accomplish its goals using the approved annual budget and available resources. More details on the Risk Management framework, including Risk Assessment is included in this annual report in (see section 5.5: Risk Management Policy).

Management Control Measures

The Company has policies, operational guidelines and controls for Management to ensure that the policies specified by the Management are complied with and communicated to the Company's employees. Policies include the scope of duties and authorised credit limit of each level of management, clear separation of the duties relating to (i) purchase approval (ii) accounting entries and (iii) safe keeping of property in order to ensure the efficiency of cross-checking and monitoring. The Company also has strict guidelines relating to 'related or connected' party transactions, which must be conducted in accordance with normal market practice and presented to the Independent Audit Committee for their comments. If a transaction may be deemed not to be in line with market standard, then the Audit Committee must consider and propose to the Board of Directors / Shareholders, as the case may be for their approval. More details on these internal controls can be found in the Company's Form 56-1. The Company also monitors the operations of the Company's subsidiaries and affiliates on a regular basis, as well as providing guidelines to the persons appointed as Directors or Management of such companies in order to ensure that these companies' operations are in line with the Company's goals. The Company has also set up a monitoring policy to ensure that the operations of the Company, its subsidiaries and affiliates comply with all relevant laws and regulations. The Company adopts preventive measures as appropriate to prevent any violation of the law.

Information and Communication Measures

As specified in the Risk Management policy, a key component of effective internal controls is the effective communication and reporting. The Company organises its information system to cover the Company's performance at the company level, the financial



reporting level, the business unit level and the policy compliance level to enhance the ability to achieve of the objectives of the Company. Our policies include (i) providing the Board of Directors with essential information to support their decision making at least 7 days in advance of the Director's meeting (ii) recording comprehensive minutes of the Board of Directors' meeting including Directors' inquiries, comments and observations on each matter and (iii) maintaining and categorising all accounting records and books in a manner that can be easily investigated.

Monitoring Measures

As with the monitoring of risk, the Company regularly monitors (i) compliance of performance with the established goals and (ii) the integrity of the internal control system, improving it where appropriate. For example, the Board of Directors conducts quarterly meetings to consider whether the performance result is different from the established goals, and proposes necessary operational guidelines so that the Company can rectify any errors in a timely manner. Further, the internal audit conducts a regular audit of the internal control system as part of a clearly specified internal control audit plan. The Company also requires that the internal audit function shall be under the direct supervision and report directly to the Audit Committee to ensure the independence of the internal auditor's performance. If a material error is found by either the internal or external auditors or management, the relevant persons must report it to the Board of Directors or the Audit Committee to clarify the reasons and to propose a solution for the error. The Company requires that progress on rectification of the error is monitored. The progress must be reported to the Board of Directors or the Audit Committee within a defined period of time.

5.7

RELATED TRANSACTIONS

Necessity and Rationale of Connected Transactions

The connected transactions of the Company comprise primarily of (i) transactions that occurred several years ago and (ii) the transactions in relation to the acquisition of BTSC shares which were approved by the shareholders' meeting. For the transactions that occurred several years ago, the Audit Committee has reviewed these transactions with regards to the appropriateness of the monitoring and execution, evaluation of transaction status and evaluation of competency in debt servicing by the debtors, as well as the appropriateness of making an allowance for doubtful debt sufficient for the expected losses. The meeting of the Audit Committee, held on 8 November 2010, and the Board of Directors' Meeting, held on 12 November 2010, resolved that the Company take actions on such transactions. The progress on the debt collection has been updated to the Audit Committee Meeting, held on 25 May 2011 and the Board of Directors' Meeting, held on 27 May 2011. The summary is as per below:-

The collection of debt from Saraburi Property Co., Ltd.

Given that Saraburi Property Co., Ltd. has only 4 remaining plots of land with the appraisal value of THB 7.6mn, the Company has made the allowance for the doubtful debt, save for the THB 7.6mn debt which is equal to the appraisal value made by the independent appraiser. Mr. Keeree's 66% shareholding in Saraburi Property Co., Ltd. is the holding of shares for and on behalf of the Company and, since its establishment, Saraburi Property Co., Ltd. has never paid any benefit or remuneration to its shareholders. As of 12 January 2011, Saraburi Property Co., Ltd. transferred 4 plots of land (at the appraisal value after a deduction of expenses) for repayment of debt to the Company in the amount of THB 7.1mn. The Company filed a bankruptcy case against Saraburi Property Co., Ltd. on 8 April 2011 and the Central Bankruptcy Court scheduled the witness taking on 29 June 2011.

The collection of debt from EGV Co., Ltd.

Given that the only asset of EGV Co., Ltd. is its ITV shares which have been pledged as collateral with a financial institution creditor of the Company without any compensation, the Company will proceed to have EGV Co., Ltd. transfer these shares to repay all debt of the Company after the case between the Company and such financial institution creditor in the Supreme Court is final, or to proceed in any other way necessary as viewed or suggested by a relevant government agency.

Mr. Keeree's 40% shareholding in EGV Co., Ltd. is the holding of the shares for and on behalf of the Company and, since its establishment up to present, EGV Co., Ltd. has never paid any benefit or remuneration to its shareholders.

The collection of debt from Hwa Kay Thai (Thailand) Co., Ltd.

Muangthong Assets Co, Ltd. and PrannaKiri Assets Co., Ltd. shall proceed to collect the debt to the fullest extent. However, pursuant to the financial statement of Hwa Kay Thai (Thailand) Co., Ltd., Hwa Kay Thai (Thailand) Co., Ltd. has no ability to repay its debt to Muangthong Assets Co, Ltd. and PrannaKiri Assets Co., Ltd. in full. At present, Hwa Kay Thai (Thailand) Co., Ltd. is in the process of applying for business rehabilitation with the Central Bankruptcy Court. Accordingly, the two subsidiaries of the Company negotiate the debt restructuring with Hwa Kay Thai (Thailand) Co., Ltd. in concurrence with the application for debt repayment under the rehabilitation plan of Hwa Kay Thai (Thailand) Co., Ltd.

Measures or Procedures in Approving Connected Transactions

All connected transactions must be approved by the Board of Directors with the attendance of the Audit Committee or approval of the shareholders' meeting, as the case may be, in accordance with the Notification of the Board of Governors of the Stock Exchange of Thailand re: Disclosure of Information and Other Acts of Listed Companies Concerning the Connected Transactions, B.E. 2546 (2003) (as amended) and the Notification of Capital Market Supervisory Board No. Tor Jor. 21/2551 re: Rules on Connected Transactions (as amended), as well as laws on securities and exchange, regulations, notifications, orders or requirements of the SET relating to the execution of connected transactions.

Policy and Trend of Connected Transactions

The Company may need to enter into connected transactions in the future. However, the Company will use the general trading conditions and a market price that can be compared with the price and terms given to other third parties. The Company will also comply with the relevant regulations of the Stock Exchange of Thailand, and the relevant laws on securities and exchange.

If there are any connected transactions between the Company or subsidiaries and a person who may have conflict of interest or conflict of any kind, the Company will request the Audit Committee to review and give comment on the necessity and appropriateness of such

approval, the Company shall appoint an independent financial advisor to report and give their comments on the execution of such transaction to the shareholders. The Company will disclose connected transactions in the remarks of the financial statements as audited by the Company's auditor, and in the annual report of the Company.

Persons who may have conflict of interest	Company with connected transactions	Relationship	Transactions	Transaction Value 2009/10 (THB mn)	Transaction Value 2010/11 (THB mn)	Necessity / Remarks
Absolute Hotel Services Co., Ltd.	The Company	– Absolute Hotel Services Co., Ltd. is an affiliate of the Company, in which the Company holds 50% shareholding and the non-related party holds another 50% shareholding.	– Hotel management fee	17.3	16.2	This transaction is a normal transaction of which the service fee payable by the Company is in market rate.
			– Technical assistance fee of U Sathorn recorded as the cost of the project – As of 31 March 2011, there was an item recorded in the account as follows: – Cost of the project THB 2.0mn	2.0	0	This transaction is a normal transaction of which the service fee payable by the Company is in market rate.
	BTS Assets Co., Ltd.		– Hotel management fee	3.0	5.1	This transaction is a normal transaction of which the service fee payable by the Company is in market rate.
	Muangthong Assets Co., Ltd.		– Revenue from sale of brand before the end of this fiscal year. – As of 31 March 2011, there were items recorded as account payable in the account as follows: – Short-term loan and advanced payment of THB 5.5mn paid to the related person.	0	0	This transaction is a normal transaction of which the revenue received is booked at cost.
			– Hotel management fee of U Chiang Mai	1.0	2.1	This transaction is a normal transaction of which the service fee payable by the Company is in market rate.
			– Hotel management fee of U Inchantree	0	0.9	This transaction is a normal transaction of which the service fee payable by the Company is in market rate.
– Technical assistance fee of U Khao Yai		0.8	0	This transaction is a normal transaction of which the service fee payable by the Company is in market rate.		

Persons who may have conflict of interest	Company with connected transactions	Relationship	Transactions	Transaction Value 2009/10 (THB mn)	Transaction Value 2010/11 (THB mn)	Necessity / Remarks
Saraburi Property Co., Ltd.	The Company	- Saraburi Property Co., Ltd. is an affiliate of the Company in which the Company holds 30% shareholding. - Mr. Keeree Kanjanapas ("Mr. Keeree") is a director and major shareholder in Saraburi Property Co., Ltd. and as of the transaction date and at present, Mr. Keeree held and still holds 66% shareholding thereof.	- Receivable interest (the Company has already made allowance for the full amount of doubtful debt.) - A long time ago, the Company provided a loan to Saraburi Property Co., Ltd. at the interest rate at cost. Saraburi Property Co., Ltd. spent the loan proceeds for buying the land and mortgaged such land as collateral to the Company's debt. Subsequently, the land was foreclosed for the debt repayment both before the rehabilitation and in accordance with the rehabilitation plan. As a result, Saraburi Property Co., Ltd. was unable to repay the loan to the Company. Saraburi Property Co., Ltd. has only four plots of land as its remaining assets at the appraisal value of approximately THB 7.6mn. As of 12 January 2011, Saraburi Property Co., Ltd. transferred such four plots of land for repayment of partial debts to the Company. As of 8 April 2011, the Company filed a bankruptcy case against Saraburi Property Co., Ltd. and the Central Bankruptcy Court scheduled the witness taking on 29 June 2011.	9.3	8.3	This transaction is a normal transaction of which the interest rate is equivalent to the Company's cost of the borrowing.
BTSC Directors	VGI	- Two directors of BTSC; Mr. Kavin Kanjanapas and Mr. Surapong Laoha-Unya and an executive of BTSC, Mr. Natthasak Chaichana, Legal Department Manager, are directors of VGI pursuant to the conditions of the concession agreement which specifies that at least 1/3 of the Board of Directors in VGI shall come from the representatives of BTSC). As of 30 September 2009, BTSC acquired 100% shares in VGI. - Mr. Natthasak Chaichana has been appointed as the director of BTSC in July 2010.	Interest occurred from the loan that VGI lent to its directors prior to BTSC's acquisition of 100% shares in VGI. Such loan was repaid in full in October 2009.	4.3	—	This transaction took place before the purchase of shares in VGI. The calculation of the interest has been referenced to the three-month fixed deposit rate of a commercial bank which shall not be lower than 1.75%. The whole amount was fully repaid in October 2009.

[illegible]

Persons who may have conflict of interest	Relationship	Transaction Description	Amount (THB mn) ⁽¹⁾ 31 March 2010	Additional loan/ (repayment) (THB mn)	Interest ⁽²⁾ (THB mn)	Amount (THB mn) 31 March 2011 ⁽¹⁾
EGV Co., Ltd	Mr. Keeree is a director and major shareholder in EGV Co., Ltd. As of the transaction date and at present, Mr. Keeree held and still holds 40% shareholding thereof. The rest of the shares are held by non-related persons.	EGV Co., Ltd. and the Company have the same major shareholder and director, Mr. Keeree, holding 40% shareholding in EGV Co., Ltd. EGV Co., Ltd. is a company founded on 11 February 1994, in order to make joint investment as a founder of Siam Infotainment Co., Ltd., the name of which was later changed to ITV Pcl. ("ITV"). EGV Co., Ltd. borrowed THB 4.7mn from the Company at the interest rate equivalent to the financial cost of the Company in order to invest in ITV, and EGV Co., Ltd. pledged all shares in ITV to secure the Company's debt. Later in 2002, the Company underwent the rehabilitation process. The financial institutional creditor, who received the pledge of ITV's shares (this creditor also had other assets as securities), applied for repayment of the debt with the official receiver. The official receiver issued an order that the financial institutional creditor shall receive part of the debt applied for repayment. Nevertheless, such creditor filed an objection to the official receiver's order with the Central Bankruptcy Court. The matter is still pending under the consideration of the Supreme Court. The only asset of EGV Co., Ltd. is its ITV shares which have been pledged as collateral with the financial institutional creditor of the Company without any compensation. Therefore, the Company will proceed to have EGV transfer these shares to the Company as a debt settlement after the case between the Company and such financial institution creditor in the Supreme Court is final. As of 31 March 2011, the Company had an outstanding loan lent to EGV Co., Ltd. in the amount of THB 11.1mn, consisting of THB 4.0mn principal amount and THB 7.1mn outstanding interest. This outstanding loan and interest came from the loan incurred since 1995 and the outstanding interest accrued from such year onwards. The interest was calculated based on the financial cost of the Company. The Company set up a reserve for the whole amount of allowance for doubtful debt. As EGV Co., Ltd. does not operate any business now and has no remaining assets, the Company believes that the opportunity to receive the repayment is low.	10.9	–	0.2	11.1

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(1) before the deduction of the allowance for doubtful debt (including outstanding interest)
(2) before the deduction of the allowance for doubtful debt

Persons who may have conflict of interest	Relationship	Transactions	Transaction Value (THB mn)	Necessity/ Remarks
Mr. Keeree	- As of the transaction date, Mr. Keeree's Group holds 2,403,608,095 shares or 31.57% of total issued shares in the Company and Mr. Keeree is a Director of the Company. - "Mr. Keeree's Group" means Mr. Keeree, Mr. Kavin Kanjanapas, K2J Holding Co., Ltd., Crossventure Holdings Limited, Amsfield Holding Pte. Ltd. and Saraburi Property Co., Ltd.	The Company purchased 400,000,000 BTSC shares at the price of THB 2.665 per share from Mr. Keeree for THB 550,000,000 in cash and issued 750,000,000 newly ordinary shares of the Company with the par value of Baht one per share to Mr. Keeree at the offering price of THB 0.688 per share in return for the transfer of BTSC shares to the Company.	1,066.00	This transaction is a part of the acquisition of BTSC shares which was executed for the benefit of the Company. The Company disclosed the details of the transaction and sought approval from the Extraordinary General Meeting of Shareholders No. 1/2010, held on 29 April 2010.
Keen Leader Investments Limited ("Keen Leader")	- As of the transaction date, Mr. Kavin Kanjanapas, a Director and Managing Director of the Company, held all shares of Keen Leader.	The Company purchased 508,408,723 BTSC shares at the price of THB 2.665 per share from Keen Leader for THB 699,061,994.56 in cash and issued 953,266,355 newly ordinary shares of the Company with the par value of Baht one per share to Keen Leader at the offering price of THB 0.688 per share in return for the transfer of BTSC shares to the Company.	1,354.91	This transaction is a part of the acquisition of BTSC shares which was executed for the benefit of the Company. The Company disclosed the details of the transaction and sought approval from the Extraordinary General Meeting of Shareholders No. 1/2010, held on 29 April 2010.
Siam Rail Transport and Infrastructure Company Limited ("Siam Rail")	- The Company and Siam Rail have a common shareholder, namely Mr. Keeree's Group - The Company and Siam Rail have a common Director, namely Mr. Keeree. In addition Mr. Kavin Kanjanapas is a Director and Managing Director of the Company.	The Company acquired the Entire Business Transfer from Siam Rail, whose entire business was consisted of 8,365,800,000 BTSC shares at the price of THB 2.665 per share, along with the debt from Siam Rail of which the Company made a repayment on the date of the Entire Business Transfer, the date of which the Company paid the cash in total of THB 11,502,975,000 and issued 15,685,875,000 newly ordinary shares of the Company with the par value of Baht one per share at the offering price of THB 0.688 per share in return for the Entire Business Transfer. Siam Rail completed the registration of the completion of liquidation with the Department of Business Development, the Ministry of Commerce on 25 March 2011.	22,294.86	This transaction is a part of the acquisition of BTSC shares which was executed for the benefit of the Company. The Company disclosed the details of the transaction and sought approval from the Extraordinary General Meeting of Shareholders No. 1/2010, held on 29 April 2010.

5.8

DIRECTOR AND EXECUTIVE PROFILES

BOARD OF DIRECTORS

Mr. Keeree Kanjanapas

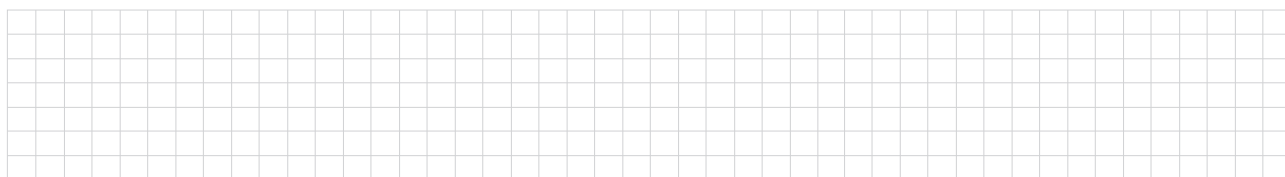
Age 61

Position in BTSG	Chairman (since 2006) / Executive Chairman (since 2006)
Shares held in BTS Group	37.83 %
Education	
2010	Top Executive Program (CMA 10), Capital Market Academy
Previous Experience	
2009 – 2010	Director, BTS Assets Co., Ltd.
1993 – 2006	Managing Director, BTS Group Holdings Plc.
1990 – 2011	Director, Saraburi Property Co., Ltd.
Other Current Positions	
Since 2010	Director, (1) Kampoo Property Co., Ltd.; (2) Kamkoong Property Co., Ltd.; and (3) Carrot Rewards Co., Ltd
Since 2009	Director, (1) Nuvo Line Agency Co., Ltd.; (2) BTS Land Co., Ltd.; and (3) Bangkok Smartcard System Co., Ltd.
Since 2007	Director, Kamala Beach Resort & Hotel Management Co., Ltd.
Since 1996	Executive Chairman, Bangkok Mass Transit System Plc.
Since 1994	Director, Tanayong International Limited
Since 1993	Director, (1) PrannaKiri Assets Co., Ltd. and (2) Sam Pao Petch Co., Ltd.
Since 1992	Director, Tanayong Food and Beverage Co., Ltd.
Since 1991	Director, Thana City Golf and Sports Club Co., Ltd.
Since 1990	Director, (1) Siam Paging And Communication Co., Ltd. and (2) Tanayong Property Management Co., Ltd.
Since 1988	Director, Muangthong Assets Co., Ltd.

Dr. Paul Tong

Age 70

Position in BTSG	Director (since 2007)
Shares held in BTS Group	0.33 %
Education	
	(1) PhD. Engineering, University of Manchester, UK (2) Master of Science in Engineering, University of Hong Kong, Hong Kong (3) Bachelor of Science in Engineering, University of Hong Kong, Hong Kong
Previous Experience	
2006 – 2010	Chairman, Bangkok Mass Transit System Plc.
Other Current Positions	
Present	Managing Director, Hip Hing Construction Co., Ltd. / Director, (1) NW Project Management Limited and (2) Parsons Brinckerhoff International Pte Ltd., Singapore
Since 2010	Chairman, BTS Assets Co., Ltd.
Since 2008	Director, Kamala Beach Resort & Hotel Management Co., Ltd.



Dr. Anat Arbhabhira

Age 73

Position in BTSG

Shares held in BTS Group

Education

Executive Director (since 2010)

-

(1) PhD. Engineering (Civil Engineering),
University of Colorado, USA
(2) Honorary Doctorate Degree in Engineering,
Prince of Songkla University
(3) Honorary Doctorate Degree in Civil
Engineering, Chulalongkorn University
(4) Master of Engineering (Hydraulic
Engineering), Asian Institute of Technology
(5) Bachelor of Engineering (Civil Engineering),
Chulalongkorn University

Previous Experience

2009 – 2010

Director, (1) BTS Group Holdings Plc. and
(2) BTS Assets Co., Ltd.

1998 – 2009

Audit Committee and Independent Director,
BTS Group Holdings Plc.

1996 – 2008

Advisor to the Board of Directors,
Bangkok Mass Transit System Plc.

Other Current Positions

Since 2010

Director, (1) Kampoo Property Co., Ltd. and
(2) Kamkoong Property Co., Ltd.

Since 2009

Director, (1) BTS Land Co., Ltd. and
(2) Bangkok Mass Transit System Plc.

Mr. Surapong Laoha-Unya

Age 49

Position in BTSG

Shares held in BTS Group

Education

Executive Director (since 2010)

0.06 %

(1) M.M.E. Civil Engineering,
Chulalongkorn University
(2) Bachelor of Engineering (Civil Engineering),
Kasetsart University
Director Accreditation Program (DAP),
Thai Institute of Directors

2010

Previous Experience

2010

Other Current Positions

Present

Director, BTS Assets Co., Ltd.

Director, (1) Nuvo Line Agency Co., Ltd.;

(2) Kampoo Property Co., Ltd.;

(3) Kamkoong Property Co., Ltd.;

(4) BTS Land Co., Ltd.;

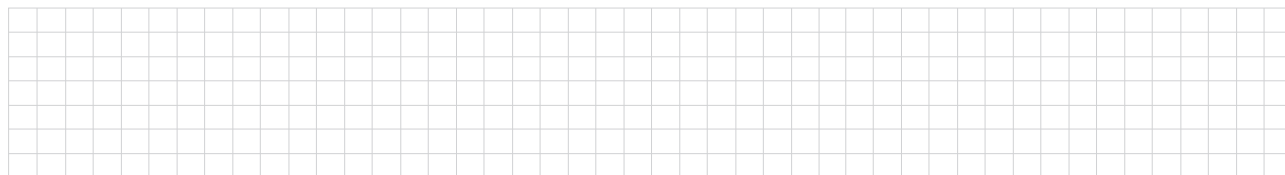
(5) Bangkok Smartcard System Co., Ltd. and

(6) VGI Global Media Co., Ltd.

Director, Carrot Rewards Co., Ltd.

Director and Chief Operating Officer,

Bangkok Mass Transit System Plc.



Mr. Kavin Kanjanapas

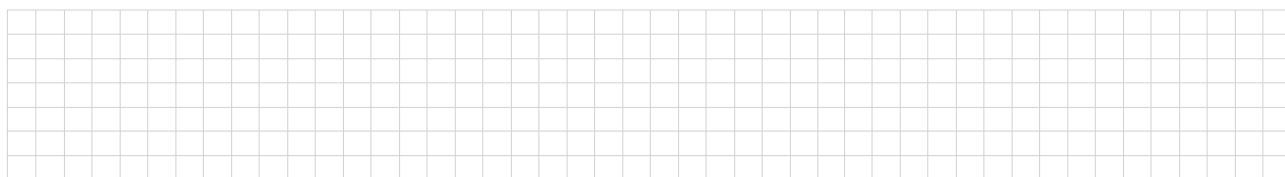
Age 36

Position in BTSG	Executive Director (since 2010)
Shares held in BTS Group	0.02 %
Education	Stonehenge College, UK
2007	Director Accreditation Program (DAP), Thai Institute of Directors
Previous Experience	
2008 – 2011	Director, Saraburi Property Co., Ltd.
2006 – 2010	Managing Director, BTS Group Holdings Plc.
2004 – 2007	Director, VGI Multi-Tech International Co., Ltd.
2002 – 2007	Director, VGI Advertising Media Co., Ltd.
Other Current Positions	
Since 2010	Director, (1) Tanayong Hong Kong Limited; (2) Absolute Hotel Services Hong Kong Limited; (3) 999 Media Co., Ltd.; (4) 888 Media Co., Ltd.; (5) Carrot Rewards Co., Ltd.; (6) BTS Land Co., Ltd.; (7) Kampoo Property Co., Ltd.; (8) Kamkoong Property Co., Ltd.; (9) VGI Advertising China Co., Ltd. and (10) BTS Assets Co., Ltd.
Since 2009	Director, (1) Bangkok Mass Transit System Plc.; (2) Nuvo Line Agency Co., Ltd.; (3) Bangkok Smartcard System Co., Ltd.; (4) Point of View (POV) Media Group Co., Ltd.; (5) VGI Advertising Media Co., Ltd. and (6) VGI Multi-Tech International Co., Ltd.
Since 2008	Director, (1) Thana City Golf and Sports Club Co., Ltd.; (2) Tanayong Property Management Co., Ltd.; (3) Muangthong Assets Co., Ltd.; (4) PrannaKiri Assets Co., Ltd.; (5) Sam Pao Petch Co., Ltd.; (6) Siam Paging And Communication Co., Ltd.; (7) Tanayong Food and Beverage Co., Ltd. and (8) Absolute Hotel Services Co., Ltd.
Since 2007	Director, Kamala Beach Resort & Hotel Management Co., Ltd.
Since 2003	Director, VGI Global Media Co., Ltd.

Mr. Rangsin Kritalug

Age 49

Position in BTSG	Executive Director (since 2010) / Chief Operating Officer (since 2010) / Member of the Remuneration Committee (since 2011) / Member of the Nomination Committee (since 2011)
Shares held in BTS Group	-
Education	(1) MBA, Thammasat University (2) Bachelor of Architecture, Silpakorn University
2011	Role of the Compensation Committee (RCC) and Director Certification Program (DCP), Thai Institute of Directors
2003	Director Accreditation Program (DAP), Thai Institute of Directors
Previous Experience	
2006 – 2010	Deputy Managing Director, BTS Group Holdings Plc.
1997 – 2006	Director, BTS Group Holdings Plc.
Other Current Positions	
Since 2011	Director, BTS Land Co., Ltd.
Since 2010	Director, (1) Kampoo Property Co., Ltd.; (2) Kamkoong Property Co., Ltd.; (3) Nuvo Line Agency Co., Ltd. and (4) BTS Assets Co., Ltd.
Since 2008	Director, (1) Siam Paging and Communication Co., Ltd. and (2) Absolute Hotel Services Co., Ltd.
Since 2007	Director, (1) Muangthong Assets Co., Ltd.; (2) Kamala Beach Resort & Hotel Management Co., Ltd. and (3) Hip Hing Construction (Thailand) Co., Ltd.
Since 2001	Director, (1) DNAL Co., Ltd; (2) Saraburi Property Co., Ltd.; (3) Tanayong Food and Beverage Co., Ltd.; (4) Sam Pao Petch Co., Ltd.; (5) PrannaKiri Assets Co., Ltd.; (6) Tanayong Property Management Co., Ltd. and (7) Yongsu Co., Ltd.
Since 1998	Director, Thana City Golf & Sports Club Co., Ltd.



Mr. Kong Chi Keung

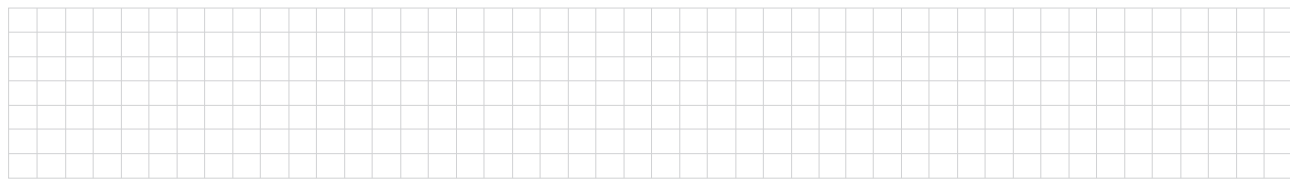
Age 36

Position in BTSG	Executive Director (since 2010) / Member of the Remuneration Committee (since 2011) / Member of the Nomination Committee (since 2011)
Shares held in BTS Group	0.03 %
Education	(1) MBA (Executive) Sasin Graduate Institute of Business Administration of Chulalongkorn University (2) BA (Honorary Degree), Business Administrative, University of Greenwich, UK
2007	Director Accreditation Program (DAP), Thai Institute of Directors
Previous Experience	
2008 – 2010	Deputy Managing Director, BTS Group Holdings Plc.
2006 – 2008	Director, BTS Group Holdings Plc.
Other Current Positions	
Since 2010	Director, (1) Bangkok Mass Transit System Plc.; (2) Tanayong Hong Kong Limited; (3) VGI Advertising China Co., Ltd. and (4) BTS Assets Co., Ltd.
Since 2008	Director, Absolute Hotel Services Co., Ltd.
Since 1999	Director, VGI Global Media Co., Ltd.

Mr. Kin Chan

Age 45

Position in BTSG	Director (since 2010)
Shares held in BTS Group	-
Education	(1) MBA, The Wharton School (2) AB, Princeton University
Previous Experience	
2000 – 2001	Chief Executive and Managing Director, Lazard Asia Limited
1992 – 1999	Associate, Vice President and Executive Director, Goldman, Sachs & Co.
1989 – 1992	Financial Analyst, M&A Department, The First Boston Corporation
Other Current Positions	
Since 2010	Director, Overseas Union Enterprise Limited, a company listed in Singapore
Since 2004	Director, Transpac Industrial Holdings Limited, a company listed in Singapore
Since 2001	Partner, Argyle Street Management Limited



Lt. Gen Phisal Thepsithar

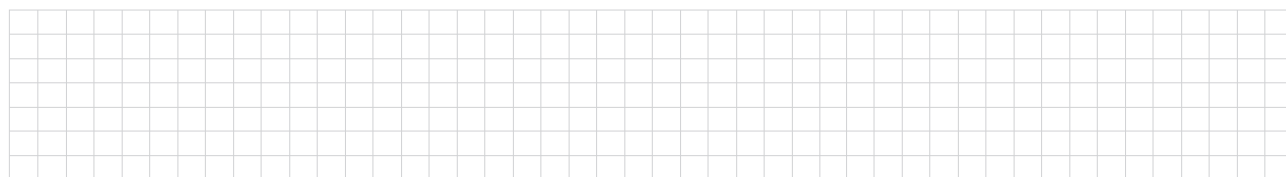
Age 79

Position in BTSG	Chairman of Audit Committee (since 2000) / Independent Director (since 2000) / Chairman of the Remuneration Committee (since 2011) / Chairman of the Nomination Committee (since 2011)
Shares held in BTS Group	0.001 %
Education	(1) MBA, Thammasat University (2) BA and Higher Diploma in Accounting, Thammasat University (3) BA, Thammasat University (4) Bachelor of Law, Thammasat University (5) Bachelor of Education (First Class Honor), Sukhothai Thammathirat Open University (6) Bachelor of Dental Surgery (Second Class Honor), University of Medical Science
2009	Audit Committee Program (ACP) Class 26, Thai Institute of Directors
2002	Director Certification Program (DCP), Thai Institute of Directors
Previous Experience	
2009 – 2010	Independent Director and Audit Committee, Bangkok Mass Transit System Plc.
Other Current Positions	
Present	Chairman of Audit Committee and Independent Director, Rockworth Plc. / Independent Director, President Bakery Plc.

Dr. Amorn Chandarasomboon

Age 81

Position in BTSG	Independent Director (since 2010)
Shares held in BTS Group	-
Education	(1) Doctoral Degree, Public International Law, Paris University (2) Honorary Doctoral Degree of Law, Thammasat University (3) Honorary Doctoral Degree of Law, Chulalongkorn University (4) Honorary Doctoral Degree of Law, Ramkhamhaeng University (5) Kittimethee, Sukhothai Thammathirat Open University (6) Bachelor of Law, Thammasat University (7) Certificate, National Defence College of Thailand (Class 14)
2009	Audit Committee Program (ACP), Class 26, Monitoring the System of Internal Control and Risk Management (MIR), Class 6, Monitoring the Internal Audit Function (MIA), Class 5, and Monitoring the Quality of Financial Reporting (MFR), Class 7, Thai Institute of Directors
2003	Director Certification Program (DCP), Class 36, Director Accreditation Program (DAP), Class 2, and Finance of Non-Finance Director (FND), Class 7, Thai Institute of Directors
Previous Experience	
1999 – 2004	Member of the Anti-Money Laundering Board and Chairman of the Sub-Committee on the Organizational Improvement of the Anti-Money Laundering Office, Anti-Money Launder Board
1995 – 2004	Member of the Securities and Exchange Commission, Securities and Exchange Commission
1984 – 1988	Member of The Bank of Thailand Board, Bank of Thailand
1981 – 1985, 1985 – 1991, 1996 – 2000	Senator, Senate House
Other Current Positions	
Since 2010	Distinguished Scholar, Law Faculty National Institute of Development Administration (NIDA)
Since 2000	Honorary Members of University Council, Mahidol University
Since 1996	Honorary Members of University Council, Ubon Ratchathani University
Since 1990	Director and Executive Director, Bangkok Bank Plc.
Since 1988	Adviser, Saha Union Plc.
Since 1984	Member of the Advisory Council, Sasin Graduate Institute of Business Administration of Chulalongkorn University



Mr. Suchin Wanglee

Age 75

Position in BTSG

Audit Committee (since 2010) / Independent Director (since 2010) / Member of the Remuneration Committee (since 2011) / Member of the Nomination Committee (since 2011)

Shares held in BTS Group

0.04 %

Education

(1) Bachelor Degree Electrical Engineering, Northrop Institute of Technology, U.S.A.
 (2) Executive Course, Harvard University, USA
 Top Executive Program in Commerce and Trade, Commerce Academy
 Top Executive Program (CMA 9), Capital Market Academy
 Executive Role Program, Thai Institute of Directors

Previous Experience

2010 – 2011 Director, Serm Suk Plc.
 2007 – 2008 Chairman of the Risk Management Committee, Navakij Insurance Plc.
 1997 – 2006 Chairman of the Executive Board, Navakij Insurance Plc.
 1997 – 2005 Director and Member of the Audit Committee, Minor Food Group Plc.
 1989 – 2010 Director, Thai Metal Drums MFG. Plc.
 1975 – 1976 Director, (1) Asian Reinsurance Pool; and (2) National Housing Authority
 1974 – 1976 Director, East Asian Insurance Congress
 2003 – 2005, Director, Board of Trade of Thailand
 2001 – 2003, 1974 – 1976 President, The General Insurance Association
 2007 – 2009, 2003 – 2005, 1973 – 1975 Director, The General Insurance Association
 1971 – 2011

Other Current Positions

Since 2011 Vice Chairman, Serm Suk Plc.
 Since 2010 Vice Chairman, Thai Metal Drums MFG. Plc.
 Since 2007 Chairman, Aqua Infinite Co., Ltd.
 Since 2006 Director, Wanglee Pattana Co., Ltd.
 Since 2005 Director, Rajadamri Hotel Plc.
 Since 2001 Chairman, Navakij Insurance Plc.
 Since 1994 Director, Varopakorn Plc.
 Since 1991 Chairman, Rangsit Plaza Co., Ltd.
 Since 1990 Director, Nuchapon Co., Ltd.
 Since 1988 Director, (1) The Pet Co., Ltd.; and (2) Thai-Petchaboon Co., Ltd.
 Since 1982 Chairman, Sathorn Thani Co., Ltd.
 Since 1978 Chairman, Thai Reinsurance Plc.
 Since 1970 Chairman, The Falcon Insurance Plc.
 Since 1969 Independent Director, Thai-German Ceramics Industry Plc.
 Since 1968 Director, Wanglee Co., Ltd.

Mr. Charoen Wattanasin

Age 74

Position in BTSG

Audit Committee (since 2010) / Independent Director (since 2010) / Member of the Remuneration Committee (since 2011) / Member of the Nomination Committee (since 2011)

Shares held in BTS Group

0.003 %

Education

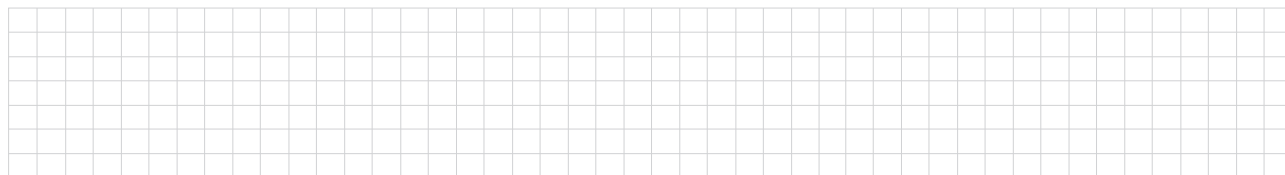
(1) Business Administration, City of Liverpool College of Commerce Management, B.I.M., London
 (2) Management, B.I.M. London
 Director Accreditation Program (DAP) and Director Certification Program (DCP), Thai Institute of Directors

Previous Experience

2001 – 2007 Advisory Board Chairman, Pacific Food Processing Co., Ltd.
 1995 – 1998 Advisory Board Chairman, Media of Medias Plc.
 1976 – 1995 Managing Director, IFF (Thailand) Co., Ltd.
 1972 – 1976 General Manager, Thai Amarit Brewery Co., Ltd.
 1969 Marketing Director, Richardson-Merrell (Thailand) Co., Ltd.
 1962 – 1972 Senior Management -General Sales Manage, Lever Brother (Thailand) Ltd., Unilever Group

Other Current Positions

Since 2003 Vice President, National Olympic Committee of Thailand under the Royal Patronage of H.M. the King
 Since 2002 President, The Badminton Association of Thailand under The Royal Patronage
 Since 1987 Special Professorship of Marketing, Faculty of Commerce and Accountancy, Chulalongkorn University



Mr. Cheong Ying Chew, Henry

Age 63

Position in BTSG	Independent Director (since 2010)
Shares held in BTS Group	-
Education	(1) Master of Science in Operational Research and Management, Imperial College, University of London, UK (2) Bachelor of Science (Mathematics), Chelsea College, University of London, UK
Previous Experience	
2003 – 2006	Member of the Committee on Real Estate Investment Trust, Securities and Futures Commission, Hong Kong
2003 – 2005	Independent Non- Executive Director, Hutchison Global Communications Holdings Limited
2002 – 2006	Member of Main Board Listing Committee / Member of GEM Listing Committee, Hong Kong Exchanges and Clearing Limited
2001 – 2007	Independent Non- Executive Director, Forefront International Holdings Limited (currently known as Forefront Group Limited)
2000 – 2008	Independent Non- Executive Director, Jade Asia Pacific Fund Inc. (currently known as FPP Golden Asia Fund Inc.)
2000 – 2006	Member of the Derivatives Market Consultative Panel, Hong Kong Exchanges and Clearing Ltd. / Member of the Process Review Panel, Securities and Futures Commission, Hong Kong
1999 – 2009	Member of Corporate Advisory Council, Hong Kong Securities Institute Limited
1994 – 2000	Director, Hong Kong Futures Exchange
1986 – 1991	Director, James Capel (Far East) Limited
1980 – 1986	Director, Vickers da Costa Limited

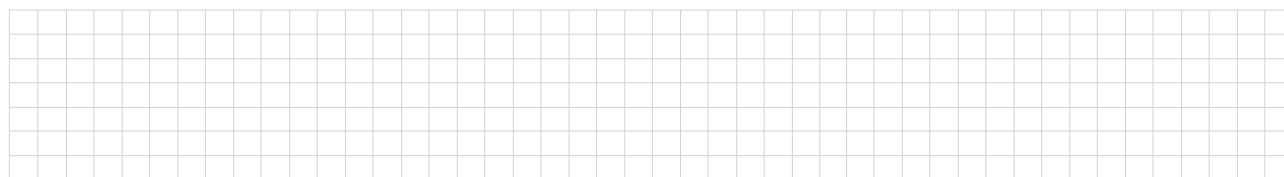
Other Current Positions

Present

Deputy Chairman and Executive Director, Worldsec Limited / Independent Non-Executive Director,
(1) Cheung Kong (Holdings) Limited;
(2) Cheung Kong Infrastructure Holdings Limited;
(3) CNNC International Limited;
(4) Excel Technology International Holdings Limited; (5) Hutchison Telecommunications Hong Kong Holdings Limited;
(6) New World Department Store China Limited;
(7) SPG Land (Holdings) Limited; and
(8) TOM Group Limited /
Member, (1) Securities and Futures Appeals Tribunal, Hong Kong;
(2) Advisory Committee of the Securities and Futures Commission, Hong Kong; and
(3) The Disciplinary Panel (Panel A) of the Hong Kong Institute of Certified Public Accountants

Director's Shareholdings

Name	No. of shares			No. of Increase (Decrease) share
	17-June-11	%	29 Jul-10	
1. Mr. Keeree Kanjanapas	21,633,816,117	37.83	21,282,477,892	351,338,225
2. Dr. Paul Tong	189,674,297	0.33	189,674,297	-
3. Dr. Anat Arbhabhira	-	-	-	-
4. Mr. Surapong Laoha-Unya	34,703,916	0.06	34,703,916	-
5. Mr. Kavin Kanjanapas	10,961,009	0.02	606,946,724	(595,985,715)
6. Mr. Rangsin Kritalug	-	-	-	-
7. Mr. Kong Chi Keung	20,000,000	0.03	20,000,000	-
8. Mr. Kin Chan	-	-	-	-
9. Lt. Gen. Phisal Thepsithar	500,000	0.001	500,000	-
10. Dr. Amorn Chandarasomboon	-	-	-	-
11. Mr. Suchin Wanglee	25,500,014	0.04	26,000,014	(500,000)
12. Mr. Charoen Wattanasin	1,728,571	0.003	1,728,571	-
13. Mr. Cheong Ying Chew, Henry	-	-	-	-



EXECUTIVE MANAGEMENT

Mrs. Duangkamol Chaichanakajorn

Age 51

Position in BTSG	Accounting Director (since 2001)
Shares held in BTS Group	-
Education	(1) MBA, Thammasat University (2) BA, Thammasat University

2006 – 2009	Vice President and Head of Investments, Pacific Star International (Thailand) Co., Ltd.
2002 – 2006	Associate Director, Mullis Partners
2002	Business Relations Associate, Stock Exchange of Thailand
1999 – 2001	Credit Analyst, JPMorgan Chase, London

Mrs. Patchaneeya Pootme

Age 59

Position in BTSG	Corporate Communications Director (since 2010)
Shares held in BTS Group	0.002 %
Education	BA (English Major), Ramkhamhaeng University
Other Current Positions	
Since 2002	Corporate Communications Division Manager, Bangkok Mass Transit System Plc.

Miss Chawadee Rungruang

Age 34

Position in BTSG	Financial Controller (since 2011)
Shares held in BTS Group	-
Education	(1) MBA, Chulalongkorn University (2) BA, Chulalongkorn University

Previous Experience

2003 – 2010	Assistant Corporate Controller, Central Plaza Hotel Plc.
1998 – 2003	Assistant Auditor, Ernst & Young Office Limited

Mr. Surayut Thavikulwat

Age 39

Position in BTSG	Chief Financial Officer (since 2011)
Shares held in BTS Group	0.0002 %
Education	(1) MBA, Ross School of Business, University of Michigan-Ann Arbor, USA (2) BA, Chulalongkorn University
Previous Experience	
2010 – 2011	Chief Financial Officer, Unique Mining Services Public Company Limited
1998 – 2010	SVP, Head of Strategic Planning and Budgeting, Bangkok Bank Plc.
1994 – 1996	Senior Auditor, Ernst & Young Office Limited (Bangkok Office)

Miss Chayada Yodyingtammakul

(Former name: Miss Thitikorn Yodyingtammakul)

Age 34

Position in BTSG	Legal Director (since 2007) / Company Secretary (since 2011)
Shares held in BTS Group	-
Education	(1) Master of Law (LL.M), Commercial Law, University of Bristol, UK (2) Bachelor of Law, (LL.B), Thammasat University
2011	Director Certification Program (DCP), Thai Institute of Directors

Previous Experience

2008 – 2010	Company Secretary, BTS Group Holdings Plc.
2000 – 2007	Lawyer, Baker & McKenzie Ltd.

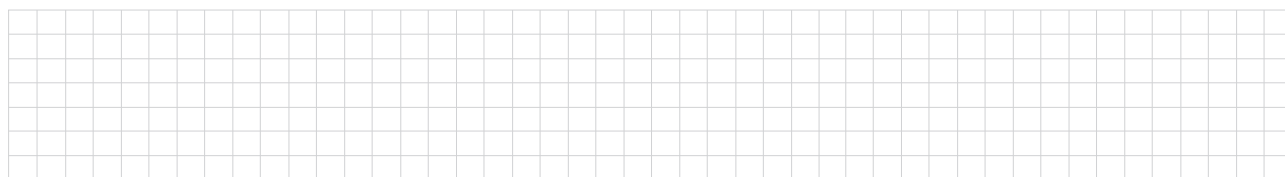
Mr. Daniel Ross

Age 35

Position in BTSG	Financial Director (since 2010)/ Head of Investor Relations (since 2010)
Shares held in BTS Group	0.0003 %
Education	Bachelor of Science in Mathematics (First Class Honours), King's College, University, of London, UK
2009	Director Certification Programme (DCP) 112 Thai Institute of Directors
Previous Experience	
2008 -2011	Independent Director and Audit Committee, SFG Plc.
2007 – 2009	Director and Project Management Committee Member, AP Pacific Star Co., Ltd. (Ratchada & Sathorn)

Executive Shareholdings

Name	No. of shares			No. of Increase (Decrease) share
	17-June-11	%	29 Jul-10	
1. Mrs. Duangkamol Chaichanakajorn	-	-	-	-
2. Mrs. Patchaneeya Pootme	1,010,000	0.33	450,000	560,000
3. Mr. Surayut Thavikulwat	106,250	0.0002	0	106,250
4. Mr. Daniel Ross	200,000	0.0003	0	200,000
5. Miss Chawadee Rungruang	-	-	-	-
6. Miss Chayada Yodyingtammakul	-	-	-	-



Details of Directors in the Subsidiaries

The Company has 28 subsidiaries in total, 2 of which, namely Bangkok Mass Transit System Plc. and VGI Global Media Co., Ltd., are the subsidiaries having a significant implication on the Company because their revenues are more than 10% of the total revenue shown in the Fiscal Year 2011 consolidated Profit & Loss Statement. The list of directors of these two subsidiaries is as follows:

Directors Companies	Bangkok Mass Transit System Plc.	VGI Global Media Co., Ltd.
1. Mr. Keeree Kanjanapas	A	
2. Mr. Chulchit Bunyaketu	A	
3. Mr. Surapong Laoha-Unya	A	A
4. Dr. Anat Arbhahirama	A	
5. Mr. William Anthony Gloyne	A	
6. Mr. Anan Santichewasatian	A	
7. Mr. Kavin Kanjanapas	A	A
8. Pol.Maj.Gen. Vara Ieammongkol	A	
9. Mr. Natthasak Chaichana	A	A
10. Mr. Lo Yun Sum	A	
11. Mr. Kong Chi Keung	A	A
12. Mrs. Pichitra Mahaphon	A	
13. Mr. Marut Arthakaivalvatee		A
14. Mr. Chan Kin Tak		A

A = Director

6.0

Financial Report

In this Section we provide information on the financial position of the Company including the audited financial statements. You will also find the Director's Responsibility Report, Audit Committee Report, Auditor's Statement on Internal Control and Independent Auditor's Report. The Management discussion and analysis can be found in Section 4.4.

- 6.1 Director's Responsibility Report
- 6.2 Audit Committee Report
- 6.3 Auditor's Statement on Internal Controls
- 6.4 Independent Auditor's Report
- 6.5 Audited Financial Statements
- 6.6 Notes to the Audited Financial Statements



6.1

DIRECTOR'S RESPONSIBILITY REPORT

Report on the Responsibilities of the Board of Directors for the Financial Report

The Board of Directors of BTS Group Holdings Public Company Limited is responsible for the financial statements of the Company and its subsidiaries, which have been prepared in accordance with generally accepted accounting standards (GAAP) in Thailand under the Accounting Profession Act B.E. 2547, and the presented in compliance with stipulations under Accounting Act B.E. 2543. The Board is aware of the accounting policies and believes that these are appropriate and have been consistently applied. The notes to the financial statements disclose details of useful and material financial information supported by reasonable and prudent judgments and estimations where necessary. The Company's external auditor has audited the financial statements and expressed an unqualified opinion in the auditor's report.

The Board of Directors further recognises the importance of presenting a comprehensive view of the Company's financial position and has reviewed and included in this annual report, the Management's discussion and analysis report on the Company's business performance for the benefit of shareholders and other stakeholders.

The Board is also responsible for overseeing that an effective system of corporate governance, including risk management, internal controls and compliance is put in place in order to have reasonable assurance that the financial records of the Company are accurate and complete. The Board evaluates the adequacy of the internal controls system on an annual basis.

The Board of Directors has also appointed the Audit Committee, entirely comprised of Independent Directors, to oversee the accuracy and adequacy of the financial reporting process as well as review the suitability and efficiency of the internal control and independence of the internal audit system. The opinion of the Audit Committee is shown in the Audit Committee Report contained in this Annual Report.

In the opinion of the Board, the audited financial statements and accompanying notes show essential and accurately the financial status, performance and cash flow of the Company during the reporting period in accordance with GAAP, and that the management discussion and analysis offer a fair and relevant view of the business performance of the Company. Further, that the Company has established and maintains a system of corporate governance and internal controls that give reasonable assurance on the integrity of the financial reporting procedures.



Mr. Keeree Kanjanapas

Chairman of the Board of Directors



Mr. Kavin Kanjanapas

Executive Director

6.2

AUDIT COMMITTEE REPORT

To the Shareholders and the Board of Directors of BTS Group Holdings Public Company Limited

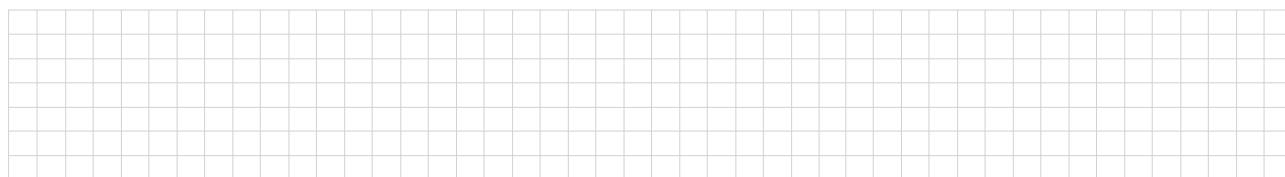
The Audit Committee of BTS Group Holdings Public Company Limited ("the Company") consists of 3 Independent Directors, namely Lt. Gen. Phisal Thepsithar as the Chairman of the Audit Committee, Mr. Suchin Wanglee and Mr. Charoen Wattansin as the Members of the Audit Committee and Mr. Pipop Intaratut as the Secretary to the Audit Committee. The Audit Committee has the duties and responsibilities as assigned by the Board of Directors in accordance with its Charter as follows:

1. To review the Company's financial reporting process to ensure that it is accurate and adequate;
2. To review the Company's internal control system and internal audit system to ensure that the systems are suitable and efficient, to review the independency of the internal audit unit, and to approve the appointment, transfer or dismissal of the chief of the internal audit unit or any other unit in charge of the internal audit;
3. To review the Company's with the law on securities and the Stock Exchange, the Stock Exchange's regulations, and the laws relating to the Company's business;
4. To consider, select and nominate an independent person to act as the Company's auditor, and to propose such person's remuneration to the Board of Directors, as well as to attend a meeting with the auditor without the attendance of any Company management at least once a year;
5. To review the connected transactions, or the transactions that may lead to conflicts of interest, to ensure that they are in compliance with the law and the Stock Exchange's regulations, and are reasonable and for the utmost benefit of the Company;

6. To prepare, and to disclose in the Company's annual report, the Audit Committee Report which must be signed by the Chairman of the Audit Committee and contain certain specified details; and
7. To perform any other act as assigned by the Board of Directors, with prior consent of the Audit committee.

In 2010/2011, the Audit Committee has performed the duties as follows;

1. Reviewed the Company's financial reports, including quarterly and annual financial statements with regards to their accuracy and adequacy of disclosure. The Audit Committee had meetings with the Company's auditor and found no material data indicating that financial reports were neither accurate nor trustworthy.
2. Reviewed and ensured the Company has an appropriate and efficient internal control and internal audit system in each of the Company's activities to achieve to goals of the Company and to manage the Company's business. It has also appointed an Internal audit department to evaluate the appropriateness and efficiency of the internal control and internal audit system. The internal audit team reports directly to Audit Committee.
3. Reviewed the Company's operations to be in compliance with the law on securities and the Stock Exchange, the Stock Exchange's regulations, and the laws relating to the Company's business. Conducted meetings with the management and head of related departments to ensure the company had good and efficient operations and management processes in accordance with the principle of good corporate governance.
4. Considered, selected and nominated independent persons to act as the Company's auditor by proposing to the Board of Directors to appoint any one of Mr. Narong Puntawong,



Certified Public Accountant (Thailand) No.3315, and/or Miss Siraporn Ouuanunkun, Certified Public Accountant (Thailand) No.3844 and/or Mr. Termphong Opanaphan, Certified Public Accountant (Thailand) No.4501 from Ernst & Young Office Limited to act as the Company's auditor for the fiscal year ended March 31, 2011 to review and give opinion on the Company's financial statements. The audit fee was Baht 3,330,000. Such appointment and fee were approved by the Board of Directors and the General Meeting of Shareholders of the Company. In addition, all 3 members of the Audit Committee attended a meeting with the auditor without the attendance of any management and had the opinion that the Company's auditors have performed their duties properly.

5. Considered and reviewed the connected transactions in which the auditors were of the opinion that such transactions were significant and disclosed such transactions in the financial statements and notes to the financial statements. The Audit Committee agreed with the auditor that such transactions were reasonable.
6. During the period between April 1, 2010 and March 31, 2011, the Audit Committee had a total of 6 meetings. Each member of Audit Committee attended the Audit Committee Meeting as follows:

Name	Title	Numbers of Attendance
Lt. Gen. Phisal	Chairman of the	
Thepsithar	Audit Committee	6/6
Mr.Suchin Wanglee	Audit Committee	5/5
Mr.Charoen Wattansin	Audit Committee	4/5

7. Overall, the Audit Committee received full cooperation from the relevant units and persons in performing their duties and, therefore, was able to perform its duties efficiently.

8. Prepared this Audit Committee Report and disclosed the Report signed by the Chairman of the Audit Committee in the Annual Report 2010/2011.
9. All members of the Audit Committee attended training sessions, seminars and meetings regarding the roles and responsibilities of the Audit Committee that were arranged by state agencies, the private sector, professional councils or the Thai Institute of Directors in order to enhance the knowledge and understanding of the Audit Committee to perform their duties more efficiently.

Lt. Gen. Phisal Thepsithar

Chairman of the Audit Committee

6.3

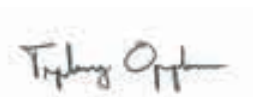
AUDITOR'S STATEMENT ON INTERNAL CONTROLS

Subject : Report on the Accounting Internal Control System
To : The Board of Directors
BTS Group Holdings Public Company Limited

With reference to the audit of the financial statements of BTS Group Holdings Public Company Limited for the year ended March 31, 2011 as reported on May 27, 2011 to obtain the opinion that such financial statements and the operational results are regulated in accordance with Generally Accepted Accounting Principles, we confirm that the proper scope of review has been based on the assessment of the Company's internal control system. We did not find any material irregularities in such system that may affect our opinion on the financial statements and reports of the Company. Any other immaterial suggestions to the opinion will be described in a separate letter later.

Nevertheless, the audit has been conducted on a sampling basis and the assessment of the Company's internal control system is intended for the audit only, and therefore may not represent a complete overview of the defects that may exist in the control system of the Company.

Yours faithfully,



Termphong Opanaphan

Certified Public Accountant (Thailand) No.4501

6.4

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of BTS Group Holdings Public Company Limited (Formerly known as "Tanayong Public Company Limited")

I have audited the accompanying consolidated balance sheets of BTS Group Holdings Public Company Limited and its subsidiaries as at 31 March 2011 and 2010, the related consolidated statements of income, changes in shareholders' equity and cash flows for the years then ended, and the separate financial statements of BTS Group Holdings Public Company Limited for the same years. These financial statements are the responsibility of the management of the Company and its subsidiaries as to their correctness and the completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audits. The consolidated financial statements as at 31 March 2011 and 2010 and for the years then ended include the financial statements of Bangkok Mass Transit System Public Company Limited and its subsidiaries, which were audited in accordance with generally accepted auditing standards by another auditor of our firm, who expressed an unqualified opinion on those statements.

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of BTS Group Holdings Public Company Limited and its subsidiaries, and of BTS Group Holdings Public Company Limited as at 31 March 2011 and 2010, and the results of their operations and cash flows for the years then ended in accordance with generally accepted accounting principles.

Without qualifying my opinion on the above financial statements, I draw attention to the aforementioned financial statements as follows:

- a) The Company followed most of the significant mandatory terms and conditions stipulated in the rehabilitation plan and on 14 November 2006, the Central Bankruptcy Court ordered the termination of the Company's business rehabilitation. As discussed in Note 30 to the financial statements, the Company has been unable to transfer the Company's 245,825,783 ordinary shares temporarily registered in the name of a subsidiary, part of which are deposited with the Central Bankruptcy Court as guarantee of debt settlement, to creditors since there are still undue debts and debts pending final court judgment or comptroller's orders. As a result, the number of shares allocated to each creditor is still uncertain as the debt ratio might be altered to accord with final court judgment or comptroller's orders. However, the creditors will still receive total numbers of ordinary shares as stipulated in the rehabilitation plan and the Company adjusted issuance of ordinary shares for debt settlement to settle the Company's debts during the year ended 31 March 2007.
- b) As discussed in Note 15 to the financial statements, the Company has the outstanding balances of cash deposited with the Central Bankruptcy Court as guarantees of settlement of unsecured and secured creditors, amounting to Baht 192.0 million and Baht 40.7 million, respectively, due to the debts pending final court judgment or comptroller's orders. Such amounts of cash deposited are still lower than the maximum amount of debt that may arise on a proportional basis of unsecured and secured creditors by Baht 95.6 million and Baht 416.5 million, respectively. The Company is obliged to pay or transfer assets to settle such debts as stipulated in the rehabilitation plan. However, the Company completely recorded such debts in its account and the secured creditors are provided guarantees by the mortgage of the Company's assets in full.

- In addition, the Company deposited two assets awaiting transfer under the rehabilitation plan (not included in the agreement to acquire the rights to purchase auctioned assets) with the Central Bankruptcy Court as collateral for debt settlement. The Company therefore recorded the Baht 708.5 million (Separate financial statements: Baht 859.0 million) difference between the value of the assets, amounting to Baht 150.5 million (Separate financial statements: Nil), and the balances of the relevant creditors per rehabilitation plan, amounting to Baht 859.0 million (Separate financial statements: Baht 859.0 million) as “Gain on deposit of assets as guarantee for debt settlement”, presenting it as a separate item in the income statement for the current year.

- d) As discussed in Note 5 to the financial statements, on 4 May 2010, the Company acquired ordinary shares of Bangkok Mass Transit System Public Company Limited and its subsidiaries for a consideration of Baht 40,034.5 million, with a surplus on business combination under common control of Baht 3,372.0 million. The acquisition of that company was considered to be business combination under common control and the Company thus restated the consolidated financial statements as at 31 March 2010 and for the year then ended, which are presented herein for comparative purposes, as if Bangkok Mass Transit System Public Company Limited and its subsidiaries, acquired in May 2010, had been subsidiaries of the Company since they were established. In addition, the Company restated the separate financial statements as at 31 March 2010 and for the year then ended, which are presented herein for comparative purposes, to reflect the adjustments of the business combination under common control from acquisition of that group company. In my opinion, the adjustments made for the preparation of such financial statements are appropriate and have been properly applied.
- e) As discussed in Note 3 to the financial statements, during the current year, the Company and its subsidiaries adopted TAS 27 (revised 2009) "Consolidated and Separate Financial Statements", TAS 28 (revised 2009) "Investments in Associates" and TFRS 3 (revised 2009) "Business Combinations" before their effective date.

Bangkok: 27 May 2011



BTS Group Holdings Public Company Limited and its subsidiaries
(Formerly known as “Tanayong Public Company Limited”)

BALANCE SHEET

As at 31 March 2011 and 2010



(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
			(Restated)		(Restated)
Assets					
Current assets					
Cash and cash equivalents	9	1,825,422,104	2,477,749,385	302,785,329	63,546,374
Current investments - deposits at financial institution		-	10,139,575	-	-
Trade accounts receivable					
Related parties	8	-	408,719	125,356,445	102,799,428
Unrelated parties		579,252,714	535,568,114	-	-
Less: Allowance for doubtful accounts		(7,318,493)	(8,773,227)	-	-
Trade accounts receivable - net	10	571,934,221	527,203,606	125,356,445	102,799,428
Unbilled receivables					
Related party	8	-	-	431,841,105	31,353,500
Unrelated parties		31,933,603	31,617,807	31,933,603	31,617,807
Total unbilled receivables	11	31,933,603	31,617,807	463,774,708	62,971,307
Account receivable from sale of rights of claim and interest receivable	12	-	177,565,558	-	177,565,558
Short-term loans and advances to related parties - net	8	5,583,022	6,674,252	302,695	420,433
Spare parts - Automatic Fare Collection system - net	13	86,841,290	86,572,711	-	-
Real estate development costs - net	14	2,956,699,854	2,867,735,567	958,606,149	1,040,614,154
Assets awaiting transfer under rehabilitation plan - net	16	73,924,808	225,560,879	69,224,807	70,395,498
Investments in subsidiaries awaiting transfer under rehabilitation plan - net	17	224,342,586	224,342,586	197,438,333	197,438,333
Other current assets					
Other receivables - net	10	21,686,104	21,269,030	21,686,104	21,269,030
Others		494,970,206	189,388,961	179,393,928	24,170,363
Total current assets		6,293,337,798	6,845,819,917	2,318,568,498	1,761,190,478

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

6.5

BTS Group Holdings Public Company Limited and its subsidiaries
(Formerly known as "Tanayong Public Company Limited")

BALANCE SHEET (continued)

As at 31 March 2011 and 2010

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
			(Restated)		(Restated)
Non-current assets					
Restricted deposits	16,33	323,934,948	463,881,817	321,468,964	121,459,600
Cash deposited as collateral for debt settlement	15	232,657,728	295,642,373	232,657,728	295,642,373
Loans to related parties - net	8	-	7,600,000	2,519,642,051	87,066,962
Investments in subsidiaries - net	18	-	-	40,183,814,672	38,402,445,580
Investments in associates - net	19	7,193,046	4,678,556	4,000,000	4,000,000
Other long-term investments - net	20	144,217,494	119,080,002	144,217,494	119,080,002
Elevated project costs - net	21	44,443,000,016	43,443,023,552	-	-
Spare parts - maintenance contract	22	292,771,346	292,771,346	-	-
Land and projects awaiting development - net	23	4,814,127,902	4,427,135,043	736,908,902	731,646,210
Property, plant and equipment - net	24	5,349,826,565	4,185,380,546	2,423,724,088	2,331,260,043
Leasehold rights - net	25	87,895,975	93,355,427	3,600,000	4,000,000
Condominiums and fixtures for lease - net	26	211,988,028	233,262,050	211,988,028	233,262,050
Intangible assets - net	27	21,558,864	28,005,307	2,456,055	3,601,894
Retention receivable					
Related party	8	-	-	46,395,167	5,722,027
Unrelated parties		9,299,000	7,416,000	9,299,000	7,416,000
Loans to other companies - net	28	-	-	-	-
Other non-current assets					
Goodwill		78,656,476	78,656,476	-	-
Advance payment for investment in subsidiary	18	250,000,000	-	250,000,000	-
Advances for asset acquisitions		1,190,218,324	653,624,922	-	-
Advances to contractors					
Related party	8	-	-	174,604,479	240,637,835
Unrelated parties - net		30,958,133	50,034,461	160,500	222,346
Other		44,554,180	48,490,076	8,636,097	8,045,665
Total non-current assets		57,532,858,025	54,432,037,954	47,273,573,225	42,595,508,587
Total assets		63,826,195,823	61,277,857,871	49,592,141,723	44,356,699,065

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



BTS Group Holdings Public Company Limited and its subsidiaries
(Formerly known as "Tanayong Public Company Limited")

BALANCE SHEET (continued)

As at 31 March 2011 and 2010



(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
			(Restated)		(Restated)
Liabilities and shareholders' equity					
Current liabilities					
Bank overdraft and short-term loan from financial institution	29	500,000,000	1,000,000,000	-	500,000,000
Trade accounts payable					
Related parties	8	318,840	3,016,422	139,745,804	100,591,809
Unrelated parties		267,160,594	211,785,900	422,052	212,270
Accrued costs of construction					
Related party	8	-	-	299,291,641	35,163,354
Unrelated parties		387,940,390	52,137,712	18,135,231	18,976,373
Short-term loan and advance from related party	8	-	-	-	64,443,012
Deposit payable		95,000,000	80,000,000	95,000,000	80,000,000
Current portion of creditors per rehabilitation plan	30	745,356,001	1,681,565,072	745,356,001	1,681,835,976
Current portion of long-term loans	31	151,750,000	7,200,000	-	-
Other current liabilities					
Advance received from employer - related party	8	-	-	168,300,000	279,592,757
Current portion of unearned income					
Related party	8	-	-	-	38,321,678
Unrelated parties		257,760,051	188,115,492	-	-
Accrued expenses		448,357,357	420,044,739	47,877,842	31,873,737
Other payable					
Related parties	8	119,700	8,640,469	2,174,347	-
Unrelated parties		106,621,853	50,376,425	-	836,659
Deposits on stored value ticket		17,719,530	25,520,370	-	-
Accrued interest		104,384,454	73,243,529	21,832,701	80,479
Retentions payable		162,768,084	139,427,242	5,194,340	7,660,200
Account payable from subsidiaries' acquisition	5	-	21,155,711,990	-	20,655,711,990
Others		416,473,476	234,617,440	113,932,077	37,190,186
Total current liabilities		3,661,730,330	25,331,402,802	1,657,262,036	23,532,490,480

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

6.5

BTS Group Holdings Public Company Limited and its subsidiaries
(Formerly known as "Tanayong Public Company Limited")

BALANCE SHEET (continued)

As at 31 March 2011 and 2010

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
			(Restated)		(Restated)
Non-current liabilities					
Creditors per rehabilitation plan - net of current portion	30	52,622,662	70,937,441	52,622,662	70,937,441
Long-term loans - net of current portion	31	1,785,272,800	149,336,300	-	-
Long-term debentures	32	11,906,557,128	11,873,634,285	-	-
Convertible debentures - liability component	33	8,486,842,582	-	8,486,842,582	-
Unearned income from related party - net of current portion	8	-	-	-	38,461,538
Retention payable					
Related party	8	-	-	50,094,863	6,947,833
Unrelated parties		67,414,836	24,918,846	12,394,513	14,360,606
Other non-current liabilities		6,532,738	7,072,142	-	-
Total non-current liabilities		22,305,242,746	12,125,899,014	8,601,954,620	130,707,418
Total liabilities		25,966,973,076	37,457,301,816	10,259,216,656	23,663,197,898

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



BTS Group Holdings Public Company Limited and its subsidiaries
(Formerly known as "Tanayong Public Company Limited")

BALANCE SHEET (continued)

As at 31 March 2011 and 2010



(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
			(Restated)		(Restated)
Shareholders' equity					
Share capital	34				
Registered					
77,219,144,170 ordinary shares of Baht 0.64 each					
(2010: 7,704,149,999 ordinary shares of Baht 1 each)		49,420,252,269	7,704,149,999	49,420,252,269	7,704,149,999
Issued and fully paid					
55,889,275,885 ordinary shares of Baht 0.64 each					
(2010: 7,614,391,803 ordinary shares of Baht 1 each)		35,769,136,566	7,614,391,803	35,769,136,566	7,614,391,803
Share discount	34	-	(735,085,235)	-	(735,085,235)
Share premium on sales of company's shares held by subsidiaries		8,525,682	-	-	-
Ordinary shares to be issued for business combination under common control	5	-	19,378,813,429	-	19,378,813,429
Surplus on business combination under common control	5, 18	(3,371,978,137)	(3,371,978,137)	(3,371,978,137)	(3,371,978,137)
Convertible debentures - equity component	33	1,356,596,955	-	1,356,596,955	-
Unrealised gain (loss)					
Revaluation surplus on assets	36	2,619,803,941	2,619,803,941	2,019,676,772	2,019,676,772
Revaluation deficit on changes in value of investments		864,565	(382,580)	864,565	(382,580)
Surplus on swap of investment in subsidiary under common control	18	-	-	325,065,107	-
Company's shares held by subsidiaries		-	(15,888,956)	-	-
Capital reserve on consolidation		2,685,013	2,685,013	-	-
Translation adjustment		(134,774,019)	(134,060,738)	-	-
Retained earnings					
Appropriated - statutory reserve	37	1,303,890,172	1,100,000,000	203,890,172	-
Retained earning (Deficit)		(2,794,553,262)	(5,136,058,903)	3,029,673,067	(4,211,934,885)
Equity attributable to the Company's shareholders		34,760,197,476	21,322,239,637	39,332,925,067	20,693,501,167
Non-controlling interest of subsidiaries		3,099,025,271	2,498,316,418	-	-
Total shareholders' equity		37,859,222,747	23,820,556,055	39,332,925,067	20,693,501,167
Total liabilities and shareholders' equity		63,826,195,823	61,277,857,871	49,592,141,723	44,356,699,065

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

6.5

BTS Group Holdings Public Company Limited and its subsidiaries
(Formerly known as "Tanayong Public Company Limited")

INCOME STATEMENT

For the years ended 31 March 2011 and 2010

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
			(Restated)		(Restated)
Revenues					
Revenues from sales of real estate		146,921,880	100,855,286	146,921,880	100,855,286
Revenues from construction services		261,775,359	546,146,192	1,441,118,706	755,548,305
Fare box revenues - net		3,544,826,013	3,484,651,466	-	-
Service income from train operating management		316,006,707	194,968,392	-	-
Advertising and rental business		1,369,949,686	1,100,170,167	-	-
Rental and service income		254,919,667	203,966,844	91,566,704	76,416,932
Other income					
Management income		-	2,199,020	60,983,217	36,015,803
Revenue from sale of rights of claim	12	2,949,291	58,966,679	2,949,291	58,966,679
Reversal of allowance for loss on diminution in value of projects	14	-	45,550,923	-	45,550,923
Reversal of allowance for impairment of assets	23,24,26	-	166,982,348	-	165,562,348
Gain on debt settlement	30	14,832,680	142,664,923	14,832,680	142,664,923
Gain on deposits of assets as guarantee for debt settlement	16, 30	708,534,620	-	859,000,000	-
Gain on debt restructuring	30	-	4,528,040,345	-	-
Dividend income	3	-	-	4,964,882,045	3,254,347
Interest income		28,682,341	31,807,523	17,561,520	18,325,460
Others		181,248,185	174,994,546	32,112,013	23,267,047
Total revenues		6,830,646,429	10,781,964,654	7,631,928,056	1,426,428,053
Expenses					
Cost of sales of real estate	14	217,783,531	106,271,908	217,783,531	106,271,908
Cost of construction services		259,164,149	515,817,641	1,248,831,416	715,689,426
Cost of fare box		2,051,156,411	2,114,958,038	-	-
Cost of train operating management		167,104,512	58,370,180	-	-
Cost of advertising and rental business		487,701,399	351,737,095	-	-
Cost of rentals and services		179,187,053	124,478,758	82,975,485	76,038,165
Selling and servicing expenses		242,839,182	96,269,124	21,082,942	13,146,317
Administrative expenses		873,122,956	911,999,226	183,393,536	230,615,677
Expenses relating to business combination under common control		171,404,845	-	171,404,845	-
Management benefit expenses	8	128,621,490	123,415,446	41,689,860	49,348,220
Loss on exchange		-	46,944,004	-	-
Loss on allowance for impairment of assets		-	24,993,570	-	-
Total expenses		4,778,085,528	4,475,254,990	1,967,161,615	1,191,109,713

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



BTS Group Holdings Public Company Limited and its subsidiaries
(Formerly known as “Tanayong Public Company Limited”)

INCOME STATEMENT (continued)

For the years ended 31 March 2011 and 2010



(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2011	2010	2011	2010
			(Restated)		(Restated)
Income before share of income from investments in associates, finance cost and corporate income tax		2,052,560,901	6,306,709,664	5,664,766,441	235,318,340
Share of income from investments in associates	19	1,262,560	540,958	-	-
Income before finance cost and corporate income tax		2,053,823,461	6,307,250,622	5,664,766,441	235,318,340
Finance cost	39	(1,601,917,909)	(545,504,932)	(825,056,461)	(27,620,901)
Income before corporate income tax		451,905,552	5,761,745,690	4,839,709,980	207,697,439
Corporate income tax	40	(106,283,403)	(70,163,366)	-	-
Net income for the year		345,622,149	5,691,582,324	4,839,709,980	207,697,439
Net income attributable to:					
Equity holders of the parent		284,913,296	5,396,542,158	4,839,709,980	207,697,439
Non-controlling interest of the subsidiaries		60,708,853	295,040,166		
		345,622,149	5,691,582,324		
Earning per share	41				
Basic earnings per share					
Net income attributable to equity holders of the parent		0.00548	0.15445	0.09307	0.00594
Diluted earnings per share					
Net income attributable to equity holders of the parent		0.00545	0.15425	0.09104	0.00593

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

6.5

BTS Group Holdings Public Company Limited and its subsidiaries
(Formerly known as "Tanayong Public Company Limited")

CASH FLOW STATEMENT

For the years ended 31 March 2011 and 2010

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
		(Restated)		(Restated)
Cash flows from operating activities				
Income before tax	451,905,552	5,761,745,690	4,839,709,980	207,697,439
Adjustments to reconcile income before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	260,856,591	186,600,420	66,479,798	38,750,630
Spare parts and elevated project costs amortisation	926,620,524	952,639,732	-	-
Share of income from investments in associates	(1,262,560)	(540,958)	-	-
Reversal of allowance for doubtful debts	(565,240)	(12,548,568)	(98,936)	(11,603,521)
Withholding tax written-off	-	23,671,727	-	23,474,250
Doubtful debts	-	25,334,662	-	30,633,737
Penalty expense	-	9,932,646	-	9,932,646
Loss on allowance for loss on diminution in value of investments (reversal)	(23,862,824)	(3,223,346)	(23,862,824)	8,078,482
Loss (gain) on disposal of property, plant and equipment	(1,224,193)	152,159	(448,928)	(299,952)
Revenue from sale of rights of claim	(2,949,291)	(58,966,679)	(2,949,291)	(58,966,679)
Expenses relating to business combination under common control	171,404,845	-	171,404,845	-
Loss on allowance for loss on diminution in value of projects (reversal)	76,229,536	(45,550,923)	76,229,536	(45,550,923)
Reversal of loss on allowance for impairment of assets	-	(141,988,777)	-	(165,562,348)
Gain on debt settlement	(14,832,680)	(142,664,923)	(14,832,680)	(142,664,923)
Gain on deposit of assets as guarantee for debt settlement	(708,534,620)	-	(859,000,000)	-
Gain on debt restructuring	-	(4,528,040,345)	-	-
Unrealised loss (gain) on exchange	(81,487,527)	48,342,031	-	-
Amortisation of deferred debenture issuing costs	32,922,843	19,159,635	-	-
Amortisation of liability component of convertible debentures	48,814,576	-	48,814,576	-
Amortisation of letter of credit fee for convertible debentures	27,292,784	-	27,292,784	-
Unearned income recognition	-	-	(21,783,217)	(23,216,783)
Dividend income	-	-	(4,964,882,045)	(3,254,347)
Interest income	(28,682,341)	(31,807,523)	(17,561,520)	(18,325,460)
Interest expenses	1,486,920,684	506,663,435	748,949,072	27,620,901
Income (loss) from operating activities before changes in operating assets and liabilities	2,619,566,659	2,568,910,095	73,461,150	(123,256,851)

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



BTS Group Holdings Public Company Limited and its subsidiaries
(Formerly known as “Tanayong Public Company Limited”)

CASH FLOW STATEMENT (continued)

For the years ended 31 March 2011 and 2010



(Unit: Baht)				
	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
		(Restated)		(Restated)
Decrease (increase) in operating assets				
Trade accounts receivable	(43,275,881)	(297,428,199)	(22,557,017)	(58,350,415)
Unbilled receivables	(315,796)	(16,740,746)	(400,803,401)	16,940,292
Spare parts - Automatic Fare Collection system	(14,344,380)	(5,145,414)	-	-
Real estate development costs	(165,193,822)	33,807,346	5,778,469	83,333,542
Advances to contractors	19,076,328	(29,725,276)	66,095,202	(183,979,729)
Other receivables	(1,306,568)	31,209,224	(318,138)	30,279,666
Other current assets	(139,889,581)	(25,655,314)	(4,769,550)	(4,437,751)
Other non-current assets	1,354,076	349,448	(41,612,079)	(31,448,842)
Increase (decrease) in operating liabilities				
Trade accounts payable	50,708,083	(71,536,505)	39,576,047	47,497,987
Accrued costs of construction	335,802,678	16,486,131	263,287,145	10,765,445
Advances received from employers	-	(1,284,694)	(111,292,757)	220,455,673
Accrued expenses	6,462,618	109,487,732	(5,845,895)	10,113,830
Retention payable	66,051,942	(16,763,603)	38,715,077	(38,774,033)
Other payable	47,724,660	(38,913,340)	(10,906,760)	(40,537,005)
Unearned income	-	-	(55,000,000)	100,000,000
Unearned fare box revenues	69,644,559	65,456,215	-	-
Deposits on stored value ticket	(7,800,840)	2,456,490	-	-
Other current liabilities	136,726,020	(129,596,083)	73,585,788	(12,185,244)
Cash from (used in) operating activities	2,980,990,755	2,195,373,507	(92,606,719)	26,416,565
Cash paid for interest expenses	(1,486,209,861)	(563,230,772)	(726,081,264)	(28,452,279)
Cash paid for corporate income tax	(145,957,430)	(88,236,347)	(26,809,299)	(23,474,250)
Cash received for interest income	11,641,320	2,285,955	8,699,396	708,539
Net cash from (used in) operating activities	1,360,464,784	1,546,192,343	(836,797,886)	(24,801,425)

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

6.5

BTS Group Holdings Public Company Limited and its subsidiaries
(Formerly known as "Tanayong Public Company Limited")

CASH FLOW STATEMENT (continued)

For the years ended 31 March 2011 and 2010

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
		(Restated)		(Restated)
Cash flows from investing activities				
Decrease in current investments - deposits at financial institution	10,139,575	137,727,270	-	-
Decrease (increase) in restricted deposits	139,946,869	(43,642,379)	(200,009,364)	(120,000,000)
Cash received from sale of rights of claim	180,514,849	31,915,265	180,514,849	31,915,265
Decrease in short-term loans and advances to related parties	1,091,230	441,812,108	117,738	703,641
Decrease (increase) in loans to related parties	482,670	6,382,627	(34,694,361)	160,411,144
Interest income	17,041,021	72,337,962	127,341	28,552,469
Cash paid for purchases of investments in subsidiaries (Note 18)	(20,655,711,990)	(1,402,736,210)	(20,655,711,990)	(378,873,670)
Cash paid for purchases of investments in associates	(1,251,930)	-	-	-
Decrease in investment in subsidiaries	20,000,000	-	2,028,246	-
Dividend income - net	-	-	1,110,286,540	3,254,347
Cash received from non-controlling interest of subsidiary for investment in a subsidiary	20,000,000	-	-	-
Cash paid for expenses relating to business combination under common control	(171,404,845)	-	(171,404,845)	-
Advance payment for investment in subsidiary	(250,000,000)	-	(250,000,000)	-
Increase in advances for asset acquisitions	(1,103,873,190)	(1,017,292)	-	-
Increase in elevated rail project costs	(1,325,112,315)	(1,075,715,585)	-	-
Decrease (increase) in land and projects awaiting development	(41,090,337)	(1,119,199,661)	2,553,460	3,060,076
Cash paid for purchases of property, plant and equipment	(1,639,202,638)	(866,732,780)	(126,874,272)	(32,992,491)
Cash received from sales of property, plant and equipment	5,801,123	11,134,414	470,690	302,336
Cash paid for purchases of intangible assets	(4,394,018)	(9,969,081)	(883,010)	(1,989,767)
Cash paid for purchases of condominiums and fixtures for lease	(2,676,430)	(352,697)	(2,676,430)	(352,697)
Cash received from sales of condominiums and fixtures for lease	5,230,000	-	5,230,000	-
Net cash used in investing activities	(24,794,470,356)	(3,818,056,039)	(20,140,925,408)	(306,009,347)

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



BTS Group Holdings Public Company Limited and its subsidiaries
(Formerly known as "Tanayong Public Company Limited")

CASH FLOW STATEMENT (continued)

For the years ended 31 March 2011 and 2010



(Unit: Baht)				
	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
		(Restated)		(Restated)
Cash flows from financing activities				
Decrease in cash deposited as collateral for debt settlement	14,832,680	17,163,621	14,832,680	17,163,621
Increase (decrease) in short-term loans from financial institution	(500,000,000)	(268,000,000)	(500,000,000)	100,000,000
Cash paid for short-term loan and advance from related parties	-	(241,239,292)	(65,558,598)	(2,704,951)
Increase in long-term loans	22,541,398,490	91,536,300	20,753,711,990	-
Cash paid for long-term loans	(20,760,911,990)	(2,677,471)	(20,753,711,990)	-
Increase in deposit payable	15,000,000	80,000,000	15,000,000	80,000,000
Cash received from issuance of long-term debentures	-	11,854,474,649	-	-
Cash received from issuance of convertible debentures	10,000,000,000	-	10,000,000,000	-
Cash paid for letter of credit fee for convertible debentures	(150,937,500)	-	(150,937,500)	-
Cash paid for costs relating to issue of convertible debentures	(183,525,039)	-	(183,525,039)	-
Cash received from issuance of ordinary shares	12,837,537,433	-	12,837,537,433	-
Dividend paid	(717,576,618)	-	(717,576,618)	-
Dividend paid to the existing shareholders of a subsidiary before business combination under common control	-	(1,286,030,399)	-	-
Dividend paid of a subsidiary to non-controlling interest of subsidiary	(305,301,317)	-	-	-
Cash received from sale of company's shares held by subsidiaries	24,414,638	-	-	-
Cash received from exercised warrants	-	383,129,236	-	383,129,236
Cash paid for creditors per rehabilitation plan	(32,539,205)	(10,230,201,434)	(32,810,109)	(214,858,960)
Net cash from financing activities	22,782,391,572	398,155,210	21,216,962,249	362,728,946
Increase (decrease) in translation adjustment	(713,281)	34,736	-	-
Net increase (decrease) in cash and cash equivalents	(652,327,281)	(1,873,673,750)	239,238,955	31,918,174
Cash and cash equivalents at beginning of the year	2,477,749,385	4,351,423,135	63,546,374	31,628,200
Cash and cash equivalents at end of the year	1,825,422,104	2,477,749,385	302,785,329	63,546,374

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

6.5

BTS Group Holdings Public Company Limited and its subsidiaries
(Formerly known as "Tanayong Public Company Limited")

CASH FLOW STATEMENT (continued)

For the years ended 31 March 2011 and 2010

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
		(Restated)		(Restated)
Supplemental cash flow information				
Non-cash transactions				
Issuance of ordinary shares to acquire BTSC's ordinary shares	19,378,813,429	-	19,378,813,429	-
Issuance of BTSC's ordinary shares to settle account payable from subsidiaries' acquisition	500,000,000	-	-	-
Deposit assets awaiting transfer under rehabilitation plan as guarantee for debt settlement	150,465,380	-	-	-
Transfer property, plant and equipment to land and projects awaiting development	338,086,370	-	-	-
Transfer land and projects awaiting development to real estate development costs	-	49,997,570	-	49,997,570
Transfer advances for asset acquisitions to elevated project costs	613,923,395	-	-	-
Transfer advances for asset acquisitions to property, plant and equipment	38,338,785	-	-	-
Transfer elevated project costs to property, plant and equipment	41,720,005	-	-	-
Settle creditor per rehabilitation plan with cash deposited as collateral for debt settlement	48,151,965	-	48,151,965	-
Receive BTSC's ordinary shares from receivable arising from sale of rights of claim	-	7,121,150	-	7,121,150
Investment in associate before business combination	-	640,152,000	-	640,152,000
Issuance ordinary shares to acquisition a subsidiary	-	548,444,000	-	548,444,000
Transfer rights of claim in debtor to settle debts per rehabilitation plan	-	100,000,000	-	100,000,000
Transfer BTSC's ordinary shares to settle debts per rehabilitation plan	-	19,201,057	-	19,201,057
Increase subsidiaries' share capital to settle loans from the Company	-	-	-	66,500,000
Increase subsidiaries' share capital to provide loan to the Company	-	-	-	64,438,158
Decrease in par value of ordinary shares to offset share discounts and deficit	20,120,139,319	-	20,120,139,319	-
Record settlement of inter-company loans with dividend received	-	-	2,396,263,275	-
Record settlement of investments in subsidiaries with dividend received	-	-	1,458,332,230	-
Swap investment in subsidiary under common control	-	-	1,613,661,108	-
Surplus on swap of investment in subsidiary under common control	-	-	325,065,107	-

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the years ended 31 March 2011 and 2010



(Unit: Baht)

	Consolidated financial statements									
	Equity attributable to the parent's shareholders									
	Issued and paid-up share capital	Share premium (discount)	Ordinary shares to be issued for business combination under common control	Surplus on business combination under common control	Revaluation surplus on assets	Revaluation deficit on changes in value of investments	Company's shares held by subsidiaries	Capital reserve on consolidation	Translation adjustment	Total
Balance as at 31 March 2009 - as previously reported	5,813,333,333	134,400,000	-	-	2,019,676,772	(700,040)	(15,888,956)	2,685,013	(134,095,474)	3,664,888,074
Accumulated adjustment of surplus on business combination under common control (Note 5)	-	-	19,378,813,429	(3,371,978,137)	581,093,901	-	-	-	-	12,539,590,706
Balance as at 31 March 2009 - as restated	5,813,333,333	134,400,000	19,378,813,429	(3,371,978,137)	2,600,710,673	(700,040)	(15,888,956)	2,685,013	(134,095,474)	16,204,478,780
Income recognised directly in equity:										
Investments in available-for-sale securities										
Gain recognised in shareholders' equity	-	-	-	-	-	317,460	-	-	-	317,460
Revaluation surplus on assets	-	-	-	-	19,093,268	-	-	-	-	19,093,268
Translation adjustment	-	-	-	-	-	-	-	-	34,736	34,736
Net income recognised directly in equity	-	-	-	-	19,093,268	317,460	-	-	34,736	19,445,464
Net income for the year	-	-	-	-	-	-	-	-	-	5,396,542,158
Total income for the year	-	-	-	-	19,093,268	317,460	-	-	34,736	5,415,987,622
Dividend paid to the existing shareholders of a subsidiary before business combination under common control	-	-	-	-	-	-	-	-	-	295,040,166
Retained earnings transferred to statutory reserve	-	-	-	-	-	-	-	-	-	295,040,166
Issuance of ordinary shares (Note 34)	1,801,058,470	(869,485,235)	-	-	-	-	-	-	-	931,573,235
Balance as at 31 March 2010	7,614,391,803	(735,085,235)	19,378,813,429	(3,371,978,137)	2,619,803,941	(382,580)	(15,888,956)	2,685,013	(134,060,738)	21,322,239,637
										23,820,556,055

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (continued)

For the years ended 31 March 2011 and 2010

(Unit: Baht)

	Consolidated financial statements														
	Equity attributable to the parent's shareholders														
	Share premium on sales of company's shares held by subsidiaries	Ordinary shares to be issued for business combination under common control	Surplus on business combination under common control	Convertible debentures - equity component	Revaluation surplus on assets	Revaluation deficit on changes in value of investments	Company's shares held by subsidiaries	Capital reserve on consolidation	Translation adjustment	Retained earnings (deficit)	Appropriated	Unappropriated	Total equity attributable to the parent's shareholders	Non-controlling interests of subsidiaries	Total
Balance as at 31 March 2010 - as previously reported	7,614,391,803	(735,085,235)	-	-	2,038,770,040	(382,580)	(15,888,956)	2,685,013	(134,060,738)	-	(3,929,809,823)	-	4,840,619,524	14,970,455	4,855,589,979
Accumulated adjustment of surplus on business combination under common control (Note 5)	-	-	19,378,813,429	(3,371,978,137)	581,033,901	-	-	-	-	(1,206,249,080)	1,100,000,000	-	16,481,620,113	2,483,345,963	18,964,966,076
Balance as at 31 March 2010 - as restated	7,614,391,803	(735,085,235)	19,378,813,429	(3,371,978,137)	2,619,803,941	(382,580)	(15,888,956)	2,685,013	(134,060,738)	(5,136,058,903)	1,100,000,000	-	21,322,238,637	2,488,316,418	23,820,556,055
Income and expenses recognised directly in equity:															
Investments in available-for-sale securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain recognised in shareholders' equity	-	-	-	-	-	1,247,145	-	-	-	-	-	-	1,247,145	-	1,247,145
Translation adjustment	-	-	-	-	-	-	-	-	(713,281)	-	-	-	(713,281)	-	(713,281)
Disposal of company's shares held by subsidiaries	-	8,525,682	-	-	-	-	15,888,956	-	-	-	-	-	24,414,638	-	24,414,638
Net income and expenses recognised directly in equity	-	8,525,682	-	-	-	1,247,145	15,888,956	-	(713,281)	-	-	-	24,948,502	-	24,948,502
Net income for the year	-	-	-	-	-	-	-	-	(713,281)	284,913,296	-	284,913,296	284,913,296	60,708,853	345,622,149
Total income and expenses for the year	-	8,525,682	-	-	-	1,247,145	15,888,956	-	(713,281)	284,913,296	-	284,913,296	309,861,798	60,708,853	370,570,651
Dividend paid of a subsidiary to non-controlling interest of subsidiary	-	-	-	-	-	-	-	-	-	(345,305,627)	-	-	(345,305,627)	-	(345,305,627)
Disposal of investment in subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	20,000,000	20,000,000
Issuance additional ordinary shares of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	20,000,000	20,000,000
Issuance ordinary shares of the subsidiary to settle account payable from subsidiaries' acquisition (Note 18)	-	-	-	-	-	-	-	-	-	-	-	-	-	500,000,000	500,000,000
Issuance of ordinary shares (Note 34)	48,274,884,082	(16,058,533,220)	-	(19,378,813,429)	-	-	-	-	-	-	-	-	12,837,537,433	-	12,837,537,433
Decrease in par value of ordinary shares (Note 34)	(20,120,139,319)	16,793,618,455	-	-	-	-	-	-	-	3,326,520,864	-	-	-	-	-
Convertible debentures - equity component (Note 33)	-	-	-	-	-	-	1,356,596,955	-	-	-	-	-	1,356,596,955	-	1,356,596,955
Dividend paid (Note 42)	-	-	-	-	-	-	-	-	-	(720,732,720)	-	-	(720,732,720)	-	(720,732,720)
Retained earnings transferred to statutory reserve	-	-	-	-	-	-	-	-	-	203,890,172	(203,890,172)	-	-	-	-
Balance as at 31 March 2011	35,769,136,566	-	8,525,682	(3,371,978,137)	1,356,596,955	2,619,803,941	864,565	2,685,013	(134,774,019)	(2,794,553,262)	1,303,890,172	3,099,025,271	34,760,197,476	37,859,222,747	37,859,222,747

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (continued)

For the years ended 31 March 2011 and 2010



	Separate financial statements							(Unit: Baht)
	Ordinary shares			Surplus on business combination under common control				
	Issued and paid-up share capital	Share premium (discount)	to be issued for business combination under common control	Surplus on business combination under common control	Revaluation surplus on assets	Revaluation deficit on changes in value of investments	Deficit	Total
Balance as at 31 March 2009 - as previously reported	5,813,333,333	134,400,000	-	-	2,019,676,772	(700,040)	(4,419,632,324)	3,547,077,741
Accumulated adjustment of surplus on business combination under common control (Note 5)	-	-	19,378,813,429	(3,371,978,137)	-	-	-	16,006,835,292
Balance as at 31 March 2009 - as restated	5,813,333,333	134,400,000	19,378,813,429	(3,371,978,137)	2,019,676,772	(700,040)	(4,419,632,324)	19,553,913,033
Income recognised directly in equity:								
Investments in available-for-sale securities								
Gain recognised in shareholders' equity	-	-	-	-	-	317,460	-	317,460
Net income recognised directly in equity	-	-	-	-	-	317,460	-	317,460
Net income for the year	-	-	-	-	-	-	207,697,439	207,697,439
Total income for the year	-	-	-	-	-	317,460	207,697,439	208,014,899
Issuance of ordinary shares (Note 34)	1,801,058,470	(869,485,235)	-	-	-	-	-	931,573,235
Balance as at 31 March 2010	7,614,391,803	(735,085,235)	19,378,813,429	(3,371,978,137)	2,019,676,772	(382,580)	(4,211,934,885)	20,693,501,167

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (continued)

For the years ended 31 March 2011 and 2010

(Unit: Baht)

	Separate financial statements									
	Issued and paid-up share capital	Share discount	Ordinary shares to be issued for business combination under common control	Surplus on business combination under common control	Convertible debentures - equity component	Revaluation surplus on assets	Revaluation surplus (deficit) on changes in value of investments	Surplus on swap of investment in subsidiary under common control	Retained earnings (deficit) Appropriated	Total
Balance as at 31 March 2010 - as previously reported	7,614,391,803	(735,085,235)	-	-	-	2,019,676,772	(382,580)	-	-	4,686,665,875
Accumulated adjustment of surplus on business combination under common control (Note 5)	-	-	19,378,813,429	(3,371,978,137)	-	-	-	-	-	16,006,835,292
Balance as at 31 March 2010 - as restated	7,614,391,803	(735,085,235)	19,378,813,429	(3,371,978,137)	-	2,019,676,772	(382,580)	-	-	20,693,501,167
Income recognised directly in equity:										
Investments in available-for-sale securities										
Gain recognised in shareholders' equity	-	-	-	-	-	-	1,247,145	-	-	1,247,145
Net income recognised directly in equity	-	-	-	-	-	-	1,247,145	-	-	1,247,145
Net income for the year	-	-	-	-	-	-	-	-	-	-
Total income for the year	-	-	-	-	-	-	1,247,145	-	-	1,247,145
Issuance of ordinary shares (Note 34)	48,274,884,082	(16,058,533,220)	(19,378,813,429)	-	-	-	-	-	-	12,837,537,433
Decrease in par value of ordinary shares (Note 34)	(20,120,139,319)	16,793,618,455	-	-	-	-	-	-	-	-
Convertible debentures - equity component (Note 33)	-	-	-	-	1,356,596,955	-	-	-	-	1,356,596,955
Surplus on swap of investment in subsidiary under common control (Note 18)	-	-	-	-	-	-	-	325,065,107	-	325,065,107
Dividend paid (Note 42)	-	-	-	-	-	-	-	-	-	-
Retained earnings transferred to statutory reserve	-	-	-	-	-	-	-	-	(720,732,720)	(720,732,720)
Balance as at 31 March 2011	35,769,136,566	-	-	(3,371,978,137)	1,356,596,955	2,019,676,772	864,565	325,065,107	203,890,172	39,332,925,067

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



BTS Group Holdings Public Company Limited and its subsidiaries (Formerly known as "Tanayong Public Company Limited")

NOTES TO THE AUDITED FINANCIAL STATEMENTS

For the years ended 31 March 2011 and 2010

1. General information

BTS Group Holdings Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. Its major shareholder is the group of Keeree Kanjanapas. The group is principally engaged in the mass transit business, media business, property business and service business. The registered office of the Company is at 21 Soi Choei Phuang, Viphavadi-Rangsit Road, Jompol, Jatujak, Bangkok.

On 4 May 2010, the Company registered the change of its name from "Tanayong Public Company Limited" to "BTS Group Holdings Public Company Limited".

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Profession Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 30 January 2009, issued under the Accounting Act B.E. 2543.

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 on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2. Basis of consolidation

a) The consolidated financial statements include the financial statements of the Company and the following subsidiary companies ("the subsidiaries"):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding		Percentage of Assets ⁽¹⁾		Percentage of Revenue ⁽²⁾	
			as at		as at		for the year ended	
			31 March	31 March	31 March	31 March	31 March	31 March
			2011	2010	2011	2010	2011	2010
			(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)
Subsidiaries directly owned by the Company								
Dnal Co., Ltd.	Office rental	Thailand	100	100	0.11	0.24	0.95	0.79
Muangthong Assets Co., Ltd.	Hotel	Thailand	100	100	0.32	0.29	0.41	0.50
PrannaKiri Assets Co., Ltd.	Property development	Thailand	100	100	0.41	0.33	0.01	0.10
Yong Su Co., Ltd.	Termination of operation	Thailand	100	100	0.03	0.13	-	-
Tanayong Food and Beverage Co., Ltd.	Property development	Thailand	100	100	0.05	0.05	-	-
Thana City Golf & Sports Club Co., Ltd.	Club management and operation	Thailand	100	100	0.04	0.04	1.49	0.05

⁽¹⁾ Assets as a percentage to the consolidated total assets

⁽²⁾ Revenues as a percentage to the consolidated total revenues



Subsidiaries indirectly owned by the Company

Nuvu Line Agency Co., Ltd.	Real estate development	Thailand	-	80	-	3.18	-	-
Bangkok Smartcard System Co., Ltd.	Provision of electronic payment services	Thailand	90	100	0.75	0.35	0.02	-
BTS Assets Co., Ltd. (included equity interest in its subsidiaries)	Real estate development	Thailand	-	100	-	5.81	-	0.01
BTS Land Co., Ltd.	Real estate development	Thailand	-	100	-	0.02	-	-

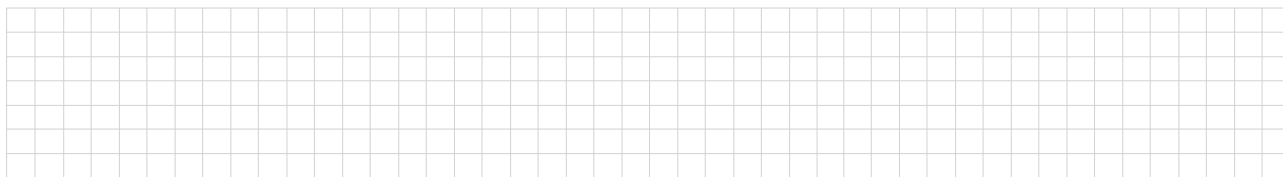
(2) Revenues as a percentage to the consolidated total revenues

(1) Assets as a percentage to the consolidated total assets

(2) Revenues as a percentage to the consolidated total revenues



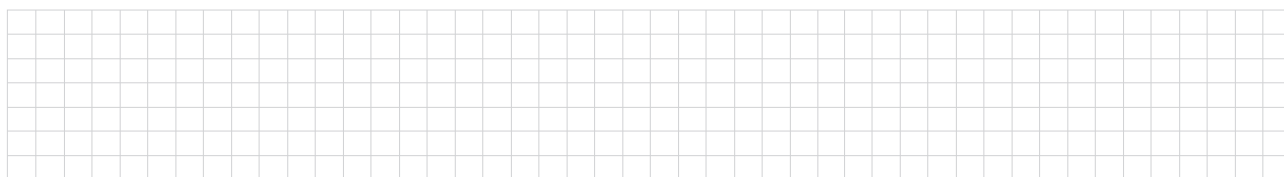
- b) Subsidiaries are fully consolidated as from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- c) The financial statements of the subsidiaries are prepared using consistent significant accounting policies as the Company.
- d) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the balance sheet date, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Translation adjustment" in shareholders' equity.
- e) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- f) Non-Controlling interests represent the portion of net income or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet.
- g) During the year ended 31 March 2010, five subsidiaries which are Luecha Land Development Co., Ltd., Tanayong Planner Co., Ltd., Thana City Management Co., Ltd., Thana City Place Co., Ltd. and Tac Architects Co., Ltd. liquidated their accounts. Therefore, the Company did not include the financial statements of such subsidiaries in its consolidated financial statements for the year ended 31 March 2010.
- h) On 28 May 2009, a meeting of the Company's Board of Directors passed a resolution to approve the purchase of the remaining shares of Kamala Beach Resort & Hotel Management Co., Ltd. ("Kamala") held by a company, as discussed in Note 19 to the financial statements. This increased the Company's shareholding in Kamala from 50% to 100%, resulting in a change in its status from an associate to a subsidiary. Kamala's financial statements have therefore been included in the consolidated financial statements as from 28 July 2009.
- i) On 12 February 2010, a meeting of the Company's Board of Directors passed a resolution to approve the Company establishing a new wholly owned subsidiary in Hong Kong, Tanayong Hong Kong Limited, in order to hold the shares of Absolute Hotel Services Hong Kong Limited, and to invest in overseas companies in the future. This Company is to have a registered share capital of HKD 10,000 (10,000 ordinary shares with a par value of HKD 1 each). The consolidated income statement for the year ended 31 March 2010 included the operating results of Tanayong Hong Kong Limited as from 15 March 2010 (the incorporation date).
- j) On 7 May 2009 and on 30 September 2009, BTSC acquired all ordinary shares of BTS Assets Company Limited for a price of Baht 500 million and VGI Global Media Company Limited and its subsidiaries for a price of Baht 2,500 million, respectively. These acquisitions were considered to be a business combination under common control. In this regards, the differences between costs of business combination under common control and net book values of two subsidiaries held by BTSC on the acquisition date, of Baht 2,503 million, was recorded as "Surplus on business combination under common control" in shareholders' equity in the balance sheets. Therefore, the consolidated income statement for the year ended 31 March 2010 included the operating results of two subsidiaries as from 1 April 2009, ignoring the actual dates of the business combination under common control (the acquisition dates of subsidiaries' shares).
- k) On 9 September 2009, BTSC incorporated BTS Land Company Limited, with a registered capital of Baht 10 million (fully paid-up). BTSC holds 100% of the ordinary shares of the subsidiary, which will engage in the real estate development. The consolidated income statement for the year ended 31 March 2010 included the operating results of the subsidiary as from 9 September 2009 (the incorporation date).



- m) On 24 September 2009, the Extraordinary General Meeting of shareholders of the subsidiary (VGI Global Media Company Limited) approved the subsidiary to acquire all ordinary shares of Point Of View (POV) Media Group Company Limited, representing 100% of the registered and paid-up capital, for a price of Baht 90 million.

On 31 October 2009, the subsidiary had been transferred all ordinary shares of Point Of View (POV) Media Group Company Limited and the subsidiary paid Baht 90 million as a price of share acquisition. Therefore, the subsidiary has controlled over Point Of View (POV) Media Group Company Limited since 31 October 2009 (the acquisition date) and the subsidiary has included the operating results of Point Of View (POV) Media Group Company Limited in the consolidated financial statements as from 1 November 2009.

- n) On 22 January 2010, BTS Assets Company Limited incorporated Kampoo Property Company Limited, with a registered capital of Baht 1,075 million (fully paid-up) and incorporated Kamkoong Property Company Limited, with a registered capital of Baht 375 million (fully paid-up). BTS Assets holds 100% of the ordinary shares of two companies, which will engage in the real estate development. The consolidated income statement for the year ended 31 March 2010 included the operating results of Kampoo Property Company Limited as from 22 January 2010 (the incorporation date).
- o) On 4 May 2010, the Company acquired ordinary shares of BTSC and its subsidiaries for a consideration of Baht 40,034.5 million. This acquisition was considered to be a business combination under common control, thus the Company restated the consolidated and separate financial statements as at 31 March 2010, and for the year then ended, which are presented herein solely for comparative purposes, as if BTSC and its subsidiaries, acquired in May 2010, had been subsidiaries of the Company since they were established. In this regards, the difference between the cost of this business combination under common control and the net book value of equity of BTSC and its subsidiaries (income and loss items recognised directly to the shareholders' equity) of Baht 3,372.0 million was recorded as "Surplus on business combination under common control" and separately presented in shareholders' equity in the balance sheets. The cumulative effect of the adjustments of surplus on business combination under common control has been presented under the heading of "Accumulated adjustment of surplus on business combination under common control" in the statements of changes in shareholders' equity. Therefore, the consolidated income statements for the years ended 31 March 2011 and 2010 included the operating results of BTSC and its subsidiaries as from 1 April 2010 and 2009, ignoring the actual date of the business combination under common control (the date of acquiring the shares of the subsidiaries).
- p) On 16 June 2010, a meeting of the Company's Board of Directors passed a resolution to approve the establishment of a subsidiary, Bangkok Smartcard Technology Company Limited, to engage in the provision of technology services. Such company is to have a registered share capital of Baht 2,000,000 (20,000 ordinary shares with a par value of Baht 100 each) (25% paid-up) and the Company will hold a 100% interest. The consolidated income statement for the year ended 31 March 2011 included the operating results of Bangkok Smartcard Technology Company Limited as from 6 July 2010 (the incorporation date).
- q) On 6 August 2010, VGI Global Media Company Limited paid Baht 29 million in full as an investment in ordinary shares of VGI Advertising China Company Limited, established in the People's Republic of China for engaging in managing and providing of advertising services in that country. The subsidiary holds 100% of the fully and paid-up shares capital of VGI Advertising China Company Limited. The consolidated income statements for the year ended 31 March 2011 included the operating results of the subsidiary as from 7 August 2010 (the incorporation date).
- r) On 11 February 2011, a meeting of the Company's Board of Directors passed a resolution to approve the purchase of 7,999,998 ordinary shares of BTS Assets Company Limited, representing a 100% shareholding, for a consideration of Baht 1,424.1 million from BTSC, the existing major shareholder.



- s) On 11 February 2011, a meeting of the Company's Board of Directors passed a resolution to approve the purchase of 99,997 ordinary shares of BTS Land Company Limited, representing a 100% shareholding, for a consideration of Baht 10.0 million from BTSC, the existing major shareholder.
- t) On 11 February 2011, a meeting of the Company's Board of Directors passed a resolution to approve the swap of 85,899,998 shares of Kamala Beach Resort & Hotel Management Company Limited, representing all of the Company's 100% stake in that company, for 16,007,998 shares of Nuvo Line Agency Company Limited, representing all of BTSC's 80% stake in that company, and an additional cash payment amounting to Baht 24.2 million.

Moreover, the Company purchased 4,002,000 shares for a consideration of Baht 250 million in Nuvo Line Agency Company Limited, equal to a 20% shareholding, from a company, Pacific Harbor Advisors Pte. Ltd., and granted a one-year option to the seller to buy back these shares at the option price. The Company will not record this transaction as investment in subsidiary until the option matures.

- 2.3 The separate financial statements, which present investments in subsidiaries and associates under the cost method, have been prepared solely for the benefit of the public.

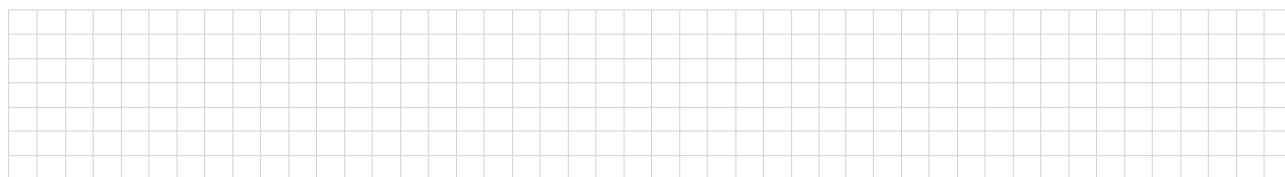
3. Adoption of new accounting standards

During the current year, the Federation of Accounting Professions issued a number of revised and new accounting standards (TAS, TFRS, TFRIC, SIC) as listed below.

- a) Accounting standards that are effective for fiscal years beginning on or after 1 January 2011 (except Framework for the Preparation and Presentation of Financial Statements, which is immediately effective):

Framework for the Preparation and Presentation of Financial Statements (revised 2009)

TAS 1 (revised 2009)	Presentation of Financial Statements
TAS 2 (revised 2009)	Inventories
TAS 7 (revised 2009)	Statement of Cash Flows
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2009)	Events after the Reporting Period
TAS 11 (revised 2009)	Construction Contracts
TAS 16 (revised 2009)	Property, Plant and Equipment
TAS 17 (revised 2009)	Leases
TAS 18 (revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (revised 2009)	Borrowing Costs
TAS 24 (revised 2009)	Related Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (revised 2009)	Interests in Joint Ventures
TAS 33 (revised 2009)	Earnings per Share
TAS 34 (revised 2009)	Interim Financial Reporting



TAS 36 (revised 2009)	Impairment of Assets
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2009)	Intangible Assets
TAS 40 (revised 2009)	Investment Property
TFRS 2	Share-Based Payment
TFRS 3 (revised 2009)	Business Combinations
TFRS 5 (revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources
TFRIC 15	Agreements for the Construction of Real Estate
SIC 31	Revenue - Barter Transactions Involving Advertising Services

b) Accounting standards that are effective for fiscal years beginning on or after 1 January 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
SIC 10	Government Assistance - No Specific Relation to Operating Activities
SIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
SIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

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, except for the following accounting standards which management expects the impact on the financial statements in the year when they are adopted.

TAS 12 Income Taxes

This accounting standard requires an entity to identify temporary differences, which are differences between the carrying amount of an asset or liability in the accounting records and its tax base, and to recognize deferred tax assets and liabilities under the stipulated guidelines.

At present, the management is evaluating the impact on the financial statements in the year when this standard is adopted.

TAS 19 Employee Benefits

This accounting standard requires employee benefits to be recognised as expense in the period in which the service is performed by the employee. In particular, an entity has to evaluate and make a provision for post-employment benefits or liabilities arising from other defined benefit plans using actuarial techniques. Currently, the Company accounts for such employee benefits when they are incurred.

At present, the management is evaluating the impact on the financial statements in the year when this standard is adopted.

TAS 40 (revised 2009) Investment Property

This accounting standard requires land or buildings, or part of a building that is held (by the owner or by a lessee under a finance lease) to earn rental or for capital appreciation to be classified as investment property. Investment property is initially measured at cost and remeasured after initial recognition using the fair value method, gain or loss from changes in the fair value of the investment property included in net profit or loss for the period in which they arise, or using the cost method in accordance with the TAS 16 (revised 2009) "Property, plant and equipment".

Accounting standards adopted before the effective date

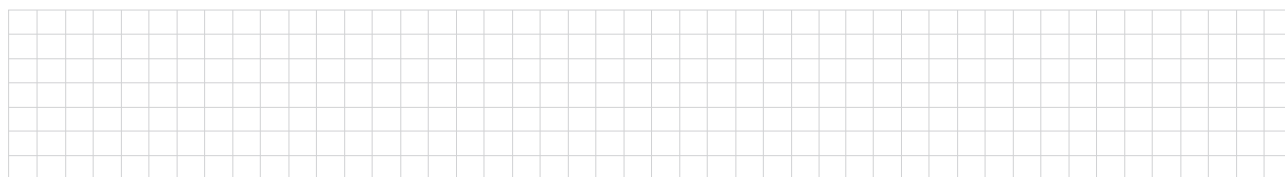
Early adoption of these accounting standards had no impact on the balance sheets as at 31 March 2011 and 2010, and the income statements for the years then ended, except that, during the current year, the Company received dividend amounting to Baht 4,964.9 million from BTSC (dividend received from income arising prior to acquisition of the subsidiary) and recorded this transaction as revenue under the caption of "Dividend income" in the income statement for the current year.

During the year ended 31 March 2010, the Company and its subsidiaries changed their accounting policy for recognition of revenues from sales of land, land and houses and condominium units from the percentage of completion method to recognising revenues in full when ownership is transferred to the buyers. This change was made in line with International Accounting Standard.

However, the change in accounting policy has no impact on the balance sheet as at 31 March 2010 and the income statement for the year then ended since the revenues recognised during the year 2010 were from sales of completed projects that were ready to be transferred to the buyer.

Since the acquisition of ordinary shares of BTSC and its subsidiaries was considered to be a business combination under common control, the Company restated the consolidated and separate financial statements as at 31 March 2010 and for the year then ended, which are presented herein solely for comparative purposes, as if BTSC and its subsidiaries, acquired in May 2010, had been subsidiaries of the Company since they were established. In this regards, the difference between the cost of this business combination under common control and the net book value of equity of BTSC and its subsidiaries (income and loss items recognised directly to the shareholders' equity) of Baht 3,372.0 million was recorded as "Surplus on business combination under common control" and separately presented in shareholders' equity in the balance sheets. The cumulative effect of the adjustments of surplus on business combination under common control has been presented under the heading of "Accumulated adjustment of surplus on business combination under common control" in the statements of changes in shareholders' equity. Therefore, the consolidated income statements for the years ended 31 March 2011 and 2010 included the operating results of BTSC and its subsidiaries as from 1 April 2010 and 2009, ignoring the actual date of the business combination under common control (the date of acquiring the shares of the subsidiaries).

In addition, the Company adjusted the value of the investment in subsidiary in the separate financial statements as of 31 March 2010, previously recorded under the cost method, increasing it by Baht 36,662.5 million, while in the consolidated financial statements it recorded the accounts payable as of 31 March 2010 as a result of the acquisition of the subsidiary, amounting to Baht 21,155.7 million (Separate financial statements: Baht 20,655.7 million), and the ordinary shares to be issued as part of the business combination under common control, amounting to Baht 19,378.8 million (Separate financial statements: Baht 19,378.8 million), in order to reflect the surplus as a result of the business combination. These amounts represent payments made during the year ended 31 March 2011 for the purposes of investment in BTSC and its subsidiaries.



6. Significant accounting policies

6.1 Revenue recognition

- a) Revenues from sales of land, land and houses and condominium units are recognised in full when ownership is transferred to the buyers.
- b) Revenues from construction services are recognised when services have been rendered taking into the stage of completion. Stage of completion is measured by reference to total costs incurred as a percentage of total budgetary cost in relation to the projects.

The recognised revenue which is not yet due per the contracts has been presented under the heading of "Unbilled receivables" under current assets.

- c) Fare box revenues are recognised when services have been rendered. Fare box revenues are valued at ticket price after deducting discounts on fare. Prepaid value in passengers' stored value ticket is recorded as unearned revenues in the current liabilities.
- d) Income from providing of operating services is recognised when services have been rendered and represent the invoiced value (excluding value added tax) of services rendered after deducting discounts and service charges. Service rate charged is in accordance with rates as stipulated in the contracts.
- e) Space rental income is income from renting of the advertising spaces and the spaces for retails. Space rental income is recognised on an accrual basis in accordance with the contracts. Rental rate charged is in accordance with rental areas, rental rate charged per area, and rental period as stipulated in the contract.
- f) Service revenue is recognised when services have been rendered taking into account the stage of completion, excluding value added tax.
- g) Revenues from utility services are recognised when services have been rendered and represent the invoiced value (excluding value added tax) of services rendered after deducting discounts and service charges reference to the term of the contract.
- h) Management income is recognised when services have been rendered, with reference to the term of the contract, excluding value added tax.
- i) Rental income in conjunction with apartments and condominiums is recognised as revenue on an accrual basis.
- j) Revenues from hotel operations, mainly consisting of room and restaurant revenues, are recognised when services have been rendered and represent the invoiced value (excluding value added tax) of goods supplied and services rendered after deducting discounts and service charges.
- k) Interest income is recognised on an accrual basis based on the effective interest rate.
- l) Dividends are recognised when the right to receive the payment is established.



Cost of sales of real estate

Cost of construction services

Provision for anticipated losses on construction projects is made in the accounts in full when the likelihood of loss is ascertained.

Cost of sales and services and other expenses are recognised on an accrual basis.

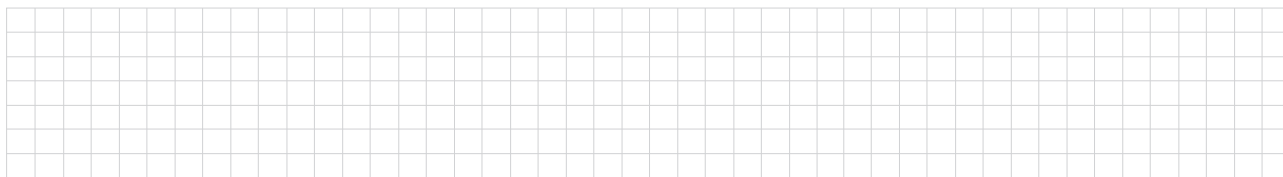
Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

Trade accounts receivable are stated at net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

Real estate development costs are stated at cost less allowance for loss on diminution in value.

Real estate development costs consist of the costs of land, land development, project management fees, construction and related interest.

- a) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded as a separate item in shareholders' equity, and will be recorded as gains or losses in the income statement when the securities are sold.
- b) Investments in debt securities, both due within one year and expected to be held to maturity, are recorded at amortised cost. The premium/discount on debt securities is amortised/accreted by the effective rate method with the amortised/accreted amount presented as an adjustment to the interest income.
- c) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for loss on diminution in value (if any).
- d) Investments in associates are accounted for in the consolidated financial statements using the equity method.
- e) Investments in subsidiaries and associates are accounted for in the separate financial statements using the cost method.



The fair value of marketable securities is based on the latest bid price of the last working day of the year. The fair value of debt instruments is determined based on yield rates quoted by the Thai Bond Market Association or yield rate of government bond adjusted by an appropriate risk factor, as the case may be. The fair value of unit trusts is determined from their net asset value.

The weighted average method is used for computation of the cost of investments.

In the event the Company reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded as gains or losses in the income statement or recorded as surplus (deficit) from changes in the value of investments in shareholders' equity, depending on the type of investment that is reclassified.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised as income or expenses in the income statement.

6.7 Spare parts and amortisation

Spare parts - Automatic Fare Collection system are consisted as follows:

- a) Consumable spare parts are valued at the lower of cost (weighted average method) and net realisable value and are charged to costs of fare box whenever actually consumed.
- b) Reusable spare parts are stated at cost less accumulated amortisation. Amortisation of reusable spare parts is calculated by reference to their costs on the unit of production basis as it is used in elevated rail project costs. The subsidiary amortises them as costs of fare box over the concession period.

Spare parts - awaiting transfer, presented as a part of elevated rail project costs, are stated at cost less accumulated amortisation. Amortisation of spare parts-awaiting transfer is calculated by reference to their costs on the unit of production basis, as it is used in elevated rail project costs. The subsidiary amortises them as costs of fare box over the concession period.

Spare parts - maintenance contract are stated at cost as defined in the maintenance contract. The subsidiary recognises them as costs of fare box whenever actually consumed, after the contract expires.

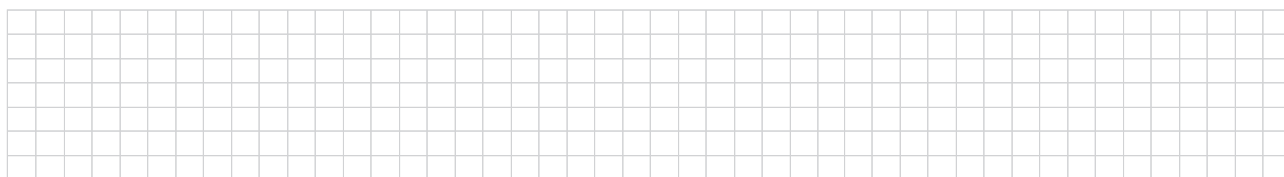
6.8 Property, plant and equipment and depreciation

Land is stated at revalued amount and buildings and equipment are stated at cost or revalued amount less accumulated depreciation and allowance for loss on impairment of assets (if any).

Land, buildings and improvements and golf course development costs are initially recorded at cost on the acquisition date, and subsequently revalued by an independent professional appraiser to their fair values. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the balance sheet date.

Differences arising from the revaluation are dealt with in the financial statements as follows:

- When an asset's carrying amount is increased as a result of a revaluation of the Company's assets, the increase is credited directly to equity under the heading of "Revaluation surplus on assets". However, a revaluation increase will be recognised as income to the extent that it reverses a revaluation decrease of the same asset previously recognised as an expense.



- When an asset's carrying amount is decreased as a result of a revaluation of the Company's assets, the decrease is recognised as an expense in the income statements. However, a revaluation decrease is to be charged directly against the related "Revaluation surplus on assets" to the extent that the decrease does not exceed the amount held in the "Revaluation surplus on assets" in respect of those same assets. Any excess amount is to be recognised as an expense in the income statements.

Depreciation of plant and equipment is calculated by reference to their costs or the revalued amounts on the straight-line basis over the following estimated useful lives:

Buildings and improvements	5 - 20 years
Leasehold improvement	At the lower of lease period or 5 years
Golf course development costs	5 - 30 years
Furniture and office equipment	3 - 5 years
Machinery and equipment	3 - 10 years
Motor vehicles	5 years

Depreciation is included in determining income.

No depreciation is provided on land and construction in progress.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

6.9 Leasehold rights and amortisation

Leasehold rights are stated at cost less accumulated amortisation and allowance for loss on impairment of assets (if any). Amortisation of leasehold rights is calculated by reference to their cost on a straight-line basis over the leasehold period.

Amortisation is included in determining income.

6.10 Condominiums and fixtures for lease and depreciation

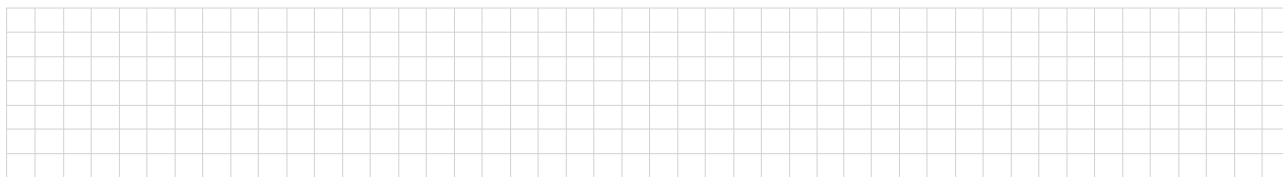
Condominiums and fixtures for lease are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any). Depreciation is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Condominiums for lease	Period of lease
Fixtures	5 years

Depreciation is included in determining income.

6.11 Intangible assets

Intangible assets acquired through business combination are initially recognised at their fair value on the date of business acquisition while intangible assets acquired in other cases are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.



Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to the income statement.

Intangible asset with finite useful life of the Company is computer software with estimated useful life of 5 years.

No amortisation is provided on intangible assets under development.

6.12 Elevated rail project costs and Unit of Throughput Amortisation Method (Unit of Throughput Amortisation Method/ unit of production)

Elevated rail project costs are stated at cost less any accumulated amortisation and any impairment losses (if any). The subsidiary has capitalised all expenditures and other related expenses as an asset (elevated rail project costs) and amortised as costs of fare box and administrative expenses over the concession period.

Elevated rail project costs include management and consulting fees, design costs, civil works, electrical and mechanical works and rolling stock purchased during the concession period, interest and other financing expenses, including exchange gains and losses incurred before commencement of operations.

Amortisation of elevated rail project costs is calculated by reference to their costs on the Unit of Throughput Amortisation Method as the following formula:-

Annual amortisation = Net elevated rail project costs x Percentage of passengers for the year

Net elevated rail project costs are elevated rail project costs less accumulated amortisation.

Percentage of passengers for the year =
$$\frac{\text{Current year's actual passengers}}{(\text{Current year's actual passengers} + \text{Projected passengers during the remaining concession period})}$$

6.13 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in the income statement.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.



Leases of equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term liabilities, while the interest element is charged to the income statements over the lease period. Assets acquired under finance leases are depreciated over the useful life of the asset.

6.15 Borrowing costs

6.16 Company's shares held by subsidiaries

6.17 Related party transactions

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

6.18 Foreign currencies

Gains and losses on exchange are included in determining income.

6.19 Impairment of assets

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Income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

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 from these estimates. Significant judgments and estimates are as follows:

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgment regarding whether significant risk and rewards of ownership of the leased asset have been transferred, taking into consideration terms and conditions of the arrangement.

In determining an allowance for doubtful accounts, the management needs to make judgment and estimates based upon, among other things, past collection history, ageing profile of outstanding debts and the prevailing economic condition.

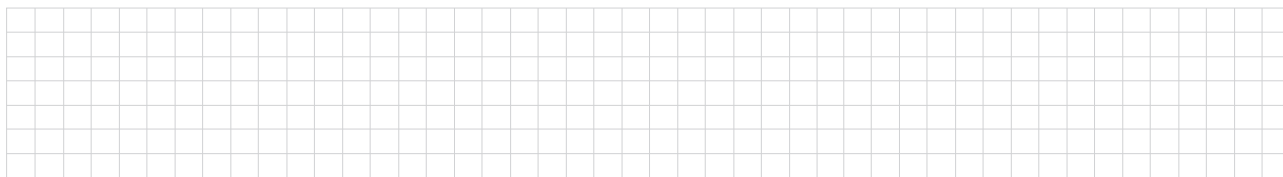
In determining the fair value of financial instruments that are not actively traded and for which quoted market prices are not readily available, the management exercise judgment, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of liquidity, correlation and longer-term volatility of financial instruments.

The Company and its subsidiaries treat available-for-sale investments and other investments as impaired when the management judges that 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.

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and salvage values of the Company's and its subsidiaries' plant and equipment and to review estimated useful lives and salvage values when there are any changes.

The Company measures land, buildings and improvements and golf course development costs at revalued amounts. Such amounts are determined by the independent valuer using the market approach for land and the depreciated replacement cost for buildings and improvements and golf course development costs. The valuation involves certain assumptions and estimates.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.



Real estate development cost estimation

In recognising revenue from real estate sales, the Company needs to estimate all project development costs, including land costs, land improvement costs, design costs, construction costs, and borrowing costs for construction. The management estimates these costs based on their business experience and revisits the estimation on a periodical basis or when the actual costs incurred significantly vary from the estimation.

Estimated construction costs

The Company and its subsidiaries estimate cost of construction based on details of the construction work, taking into account the volume and value of construction materials to be used in the project, labour costs and overhead costs to be incurred to completion of service, including forecast for any changes. Estimates are reviewed regularly or whenever actual costs differ significantly from the figures used in the original estimates.

Goodwill and intangible assets

The initial recognition and measurement of goodwill and other intangible assets, and subsequent impairment testing, require management of the Company and its subsidiaries to make judgment, based on regulations, information and assumption to determine the fair value of identifiable assets, liabilities and contingent liabilities at the acquisition date, and make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Accrued expenses

In determining a provision for the Company's and its subsidiaries operation, the management needs to make judgment and estimates, based upon regulations, and information relating to the scope of works and benefits received by the Company and its subsidiaries, recording expenses as of the balance sheet date. The management of the Company and its subsidiaries believes that the actual expenses will be closed to their estimation as recorded.

Litigation

The Company and its subsidiaries have contingent liabilities as a result of litigation. The Company's and its subsidiaries' management have used judgment to assess of the results of the litigation and believe that no loss will result. Therefore no contingent liabilities are recorded as at the balance sheet date.

8. Related party transactions

During the years, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.



For the years ended 31 March

⁽¹⁾ Cease charging interest to United Bangkok Development Co., Ltd. on 6 August 2009, in accordance with the comptroller's order. Subsequently, on 23 November 2010, the Central Bankruptcy Court declared this company bankrupt.

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(Unit: Thousand Baht)

(1) As at 31 March 2011, such company was not identified as a related company since the Company's director had not been a major shareholder since 18 June 2010.



	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
		(Restated)		(Restated)
Loans to related parties				
Subsidiaries				
Sampaopetch Co., Ltd.	-	-	2,373,865	2,326,257
Tanayong International Ltd.	-	-	1,347,307	1,337,371
Muangthong Assets Co., Ltd.	-	-	41,613	7,845
Siam Paging and Communication Co., Ltd.	-	-	42,410	39,924
Tanayong Food and Beverage Co., Ltd.	-	-	40,652	38,711
BTS Assets Co., Ltd.	-	-	2,025,946	-
Tanayong Hong Kong Limited	-	-	1,210	-
Nuvo Line Agency Co., Ltd.	-	-	306,268	-
BTS Land Co., Ltd.	-	-	72,173	-
Total	-	-	6,251,444	3,750,108
Less: Allowance for doubtful debts	-	-	(3,731,802)	(3,670,641)
	-	-	2,519,642	79,467
Associate				
Saraburi Property Co., Ltd.	501,225	500,929	501,225	500,929
Less: Allowance for doubtful debt	(501,225)	(493,329)	(501,225)	(493,329)
	-	7,600	-	7,600
Related companies				
United Bangkok Development Co., Ltd. ⁽²⁾ ⁽³⁾	-	3,233,725	-	3,223,416
Time Station Co., Ltd. ⁽²⁾	291,356	291,382	291,356	291,382
Hwa Kay Thai (Thailand) Co., Ltd.	54,129	53,598	-	-
Total	345,485	3,578,705	291,356	3,514,798
Less: Allowance for doubtful debts	(345,485)	(3,578,705)	(291,356)	(3,514,798)
	-	-	-	-
Net	-	7,600	2,519,642	87,067
Retention receivable				
Subsidiary				
BTS Assets Co., Ltd.	-	-	46,395	5,722
Total	-	-	46,395	5,722
Advance to contractor				
Subsidiary				
Hip Hing Construction (Thailand) Co., Ltd.	-	-	174,604	240,638
Total	-	-	174,604	240,638

⁽³⁾ On 23 November 2010, the Central Bankruptcy Court declared this company bankrupt.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
		(Restated)		(Restated)
Trade accounts payable				
Subsidiary				
Hip Hing Construction (Thailand) Co., Ltd.	-	-	139,746	100,592
	-	-	139,746	100,592
Related companies				
Hip Hing Overseas Limited ⁽⁴⁾	-	3,016	-	-
Hwa Kay Thai (Thailand) Co., Ltd.	319	-	-	-
	319	3,016	-	-
Total	319	3,016	139,746	100,592
Accrued costs of construction				
Subsidiary				
Hip Hing Construction (Thailand) Co., Ltd.	-	-	229,292	35,163
Total	-	-	229,292	35,163
Short-term loan and advance from related party				
Subsidiary				
PrannaKiri Assets Co., Ltd.	-	-	-	64,443
Total	-	-	-	64,443
Advance received from employer				
Subsidiary				
BTS Assets Co., Ltd.	-	-	168,300	279,593
Total	-	-	168,300	279,593
Unearned income				
Subsidiary				
Nuvo Line Agency Co., Ltd.	-	-	-	76,784
Less: Current portion	-	-	-	(38,322)
Net	-	-	-	38,462
Other Payable				
Subsidiaries				
Hip Hing Construction (Thailand) Co., Ltd.	-	-	2,174	-
	-	-	2,174	-

⁽⁴⁾ This company was not identified as a related company since it sold all of its investment in a subsidiary on 15 December 2010.



	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
		(Restated)		(Restated)
Related companies				
K Surv Co., Ltd.	-	340	-	-
Hwa Kay Thai (Thailand) Co., Ltd.	120	-	-	-
Siam Capital Developments (Hong Kong) Limited	-	8,300	-	-
	120	8,640	-	-
Total	120	8,640	2,174	-
Retention payable				
Subsidiary				
Hip Hing Construction (Thailand) Co., Ltd.	-	-	50,095	6,948
Total	-	-	50,095	6,948

During the year ended 31 March 2011, movements of loans to related parties (excluding interest and before deducting allowance for doubtful debts) were as follows:

	(Unit: Thousand Baht)			
	Balance as at	During the year		Balance as at
Company's name	1 April 2010	Increase	Decrease	31 March 2011
Subsidiaries				
Sampaopetch Co., Ltd.	897,265	31	-	897,296
Muangthong Assets Co., Ltd.	7,838	41,000	(7,838)	41,000
Siam Paging and Communication Co., Ltd.	31,821	779	-	32,600
BTS Assets Co., Ltd.	-	2,019,100	-	2,019,100
Tanayong Hong Kong Limited	-	1,205	-	1,205
Nuvo Line Agency Co., Ltd.	-	305,234	-	305,234
BTS Land Co., Ltd.	-	71,929	-	71,929
Associate				
Saraburi Property Co., Ltd.	157,320	493	(8,470)	149,343
Related companies				
United Bangkok Development Co., Ltd. ⁽⁵⁾	1,144,359	-	(1,144,359)	-
Time Station Co., Ltd.	191,717	-	(26)	191,691

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Trade accounts receivable

(Unit: Thousand Baht)

The outstanding balances of trade accounts receivable are aged, based on due date, as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
		(Restated)		(Restated)
Unrelated parties				
Not yet due	304,790	277,271	-	-
Past due				
Up to 3 months	171,362	136,678	-	-
3 - 6 months	53,418	71,151	-	-
6 - 12 months	31,759	31,329	-	-
Over 12 months	8,990	10,962	-	-
Total	570,319	527,391	-	-
Posted date cheques	8,933	6,891	-	-
Barter receivables	-	1,286	-	-
Less: Allowance for doubtful debts	(7,318)	(8,773)	-	-
Net	571,934	527,204	125,356	102,799

The outstanding balances of other receivables are aged, based on due date, as follows:

	Consolidated and Separate financial statements	
	2011	2010
		(Restated)
Unrelated parties		
Past due		
Up to 3 months	15,123	13,508
3 - 6 months	4,771	4,732
6 - 12 months	654	803
Over 12 months	23,961	24,251
Total	44,509	43,294
Less: Allowance for doubtful debts	(22,823)	(22,025)
Net	21,686	21,269

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11. Unbilled receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
		(Restated)		(Restated)
Unbilled receivables				
Project value as per contracts	2,131,313	2,131,313	4,331,312	4,331,312
Accumulated amounts recognised as revenue on percentage of completion basis	2,079,705	1,817,929	3,575,705	2,134,586
Less: Value of total billed	(2,047,771)	(1,786,311)	(3,111,930)	(2,071,615)
Unbilled receivables	31,934	31,618	463,775	62,971

12. Account receivable from sale of rights of claim and interest receivable

On 4 July 2008, the Company entered into an agreement to sell rights of claim in indebtedness of BTSC to an individual ("Buyer"). Buyer is to transfer BTSC's 17,121,150 ordinary shares and make a payment of Baht 297,565,558 to the Company. During the year ended 31 March 2009, the Company received BTSC's 10,000,000 ordinary shares and cash payment of Baht 20,000,000. During the year ended 31 March 2009, the Company received the remaining BTSC's 7,121,150 ordinary shares and cash payment of Baht 31,915,265. However, the Company transferred ordinary shares of BTSC to settle debt per the rehabilitation plan, as discussed in Note 30 to the financial statements.

On 28 October 2009, the Company transferred rights of claim in debt of Buyer amounting to Baht 100 million to a creditor, to settle debt under the rehabilitation plan. Buyer requested extensions of the payment period for the remaining debt and interest until 28 March 2010. The Company agreed to the extensions and Buyer is to pay interest at a rate of 15% per annum.

In May 2010, Buyer repaid loan with interest to the Company. Therefore, the Company recorded gain and interest income, totaling Baht 59.0 million, under the caption of “Revenue from sale of rights of claim” in the income statement for the year ended 31 March 2010.

13. Spare parts - Automatic Fare Collection system

As at the balance sheet date, the balances of spare parts - Automatic Fare Collection system were comprised as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
		(Restated)		(Restated)
Consumable spare parts	33,941	32,998	-	-
Reusable spare parts	60,962	60,402	-	-
Less: Accumulated amortisation on reusable spare parts	(8,062)	(6,827)	-	-
Reusable spare parts - net	52,900	53,575	-	-
Total spare parts - Automatic Fare Collection system - net	86,841	86,573	-	-

A subsidiary (BTSC) recorded an amortisation of spare parts - Automatic Fare Collection system for the year ended 31 March 2011, amounting to Baht 1.2 million (2010: Baht 1.3 million), as a part of costs of fare box in the income statements.

As at 31 March 2011, the Company had the outstanding balances of cash deposited with the Central Bankruptcy Court as guarantees of settlement of unsecured and secured creditors, amounting to Baht 192.0 million and Baht 40.7 million, respectively (2010: Baht 254.9 million and Baht 40.7 million, respectively), due to the debts pending final court judgment or comptroller's orders. Such amounts of cash deposited are still lower than the maximum amount of debt that may arise on a proportional basis of unsecured and secured creditors by Baht 95.6 million and Baht 416.5 million, respectively. The Company is obliged to pay or transfer assets to settle such debts as stipulated in the rehabilitation plan. However, the Company completely recorded such debts in its accounts and the secured creditors are provided guarantees by the mortgage of the Company's assets in full.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
		(Restated)		(Restated)
Real estate development costs - net	33,015	33,015	28,315	28,315
Land and projects awaiting development - net	39,921	39,921	39,921	39,921
Property, plant and equipment - net	989	152,625	989	2,159
Total	73,925	225,561	69,225	70,395

The Company held an open auction of assets awaiting transfer under the rehabilitation plan (5 items) and, on 14 May 2009, a company successfully bid to purchase the assets at a price of Baht 1,200 million (appraisal value of Baht 2,203 million). The Company is to transfer ownerships of the assets to this company within 29 July 2009, or the date set by order of the Central Bankruptcy Court. The successful bidder had made payment amounting to Baht 120 million to the Company as a guarantee and the Company recorded this transaction under the heading of "Restricted deposits" in the balance sheets. The Company signed an agreement to purchase and to sell the assets on 10 July 2009.

On 1 July 2009, the Company entered into an agreement to acquire the rights to purchase certain auctioned assets (4 items), at a price of Baht 800 million, from such company. The Company paid an advance amounting to Baht 40 million to such assets company in accordance with a memorandum between the Company and such company. On 29 September 2010, the Company amended the agreement to acquire the rights to purchase certain of the assets that were auctioned to that company, from assets valued at Baht 800 million (4 items) to assets valued at Baht 500 million (3 items). The Company received the return of guarantee money amounting to Baht 15 million from that company.

The Company and the purchaser are in the process of complying with the terms and conditions stipulated in the agreements. However, a creditor of the Company submitted a petition to cancel the auction to the Central Bankruptcy Court. The Central Bankruptcy Court has dismissed the petition and the creditor has appealed the decision. However, the Supreme Court has now also dismissed the petition.

In addition, the Company deposited two assets awaiting transfer under the rehabilitation plan (not included in the agreement to acquire the rights to purchase auctioned assets) with the Central Bankruptcy Court as collateral for debt settlement. The Company therefore recorded the Baht 708.5 million (Separate financial statements: Baht 859.0 million) difference between the value of the assets, amounting to Baht 150.5 million (Separate financial statements: Nil), and the balances of the relevant creditors per rehabilitation plan, amounting to Baht 859.0 million (Separate financial statements: Baht 859.0 million) as “Gain on deposit of assets as guarantee for debt settlement”, presenting it as a separate item in the income statement for the current year.

Consolidated financial statements

Fair value of the identifiable assets acquired and liabilities as at the acquisition date of investment in subsidiary can be summarised below.

	(Unit: Baht)
Cash and cash equivalents	36,092,747
Other current assets	2,076,289
Land and projects awaiting development	1,258,894,046
Other current liabilities	(175,082)
Total net assets	1,296,888,000
Less: Revaluation surplus on assets	(19,093,268)
Total	1,277,794,732
Less: Investment in Kamala before business combination (equity method)	(629,350,732)
Less: Issuance of ordinary shares for acquisition of subsidiary	(548,444,000)
Cash payment for purchase of investment in subsidiary	100,000,000
Less: Cash and cash equivalents of subsidiary	(36,092,747)
Net cash payment for purchase of investment in subsidiary	63,907,253

Separate financial statements

The details of investments in Kamala are as follows:

	(Unit: Baht)
Investments in Kamala before business combination	640,152,000
Cash payment for purchase of the remaining investments	100,000,000
Issuance of ordinary shares for acquisition of subsidiary	548,444,000
Total	1,288,596,000

In accordance with the resolution of Meeting No. 1/2011 of the Company's Board of Directors on 11 February 2011, the Company swapped 85,899,998 shares of Kamala, representing all of the Company's 100% stake in that company, for 16,007,998 shares of Nuvo Line, representing all of BTSC's 80% stake in that company, and an additional cash payment amounting to Baht 24.2 million. Moreover, there was novation of loans between the companies, with loans to Nuvo Line for which BTSC is the existing lender novating to the Company, as the new lender.

As a result of the swap of ordinary shares, the Company recognised surplus on swap of investment in subsidiary under common control amounting to Baht 325.1 million (the difference between the book value of the investment in Kamala together with cash payment amounting to Baht 24.2 million and the fair value of the 80% investment in Nuvo Line), presenting it as a separate item in shareholders' equity in the separate balance sheet.

Muangthong Assets Company Limited (“Muangthong”)

On 17 November 2009, a meeting of Board of Directors of Muangthong passed a resolution to approve the discontinuing of hotel operations since it had suffered losses as a result of the economic situation. Muangthong adjusted the values of assets and liabilities that had been impacted by the discontinuation of the hotel operations, with no significant impact to the consolidated financial statements for the year ended 31 March 2010. However, Muangthong will continue to operate other hotels.

- 2) Acquired 508,408,723 ordinary shares of BTSC from Keen Leader Investments Limited ("Keen Leader"), paying Baht 699,061,994.56 in cash and issuing 953,266,355 ordinary shares of the Company with a par value of Baht 1 each to Keen Leader and an exchange value of Baht 0.688 per share.
 - 3) Acquired 400,000,000 ordinary shares of BTSC from Mr. Keeree Kanjanapas ("Keeree"), paying Baht 550,000,000 in cash and issuing 750,000,000 ordinary shares of the Company with a par value of Baht 1 each to Keeree and an exchange value of Baht 0.688 per share.
- b) Acquired and transferred the entire business of Siam Rail Transport and Infrastructure Company Limited ("Siam Rail"), which holds 8,365,800,000 ordinary shares of BTSC. The Company is to pay Baht 11,502,975,000 in cash and to issue 15,685,875,000 ordinary shares of the Company with a par value of Baht 1 each to the shareholders of Siam Rail and an exchange value of Baht 0.688 per share.

As a result of these acquisition of ordinary shares and transfer of entire business, the Company held 15,022,335,992 ordinary shares of BTSC, equal to 94.60% of its issued and paid up capital. This acquisition was considered to be a business combination under common control, thus the Company restated the consolidated and separate financial statements as at 31 March 2010 and for the year then ended, which are presented herein solely for comparative purposes, as if BTSC and its subsidiaries, acquired in May 2010, had been a subsidiary of the Company since it was established. In this regards, the difference between the cost of this business combination under common control and the net book value of equity of BTSC (income and loss items recognised directly to the shareholders' equity) of Baht 3,372.0 million was recorded as "Surplus on business combination under common control" and separately presented in shareholders' equity in the balance sheets.

On the acquisition date of BTSC and its subsidiaries, net book values of assets and liabilities were summarised below.

(Unit: Baht)

Assets

Cash and cash equivalents	2,285,173,883
Current investments - deposits at financial institution	120,000,000
Trade accounts receivable - net	505,193,420
Spare parts - Automatic Fare Collection system - net	86,250,203
Real estate development costs	1,860,878,806
Other current assets	145,565,606
Restricted deposits	338,548,500
Elevated rail project costs - net	43,375,608,470
Spare parts - maintenance contract	292,771,346
Land and projects awaiting development	2,120,887,491
Property, plant and equipment - net	1,542,699,139
Intangible assets - net	23,312,624
Goodwill	78,656,476
Advances to contractors	726,197,050
Other non-current assets	69,367,391



	(Unit: Baht)
Liabilities	
Trade accounts payable	(321,406,465)
Other payable	(9,949,041)
Unearned income	(202,242,606)
Accrued interest	(135,000,000)
Accrued expenses	(345,987,956)
Retentions payable	(147,706,837)
Account payable from subsidiaries' acquisition	(500,000,000)
Other current liabilities	(190,388,328)
Long-term loan from a financial institution	(692,626,400)
Long-term debentures	(11,876,727,714)
Other non-current liabilities	(391,667)
Net assets	39,148,683,391
Less: Non-controlling interest of subsidiary	(2,486,136,109)
Total	36,662,547,282
Add: Surplus on business combination under common control	3,371,978,137
Purchase price	40,034,525,419
Less: Issuance of ordinary shares for acquisition of subsidiary	(19,378,813,429)
Cash payment for purchase of investment in subsidiary	20,655,711,990

On 28 June 2010, the Extraordinary General Meeting No.1/2010 of BTSC's shareholders approved to register a decrease in its share capital with the Ministry of Commerce as from Baht 21,036,516,393 (21,036,516,393 ordinary shares of Baht 1 each) to Baht 20,867,133,653 (20,867,133,653 ordinary shares of Baht 1 each), decreased by Baht 169,382,740 (169,382,740 ordinary shares of Baht 1 each). Therefore, as at 31 March 2011, BTSC had the registered share capital of Baht 20,867,133,653 (20,867,133,653 ordinary shares of Baht 1 each).

On 28 June 2010, BTSC issued Baht 500 million of ordinary shares (187,617,260 ordinary shares with a value of Baht 2.665 each) to settle the account payable from the acquisition of the subsidiaries (VGI Global Media Company Limited), resulting in a reduction of the Company's shareholding in BTSC to 93.50%.

On 28 July 2010, the Annual General Meeting of BTSC's shareholders passed a resolution to pay a dividend of Baht 650.7 million (the Company's share is Baht 608.4 million) from net income for the year ended 31 March 2010. BTSC paid the dividend on 18 August 2010.

Subsequently, on 24 February 2011, the Board of Director's Meeting of BTSC passed a resolution to pay a dividend of Baht 4,659.5 million (the Company's share is Baht 4,356.5 million) from net income for the nine-month period ended 31 December 2010. BTSC paid the dividend on 25 February 2011.

BTSC's ordinary shares have been pledged with a financial institution as collateral for letters of credit for the convertible debentures issued by the Company.

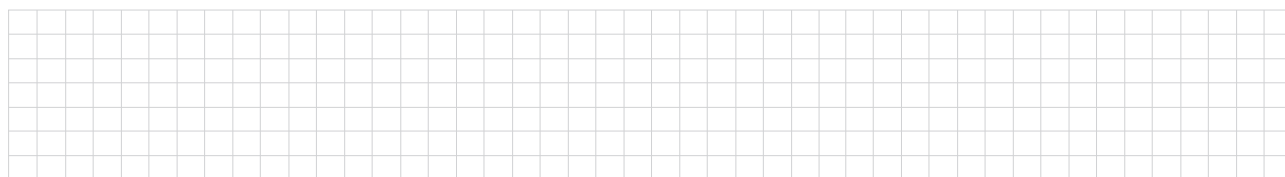
On 16 June 2010, a meeting of the Company's Board of Directors passed a resolution to approve the establishment of a subsidiary, Bangkok Smartcard Technology, to engage in the provision of technology services. Such company is to have a registered share capital of Baht 2,000,000 (20,000 ordinary shares with a par value of Baht 100 each) (25% paid-up) and the Company will hold a 100% interest. This company was established on 6 July 2010.

On 25 December 2008, BTSC acquired 100% of the ordinary shares of Nuvo Line. The difference amounted to Baht 13,351,716, between the cost of business combination under common control and the equity interest of BTSC in net book value of Nuvo Line, was recorded as a "Surplus on business combination under common control" and separately presented in shareholders' equity in the balance sheets.

(Unit: Baht)

Cash and cash equivalents	3,096,153
Real estate development costs	622,315,146
Short-term loans from related parties	(637,306,557)
Other current liabilities	(456,458)
Total net assets	(12,351,716)
Add: Surplus on business combination under common control	13,351,716
Purchase price	1,000,000

As a result of the swap of ordinary shares, the Company recognised surplus on swap of investment in subsidiary under common control amounting to Baht 325.1 million (the difference between the book value of the investment in Kamala together with cash payment amounting to Baht 24.2 million and the fair value of the 80% investment in Nuvo Line), presenting it as a separate item in shareholders' equity in the separate balance sheet.



In accordance with the resolution of Meeting No. 1/2011 of the Company's Board of Directors held on 11 February 2011, the Company purchased 4,002,000 shares for a consideration of Baht 250 million in a subsidiary, Nuvo Line, equal to a 20% shareholding, from another shareholder, Pacific Harbor Advisors Pte. Ltd., and granted a one-year option to the seller to buy back these shares at the option price. The Company will not record this transaction as investment in subsidiary until the option matures. As at 31 March 2011, the Company recorded such investment as advance payment for investment in subsidiary and separately presented it in the balance sheets.

BTS Assets Company Limited and its subsidiaries ("BTS Assets")

As at 31 March 2009, BTSC paid a Baht 250 million as a deposit for shares acquisition of BTS Assets to Maka Trading Company Limited, who was a current shareholder of BTS Assets at that time.

On 2 April 2009, BTSC entered into a loan agreement with BTS Assets relating to the provision of a credit facility of up to Baht 700 million. The loan carries interest at the Minimum Loan Rate (MLR) minus a certain spread stipulated in the agreement, is not collateralised, and is either repayable not later than 6 months after draw down, or can be converted to new ordinary shares of BTS Assets by the BTSC.

On 4 May 2009, BTSC entered into share acquisition agreement, of BTS Assets, with Maka Trading Company Limited for a price of Baht 500 million and on 7 May 2009, BTSC had been transferred all ordinary shares of BTS Assets from Maka Trading Company Limited. However, the shares acquisition of BTS Assets was considered to be a business combination under common control, BTSC treated BTS Assets as if it had been a subsidiary of BTSC since it was established and as if the deposit for shares acquisition of Baht 250 million as at 31 March 2009 was a part of the investments in BTS Assets. Difference between the costs of business combination under common control and the equity interest of BTSC in net book value of the subsidiary amounting to Baht 414,653,972 was recorded as "Surplus on business combination under common control" in the shareholders' equity in the balance sheets.

On the acquisition date of BTS Assets, net book values of assets and liabilities, acquired by BTSC, were summarised below.

	(Unit: Baht)
Cash and cash equivalents	55,105
Real estate development costs	1,013,415,227
Building under construction	457,983,133
Other current assets	20,053
Short-term loans from financial institutions	(868,000,000)
Trade accounts payable	(290,471,559)
Other payable - related parties	(206,160,149)
Accrued expenses	(21,495,782)
Total net assets	85,346,028
Add: Surplus on business combination under common control	414,653,972
Purchase price	500,000,000

On 15 June 2009, BTSC exercised its right to convert the entire outstanding loan of Baht 700 million (7,000,000 ordinary shares of Baht 100 each) to new ordinary shares of BTS Assets and the subsidiary registered the increase in its share capital from Baht 100 million (1,000,000 ordinary shares of Baht 100 each) to Baht 800 million (8,000,000 ordinary shares of Baht 100 each) with the Ministry of Commerce on that day. This circumstance made the Company's investment in BTS Assets increasing from Baht 500 million to Baht 1,200 million as of 31 March 2010.



On 22 January 2010, BTS Assets incorporated Kampoo Property Company Limited, with a registered capital of Baht 1,075 million (fully paid-up) and incorporated Kamkoong Property Company Limited, with a registered capital of Baht 375 million (fully paid-up). BTS Assets holds 100% of the ordinary shares of two companies, which will engage in the real estate development.

In accordance with the resolution of Meeting No. 1/2011 of the Company's Board of Directors, held on 11 February 2011, the Company purchased 7,999,998 ordinary shares of BTS Assets, representing a 100% shareholding, for a consideration of Baht 1,424 million from BTSC, the existing major shareholder. There was novation of the inter-company loans between the companies, with the lender of BTS Assets, as the borrower, changing from BTSC to the Company.

BTS Land Company Limited (“BTS Land”)

On 9 September 2009, BTSC incorporated BTS Land, with a registered capital of Baht 10 million (fully paid-up). BTSC holds 100% of the ordinary shares of BTS Land, which will engage in the real estate development.

In accordance with the resolution of Meeting No. 1/2011 of the Company's Board of Directors, held on 11 February 2011, the Company purchased 99,997 ordinary shares of BTS Land, representing a 100% shareholding, for a consideration of Baht 10 million from BTSC, the exiting major shareholder. There was novation of the intercompany loans between the companies, with the lender of BTS Land, as the borrower, changing from BTSC to the Company.

Subsidiaries indirectly owned by the Company

Point Of View (POV) Media Group Company Limited (“POV”)

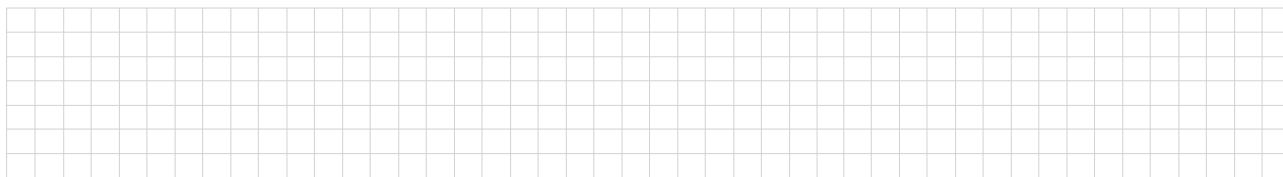
On 24 September 2009, the Extraordinary General Meeting of shareholders of VGI Global Media Company Limited ("VGI") approved the VGI to acquire all ordinary shares of POV, representing 100% of the registered and paid-up capital, for a price of Baht 90 million.

On 31 October 2009, VGI had been transferred all ordinary shares of POV and VGI paid Baht 90 million as a price of share acquisition. Therefore, VGI has controlled over POV since 31 October 2009 (the acquisition date) and VGI has included the operating results of POV in the consolidated income statements as from 1 November 2009.

VGI recorded the excess of the cost of the business combination over the net fair value of the identifiable assets, liabilities and contingent liabilities, held by VGI, as goodwill of Baht 78,656,476.

Values of identifiable assets, liabilities and contingent liabilities on the acquisition date of POV can be summarised below.

	(Unit: Baht)
Cash and cash equivalents	1,171,044
Trade accounts receivable	14,014,358
Other current assets	3,634,797
Equipment - net	14,247,578
Other non-current assets	776,095
Trade accounts payable	(15,038,599)
Accrued expenses	(3,719,381)
Other current liabilities	(3,742,368)
Net assets	11,343,524
Goodwill	78,656,476
Purchase price	90,000,000
Less: Cash of the subsidiary	(1,171,044)
Net cash payment for investment in subsidiary	88,828,956



Bangkok Smartcard System Company Limited (“Bangkok Smartcard System”)

On 5 February 2009, BTSC incorporated Bangkok Smartcard System, with a registered capital of Baht 200 million (fully paid-up). BTSC holds 100% of the ordinary shares of Bangkok Smartcard System, which will engage in the provision of electronic payment services.

On 11 May 2010, BTSC sold 10% of an investment in Bangkok Smartcard System for a price of Baht 20 million to Bangkok Bank Public Company Limited, resulting in a reduction of BTSC’s shareholding in this company to 90%.

On 18 August 2010, the Extraordinary General Meeting of shareholders of Bangkok Smartcard System approved to register an increase in its share capital with the Ministry of Commerce as from Baht 200 million (2,000,000 ordinary shares of Baht 100 each) to be Baht 400 million (4,000,000 ordinary shares of Baht 100 each) by issuing the new 2,000,000 ordinary shares with a par value of Baht 100 each to the existing shareholders, at a price of Baht 100 each. On 25 August 2010, BTSC paid up the increased share capital amounting to Baht 180 million to maintain its existing shareholding, 90%. Bangkok Smartcard System registered increase in the share capital with the Ministry of Commerce on 25 August 2010.

VGI Global Media Company Limited (“VGI”) and its subsidiaries

On 13 March 2009, BTSC entered into a share purchase agreement with a company, which was to be its operating company in the acquisition of all shares of VGI and its subsidiaries for a price of Baht 2,500 million. As at 31 March 2009, BTSC paid a Baht 1,000 million deposit for the share acquisition, while the operating company had pledged 51% of the shares of VGI as collateral for the deposit as conditions stipulated in the agreement. BTSC will pay the remaining Baht 1,500 million to its operating company when the share acquisition is completed, within 14 September 2009, with Baht 1,000 million to be paid in cash and ordinary shares of BTSC with a value of Baht 500 million to be issued in settlement of the rest. The term of the agreement can be extended by a further 180 days with the agreement from both parties.

Subsequently, on 30 September 2009, BTSC had been transferred all ordinary shares of VGI from the operating company and BTSC paid the remaining amount of share acquisition of Baht 1,000 million to its operating company but still pending for issuing of ordinary shares of BTSC with a total value of Baht 500 million. As at 31 March 2010, BTSC recorded this payable as “Other payable from subsidiaries’ acquisition” in the balance sheets. However, the shares acquisition of VGI was considered to be a business combination under common control, BTSC treated VGI as if it had been a subsidiary of BTSC since it was established and as if the deposit for shares acquisition of Baht 1,000 million as of 31 March 2009 was part of the investment in VGI. From the acquisition, the difference between the costs of business combination under common control and the equity interest of BTSC in net book value of the subsidiary amounting to Baht 2,088,580,080 was presented as “Surplus on business combination under common control” in the shareholder’s equity in the balance sheets.

(Unit: Baht)

On 6 August 2010, VGI paid Baht 29 million in full as an investment in ordinary shares of VGI China, established in the People's Republic of China for engaging in managing and providing of advertising services in that country. VGI holds 100% of the fully and paid-up shares capital of VGI China.

19. Investments in associates

19.1 Details of associates

(Unit: Thousand Baht)

Consolidated financial statements						
Company's name	Nature of business	Country of incorporation	Shareholding percentage	Carrying amounts based on		
				Cost	equity method	
			2011	2010	2011	2010
			(Restated)	(Restated)	(Restated)	(Restated)
Saraburi Property Co., Ltd.	Property development	Thai	30	7,500	7,500	-
Absolute Hotel Services Co., Ltd.	Hotel and real estate management	Thai	50	4,000	4,000	4,679
Absolute Hotel Services Hong Kong Ltd.	Hotel and real estate management	Hong Kong	50	-	1,252	-
Total				12,752	11,500	4,679

(Unit: Thousand Baht)

Separate financial statements						
Company's name	Nature of business	Country of incorporation	Shareholding percentage	Provision for impairment of investments		
				Cost	based on equity method	
			2011	2010	2011	2010
			(Restated)	(Restated)	(Restated)	(Restated)
Saraburi Property Co., Ltd.	Property development	Thai	30	7,500	(7,500)	-
Absolute Hotel Services Co., Ltd.	Hotel and real estate management	Thai	50	4,000	-	4,000
Total				11,500	(7,500)	4,000



19.2 Share of income (loss)

During the year, the Company has recognised its share of income (loss) from investments in associates in the consolidated financial statements as follows:

(Unit: Thousand Baht)

Consolidated financial statements		
Company's name	Share of income (loss) from investments in associates for the years ended 31 March	
	2011	2010
	(Restated)	
Kamala Beach Resort & Hotel Management Co., Ltd.	-	(1,905)
Absolute Hotel Services Co., Ltd.	2,515	2,446
Absolute Hotel Services Hong Kong Ltd.	(1,252)	-
Total	1,263	541

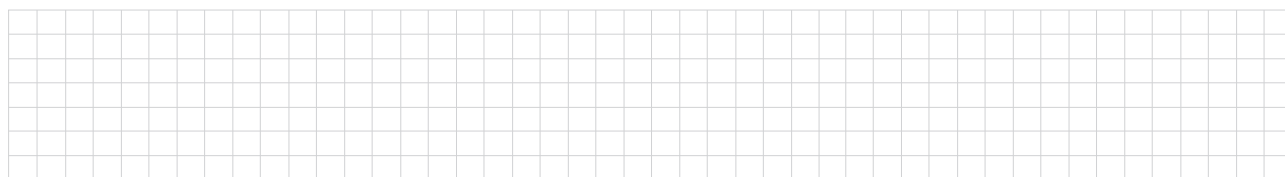
19.3 Summarised financial information of associates

Financial information of the associates is summarised below.

(Unit: Million Baht)

Company's name	Issued and paid-up capital (including premium) share as at 31 March			Total assets as at 31 March			Total liabilities as at 31 March			Total revenues for the years ended 31 March			Net income (loss) for the years ended 31 March		
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2010
	(Restated)			(Restated)			(Restated)			(Restated)			(Restated)		
Saraburi Property Co., Ltd.	25	25	-	8	501	501	8	501	501	-	3	3	(8)	(6)	
Absolute Hotel Services Co., Ltd.	8	8	22	17	7	8	33	36	36	5	5	5	5	5	

The financial statements of Absolute Hotel Services Hong Kong Ltd. were not audited by its auditor. However, investment amount in such company is not significant for the Company's consolidated financial statements and the Company recognised share of loss from investment in this company until the value of the investment under the equity method reached zero.



19.4 Investment in associate with capital deficit

The Company recognised share of loss from investment in two associates, as listed below, until the value of the investment under equity method reached zero. Subsequent loss incurred by this associate has not been recognised in the Company's accounts since the Company has no obligations, whether legal or constructive, to make any payments on behalf of this associate. The amount of such unrecognised share of loss is set out below.

(Unit: Million Baht)

Unrecognised share of loss		
Company's name	Share of loss for the year ended 31 March 2011	Cumulative share of loss up to 31 March 2011
Saraburi Property Company Limited	-	8
Absolute Hotel Services Hong Kong Ltd.	1	1

On 28 May 2009, a meeting of the Company's Board of Directors passed a resolution to approve the purchase of the remaining shares of Kamala held by a company, for a total consideration of Baht 648,444,000, which comprises cash amounting to Baht 100 million and 1,034,800,000 ordinary shares of the Company. This increased the Company's shareholding in Kamala from 50% to 100% as a result. The Company signed a share purchase agreement on 29 June 2009 and purchased the shares on 28 July 2009.

The Company recorded share of loss of Kamala until 28 July 2009, amounting to Baht 1.9 million, and recorded the difference between the fair value and book value of land of Kamala as at 28 July 2009 in proportion to the Company's interest before the business combination (50%), amounting to Baht 19.1 million, presented under the heading of "Revaluation surplus on assets" in the consolidated balance sheets.

In April 2010, a subsidiary jointly invested in the establishment of a new company in Hong Kong, Absolute Hotel Services Hong Kong Limited, to engage in the provision of hospitality management and consultancy services. Such company is to have a registered share capital of HKD 600,000 (600,000 ordinary shares with a par value of HKD 1 each) and the Company has a 50% interest.

On 12 November 2010, a meeting of the Company's Board of Directors passed a resolution to approve the filing of a bankruptcy suit against Saraburi Property Company Limited. The Company submitted the plaint to the Central Bankruptcy Court on 8 April 2011.

20. Other long-term investments

(Unit: Thousand Baht)

Consolidated financial statements and separate financial statements				
2011			2010 (Restated)	
Company's name	Percentage of shareholding	Amount	Percentage of shareholding	Amount
	(%)		(%)	
Chanthaburi Country Club Co., Ltd.	0.17	2,000	0.17	2,000
Community and Estate Management Co., Ltd.	15.00	3,000	15.00	3,000
Bangkok Land Pcl.	0.01	578	0.01	472
Belle Development Co., Ltd.	1.00	-	1.00	366,426
Changkran Way Co., Ltd.	15.15	117,375	15.15	117,375
Grand Canal Land Plc.	0.33	25,056	-	-
Total		148,009		489,273
Less: Provision for loss on diminution in value		(3,792)		(370,193)
Net		144,217		119,080

On 9 December 2010, a Meeting of the Company's Executive Board of Directors passed a resolution to approve the swapping of 205,714 shares held in Belle Development Co., Ltd., for which full provision for loss on diminution in value of investment had been made, for 3,408,975 shares of Grand Canel Land Plc., of which the fair value as at the date of the share swap was Baht 116 per share. The Company then recorded gain on reversal of provision for loss on diminution in value of investment amounting to Baht 23.9 million in the income statement for the current year.

21. Elevated rail project costs

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
		(Restated)		(Restated)
Rights to use of civil works transferred to authorities	20,564,331,918	20,545,989,518	-	-
Electrical works and machinery				
– Rolling stock	8,855,367,686	8,855,367,686	-	-
– Other machinery and equipment	15,125,448,464	15,125,448,464	-	-
Other project costs	5,453,531,880	5,453,531,880	-	-
Spare parts - awaiting transfer (Note 22)	132,427,601	132,427,601	-	-
Total	50,131,107,549	50,112,765,149	-	-
Less: Accumulated amortisation on project costs	(8,359,803,279)	(7,447,258,556)	-	-
Allowance for diminution in value of project costs	(1,146,981,797)	(1,146,981,797)	-	-
Net project costs	40,624,322,473	41,518,524,796	-	-

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
		(Restated)		(Restated)
Cost of civil works awaiting transfer	705,248,291	705,248,291	-	-
Less: Allowance for diminution in value of civil works awaiting transfer	(705,248,291)	(705,248,291)	-	-
Cost of civil works awaiting transfer - net	-	-	-	-
Work under construction	3,818,677,543	1,924,498,756	-	-
Total project costs - net	44,443,000,016	43,443,023,552	-	-

On 2 December 2010, BTSC entered into a loan agreement with a local financial institution in order to fund the acquisition of 35 elevated train carriages, for use in the Company's operations. These elevated train carriages will be ready for use within approximately four years. During the year ended 31 March 2011, BTSC, therefore, capitalised interest incurred in relation to the loan, amounting to approximately Baht 15.2 million, as part of the costs of the elevated train carriages, which were presented under the heading of elevated rail project cost in the current year.

The independent appraiser appraised the fair value of electrical works and machinery based on the expected recoverable amount when sold (cost approach - consummation of a sale) as of the appraisal date and the estimated value in use of the rights those assets classified as civil works, the ownership of which had already been transferred to a government agency, based on the estimated recoverable value expected to be generated from the use of the property (the income approach), with reference to the revenue expected to be generated and expenses expected to be incurred over the remainder of the current concession.

22. Spare parts - maintenance contract

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23. Land and projects awaiting development

	Consolidated financial statements		Separate financial statements	
	2011	2010	2011	2010
		(Restated)		(Restated)
Land and projects awaiting development	5,403,843	5,023,467	1,303,664	1,305,018
Less: Allowance for impairment	(589,715)	(596,332)	(566,755)	(573,372)
Net	4,814,128	4,427,135	736,909	731,646

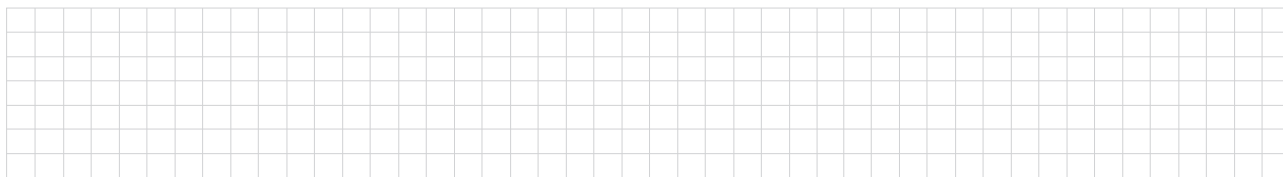
- Muangthong Assets Co., Ltd. transferred land amounting to Baht 50.0 million, from land and projects awaiting development to property, plant and equipment.
- Kamkoong Property Co., Ltd. transferred land amounting to Baht 388.1 million, from property, plant and equipment to land and projects awaiting development.

24. Property, plant and equipment

(Unit: Baht)

	Consolidated financial statements						
	Revaluation basis			Cost basis			
	Land	Buildings and improvements	Golf course and development costs	Machinery and equipment	Furniture and office equipment	Motor vehicles	Construction in progress
Cost							Total
31 March 2010 - restated	658,943,139	645,672,713	549,693,165	378,993,260	754,809,956	126,408,071	471,203,411
Additions	6,140	126,703,231	10,084,489	6,247,608	76,211,917	137,777,466	1,297,295,092
Disposals	-	(2,026,275)	-	(11,234,459)	(54,774,325)	(5,736,800)	-
Transfer in (out)	-	10,342,990	8,794,229	72,264,695	495,033	-	(91,896,947)
Transfer in (out) from other assets	(338,086,370)	-	-	41,720,005	-	38,338,785	-
31 March 2011	320,862,909	780,692,659	568,571,883	487,991,109	776,742,581	296,787,522	1,676,601,556
Accumulated depreciation							
31 March 2010 - restated	-	490,869,980	274,026,762	170,773,153	610,718,787	107,167,980	-
Depreciation for the year	-	33,121,940	9,042,643	93,682,776	52,892,601	38,535,454	-
Depreciation on disposals	-	(2,026,273)	-	(7,417,623)	(54,622,240)	(5,128,793)	-
31 March 2011	-	521,965,647	283,069,405	257,038,306	608,989,148	140,574,641	-
Revaluation surplus							
31 March 2010 - restated	2,600,710,673	-	-	-	-	-	-
31 March 2011	2,600,710,673	-	-	-	-	-	-
Allowance for impairment							
31 March 2010 - restated	126,666,612	12,404,829	208,425,739	-	-	-	-
31 March 2011	126,666,612	12,404,829	208,425,739	-	-	-	-
Net book value							
31 March 2010 - restated	3,132,987,200	142,397,904	67,240,664	208,220,107	144,091,169	19,240,091	471,203,411
31 March 2011	2,794,906,970	246,322,183	77,076,739	230,952,803	167,753,433	156,212,881	1,676,601,556
Depreciation for the years as included in cost of fare box, cost of train operating management, cost of advertising and rental business, cost of rentals and services and administrative expenses							
2010 - restated (Baht 61.7 million included in administrative expenses and the balance in other costs of operations)							155,341,952
2011 (Baht 86.5 million included in administrative expenses and the balance in other costs of operations)							227,275,414

Separate financial statements							(Unit: Baht)
	Revaluation basis			Cost basis			
	Land	Buildings and improvements	Golf course and development costs	Furniture and office equipment	Motor vehicles	Construction in progress	Total
Cost							
31 March 2010 - restated	92,796,840	631,358,117	549,693,165	162,726,488	71,194,073	26,468,082	1,534,236,765
Additions	-	97,061,901	8,958,891	23,999,029	-	8,886,628	138,906,449
Transfer in (out)	-	10,342,990	8,794,229	333,927	-	(19,471,146)	-
Disposals	-	-	-	(38,092,475)	(1,447,800)	-	(39,540,275)
31 March 2011	92,796,840	738,763,008	567,446,285	148,966,969	69,746,273	15,883,564	1,633,602,939
Accumulated depreciation							
31 March 2010 - restated	-	480,570,476	274,026,763	150,062,880	70,496,195	-	975,156,314
Depreciation for the year	-	31,299,527	8,916,078	5,892,612	312,425	-	46,420,642
Depreciation on disposals	-	-	-	(38,070,714)	(1,447,799)	-	(39,518,513)
31 March 2011	-	511,890,003	282,942,841	117,884,778	69,360,821	-	982,058,443
Revaluation surplus							
31 March 2010 - restated	2,019,676,772	-	-	-	-	-	2,019,676,772
31 March 2011	2,019,676,772	-	-	-	-	-	2,019,676,772
Allowance for impairment							
31 March 2010 - restated	26,666,612	12,404,829	208,425,739	-	-	-	247,497,180
31 March 2011	26,666,612	12,404,829	208,425,739	-	-	-	247,497,180
Net book value							
31 March 2010 - restated	2,085,807,000	138,382,812	67,240,663	12,663,608	697,878	26,468,082	2,331,260,043
31 March 2011	2,085,807,000	214,488,176	76,077,705	31,082,191	385,452	15,883,564	2,423,724,088
Depreciation for the years as included in cost of rentals and services and administrative expenses							
2010 - restated (Baht 9.3 million included in administrative expenses and the balance in costs of rental and services)							22,347,657
2011 (Baht 28.6 million included in administrative expenses and the balance in costs of rental and services)							46,420,642



The Company arranged for an independent professional valuer to appraise the value of certain assets in 2010 on an asset-by-asset basis. The basis of the revaluation was as follows:

- Land was revalued using the market approach.
- Buildings and improvements and Golf course development costs were revalued using the depreciated replacement cost approach.

The Company reversed the allowance for impairment of assets of approximately Baht 92.6 million in its accounts presented under the caption of “Reversal of allowance for impairment of assets” in the income statement for the year ended 31 March 2010.

During the year ended 31 March 2011, BTSC has capitalised the borrowing costs approximately Baht 15.2 million as a part of cost of work in progress (2010: Baht 2.2 million).

The Company and a subsidiary (BTS Assets Co., Ltd.) have mortgaged land and construction thereon with net book value as at 31 March 2011 of Baht 4,639.0 million (2010: Baht 3,302.4 million) (Separate financial statements: Baht 2,341.4 million (2010: Baht 2,273.4 million)) as collateral for a credit facility and a guarantee facility from a financial institution.

As at 31 March 2011, the subsidiary (BTSC) had motor vehicles and equipment under finance lease agreements with net book values amounting to Baht 2.8 million (2010: Baht 7.6 million).

As at 31 March 2011, certain assets have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation and allowance for impairment loss) of those assets amounted to approximately Baht 1,125.3 million (2010: Baht 739.1 million) (Separate financial statements: Baht 272.9 million (2010: Baht 312 million)).

During the year ended 31 March 2011, subsidiaries transferred transactions between property, plant and equipment and other assets. Details of transactions are as follows:

- BTSC transferred machinery and equipment from elevated project cost amounting to Baht 41.7 million and advances for asset acquisitions amounting to Baht 38.3 million to property, plant and equipment.
- Muangthong Assets Co., Ltd. transferred land amounting to Baht 50.0 million, from land and projects awaiting development to property, plant and equipment.
- Kamkoong Property Co., Ltd. transferred land amounting to Baht 388.1 million, from property, plant and equipment to land and projects awaiting development.



(Unit: Baht)

26. Condominiums and fixtures for lease

(Unit: Baht)

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31 March 2010 - restated	233,262,050
31 March 2011	211,988,028

2010 - restated	13,313,374
2011	16,459,615

27. Intangible assets

Computer software	Intangible assets under development	Total
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31 March 2010 - restated	79,160,800	1,633,492	80,794,292
Acquisition during the year	4,394,018	-	4,394,018
Transfer in (out)	1,633,492	(1,633,492)	-
Disposal	(1,000,000)	-	(1,000,000)
31 March 2011	84,188,310	-	84,188,310

31 March 2010 - restated	52,788,985	-	52,788,985
Amortisation for the year	10,491,419	-	10,491,419
Amortisation on disposals	(650,958)	-	(650,958)
31 March 2011	62,629,446	-	62,629,446

31 March 2010 - restated	26,371,815	1,633,492	28,005,307
31 March 2011	21,558,864	-	21,558,864

2010 - restated	11,081,718
2011	10,491,419



Separate financial statements

The unsecured creditors totaling Baht 341.9 million were due in October 2007, 2008 and 2009. However, on 5 October 2009, the Company entered into a memorandum of understanding with one creditor, whereby it is to settle all remaining debt amounting to Baht 431.9 million as detailed below.

- a) Cash amounting to Baht 170 million is to be repaid within 30 November 2009.
- b) Ordinary shares of the Company with a value of Baht 100 million are to be transferred to settle debt, with the first installment of 31,777,912 shares to be transferred within 30 November 2009. With the second installment, the Company is to settle the remaining debt in cash or with the Company's ordinary shares within 5 December 2009. Conditions and the share value calculation method are stipulated in the memorandum.
- c) 39,751,893 ordinary shares of Bangkok Mass Transit System Public Company Limited are to be repaid within 30 November 2009.

As discussed in Note 12 to the financial statements, on 28 October 2009, the Company transferred rights of claim in a debtor amounting to Baht 100 million to the above creditor in settlement of the debt under b). In addition, during the year then ended 31 March 2010, the Company made settlement of the debts under a) and c) and recorded gain on debt settlement as follows:

(Unit: Baht)

	Consolidated and separate financial statements
Debt of the unsecured creditor	431,865,980
Less: Cash repayment	(170,000,000)
Transfer of rights of claim in a debtor	(100,000,000)
Transfer of BTSC's shares	(19,201,057)
Gain on debt settlement	142,664,923

As discussed in Note 16 to the financial statements, the Company deposited two assets awaiting transfer under the rehabilitation plan (not included in the agreement to acquire the rights to purchase auctioned assets) with the Central Bankruptcy Court as collateral for debt settlement. The Company therefore recorded the Baht 708.5 million (Separate financial statements: Baht 859.0 million) difference between the value of the assets, amounting to Baht 150.5 million (Separate financial statements: Nil), and the balances of the relevant creditors per rehabilitation plan, amounting to Baht 859.0 million (Separate financial statements: Baht 859.0 million) as “Gain on deposit of assets as guarantee for debt settlement”, presenting it as a separate item in the income statement for the current year.

The Company has been unable to transfer the Company's 245,825,783 ordinary shares temporarily registered in the name of a subsidiary, part of which are deposited with the Central Bankruptcy Court as guarantee of debt settlement, to creditors since there are still undue debts and debts pending final court judgment or comptroller's orders. As a result, the number of shares allocated to each creditor is still uncertain as the debt ratio might be altered to accord with final court judgment or comptroller's orders. However, the creditors will still receive total numbers of ordinary shares as stipulated in the rehabilitation plan and the Company adjusted issuance of ordinary shares for debt settlement to settle the Company's debts during the year ended 31 March 2007.

In September 2009, BTSC repaid all liabilities under rehabilitation plan of Baht 10,016 million to the creditor in full and recorded gain from reversal of undue interest in accordance with the rehabilitation plan amounting to Baht 4,528 million as “Gain on debt restructuring” and separately presented in the income statement for the year ended 31 March 2010.

Nuvo Line Agency Company Limited

A facility of Baht 2,500 million, to construct the building and parking area of a real estate development project, subject to interest at a rate tied to the Minimum Loan Rate (MLR), is secured by the mortgage of the subsidiary's land and construction thereon that is included in real estate development cost, as discussed in Note 14 to the financial statements. Interest is to be paid monthly and principal is to be repaid within 36 month from the drawdown date. As at 31 March 2011, the outstanding balance of this loan was approximately Baht 105.3 million (2010: Nil).

A facility of Baht 900 million, to construct the building of a real estate development project, subject to interest at a rate tied to the Minimum Loan Rate (MLR), is secured by the mortgage of the subsidiary's land and construction thereon that is included in real estate development cost, as discussed in Note 14 to the financial statements. Interest is to be paid monthly and principal is to be repaid within 30 month from the drawdown date. As at 31 March 2011, the subsidiary has not drawn down such loan.

As at 31 March 2011, the long-term credit facilities of the Company and its subsidiaries which have not been drawn down amounted to Baht 5,678.5 million.

32. Long-term debentures

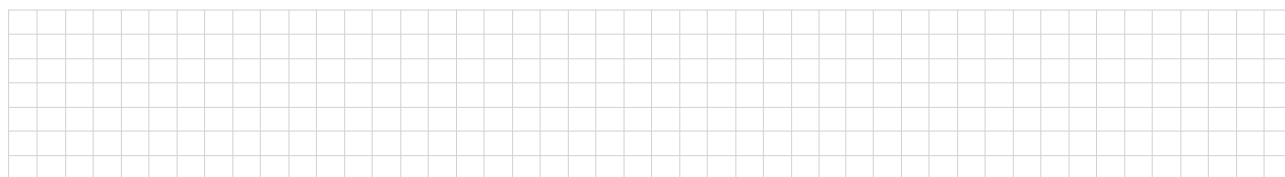
On 21 August 2009, BTSC issued and offered 12 million units of unsubordinated and unsecured debentures (“the debentures”), with a par value of Baht 1,000 each, total value of Baht 12,000 million to the public. In addition, for the issuance of the debentures, BTSC incurred the issuing costs approximately amounting to Baht 145.5 million deducting from the debenture’s value. The issuing costs will be amortised to increase the debentures’ valuation gradually throughout the period of the debentures.

As at the balance sheet date, details of the debentures were as follows:

(Unit: Baht)

			Consolidated and Separate financial statements	
	Maturity date	Interest rate	2011	2010
		p.a. %		(Restated)
Tranche 1	21 August 2012	4.75	2,500,000,000	2,500,000,000
Tranche 2	21 August 2013	5.25	2,500,000,000	2,500,000,000
Tranche 3	21 August 2014	5.75	4,000,000,000	4,000,000,000
Tranche 4	21 August 2015	6.25	1,500,000,000	1,500,000,000
Tranche 5	21 August 2016	6.75	1,500,000,000	1,500,000,000
Total			12,000,000,000	12,000,000,000
Less: the issuing costs			(93,442,872)	(126,365,715)
Long-term debentures - net			11,906,557,128	11,873,634,285

The debenture agreement includes certain restrictive covenants pertaining to, among other things, limitations on creation of indebtedness, compliance with the concession agreement, and the maintenance of financial ratios.



33. Convertible debentures

On 25 January 2011, the Company issued the convertible debentures as follows:

Value	: Baht 10,000 million to be redeemed in US dollars, using a stipulated exchange rate of Baht 30.604 per USD 1
Term	: 5 years
Maturity date	: 25 January 2016
Interest	: 1.0% per annum for the first 2 years and no interest for next 3 years
Call/Put options	: Called in full after 25 January 2014 and puttable on 25 January 2013
Conversion price	: Baht 0.91 per share
Collateral	: Letter of credit facility issued by a local bank with fee charge at 1.5% per annum within 25 months and no fee charge for the remaining periods
Allocation method	: Full offering to be made to overseas investors

As stipulated in the letter of credit facility agreement with a local bank, the Company must open a bank account as a guarantee of interest payment on the convertible debentures. The Company recorded this transaction under the heading of "Restricted deposits" in the balance sheet.

The Company has adjusted the conversion price of the convertible debentures from the initial conversion price of Baht 0.9266 per share to a price of Baht 0.91 per share, effective from 15 March 2011 onwards. This is in line with the terms and conditions of the convertible debentures in cases when a dividend is paid, as discussed in Note 42 to the financial statements

The convertible debentures are detail belows.

(Unit: Thousand Baht)

	Consolidated and separate financial statements
Cash received from convertible debentures	10,000,000
Less: Transaction costs	(205,375)
Convertible debentures - equity component	(1,356,597)
Add: Amortisation of liability component of convertible debentures	48,815
Convertible debentures - liability component	8,486,843

34. Share capital / Share discount

On 24 July 2009, the Annual General Meeting No. 1/2009 of the Company's shareholders passed the following significant resolutions:

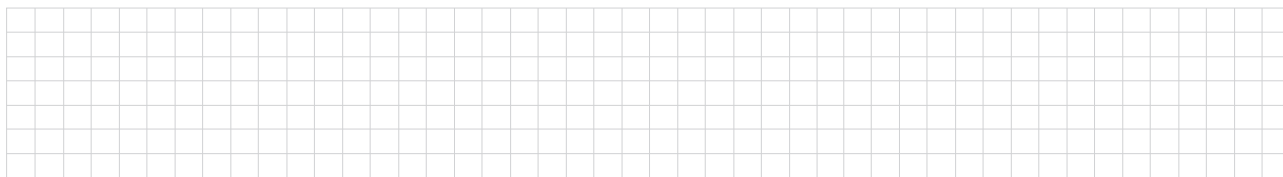
- Approved the cancellation of 2,243,589,743 ordinary shares offered to the existing shareholders and individuals and/or institutional investors.
- Approved the reduction of the registered share capital from Baht 8,056,923,076 (8,056,923,076 ordinary shares with a par value of Baht 1 each) to Baht 5,813,333,333 (5,813,333,333 ordinary shares with a par value of Baht 1 each) by canceling 2,243,589,743 unissued shares with a par value of Baht 1 each, as discussed in a). The Company registered the reduction of its share capital with the Ministry of Commerce on 27 July 2009.

- c) Approved an increase in the registered share capital from Baht 5,813,333,333 (5,813,333,333 ordinary shares with a par value of Baht 1 each) to Baht 7,704,149,999 (7,704,149,999 ordinary shares with a par value of Baht 1 each) by issuing 1,034,800,000 ordinary shares with a par value of Baht 1 each to purchase the associate's shares as discussed in Note 19 to the financial statements and issuing 856,016,666 ordinary shares with a par value of Baht 1 each to reserve exercise of warrants as discussed in Note 35 to the financial statements. The Company registered the increase of its share capital with the Ministry of Commerce on 28 July 2009.

On 29 April 2010, the Extraordinary General Meeting No. 1/2010 of the Company's shareholders passed the following significant resolutions:

- a) Reduce the registered share capital from Baht 7,704,149,999 (7,704,149,999 ordinary shares with a par value of Baht 1 each) to Baht 7,614,391,803 (7,614,391,803 ordinary shares with a par value of Baht 1 each) by canceling unissued shares of the Company.
- b) Increase the registered share capital from Baht 7,614,391,803 (7,614,391,803 ordinary shares with a par value of Baht 1 each) to Baht 65,142,190,902 (65,142,190,902 ordinary shares with a par value of Baht 1 each) by issuing 57,527,799,099 ordinary shares with a par value of Baht 1 each to be reserved for the acquisition of the ordinary shares of BTSC as discussed in Note 18 to the financial statements, and to offer new ordinary shares to the Company's existing shareholders.
- c) Allocate up to 57,527,799,099 ordinary shares of the Company with a par value of Baht 1 each as detailed below.
- 1) Up to 28,166,879,984 ordinary shares with a par value of Baht 1 each are to be allocated to companies and an individual in accordance with the details laid out in Note 18 to the financial statements.
- 2) After the acquisition of BTSC and the issue of new ordinary shares discussed in 1), the Company is to allocate up to 25,558,051,278 ordinary shares with a par value of Baht 1 each as detailed below.
- 2.1) Up to 20,446,441,022 ordinary shares with a par value of Baht 1 each are to be offered to the Company's existing shareholders in proportion to their shareholdings (Right Offering), at a rate of 4 new shares for every 7 existing shares, at a price of Baht 0.63 per share. If shares remain after the offer, the Company is to allocate them to shareholders subscribing to purchase more than their allocation, until all shares have been sold or there are not further subscriptions by the existing shareholders. Remaining shares are then to be allocated to institutional investors or to the underwriter of the Company's share issue, who are not connected parties or persons, at a price of Baht 0.63 per share.
- The Company is able to offer the 20,150,704,709 additional ordinary shares. The Company allocated the 19,032,004,098 additional ordinary shares, leaving 1,118,700,611 shares unallocated.
- 2.2) Up to 5,111,610,256 ordinary shares of the Company with a par value of Baht 1 each are to be reserved for the exercise of warrants issued and offered to the Company's existing shareholders and institutional investors or underwriter of the Company who are not connected parties or persons at an exercise price of Baht 0.70 each.
- d) Allocate up to 3,802,867,837 of the Company's ordinary shares with a par value of Baht 1 each to BTSC's existing shareholders, excluding the Company, at a price of over Baht 0.60 each.

On 29 July 2010, the Annual General Meeting No. 1/2010 of the Company's shareholders passed a resolution to approve an amendment to the offer price of the 1,118,700,611 additional ordinary shares that are still unallocated from Baht 0.60 - 0.70 per share to not less than Baht 0.80 per share.



On 4 August 2010, the Company issued Baht 882,320,000 of ordinary shares (1,076,000,000 ordinary shares at a value of Baht 0.82 each) to institutional investors and the underwriter of the shares, leaving 42,700,611 shares.

On 3 September 2010, Meeting No. 8/2010 and on 1 October 2010, Meeting No. 9/2010 of the Company's Board of Directors and on 16 November 2010, the Extraordinary General Meeting No. 2/2010 of the Company's shareholders passed the following significant resolutions:

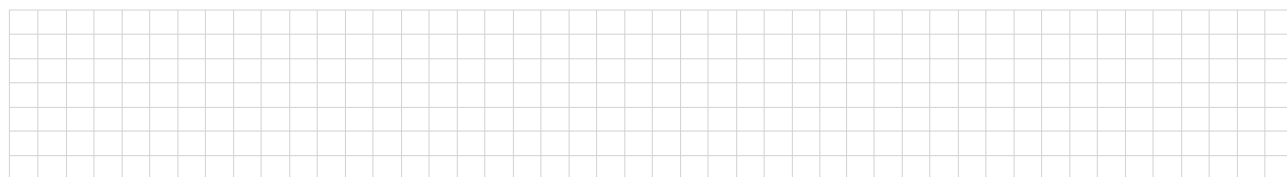
- a) Change the number of ordinary shares to be reserved for the exercise of warrants from up to 5,111,610,256 ordinary shares with a par value of Baht 1 each (as discussed in 2.2)) to up to 5,027,000,448 ordinary shares with a par value of Baht 1 each, since the Company has now clearly stipulated the number of warrants to purchase the Company's additional ordinary shares.
- b) Cancel the allocation of up to 4,225,914,569 of the Company's ordinary shares and reduce the registered share capital from Baht 65,142,190,902 (65,142,190,902 ordinary shares with a par value of Baht 1 each) to Baht 60,916,276,333 (60,916,276,333 ordinary shares with a par value of Baht 1 each) by canceling unissued shares, as detailed below.
 - 1) The 84,609,808 ordinary shares remaining from the shares reserved for the exercise of the warrants in a).
 - 2) The 338,436,924 ordinary shares unallocated to the Company's shareholders.
 - 3) Up to 3,802,867,837 ordinary shares to be allocated to BTSC's existing shareholders, excluding the Company, at a price of not less than Baht 0.60 per share.

The Company registered the corresponding decrease in its registered share capital with the Ministry of Commerce on 17 November 2010.

- c) Increase the registered share capital from Baht 60,916,276,333 (60,916,276,333 ordinary shares with a par value of Baht 1 each) to Baht 77,219,144,170 (77,219,144,170 ordinary shares with a par value of Baht 1 each) by issuing 16,302,867,837 ordinary shares with a par value of Baht 1 each to be allocated as detailed below.
 - 1) Up to 12,500,000,000 of the Company's ordinary shares with a par value of Baht 1 each to be reserved for conversion to the convertible debentures discussed in Note 33 to the financial statements.
 - 2) Up to 3,802,867,837 of the Company's ordinary shares to be allocated to BTSC's existing shareholders, excluding the Company, at a price of not less than Baht 0.80.

The Company registered the corresponding increase in its registered share capital with the Ministry of Commerce on 18 November 2010.

- d) Reduce the registered share capital from Baht 77,219,144,170 (77,219,144,170 ordinary shares with a par value of Baht 1 each) to Baht 49,420,252,268.80 (77,219,144,170 ordinary shares with a par value of Baht 0.64 each), through a reduction in the par value of the Company's ordinary shares from Baht 1 to Baht 0.64, while paid up share capital will decrease from Baht 55,889,275,885 (55,889,275,885 ordinary shares of Baht 1 each) to Baht 35,769,136,566.40 (55,889,275,885 ordinary shares of Baht 0.64 each), in order to offset deficit and share discount.
- e) Change the par value of the Company's ordinary shares from Baht 1 to Baht 0.64 per share, in accordance with resolutions as discussed above.



As at 31 March 2011, the Company's issued and fully paid share capital has increased from Baht 7,614,391,803 (7,614,391,803 ordinary shares with a par value of Baht 1 each) to Baht 35,769,136,566 (55,889,275,885 ordinary shares with a par value of Baht 0.64 each) as detailed below.

- a) The Company issued Baht 28,166,879,984 of ordinary share (28,166,879,984 ordinary shares with a par value of Baht 1 each) to acquire ordinary shares of BTSC. Respective share discount amounted to Baht 8,788,066,555.
- b) The Company issued Baht 19,032,004,098 of ordinary shares (19,032,004,098 ordinary shares with a par value of Baht 1 each) to be allocated ordinary shares to the Company's existing shareholders in proportion to their shareholdings (Right Offering). Respective share discount amounted to Baht 7,064,731,189.
- c) The Company issued Baht 882,320,000 of ordinary shares (1,076,000,000 ordinary shares at a value of Baht 0.82 each) to be allocated to institutional investors and the underwriter of the shares. Respective share discount amounted to Baht 205,735,476.
- d) The Company reduced its registered and paid up share capital by changing the par value of the Company's ordinary shares from Baht 1 to Baht 0.64 per share, in order to offset deficit and share discount.

The Company registered the corresponding increases in its paid-up capital with the Ministry of Commerce on 4 May 2010, 14 June 2010 and 4 August 2010, respectively. In addition, the Company registered the corresponding decreases in its registered and paid up capital with the Ministry of Commerce on 26 January 2011.

35. Warrants

The Annual General Meeting No. 1/2009 of the Company's shareholders held on 24 July 2009 passed a resolution to issue warrants to the Company's existing shareholders in a ratio of 1 warrant for every 8 existing ordinary shares, without specifying the offer price. Details are as follows:

Date of original grant	13 August 2009
No. of warrants granted (Units)	854,848,533
Life of warrants	3 months from the issue date
Exercisable	13 November 2009
Exercise price per 1 ordinary share (Baht)	0.50
Exercise ratio (warrants to ordinary shares)	1:1

On 13 November 2009, the Company received Baht 383,129,235 from the exercise of 766,258,470 warrants at a price of Baht 0.50 each. The 88,590,063 unexercised warrants are expired.

On 29 April 2010, the Extraordinary General Meeting No. 1/2010 of the Company's shareholders passed a resolution to issue the warrants, as discussed in Note 34 to the financial statements, to the Company's existing shareholders in a ratio of 1 warrant for every 4 existing ordinary shares, without specifying the offer price. Details are as follows:

Date of original grant	23 November 2010
No. of warrants granted (Units)	5,027,000,448
Life of warrants	3 years from the issue date
Exercisable	Last business day of each quarter, after completion of a 2-year period from the issue date
Exercise price per 1 ordinary share (Baht)	0.70
Exercise ratio (warrant to ordinary share)	1:1

Details of finance cost are as follows:

(Unit: Baht)

40. Corporate income tax

The Company had no corporate income tax payable for the year ended 31 March 2011 and 2010 since its tax loss brought forward exceeds its net income for the year.

A subsidiary (BTSC) had no corporate income tax payable for the year ended 31 March 2011 and 2010 since its tax loss brought forward exceeds its net income for the year.

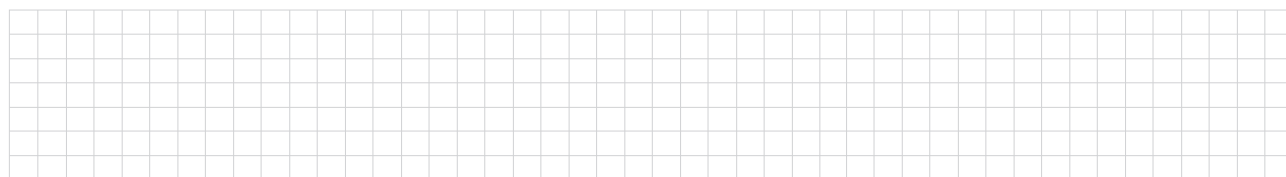
Consolidated financial statements

Basic earnings per share is calculated by dividing net income for the year by the weighted average number of ordinary shares in issue during the year, net of the number of the Company's shares held by subsidiaries. In addition, to reflect the business combination under common control discussed in Note 5 to the financial statements, the Company adjusted the number of ordinary shares issued for the purposes of the business combination under common control as if the shares had been issued at the beginning of the earliest period reported.

Diluted earnings per share is calculated by dividing net income for the year by the weighted average number of ordinary shares in issue during the year net of the number of the Company's shares held by subsidiaries plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that such conversion took place either at the beginning of the period or on the date the potential ordinary shares were issued. In addition, to reflect the business combination under common control as discussed in Note 5 to the financial statements, the Company adjusted the number of ordinary shares issued for the purposes of the business combination under common control, as if the shares had been issued at the beginning of the earliest period reported.

Separate financial statements

Basic earnings per share is calculated by dividing net income for the year by the weighted average number of ordinary shares in issue during the year. In addition, to reflect the business combination under common control discussed in Note 5 to the financial statements, the Company adjusted the number of ordinary shares issued for the purposes of the business combination under common control as if the shares had been issued at the beginning of the earliest period reported.



Since the conversion to ordinary shares of the convertible debentures would increase earnings per share in the consolidated financial statements for the year ended 31 March 2011, the Company has not assumed conversion of convertible debentures in calculation of diluted earnings per share in the consolidated financial statements for the year ended 31 March 2011.

42. Dividends

	Approved by	Total dividends	Dividend per share
Interim dividend from income in 2010/2011	Meeting of the Company's Board of Directors as at 25 February 2011	Baht 720.7 million	Baht 0.0129

43. Commitments and contingent liabilities

43.1 Capital commitments

As at 31 March 2011, the Company and its subsidiaries had capital commitments as detailed below.

- The Company had outstanding commitments of approximately Baht 1,035.7 million in respect of the construction contracts of low-cost residential housing projects of which the Company had already entered into agreements with contractors.
- The Company and its subsidiaries (Hip Hing Constuction (Thailand) Company Limited, Muangthong Assets Company Limited, Nuvo Line Agency Company Limited, Kampoo Property Company Limited and Kamkoong Property Company Limited) had outstanding commitments of approximately Baht 1,404.3 million in respect of agreements of consultation, design and construction projects.
- The Company had outstanding commitments of approximately Baht 768.0 million in respect of a construction project with its subsidiaries (Hip Hing Construction (Thailand) Company Limited, BTS Assets Co., Ltd. and Bangkok Smartcard Technology Co., Ltd.).
- The Company had outstanding commitments approximately Baht 2.0 million in respect of renovation and development of golf course.
- The Company had outstanding commitments with its subsidiary (BTS Land Co., Ltd.) in respect of the royalty fee of the project at Baht 20,000 per unit which the contract had been signed.
- A subsidiary (Hip Hing Construction (Thailand) Company Limited) had outstanding commitments not exceeding HKD 3.1 million in respect of an agreement of project consultation with a related company.
- A subsidiary (BTSC) had capital commitments of Baht 255.8 million and EUR 0.6 million in respect of a change and improvement of signaling system for elevated train operation.
- A subsidiary (BTSC) had capital commitments of EUR 21.6 million, USD 1.9 million and Baht 43.8 million in respect of an acquisition of 35 trains for extension of the existing elevated trains of the subsidiary and their transportation fees.
- A subsidiary (BTSC) had capital commitments of EUR 0.6 million, SGD 0.3 million and Baht 3.2 million in respect of radio upgrade project for the signaling system for elevated train operation.
- A subsidiary (BTS Assets Company Limited) had an outstanding commitment of Baht 967.5 million relating to pay construction costs under a turnkey construction contract to the Company.

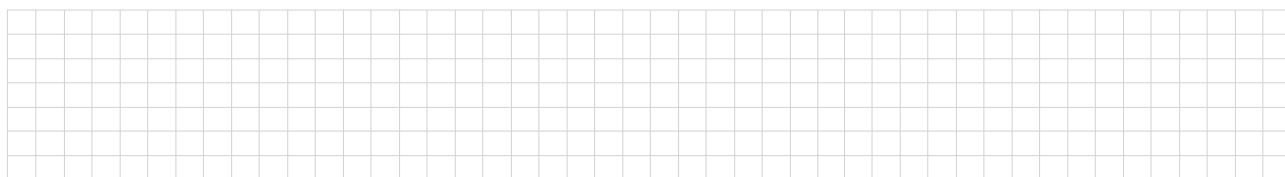
- e) In 2009, a subsidiary (BTS Assets Company Limited) entered into a hotel management agreement with an overseas company in which it committed to pay fees based on hotel operating revenues at certain percentage and comply with certain conditions as specified in the agreements. The agreement is for a period of 20 years with an option to renew for a further 10 years. The hotel is currently in the preparation process for its construction.
- f) In 2009, a subsidiary (BTS Assets Company Limited) entered into an advisory agreement for hotel management with an associate (Absolute Hotel Services Company Limited). As at 31 March 2011, the subsidiary has committed to pay the fee of approximately Baht 2.1 million.
- g) In 2010, a subsidiary (BTSC) entered into a contract to be an operator and a provider of buses for the Bus Rapid Transit (BRT) project - Chong Nonsi to Sa-pa-n Krung Thep Line (Chong Nonsi - Ratchaphruek) for 7 years with The Krungthep Thanakom Company Limited. As at 31 March 2011, the subsidiary had commitments relating to its operations in the project of Baht 176.4 million.
- h) In 2009, a subsidiary (VGI Advertising Media Company Limited) entered into a service contract to receive marketing information from a company for 3 years as from 1 January 2009 to 31 December 2011. The subsidiary will pay a compensation fee under the contract.
- i) The subsidiaries have committed to pay fees of USD 1.2 million, EUR 1.0 million, HKD 6.7 million, RMB 0.7 million and Baht 5,140.7 million relating to other rental, service and concession agreements.

43.5 Commitments under the concessions

- a) In 2004, a subsidiary (VGI Advertising Media Company Limited) entered into a concession with Ek-Chai Distribution System Company Limited for obtaining the rights to manage advertising spaces in department stores since 1 January 2005 to 31 December 2014. The concession is for a period of 5 years with an option to renew for a further 5 years. Subsequently, on 23 May 2008, the subsidiary and Ek-Chai Distribution System Company Limited amended the existing concession by adding the rights to provide of commercial broadcast through LCD screens in the department stores. Subsequently, on 29 June 2009, the subsidiary and Ek-Chai Distribution System Company Limited amended the existing concession again by adding the rights to manage advertising spaces in the area of in-store front main cash registers. Under the concession and the amendments, the subsidiary is to pay concession fees for managing the spaces, to pay some expenses of such broadcast, and to share its revenue from broadcasting revenues at the rate and conditions stipulated in the agreement. Subsequently, on 31 March 2010, the subsidiary entered into a concession with Ek-Chai Distribution System Company Limited for audio broadcasting in the department stores from 15 May 2010 to 31 December 2014. Under the concession, the subsidiary is to pay some expenses of such broadcast and has to share its revenue from broadcasting at the certain percentage in accordance with the agreement.

Subsequently, on 8 December 2010, the subsidiary entered into a 4-year concession with Ek-Chai Distribution System Company Limited for obtaining the rights to manage and provide advertising spaces in sales floor Acreage in department stores from 1 March 2011 to 28 February 2015. Under the concession, the subsidiary is to pay a concession fee for managing and providing the spaces at the rate and conditions stipulated in the agreement.

- b) In 2011, a subsidiary (VGI Global Media Company Limited) entered into a concession with Big C Supercenter Public Company Limited for managing and renting the advertising spaces in the department stores since 1 January 2011. The concession is for a period of 5 years with an option to renew for a further 5 years. Under the concession, the subsidiary is to pay a concession fee for managing and renting the spaces at the certain rates and conditions stipulated in the agreement.



- b) A subsidiary (Sampaopetch Company Limited) has been sued, together with the Company and its subsidiary's directors, by a creditor claiming land costs of approximately Baht 436.8 million because of the breach of a condition of a contract to purchase and to sell the land. The Court of First Instance ordered a subsidiary to make payment amounting to Baht 38.0 million and interest. Currently, the case is in the process of being appealed by the subsidiary and the subsidiary believes that it will suffer no significant loss as a result of this litigation.
- c) A subsidiary (Muangthong Assets Company Limited) has been sued by an individual for payment for loss of property amounting to approximately Baht 6.0 million. Currently, the lawsuit is in being considered by the Court of First Instance. However, the subsidiary believes that it will suffer no significant loss as a result of this litigation.
- d) On 11 February 2002, a subsidiary (BTSC) was sued for damages as the second defendant in a tort case, whereby a company alleged that the subsidiary's contractor caused damage to a section of underground fuel pipeline in the area of a train station and claimed compensation of approximately Baht 108 million. At present, the case is under consideration of the courts. However, the subsidiary has not recorded any allowance for the damage in its accounts since the subsidiary believes that, as an employer, it is, in any case, not liable to third parties for damages caused by its contractor, and that the case will therefore have no significant impact on the subsidiary.

43.8 Contingent liabilities

As at 31 March 2011, BTSC had interest rate swap agreement with a financial institution as detailed below. The amount of interest expenses depends on the interest rate and conditions stipulated in the agreement with a maximum rate of interest payment of 8.85% per annum. The agreement has scheduled for interest settlement every six months and the last settlement will be in February 2013.

Principal amount	Interest revenue rate in the agreement	Interest expense rate in the agreement	Fair value as at 31 March 2011
Baht 3,000 million	Fixed rate of 5.75% per annum	Floating rates of 0 to 8.85% per annum set with reference to DB Pulse Index plus strike rate stipulated in agreement	Baht 3,179 million

44. Segment information

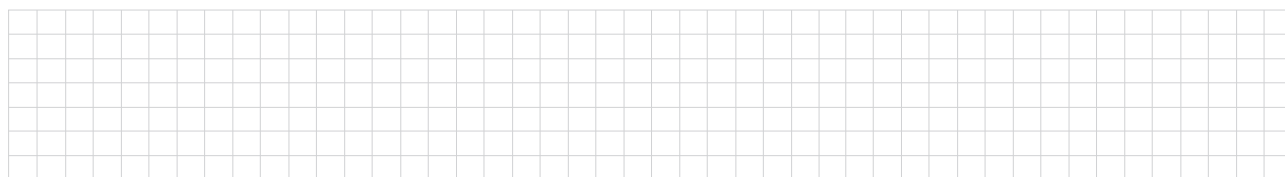
The Company's and its subsidiaries' financial information of real estate business, construction service business, elevated mass transit system business, advertising and rental business and rental and service business in the consolidated financial statements for the years ended 31 March 2011 and 2010 are as follows:

For the years ended 31 March															(Unit: Million Baht)	
	Real estate business		Construction service business		Elevated mass transit system business		Advertising and rental business		Rental and service business		Elimination		Total			
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010		
Revenues from external customers	147	101	262	546	3,860	3,680	1,370	1,100	255	204	-	-	5,894	5,631		
Inter-segment revenues	-	-	2,367	412	-	-	425	430	63	4	(2,855)	(846)	-	-		
Total revenues	147	101	2,629	958	3,860	3,680	1,795	1,530	317	208	(2,855)	(846)	5,894	5,631		
Segment operating income (loss)	(71)	(5)	3	30	1,642	1,505	882	748	76	80	-	-	2,532	2,358		
Unallocated income and expenses:																
Management income													-	2		
Revenue from sale of rights of claim													3	59		
Reversal of allowance for loss on diminution in value of projects													-	46		
Reversal of provision for impairment of assets													-	167		
Gain on debt settlement													15	143		
Gain on deposits of assets as guarantee for debt settlement													709	-		
Gain on debt restructuring													-	4,528		
Interest income													29	32		
Other income													181	175		
Selling and servicing expenses													(243)	(96)		
Administrative expenses													(873)	(912)		
Expense relating to business combination under common control													(171)	-		
Management benefit expense													(129)	(123)		
Loss on exchange													-	(47)		
Loss on provision for impairment of assets													-	(25)		
Share of income from investments in associates													1	1		
Finance cost													(1,602)	(546)		
Corporate income tax													(106)	(70)		
Net income for the year													346	5,692		
Non controlling interest of the subsidiaries													(61)	(295)		
Net income attributable to equity holders of the parent													285	5,397		



The Company's and its subsidiaries' assets of real estate and construction service business, elevated mass transit system business, advertising and rental business, rental and service business and other businesses in the consolidated financial statements as at 31 March 2011 and 2010 are as follows:

	For the years ended 31 March										(Unit: Million Baht)	
	Real estate		Elevated mass		Advertising		Rental and		Other businesses		Total	
	Construction		transit system		rental business		service		businesses			
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Trade accounts receivable - net	-	-	218	272	349	251	5	3	-	1	572	527
Spare parts - Automatic Fare Collection system - net	-	-	87	87	-	-	-	-	-	-	87	87
Real estate development costs - net	2,957	2,868	-	-	-	-	-	-	-	-	2,957	2,868
Assets awaiting transfer under rehabilitation plan - net	69	70	-	-	-	-	5	155	-	-	74	226
Investments in subsidiaries awaiting transfer under rehabilitation plan - net	224	224	-	-	-	-	-	-	-	-	224	224
Elevated project costs - net	-	-	44,443	43,443	-	-	-	-	-	-	44,443	43,443
Spare parts - maintenance contract	-	-	293	293	-	-	-	-	-	-	293	293
Land and projects awaiting development - net	-	-	-	-	-	-	-	-	4,814	4,427	4,814	4,427
Property, plant and equipment - net	4,461	3,757	537	134	254	284	98	9	-	1	5,350	4,185
Condominiums and fixtures for lease - net	-	-	-	-	-	-	212	233	-	-	212	233
Intangible assets - net	3	4	8	10	8	12	-	-	2	2	21	28
Goodwill	-	-	-	-	79	79	-	-	-	-	79	79
Advance for asset acquisitions	-	-	1,190	654	-	-	-	-	-	-	1,190	654
Advances to contractors	31	48	-	-	-	-	-	-	-	2	31	50
Other assets	-	-	-	-	-	-	-	-	-	-	3,479	3,954
Total assets	-	-	-	-	-	-	-	-	-	-	63,826	61,278



45. Provident fund

The Company, its subsidiaries and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company and its subsidiaries contributed to the fund monthly at the rate of 5% of basic salary. The fund, which is managed by BBL Asset Management Co., Ltd., will be paid to employees upon termination in accordance with the fund rules. During the year ended 31 March 2011, the Company and its subsidiaries contributed to the fund Baht 25.5 million (2010: Baht 17.2 million) (Separate financial statements: Baht 0.6 million (2010: Nil)).

46. Financial instruments

46.1 Financial risk management

The Company's and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally consist of the following:

Financial assets

- Cash and cash equivalents
- Trade accounts receivable
- Short-term loans and advance payments
- Other receivables
- Restricted deposits
- Cash deposited as collateral for debt settlement
- Loans
- Retention receivable
- Advance payment for investment in subsidiary
- Advances for asset acquisitions
- Advances to contractors

Financial liabilities

- Bank overdraft and short-term loan from financial institution
- Trade accounts payable
- Deposit payable
- Creditors per rehabilitation plan
- Long-term loans
- Advance received from employer
- Unearned income
- Other payable
- Retention payable
- Long-term debentures
- Convertible debentures

The financial risks associated with these financial instruments and how they are managed are described below.

Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade accounts receivable, other receivables and loans. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. In addition, the Company and its subsidiaries do not have high concentration of credit risk since they have a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade accounts receivable, other receivables and loans as stated in the balance sheet.

Interest rate risk

The Company and its subsidiaries' exposure to interest rate risk relates primarily to their cash at bank, bank overdrafts and short-term loans from financial institution, long-term loans, long-term debentures and convertible debentures. However, since most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal. However, BTSC has interest rate risk associated with the long-term debentures carrying fixed interest rates, as discussed in Note 32 to the financial statements, and has used financial instrument to manage this risk by entering into an interest rate swap agreement to swap fixed interest rates for floating interest rates as stipulated in the agreement on debentures totaling Baht 3,000 million, out of the tranche of 4 million units with a par value of Baht 1,000, a five-year term, and a coupon rate of 5.75% per annum that mature on 21 August 2014.

Significant financial assets and liabilities as at 31 March 2011 classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the re-priced date if this occurs before the maturity date.

(Million Baht)

Consolidated financial statements

	Fixed interest rates						
	Within	1-5	Over	Floating	Non- interest		
	1 year	years	5 years	interest rate	bearing	Total	Interest rate
							(% p.a.)
Financial assets							
Cash and cash equivalents	1,075.7	-	-	729.9	19.8	1,825.4	0.75 - 2.45
Trade accounts receivable	-	-	-	-	571.9	571.9	-
Short-term loans and advances payment	-	-	-	-	5.6	5.6	-
Other receivables	-	-	-	-	21.7	21.7	-
Restricted deposits	-	200.0	-	3.9	120.0	323.9	0.75 - 2.00
Cash deposited as collateral for debt settlement	-	-	-	-	232.7	232.7	-
Retention receivable	-	-	-	-	9.3	9.3	-
Advance payment for investment in subsidiary	-	-	-	-	250.0	250.0	-
Advances for asset acquisitions	-	-	-	-	1,190.2	1,190.2	-
Advances to contractors	-	-	-	-	31.0	31.0	-
	1,075.7	200.0	-	733.8	2,452.2	4,461.7	
Financial liabilities							
Bank overdraft and short-term loan from							
financial institution	-	-	-	500.0	-	500.0	MLR
Trade accounts payable	-	-	-	-	267.2	267.2	-
Deposit payable	-	-	-	-	95.0	95.0	-
Creditors per rehabilitation plan	-	-	-	-	798.0	798.0	-
Long-term loans	-	-	-	1,937.0	-	1,937.0	MLR
Unearned income	-	-	-	-	257.8	257.8	-
Other payable	-	-	-	-	106.7	106.7	-
Retention payable	-	-	-	-	230.2	230.2	-
Long-term debentures	2,485.7	9,420.9	-	-	-	11,906.6	4.75 - 6.75
Convertible debentures	-	8,486.8	-	-	-	8,486.8	4.26
	2,485.7	17,907.7	-	2,437.0	1,754.9	24,585.3	

As at 31 March 2011 and 2010 date, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Consolidated financial statements

	2011	2010			
Foreign currency	Financial assets	Financial liabilities	Financial assets	Financial liabilities	Average exchange rate as at 31 March 2011
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 Foreign currency unit)
USD	2.7	0.3	16.4	-	30.2967
EUR	25.0	1.2	0.5	1.0	42.8572
SGD	0.1	4.4	0.1	2.9	24.0304
RMB	0.3	1.8	-	1.5	4.6322
HKD	-	0.4	-	-	3.8918

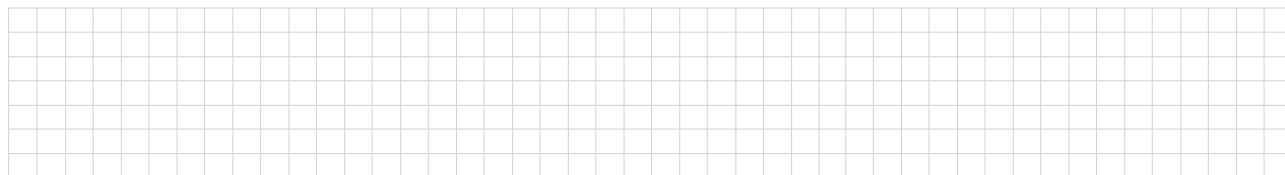
Separate financial statements

	2011		2010		
Foreign currency	Financial assets	Financial liabilities	Financial assets	Financial liabilities	Average exchange rate as at 31 March 2011
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 Foreign currency unit)
USD	1.4	-	-	-	30.2967

46.2 Fair value of financial instruments

Since the majority of the Company's and its subsidiaries' financial assets and liabilities are short-term or have interest rates close to the market rates, the fair values of these financial assets and liabilities are not expected to differ materially from the amounts presented in the balance sheets.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction, the fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.



47. Capital management

The primary objective of the Company's capital management is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern.

According to the balance sheet as at 31 March 2011, the Group's debt-to-equity ratio was 0.75:1 (2010: 1.76:1) and the Company's was 0.26:1 (2010: 1.14:1).

48. Reclassification

Except the adjustments in financial statements as mentioned in Note 5 to the financial statements, BTSC reclassified certain amounts in the consolidated financial statements for the year ended 31 March 2010 to conform to the current year's classification but with no effect to previously reported net income or shareholders' equity.

The reclassifications as follows:

(Unit: Baht)

	As reclassified	As previously reported
Real estate development costs	1,849,425,436	3,970,300,462
Property, plant and equipment - net	1,242,731,898	1,492,342,669
Intangible assets - net	24,161,329	45,104,331
Land and project awaiting development	2,120,875,026	-
Advances to contractors - related party	381,322,292	110,768,519
Other payable	22,943,712	-
Other current liabilities	180,922,419	203,866,131

49. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 27 May 2011.



Audit Fees The Company and its 27 subsidiaries paid an audit fee for the year ended 31 March 2011 of THB 11.7mn to Ernst & Young Office Limited. VGI Advertising China Ltd. which is a subsidiary incorporated in China paid an audit fee for auditing and reviewing financial statement for the year ended 31 March 2011 of THB 0.39mn to BDO China Shu Lun Pan CPAs Ltd. Auditors are not related to the Company or any subsidiaries.

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GLOSSARY OF TERMS

Unless the context otherwise requires, terms defined shall have the following meanings:

Terms	Definitions
"2009/10"	The fiscal year from 1 April 2009 to 31 March 2010
"2010/11"	The fiscal year from 1 April 2010 to 31 March 2011
"2011/12"	The fiscal year from 1 April 2011 to 31 March 2012
"1Q 10/11"	The first quarter of fiscal year 2010/11
"2Q 10/11"	The second quarter of fiscal year 2010/11
"3Q 10/11"	The third quarter of fiscal year 2010/11
"4Q 10/11"	The fourth quarter of fiscal year 2010/11
"AHS" or "Absolute Hotel Services"	Absolute Hotel Services Co., Ltd.
"BMA"	Bangkok Metropolitan Administration
"BMCL"	Bangkok Metro Public Co., Ltd.
"BMTA"	Bangkok Mass Transit Authority
"BRT"	Bus Rapid Transit
"BSS"	Bangkok Smartcard System Co., Ltd.
"BTS Assets"	BTS Assets Co., Ltd.
"BTSC"	Bangkok Mass Transit System Public Co., Ltd.
"BTS Group" or "Group"	The Company, subsidiaries, and associates
"BTS SkyTrain"	The Sukhumvit and the Silom Line and all related Civil Works and Electrical and Mechanical Works, operated and maintained by BTSC pursuant to the Concession Agreement
"Civil Works"	Civil Works such as columns, elevated highways, depot buildings and any other constructions
"Company" or "BTSG"	BTS Group Holdings Public Company Limited
"Concession Agreement" or "Agreement"	Bangkok Mass Transit System Concession Agreement between BMA and BTSC for the operation of Silom Line and Sukhumvit Line
"Core Network"	The original mass transit line in Bangkok comprising two lines, the Sukhumvit Line and the Silom Line (collectively, the "Green Line"), covering 23 stations with a combined track length of 23.5 km
"EBIT"	Earnings before interest and taxes
"EBITDA"	Earnings before interest, taxes, depreciation and amortisation
"Electrical and Mechanical Works" or "E&M"	Electrical and Mechanical Works include electric trains, trackwork, power supply equipment, computer controlling systems, signaling systems, fare collection systems and communication systems
"Ex-Com"	Executive Committee
"Hip Hing"	Hip Hing Construction (Thailand) Co., Ltd.
"IODT"	Thai Institute of Directors

**Terms****“Krungthep Thanakom”****“M-Map”****“MRT” or “MRT Subway”****“MRTA”****“NCGC”****“NHA”****“O&M”****“OTP”****“POV”****“QoQ”****“SARL”****“SEC”****“SET”****“Silom Line”****“Silom Line Extension”****“SRT”****“Sukhumvit Line”****“Sukhumvit Line Extension”****“Tanayong”****“VGI”****“VGI Group”****“YoY”****Definitions**

Krungthep Thanakom Co., Ltd., which is a company established by the BMA
 Mass Rapid Transit Master Plan of the Bangkok Metropolitan Region prepared by OTP
 M.R.T Chaloe M Ratchamongkhon Subway Line which started operation in 2004

Mass Rapid Transit Authority of Thailand

National Corporate Governance Committee

National Housing Authority of Thailand

Operation and maintenance

Office of Transport and Traffic Policy and Planning under the Ministry of Transport

Point of View (POV) Media Group Co., Ltd.

Quarter-over-quarter

Suvarnabhumi Airport Rail Link

Thai Securities and Exchange Commission

Stock Exchange of Thailand

Consists of 7 stations (including Siam station) and runs westwards and southwards for 6.5 km, connecting National Stadium and Taksin Bridge

The Silom line extension is 7.5 km in length across the Chao Phraya River from Saphan Taksin station to Bang Wa station, comprising 6 stations. This extension line is divided into 2 projects:-

The first project (Saphan Taksin – Wongwian Yai) is the 2.2 km extension of the Silom line, comprising Krung Thon Buri station and Wongwian Yai station which commenced operations in 2009.

The second project (Wongwian Yai – Bang Wa) is the 5.3 km extension of the Silom Line, comprising 4 stations from Wongwian Yai station to Bang Wa station. This is expected to begin operations in December 2012.

State Railway of Thailand

Consists of 17 stations (including Siam station) and traverses Bangkok running northwards and eastwards for 17 km, connecting Mo Chit and On Nut

The 5.3 km. extension of the Sukhumvit line, comprising 5 BTS stations (from Bang Chak station to Bearing Station)

Tanayong Public Co., Ltd. (former name of BTS Group Holdings Public Co., Ltd.)

VGI Global Media Co., Ltd.

VGI and its subsidiaries

Year-over-year

