BTS GROUP HOLDINGS PCL
ANNUAL REPORT 2013/14

BTS GROUP
ANNUAL REPORT
2013/14

BANGKOK AND VICINITY FUTURE MASS TRANSIT MASTER PLAN

- **Light Blue Line** (Din Daeng – Sathorn)
- **Blue Line** (Bang Sue – Hua Lamphong – Tha Phra – Phuttamonthon Sai 4)
- **Purple Line** (Bang Yai – Rat Burana)
- **Dark Red Line** (Thammasat University – Mahachai)
- **Airport Rail Link** (Don Mueang – Suvarnabhumi Airport)
- **Light Red Line** (Salaya – Hua Mark)
- **Orange Line** (Charansanitwong – Min Buri)
- **Yellow Line** (Lat Phrao – Samrong)
- **Bus Rapid Transit (BRT)** (Ratchaphruek – Sathorn)
- **Light Green Line** (Yot Se – Bang Wa)
- **Dark Green Line** (Lam Luk Ka – Bang Pu)
- **Pink Line** (Khae Rai – Min Buri)
- **Grey Line** (Watcharaphon – Rama 9 Bridge)
- **Light Rail Transit (LRT)** (Bang Na – Suvarnabhumi Airport)

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www.btsgroup.co.th

Telephone
+66 (0) 2273 8611-15

Sources
BTS Group,
Office of Transport and Traffic Policy and Planning,
Bangkok Metropolitan Administration

N
KHU KHOT
KHLONG SAM
KHLONG SI
KHLONG HA
LAM LUK KA
KM.25
DON MUEANG
AIR FORCE MUSEUM
BHUMIPHOL HOSPITAL
SAPHAN MAI
SAI YUT
LAK SI MONUMENT
RATCHAPHAT PHRA NAKHORN
LAT PLAKHAO
RAM INDRA NATIONAL HOUSING
WATCHARAPHON
NAWAMIN
KANNAYAO
SIAM PARK
BANG CHAN
SETTHABUT BAMPHEN
SIHABURANUKIT
MIN BURI
WAT PHRA SRI MAHATHAT
INFANTRY DIVISION 11
BANG BUA
FOREST DEPARTMENT
KASETSART UNIVERSITY
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NUANCHAN
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YOTHIN PATTANA
LAD PHRAO 87
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KEHA RAMKHAMHAENG
MIN PATTANA
RAT PATTANA
NOM KLAO
SAMMAKON
KHLONG BAN MA
SI BURAPHA
LAM SALI
LAM SALI
SI KRITHA
HUA MAK
HUA MAK
PHAHON YOTHIN
LAD PHRAO INTERSECTION
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WANG THONGLANG
NAKORN THAI
HAPPYLAND
CHALONG RAT
MO CHIT
CHATUCHAK PARK
KAMPHAENG PHET
RATCHADAPHISEK
SUTTHISAN
HUAI KHWANG
NAWASI
RAMKHAMHAENG
HUA MAK
SAPHAN KHWAI
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SANAM PAO
PRACHA SONGKHRO
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VICTORY MONUMENT
DIN DAENG
MITR MAITREE
THAILAND CULTURAL CENTRE
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PHRA RAM 9
MAKKASAN
PHAYA THAI
RATCHATHEWI
RATCHAPRAROP
MAKKASAN
PHETCHABURI
SOONVIJAI
RAMKHAMHAENG
PHATTANAKAN
BAN THAP CHANG
LAT KRABANG
PRATUNAM
BAN TAD THONG
RATCHATHEWI
PHLOEN CHIT
NANA
SUKHUMVIT
ASOK
THONG LO
PHROM PHONG
THONG LO 25
THONG LO 10
PHROM PHONG
SRI NUT
SUVARNABHUMI AIRPORT
NATIONAL STADIUM
SIAM
CHIT LOM
PHLOEN CHIT
THONG LO
QUEEN SIRIKIT NATIONAL CONVENTION CENTRE
EKKAMAI
PHRA KHANONG
ON NUT
BANG CHAK
PUNNAWITHI
SUPAPONG
SOUTH SUVARNABHUMI
RATCHADAMRI
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LUMPHINI
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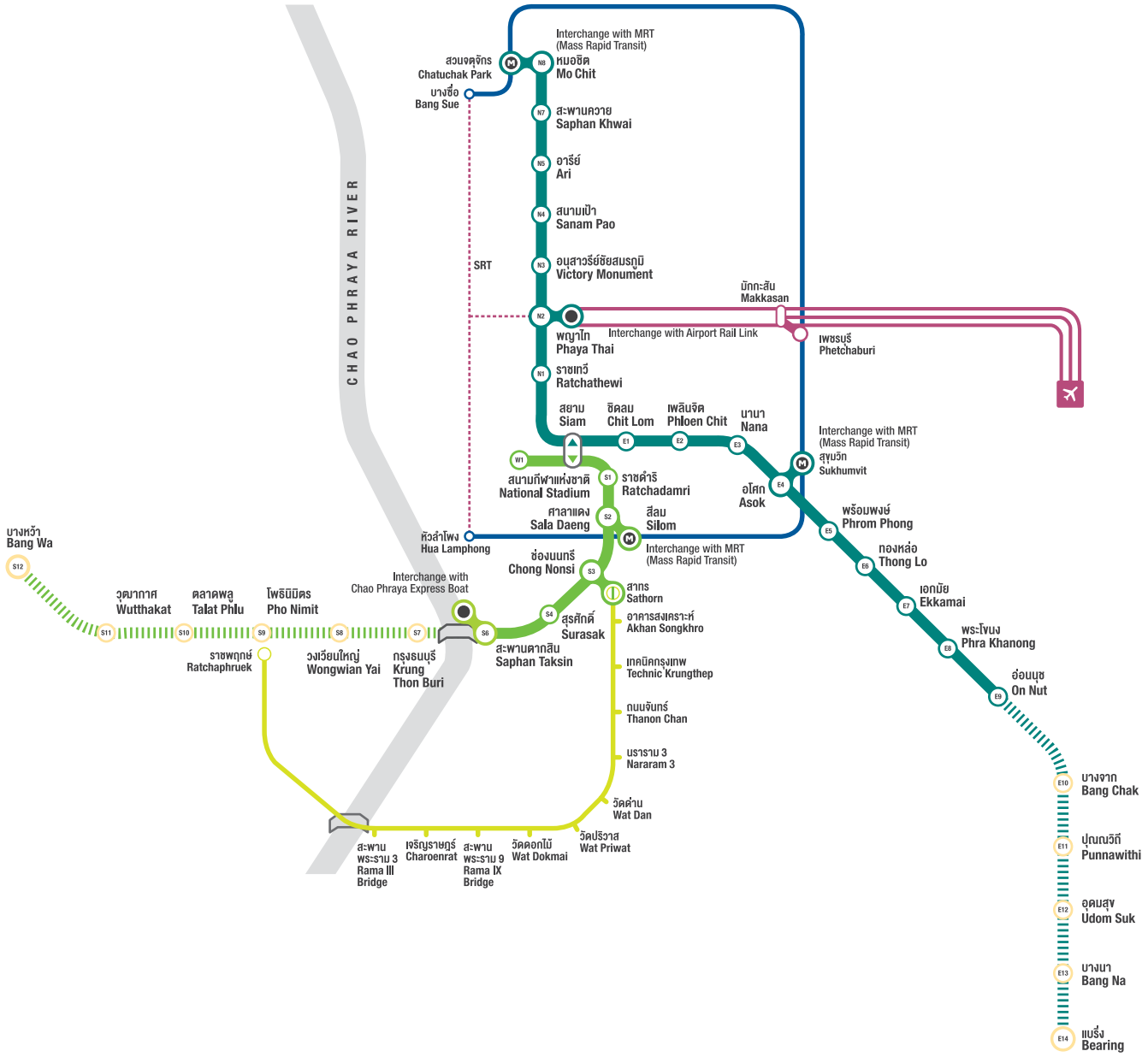
THANA CITY
WAT SALUT
SUAN PHLU
CHONG NONSI
SATHORN
KHLONG TOEI
SRI EIAM
RAMKHAMHAENG UNIVERSITY 2
PIYAMIN
UDOM SUK
SURASAK
AKHAN SONGKHRO
RAMA 3
WAT PRIANG
BANG NA-TRAD 37
SAPHAN TAKSIN
TECHNIC KRUNGTHEP
WAT SRI EIAM
BANG NA-TRAD 21
CHAO PHRAYA RIVER
THANON CHAN
NARATHIWAS
BANG NA
BITEC
PRAPHAMONTREE SCHOOL
SRI LA SALLE
KRUNG THON BURI
SATHUPRADIT
NARARAM 3
BEARING
SRI BEARING
CHAROENRAT
WAT DAN
RAMA 9 BRIDGE
RAMA IX BRIDGE
WAT PRIWAT
SRI DAN
WAT DOKMAI
SAMRONG
SAMRONG
NORTH SAMRONG
SRI THEPHA
PU CHAO SAMING PHRAI
ERAWAN MUSEUM
NAVAL ACADEMY
SAMUT PRAKARN
SRINAGARINDRA
PHREAKSA
SAI LUAD
SAMUT PRAKARN NATIONAL HOUSING
SAWANGKANIWATT
MUANG BORAN
SRI CHANDARAPRADIT
BANG PU

EXISTING BANGKOK MASS TRANSIT NETWORK



Core Network

- Silom Line
- Sukhumvit Line

Extension Lines

- Silom Line Extension
- Sukhumvit Line Extension

Other

- BRT

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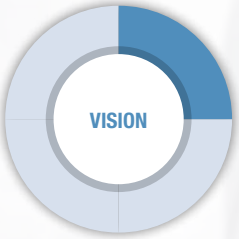
1.0
INTRODUCTION

In this Section, we state our Vision, Mission, Values and our Strategy and Long-Term Goal. We also provide a brief overview of our businesses and include key figures from our performance.

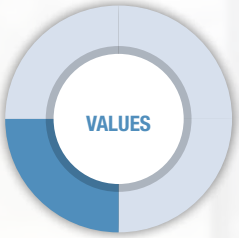
1.1 **Our Ambition**
1.2 **BTS Group Overview**
1.3 **Key Figures**

1.1 OUR AMBITION



To provide the community with a unique and comprehensive range of *City Solutions* that significantly contributes to an improved way of life.

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.



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.

BTS Group companies aim to be the leader in developing and operating **Rail Mass Transit** in Thailand, reinforce our position as the leading **Out-of-Home (OOH) Media** player in the country and selectively expand our network across the ASEAN region, cautiously grow our **Property** business, and lead Bangkok cashless society via smart purse **e-payment** solutions.

We based our strategies on five foundations:
1. Experiences in rail mass transit
2. Synergy across all four businesses with rail mass transit at our core
3. Financial strength
4. Innovation
5. Customer satisfaction

BTS Group will grow our four businesses in line with the urbanisation of Thailand, and provide community with a unique and comprehensive range of *City Solutions* that significantly contributes to an improved way of life.

CONNECTING **GROWTH**

Total ridership approaching

2 billion trips

5 December 1999 to May 2014

mr.VGI
VGI
The Leader in
Out of Home Media
contact 02·273·8884
www.vgi.co.th
BTS

CREATING **IMPACT**

Expanding our footprint in
Out-of-Home Media

Eastin Grand Hotel Sathorn

STRENGTHENING **BRANDS**

THB 2bn
Revenue from transferred units of
Abstracts Phahonyothin Park (Tower A) Condominium

THB 860mn
Revenue from our hotel assets

วิธีการใช้ตู้คูปองแครอท
Steps to use Carrot Coupon Kiosk
ฟรี! สมัครสมาชิกแครอท รีวอร์ดส ที่นี่
McDonald's
MAJOR CINEPLEX
DUNKIN' DONUTS
ENJOY YOUR MOMENT
TOM N TOMS COFFEE
StreetDeal
Kasa
BreadTalk
ไทย
ประกันชีวิต

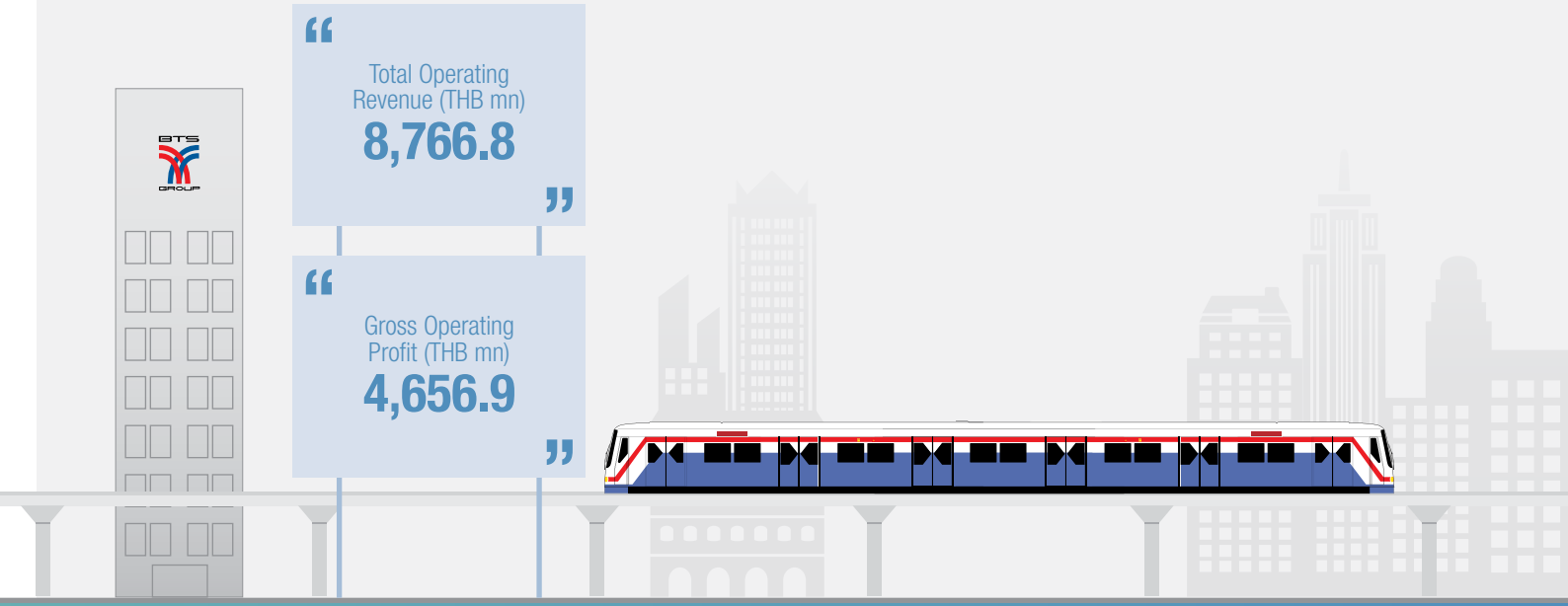
SERVICING **CONVENIENCE**

Number of rabbit cards

> 2.5 million

as of May 2014

1.2 BTS GROUP OVERVIEW

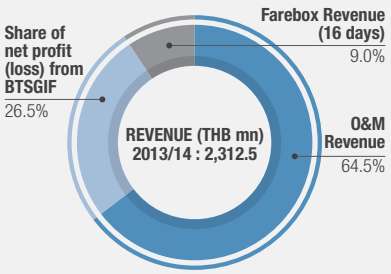


MASS TRANSIT

BTS Group Holdings PCL (BTS Group) is a leading provider of passenger services in Thailand. BTS Group is listed on the Stock Exchange of Thailand and is amongst the 50 largest companies in Thailand with a market capitalisation of THB 95.9bn (USD 3.0bn) as of 15 May 2014. BTS Group's businesses can be divided into 4 main business units: 1) Mass Transit, 2) Media, 3) Property and 4) Services.

BTS Group focuses primarily on the Mass Transit business which it operates via its majority-owned subsidiary, Bangkok Mass Transit System Public Co., Ltd. (BTSC). BTSC is the exclusive concessionaire and operator of the BTS SkyTrain Core Network as well as the exclusive operator of certain extensions to the Core Network and the Bus Rapid Transit (BRT) system. For further details, please refer to *Section 3.7.1: Business and Industry Overview – Mass Transit*.

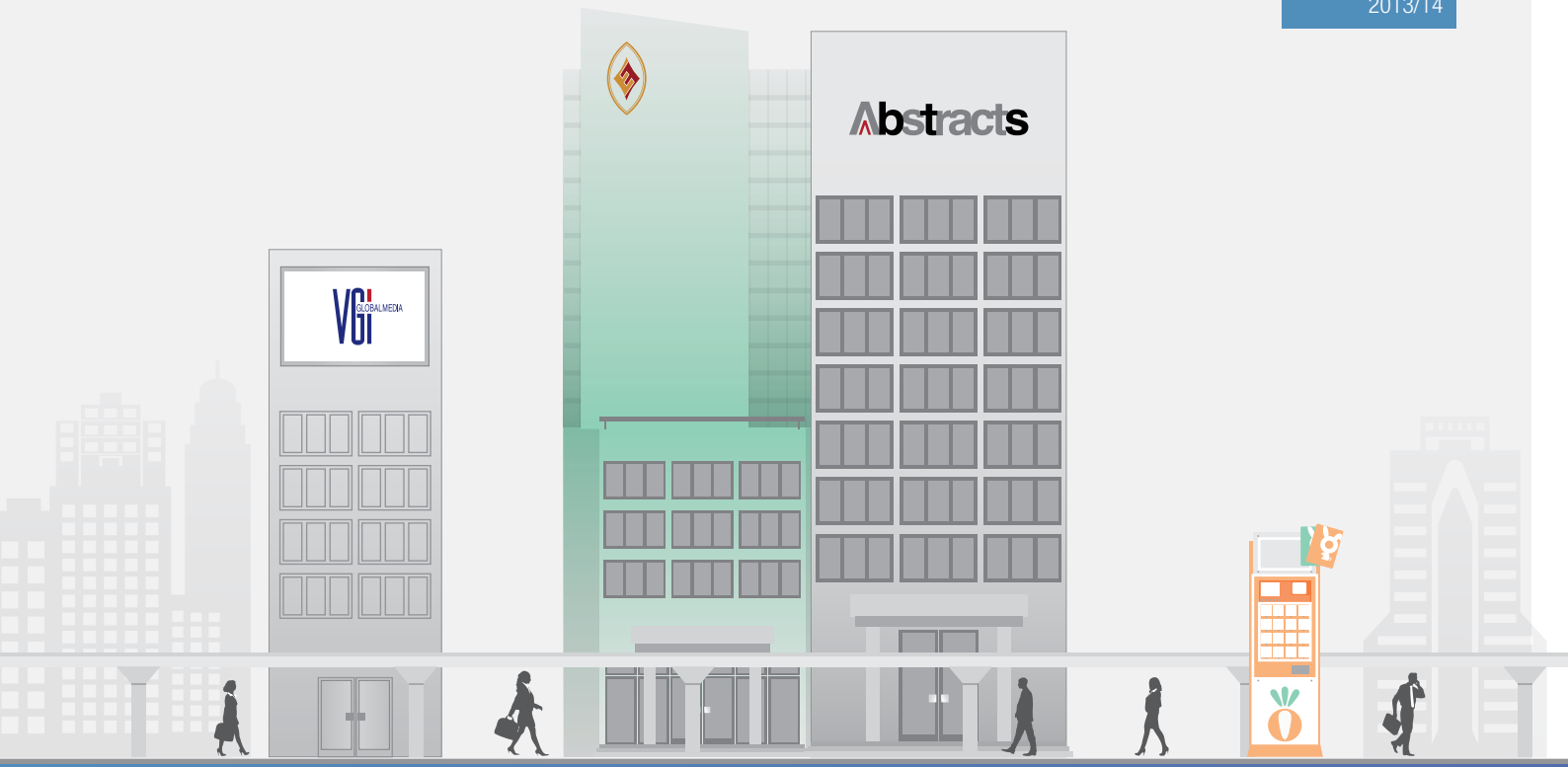
In April 2013, BTSC sold its rights to the future Net Farebox Revenues under its Concession Agreement with the Bangkok Metropolitan Administration to **BTS Rail Mass Transit Growth Infrastructure Fund (BTSGIF)**. In spite of this, it remains the exclusive concessionaire, the exclusive operator as well as the largest economic stakeholder in revenues of the Core Network via a holding of one-third of all units of BTSGIF held via BTS Group.



TOTAL EMPLOYEES
3,813

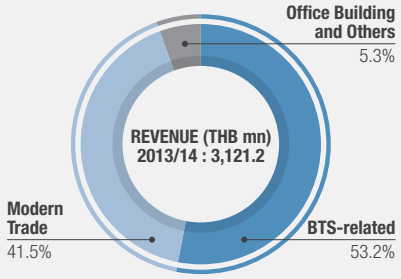
BTS GROUP HOLDINGS EMPLOYEES
63

MASS TRANSIT EMPLOYEES
2,037



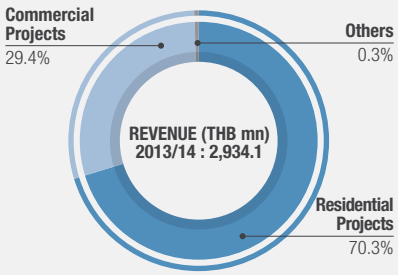
MEDIA

BTS Group also focuses on the Media business which it operates via its majority-owned subsidiary, VGI Global Media PCL (VGI). VGI is the largest Out-of-Home Media company in Thailand. It has an exclusive concession to manage advertising space on the core BTS stations. In addition, VGI has expanded to manage advertising space in the leading Modern Trade retailers nationwide, key offices and commercial buildings in Bangkok and Outdoor Media sector. For further details, please refer to *Section 3.7.2: Business and Industry Overview – Media.*



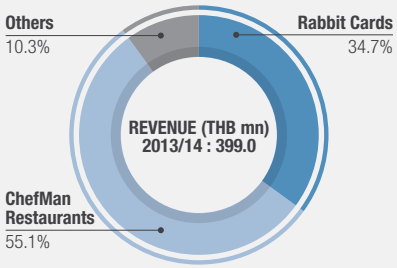
PROPERTY

BTS Group has over 40 years of experience in property development business. The book value of BTS Group's existing property assets are worth more than THB 11bn, which can be divided into 3 main categories: 1) Residential Property business (housing and condominium portfolio), 2) Commercial Property business (hotel, office and serviced apartment portfolio) and 3) Land bank. For further details, please refer to *Section 3.7.3: Business and Industry Overview – Property.*



SERVICES

The Services business division provides strategic support for the rest of the BTS Group as well as a potential source of future revenue growth. In addition to the development and operation of the "rabbit card", a common ticketing system across Bangkok's mass transit network, the Group is engaged in construction services, hotel management services as well as the management of ChefMan Restaurants. For further details, please refer to *Section 3.7.4: Business and Industry Overview – Services.*



MEDIA EMPLOYEES	PROPERTY EMPLOYEES	SERVICES EMPLOYEES
514	821	378

1.3 KEY FIGURES

Operating revenue[1] (THB mn)

2013/14	Change
8,766.8	(15.5)%
2012/13	THB 10,375.5mn

Operating EBITDA[2] (THB mn)

2013/14	Change
3,422.9	(32.6)%
2012/13	THB 5,080.7mn

Net recurring profit[3] (THB mn)

2013/14	Change
2,611.6	153.5%
2012/13	THB 1,030.0mn

Net profit after minority interest[4] (THB mn)

2013/14	Change
12,644.9	635.8%
2012/13	THB 1,718.6mn

Gross operating profit margin (%)

2013/14	Change
53.1%	4.4%
2012/13	48.8%

Operating EBITDA margin[5] (%)

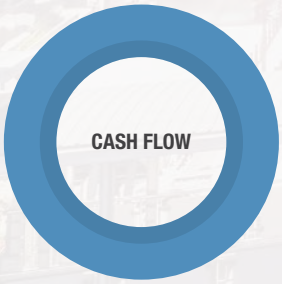
2013/14	Change
39.0%	(10.0)%
2012/13	49.0%

Net recurring profit margin[6] (%)

2013/14	Change
25.6%	15.9%
2012/13	9.7%

Earnings per share (THB)

2013/14	Change
1.0819	529.0%
2012/13	THB 0.1720



CFO[7] (THB mn)

2013/14	Change
3,218.5	(30.9)%
2012/13	THB 4,659.3mn

Capex[8] (THB mn)

2013/14	Change
2,644.2	98.9%
2012/13	THB 1,329.1mn

Total dividend[9] (THB mn)

2013/14	Change
7,073.3	62.3%
2012/13	THB 4,359.1mn

DSCR[10] (x)

2013/14	Change
5.43x	33.4%
2012/13	4.07x

Cash and cash equivalents (THB mn)

2013/14	Change
7,862.8	123.8%
2012/13	THB 3,513.3mn

Net debt / equity (x)

2013/14	Change
(0.02)x	(111.9)%
2012/13	0.17x

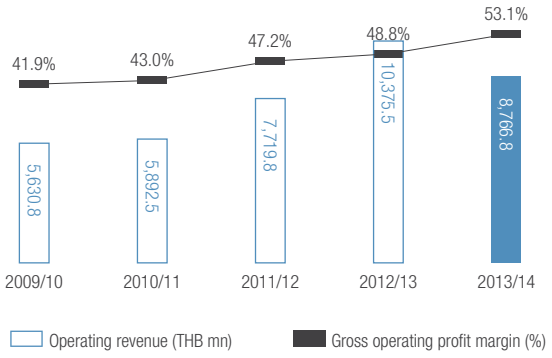
Total assets (THB mn)

2013/14	Change
76,757.1	14.1%
2012/13	THB 67,290.9mn

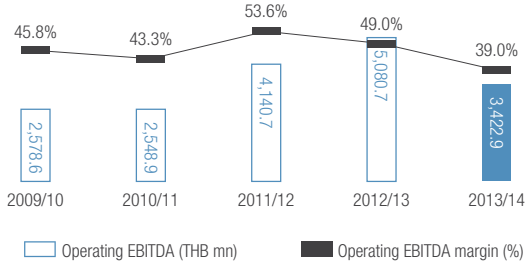
Total equity (THB mn)

2013/14	Change
59,762.3	18.3%
2012/13	THB 50,501.7mn

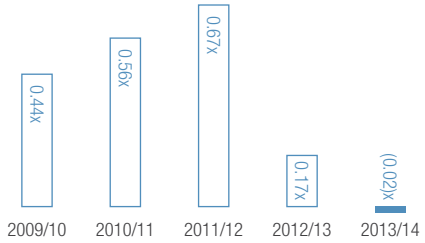
Operating Revenue[1] (THB mn) and Gross Operating Profit Margin (%)



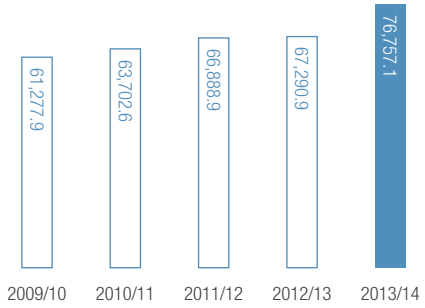
Operating EBITDA[2] (THB mn) and Operating EBITDA Margin[5] (%)



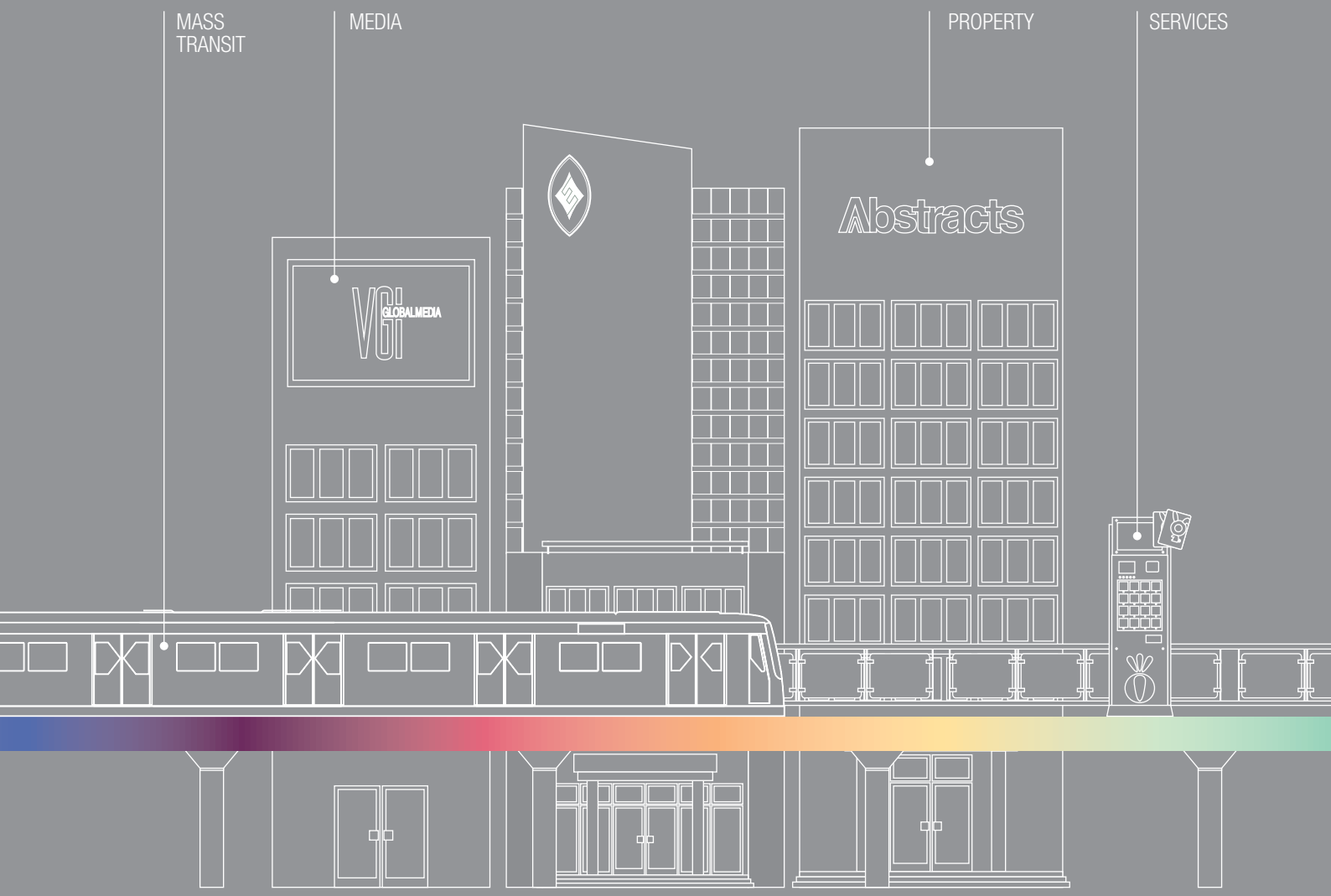
Net Debt to Equity (X)



Total Assets (THB mn)



1 Operating revenue from the operational performances from 4 BUs and share of net profit (loss) from BTSGIF, EXCLUDES interest income, and non-recurring items
2 Operating EBITDA from the operational performances from 4 BUs, share of net profit (loss) from BTSGIF, EXCLUDES interest income and non-recurring items
3 Net recurring profit from the operational performances from 4 BUs, share of net profit (loss) from BTSGIF and AHS, including other recurring items which are interest income and other recurring items (before MI)
4 Net profit after minority interest = Net profit attributed to equity holders of the company (including non-recurring items)
5 Operating EBITDA margin = Operating EBITDA / Total operating revenue
6 Net recurring profit margin = Net recurring profit before minority interest / Total recurring revenue
7 CFO = Net cash flow from operating activities after interest and tax
8 Capex = Capital expenditures exclude real estate development cost
9 Subject to shareholders' approval, please see *Section 4.1: Capital Markets Review*
10 DSCR = Debt service coverage ratio (Operating EBITDA / Finance cost)


MASS
TRANSIT
MEDIA
PROPERTY
SERVICES
VGI
GLOBALMEDIA
Abstracts

2.0
HIGHLIGHTS 2013/14 & OUTLOOK

This Section provides a key overview of events and the business target assessment of the past fiscal year as well as an overview of the year ahead. You will also find the Chairman's statement and key financial highlights of the past 5 years.

2.1 **Message from the Chairman**
2.2 **Important Events 2013/14**
2.3 **BTSGIF at a Glance**
2.4 **Business Target Assessment 2013/14**
2.5 **Business Outlook 2014/15**
2.6 **Financial Highlights**

2.1 MESSAGE FROM THE CHAIRMAN

"2013/14 was a pivotal year for the Group. Following the BTSGIF transaction, we have now laid the foundation for next decade's worth of growth."

Keeree Kanjanapas
Chairman /
Chairman of the Corporate Governance Committee

Dear Fellow Stakeholders,

The start of our fiscal year began with the sale of Net Farebox Revenues on the Core Network into BTS Rail Mass Transit Growth Infrastructure Fund, or BTSGIF for short. This was the first Infrastructure fund in Thailand and the largest private sector IPO in Thai capital markets history and was recognised regionally with Asia's Best IPO awards from FinanceAsia and IFR Asia. Although the Group received THB 61,399mn in net proceeds (and recognised a gain of THB 10,800mn), the Company subscribed to one third of the units and hence remains the largest economic beneficiary in the transit system which we continue to operate.

The operational performance of the Core Network once again continues to exceed expectations. Ridership grew 8.9% in 2013/14, which together with a fare increase of 6.5%, led to a 16.0% increase in the revenue from the Core Network. We also expanded the scope of our Operating and Maintenance (O&M) contracts following the opening of the 5.3km 4-station Silom Line extension (Wongwian yai to Bang wa) in December 2013. Service levels were improved further as the Company took delivery and put into service an additional 55 carriages. Our total fleet is now 52 trains each of 4-carriages long.

Against a backdrop of consumption weakness and prolonged political impasse, media spending in Thailand contracted by 0.9% in 2013/14. In spite of this, **VGI Global Media (VGI) delivered revenue and net profit growth of 11% and 27%, respectively** to reach THB 3,150mn and THB 1,150mn, respectively. VGI also joined the SET50 Index in January 2014, which comprises Thailand's 50 largest companies by market capitalisation. For 2014/15, we forecast organic Media revenue growth of 13 - 17% primarily from new media products as well as a moderate strengthening in media spending and consumer sentiment. This forecast excludes any potential impact from acquisitions. On 12 May 2014, VGI acquired a 24.43% stake in SET-listed Master Ad PCL (MACO), a leading Thai outdoor advertising company. We continue to actively identify Media acquisitions or joint venture opportunities that provide long term growth opportunities.

Within our Property division, we continue construction of our fourth owned hotel asset, U Sathorn, which is expected to be completed within 2014. Our Property portfolio comprises prime assets unencumbered by any debt. Going forward, we will consider opportunistic acquisitions and development on a case-by-case basis with an emphasis on recurring income generating assets.

Within our Services business, we have now issued over 2.5mn rabbit cards and target 3.5mn cards within 2014/15. Separately, we have also set up a joint venture called Bangkok Payment Solutions that will pursue software and payment solutions for mass transit and other projects in Thailand.

Altogether, the Group recognised net profit of THB13.6bn, a growth of 604.9%YoY. Excluding the impact of BTSGIF transaction, net recurring profit rose 153.5% to THB2,611.6mn. If the proposed final dividend of THB 0.21 per share is approved at the annual general meeting on 25 July 2014, the Company will have paid a total of THB 7,073mn in dividends for 2013/14, in line with its "minimum committed THB 6-7-8bn" dividend policy. This excludes any value for the warrants (BTS-W3) existing shareholders received for free and were issued on 1 November 2013. For more information on this, please refer to *Section 4.1: Capital Markets Review*.

We continue to invest in the development of parts of our corporation. We advanced our environmental management systems and this was recognised with the award of ISO 14001:2004 accreditation in April 2014. This adds to our existing certifications of ISO 9001:2008 (quality management systems), OH SAS18001:2007 (occupational health & safety) and Lloyds Register Rail (best practice model on safety). Further, we have already joined the anti-corruption collective action; our Board of Directors has reviewed the implementation plan and this is scheduled to be launched in 2014/15. Stakeholders can take comfort from these advances and we continue to adapt these to be appropriate to the current environment.

One of our key challenges going forward is the reinvestment of the Group's THB 31,300mn net cash balance. Our approach will be to maintain a disciplined approach, seeking out opportunities that meet a favourable risk and reward profile and minimum return benchmarks and are in businesses which we are competitive. It is this approach that will lead to long term growth in shareholder value. Until such opportunities become available, we will take a prudent and liquid approach which targets the preservation of capital after adjusting for inflation. Ultimately, these funds are earmarked for our key expertise, mass transit development and operation. We stand ready to support the Thai government on its mass transit network expansion, the development of which we believe is critical for Bangkok and Thailand's competitiveness. We are looking forward to normalcy to resume to Thai politics and firmly believe we are in a prime position to benefit from the resumption in Infrastructure development.

As is customary, let me extend my deep gratitude to all the staff members within the Group for their commitment and professionalism, our Stakeholders for their continued faith and collaboration and our business partners for sharing the same vision. I look forward to bringing you updates throughout the course of the year.

2.2 IMPORTANT EVENTS 2013/14

17 APRIL 2013

BTSC concluded the sale of the future Net Farebox Revenues of the Core BTS SkyTrain Network to the BTS Rail Mass Transit Growth Infrastructure Fund (BTSGIF). The first day of trading of BTSGIF units was on 19 April 2013. BTSC remains the concessionaire and operator of the BTS SkyTrain and the Company maintains a significant investment in the Core BTS SkyTrain Network via a one-third holding of investment units of BTSGIF. For further details, please refer to *Section 2.3: BTSGIF at a Glance*.

27 MAY 2013

The Company announced an additional dividend policy to pay an aggregate dividend of no less than THB 21bn across the next 3 fiscal years which will be supported by the profits from operation as well as the extraordinary profits from the infrastructure fund transaction.

1 JUNE 2013

BTSC implemented an increase in its effective fare and promotional prices for trips on the BTS Core Network.

6 SEPTEMBER 2013

The Company paid the first interim dividend of THB 2,189.6mn (equivalent to THB 0.19 per share). This is the first payment under the Company's 3-year dividend policy plan. Based on the share price at 8 August 2013 (one day before BoD date), this is equivalent to a non-annualised dividend yield of 2.3%.

17 OCTOBER 2013

The Company established a new subsidiary, Man Kitchen Co., Ltd., to operate the restaurant and food businesses as well as other related businesses. The Company directly holds 70% shares in Man Kitchen Co., Ltd.

1 NOVEMBER 2013

The Company issued 3.94bn units of BTS-W3 warrants to the Company's existing shareholders through a rights offering (RO), at no cost, at the allocation ratio of 3 existing ordinary shares for 1 unit of warrants. The issue is intended to be contingent capital funding in the case whereby the Group secures its targeted new mass transit contracts. BTS-W3 warrants have a term of 5 years from the issuance date (1 November 2013) and are exercisable quarterly, starting from December 2016 onwards, with the last exercise date on 1 November 2018. The exercise ratio is 1 unit of warrants for 1 ordinary share at the exercise price of THB 12 per share.

5 DECEMBER 2013

BTSC commenced full operation of the 5.3km Silom Line extension from Wongwian Yai (S8) to Bang Wa (S12).

13 JANUARY 2014

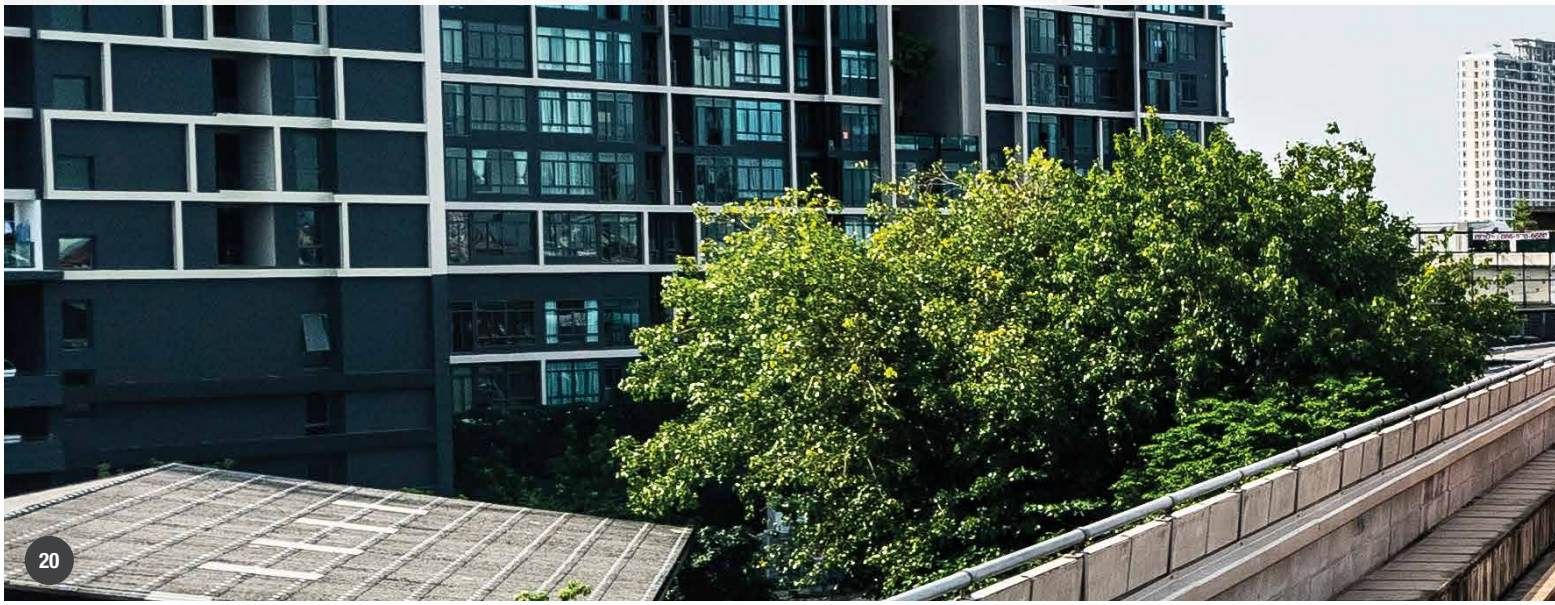
Ridership (Core Network and extensions) reached 913,084 passengers, a new high record.

5 FEBRUARY 2014

VGI signed a Shareholders' Agreement with Deelight Multimedia Co., Ltd. (Deelight) to jointly develop future Outdoor Media projects. Deelight manages Digital Media, with several concessions to manage roadside light-boxes in Bangkok. The transaction is aligned with VGI's business strategy to expand its Out-of-Home Media network and to increase its market share within the Outdoor Media segment. For further details, please refer to *Section 3.7.2: Business and Industry Overview – Media*.

6 FEBRUARY 2014

The Company paid the second interim dividend of THB 2,381.7mn (equivalent to THB 0.20 per share). Based on the share price at 9 January 2014 (one day before BoD date), this is equivalent to a non-annualised dividend yield of 2.5%.



7 FEBRUARY 2014
The Company and CITIC Construction Co., Ltd. (an affiliate of CITIC Group Corporation) have jointly formed a consortium ("BTS-CITIC Consortium") to bid for the concession of the Beijing Subway Line 16 for a 30-year operation period. This line covers 29 stations with a combined track length of 50km. For further details, please refer to *Section 3.7.1: Business and Industry Overview – Mass Transit*.

25 FEBRUARY 2014
The Company established a new subsidiary, Mak8 Co., Ltd., to develop real estate projects, including a condominium project at Pak Chong District, Nakorn Ratchasima Province. The Company directly holds 87.5% in the new subsidiary.

1 MARCH 2014
BTS SkyTrain extended its opening hours from 5:15 am – midnight on the Sukhumvit Line and from 5:30 am – midnight on the Silom Line. Previously, the service hours for both lines were 6:00 am – midnight.

18 MARCH 2014
The Company and Grand Canal Land Public Company Limited have invested 50:50 in a joint venture company, Bayswater Company Limited, to be used as a vehicle to develop a specific property project in the future.

2 APRIL 2014
BTSC was awarded the ISO 14001:2004 Environmental Management System certification by Bureau Veritas Certification (Thailand) Ltd. In our determination to operate our Mass Transit business sustainably, BTSC has established and implemented policies on environmental management system, raised awareness on environmental impacts within the organisation as well as controlled and reduced environmental impact from its activities.

30 APRIL 2014
BTS Land Co., Ltd. (a wholly-owned subsidiary), Vix Technology (Bangkok) Co., Ltd. and Inteltion Co., Ltd. formed a joint venture, Bangkok Payment Solutions Co., Ltd., with BTS Land Co., Ltd. holding 60% of the shares. The joint venture will be used as a vehicle for developing software and providing technology services, including technology associated with Thailand's mass transit and payment systems.

12 MAY 2014
VGI acquired 24.43% of the total issued shares in Master Ad Public Company Limited (MACO). MACO is a leading Out-of-Home media advertising company and listed on the Stock Exchange of Thailand. The acquisition is a strategic investment to expand VGI's Out-of-Home media network and to achieve long-term synergy between the two companies. For further details, please refer to *Section 3.7.2: Business and Industry Overview – Media*.

23 MAY 2014
The Board of Directors of the Company proposed a final dividend of THB 0.21 per share, subject to shareholders' approval. Based on the share price as of 22 May 2014 (one day before BoD date), the total dividend payment (including the first and second interim dividend payments of THB 0.19 and THB 0.20 per share) for 2013/14 is equivalent to a dividend yield of 7.34% per annum. For more details on dividend payments, please refer to *Section 4.1: Capital Markets Review*.

23 MAY 2014
BTS Hotline Center was awarded the "Consumer Protection Thailand Call Center Award 2014" from the Office of the Consumer Protection Board as BTS Hotline Center has an outstanding performance in handling customers' complaints.

27 MAY 2014
The Company acquired 20% of shares in Nuvo Line Agency Co., Ltd. increasing the shareholding from 80% to 100%. Nuvo Line Agency Co., Ltd. is a developer of Abstracts Phahonyothin Park Condominium.

2.3 BTSGIF AT A GLANCE

On 17 April 2013, BTSC sold the rights to receive Net Farebox Revenues from its BTS SkyTrain Core Network to BTS Growth Infrastructure Fund (BTSGIF) for THB 62,510.4mn. **BTSGIF is the first Infrastructure Fund in Thailand and is one of the largest private sector initial public offering in the history of Thai capital markets**. Following a 2-year transaction development period and an extensive cornerstone marketing process, the listing was well-received by the market. Institutional demand was more than 25 times oversubscribed and attracted a high quality order book including some of the world's most respected 'long only' investors. There were over 56,900 retail applicants, more than any other IPO in Thailand. BTSG was the largest single subscriber, taking one third of the total 5,788mn units and has committed to a 10-year lock up on those units.

Infrastructure Funds have successfully come to fruition as a result of the Thai government's initiative, supported by the Thai Securities and Exchange Commission, the Stock Exchange of Thailand, relevant tax authorities and other supervisory bodies. In order to support the funding and development of the nation's infrastructure plan, this new vehicle category was established to allow and encourage broader investor access to infrastructure investments. Infrastructure funds benefit from corporate tax exemption for the duration of the fund, exemption on income tax on dividends for individual investors for 10 years since the inception date of the Fund (subject to certain restrictions) and must distribute a minimum of 90% of adjusted net profit.

The transaction was a great success for BTS Group and its shareholders. It resulted in a significant valuation enhancement on day 1 of the transaction. Most importantly, it also arms the Group with a significant cash balance that will be earmarked to bid for new extension lines and future growth of the Group's mass transit business (see *Section 3.7.1: Business and Industry Overview – Mass Transit* for more details). At the same time, the Group remains both the single largest economic beneficiary of farebox revenues (via BTSG's one third unitholding) as well as the exclusive operator of the Core Network. In its first fiscal year, BTSGIF has also delivered results above the original projections. More details can be seen at www.btsgif.com

AWARDS OF SUCCESS

> **BTSGIF's IPO of THB 42bn (USD 1.3bn) was Thailand's largest private-sector float and its first infrastructure fund**, opening an entirely new market and deepening the region's capital markets.
>
> - IFR ASIA REVIEW OF THE YEAR 2013

In 2013/14, BTSGIF won 6 international level awards from 5 entities as follows:

9 December 2013:
FinanceAsia Achievement Awards 2013
In recognition of the best IPO in Asia in 2013

12 December 2013:
The Asset Triple A Regional House and Deal Awards 2013
In recognition of the best equity deal in 2013

9 February 2014:
Asiamoney Awards 2013
In recognition of the Country Deals of the Year: Thailand

19 February 2014:
International Financing Review (IFR) Asia Awards 2013
In recognition of:
Regional Equity Issue of the Year
Thailand Equity Issue of the Year

29 May 2014:
Asian Legal Business SE Asia Law Awards 2014
In recognition of the Equity Market Deal of the Year

2.4 BUSINESS TARGET ASSESSMENT 2013/14

"2013/14 was a challenging year for Thai companies who were impacted by political deadlock, weakening consumer spending and volatile fund flows. Despite this, BTS Group hit all targets for its Mass Transit business. Our Media and Property businesses were more vulnerable; however, we believe that the impacts from these disruptions are temporary and we remain optimistic that the Thai economy will recover and politics will soon return to normal."

MASS TRANSIT

Target
7 - 10%
Ridership Growth

Results
8.9%
Target Achieved

Growth contribution from organic growth, the commencement of 4 stations (from Wongwian Yai – Bang Wa) of the Silom Line extension which fed more passengers to the Core Network, the popularity of Mass Transit in Bangkok, especially from the property development along the Core Network as well as the introduction of additional rolling stock into service.

Target
6.5%
Fare Increase

Results
6.5%
Target Achieved

Average fare per trip was THB 26.4 following the fare hike on 1 June 2013.

Target
5 x 4-Car
Train Delivery by 2013/14

Results
Target Achieved

All trains on the Sukhumvit Line were extended from 3-car trains to 4-car trains since May 2013 and all of the new five 4-car trains became available for service in February 2014.

MEDIA

Target
30%
Revenue Growth

Results
11.7%
Revenue Growth

Even though the 30% revenue growth target was not achieved, Media business revenue still grew 11% and net profit grew by 27%. We achieved solid revenue growth of 20.3% in BTS-related Media but only 3.7% growth in Modern Trade revenue in the face of a decline in total Thai advertising spending. Modern Trade Media and Office Building & Other Media were harder hit by dampened domestic consumption and political disturbances as advertising budgets were delayed or cut.

PROPERTY

Target
THB 2.4bn
Revenue from Abstracts Projects

Results
THB 2.1bn
Revenue from Abstracts Projects

Subdued consumer sentiment hurt sales of our Abstracts Phahonyothin Park (Tower A) Condominium units; although 610 units have been sold and transferred during the year, the Company did not achieve its target to transfer all units within 2013/14 due to the delay in transfer or cancellation of some units.

Target
75%
Group's Hotels Occupancy Rate

Results
80%
Target Achieved

All hotels under the Group's business (Eastin Grand Hotel Sathorn, U Chiang Mai Hotel and U Inchantree Kanchanaburi) had over 75% occupancy for 2013/14.

SERVICES

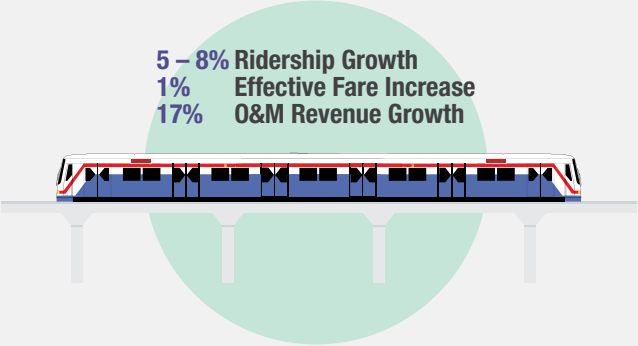
Target
2.0mn
Rabbit Cards Issued

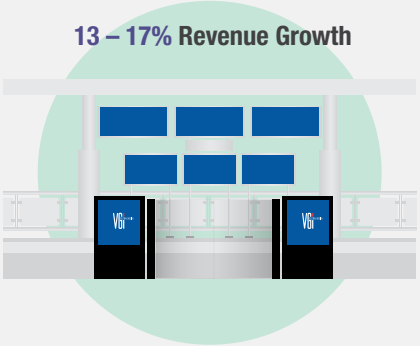
Results
>2.5mn Cards
Target Achieved

As of 31 March 2014, over 2.5mn rabbit cards were issued, exceeding the target number of issued cards for 2013/14.

2.5 BUSINESS OUTLOOK 2014/15

"We expect to see stable growth across our existing Mass Transit and Media businesses with maintained overall profit margins in 2014/15. Collaborating with the government on new mass transit contract awards will be our key focus."



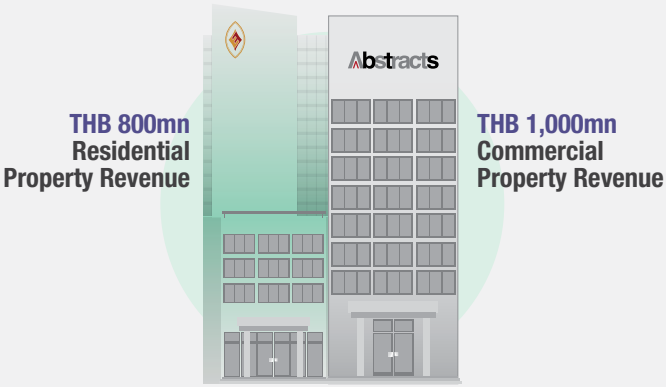


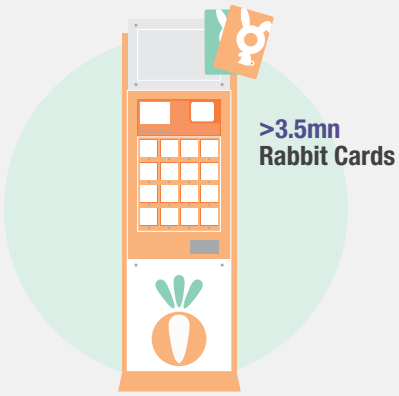
MASS TRANSIT

For our MASS TRANSIT division, BTSC commenced full operation of the 5.3km Silom Line extension from Wongwian Yai (S8) to Bang Wa (S12) on 5 December 2013. We expect to see 5 – 8% ridership growth for 2014/15 from a combination of organic growth and feeders into the Core Network from the aforementioned extension line. Effective fare is expected to increase by 1% from the full year effect of the fare increase implemented on 1 June 2013 as well as from the decrease in discounts given on the stored value rabbit cards starting 1 January 2014. Further, we project our O&M revenue to grow by 17% in 2014/15 as a result of the full year effect of the opening of Bang Wa extension.

MEDIA

Our outlook for the MEDIA business division for 2014/15 is 13 – 17% overall revenue growth, derived primarily from our BTS-related Media. Key drivers for the 22 – 24% growth in BTS-related Media include 16% additional train capacity from the trains that were delivered in 2013/14, new capacity from digital products and price increases. Growth is further supported by Modern Trade Media revenue, which is expected to grow 5 – 9% from branch coverage expansion and occupancy growth. Office Building and Other Media is estimated to increase by 7 – 10% from the full year effect of 24 new buildings added to the portfolio in 2013/14 coupled with further additions of office buildings under management in 2014/15.





PROPERTY

For our PROPERTY business division, we expect Residential Property revenue of THB 800mn coming from the remaining units of Abstracts Phahonyothin Park Condominium that are expected to be sold and transferred by 2014/15 and from the housing projects in Thana City. Further, Commercial Property is expected to contribute approximately THB 1,000mn revenue to the Group, primarily from our hotel portfolio.

SERVICES

For our SERVICES division, we are targeting 3.5mn rabbit cards in circulation in 2014/15. The Company is also aiming to increase the number of card readers at various retail stores as well as to increase card promotions with retail partners to offer additional benefits to rabbit card users.

2.6 FINANCIAL HIGHLIGHTS

	2013/14	2012/13	2011/12	2010/11	2009/10
INCOME STATEMENT (THB mn)					
Operating revenue[1]	8,766.8	10,375.5	7,719.8	5,892.5	5,631.9
Total revenue[2]	23,508.2	11,604.7	9,251.9	6,828.7	10,782.0
Operating EBITDA[3]	3,422.9	5,080.7	3,913.2	2,425.8	2,395.4
EBIT	18,022.1	4,423.1	3,840.2	2,018.7	6,307.3
Net income	13,585.0	1,927.2	2,235.6	310.5	5,691.6
Net income attributable to equity holders of the parent	12,644.9	1,718.6	2,105.6	252.2	5,396.6
STATEMENT OF FINANCIAL POSITION (THB mn)					
Total assets	76,757.1	67,290.9	66,888.9	63,702.6	61,277.9
Net debt	(1,207.7)	8,447.3	24,713.6	20,881.4	10,552.4
Shareholders' equity	59,762.3	50,501.7	36,932.3	37,509.5	23,820.6
CASH FLOW (THB mn)					
Net cash from operating activities	3,218.5	4,659.3	1,755.8	1,389.7	1,546.2
Capital expenditures[4]	(2,644.2)	(1,329.1)	(1,924.6)	(4,112.3)	(3,073.0)
PER SHARE DATA (THB / Share)[5]					
Earnings per share	1.0819	0.1720	0.2311	0.0302	0.9641
Dividend per share[6]	0.60	0.388	0.3001	0.2221	-
Book value per share	5.11	5.05	4.05	4.48	4.26
KEY RATIOS					
Operating EBITDA margin (%)[3]	39.0%	49.0%	50.7%	41.2%	42.5%
EBIT margin (%)	76.7%	38.1%	41.5%	29.6%	58.5%
Net debt to equity (times)	(0.02)	0.17	0.67	0.56	0.44
Interest coverage ratio[3,7] (times)	5.43	4.07	2.73	1.51	4.39
ROA (%)	17.7%	2.9%	3.3%	0.5%	9.3%
ROE (%)	22.7%	3.8%	6.1%	0.8%	23.9%
SHARE INFORMATION (as of 31 March)					
Par value (THB / share)	4.00	4.00	0.64	0.64	1.00
Share price (THB)	8.40	9.40	0.78	0.75	0.71
Outstanding shares (mn shares)	11,914.2	11,106.6	57,188.3	55,889.3	7,614.4
Market capitalisation (THB mn)	100,079.5	104,402.4	44,606.9	41,917.0	5,406.2

1 Operating revenue from the operational performances from 4 BUs and share of net profit (loss) from BTSGIF, EXCLUDES interest income and non-recurring items
2 Total revenues for 2013/14, 2012/13 and 2011/12 include farebox revenue which presented separately under 'profit from discontinued operation'
3 Operating EBITDA from the operational performances from 4 BUs, share of net profit (loss) from BTSGIF, EXCLUDES interest income and non-recurring items
4 Capital expenditures exclude real estate development cost
5 Calculated based on weighted average number of shares at par value of THB 4 per share
6 Final dividend per share at THB 0.21 for 2013/14 is subjected to shareholders' approval
7 Operating EBITDA / Finance cost

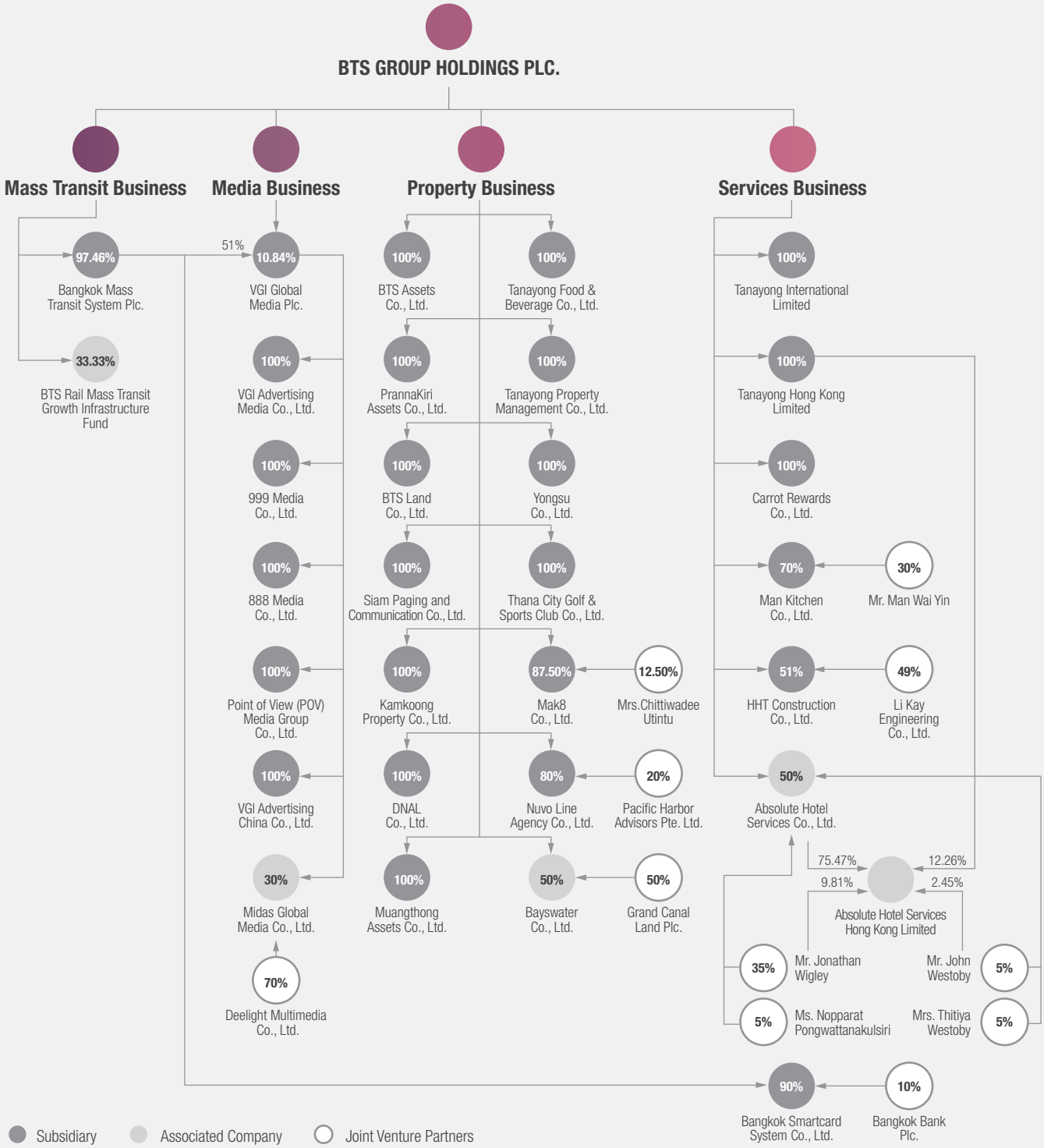
3.1 **Corporate Structure**
3.2 **Corporate Information**
3.3 **Our History**
3.4 **Our Board of Directors**
3.5 **Our Management**
3.6 **Organisation Chart**
3.7 **Business and Industry Overview**
3.7.1 **Mass Transit**
3.7.2 **Media**
3.7.3 **Property**
3.7.4 **Services**
3.8 **Subsidiaries and Associated Companies Information**

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

Business Organisation of the Company, Subsidiaries and Associated Companies as of 31 March 2014



(1) On 4 April 2014, VGI Multi-Tech International Co., Ltd. changed its name to Midas Global Media Co., Ltd.

(2) On 30 April 2014, a new subsidiary in the Services business, named Bangkok Payment Solutions Co., Ltd. was established. BTS Land Co., Ltd., Vix Technology (Bangkok) Co., Ltd. and Inteltion Co., Ltd. holds 60% shares, 30% shares and 10% shares in this new subsidiary respectively.

(3) On 12 May 2014, VGI Global Media Plc. acquired 24.43% shares in Master Ad Plc. As a result, Master Ad Plc. becomes a new associated company in Media business.

(4) On 27 May 2014, the Company acquired 20% shares in Nuvo Line Agency Co., Ltd. from Pacific Harbor Advisors Pte. Ltd. and, therefore, the Company's shareholding in Nuvo Line Agency Co., Ltd. has been increased to 100%.

(5) On 30 May 2014, the Company's shareholding in VGI Global Media Plc. has been increased from 10.84% to 13.65%. As a result, the shareholding of BTS Group in VGI Global Media Plc. has been increased to 64.65%.

3.2 CORPORATE INFORMATION

BTS Group Holdings Public Company Limited

Year Established	**1968**
Equity First Trade Date	**1 March 1991**
Stock Code	**BTS**
Registered Capital (THB)	**63,652,544,720**
Registered Paid-up Capital[1] (THB)	**47,656,922,100**
No. of Listed Shares[1] (Shares)	**15,913,136,180**
Par Value (THB / Share)	**4.0**
No. of listed Warrants (BTS-W3)[1]	**3,944,626,464 units**
No. of unlisted Warrants (BTS-WA)[1]	**100,000,000 units (ESOP)**
No. of unlisted Warrants (BTS-WB)[1]	**16,000,000 units (ESOP)**

1 As of 31 March 2014

Company Registered Address

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

Stock Registrar
Thailand Security Depository Co. Ltd.
The Stock Exchange of Thailand Building,
62 Ratchadapisek Road, Klongtoey, Bangkok 10110
Tel: +66 (0) 2229 2800
Fax: +66 (0) 2359 1259

Key Contact Details

Corporate Head Office
Tel: +66 (0) 2273 8511-5, +66 (0) 2273 8611-5
Fax: +66 (0) 2273 8610, +66 (0) 2273 8616

Company Secretary
Email: CompanySecretary@btsgroup.co.th
Tel: +66 (0) 2273 8611-5 # 1525, 1531
Fax: +66 (0) 2 273 8610

Investor Relations
Email: ir@btsgroup.co.th
Tel: +66 (0) 2273 8623, +66 (0) 2273 8631
+66 (0) 2273 8637
Fax: +66 (0) 2273 8610

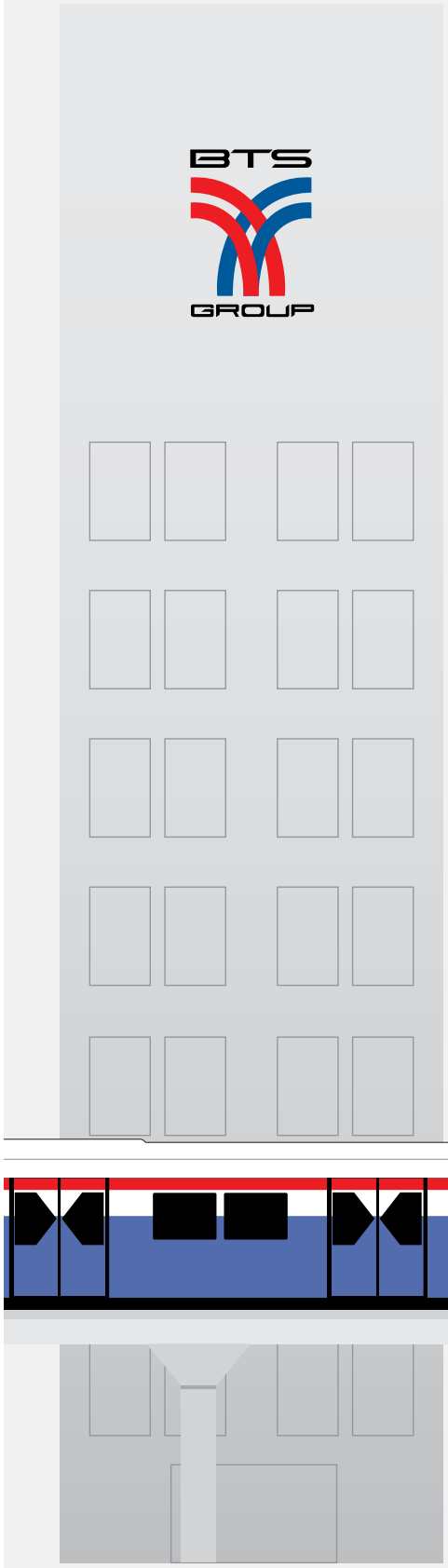
Corporate Communications
Email: corpcomm@btsgroup.co.th
Tel: +66 (0) 2617 7300 #1832
Fax: +66 (0) 2617 7135

Auditor
EY OFFICE COMPANY 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
Miss. Siraporn Ouaanunkun, Certified Public Accountant No. 3844

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

The Capital Law Office Limited
18th Floor, Smooth Life Tower
44 North Sathorn Road, Bangrak, Bangkok 10500
Tel: +66 (0) 2633 9088
Fax: +66 (0) 2633 9089

3.3 OUR HISTORY



1968

MARCH: Established as a limited company under the 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

MARCH: Tanayong was listed on the Stock Exchange of Thailand (SET) under the Property Development sub-index.

1992

Tanayong established a wholly-owned subsidiary, Bangkok Transit System Corporation Ltd. (BTSC), to sign the concession contract with the Bangkok Metropolitan Administration (BMA) to design, build and operate Bangkok's first mass transit system.

1993

Tanayong registered for conversion into a public company under the name Tanayong Public Company Limited.

1997

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

1999

DECEMBER: Commercial operation of the BTS SkyTrain commenced.

2006 - 2008

Tanayong successfully exited from the business rehabilitation procedures and its shares resumed trading on the SET on 28 December 2006.

BTSC entered a court supervised business rehabilitation procedure, during which Tanayong's shareholding in BTSC got diluted to less than 1%. BTSC successfully exited business rehabilitation in 2008.

2009

MAY: Commencement of operations of the Silom Line extension (Saphan Taksin – Wongwian Yai) by BTSC under the Operation and Maintenance Services (O&M) Contract.

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

SEPTEMBER: BTSC expanded into the Media business through the acquisition of 100% acquisition of VGI.

2010

MAY: The Company acquired 94.6% of BTSC, returning Mass Transit to be the primary business of the Company. The acquisition was financed 51.6% (THB 20,655.7mn) by cash and 48.4% (THB 19,378.8mn) by new equity issuance. The Company also changed its name to BTS Group Holdings Public Company Limited and was re-categorised under the Transportation sub-index of SET.

BTSC began operation and maintenance of Bangkok's inaugural Bus Rapid Transit (BRT) system under the Bus Operation Agreement Contract and Station Management Agreement.

JUNE - AUGUST: The Company successfully completed a rights offering to existing shareholders and private placement in order to raise funds to repay the BTSC acquisition loan.

2011

JANUARY: The Company issued and offered THB 10,000mn of THB denominated, USD settled convertible bonds outside Thailand, the proceeds of which were used to fully repay the BTSC acquisition loan.

AUGUST: Commencement of operations of Sukhumvit Line extension (On Nut - Bearing) by BTSC under the O&M Contract.

2012

MAY: BTSC signed a 30-year O&M Contract (supercede all previously signed O&M agreements) covering the Green Line extensions under the BMA supervision from 2012 to 2042. This O&M contract also covers the Core Network (post concession expiration) from 4 December 2029 to 2 May 2042.

OCTOBER: VGI, a subsidiary of the Company, was successfully listed on the Thai Stock Exchange under the ticker symbol "VGI".

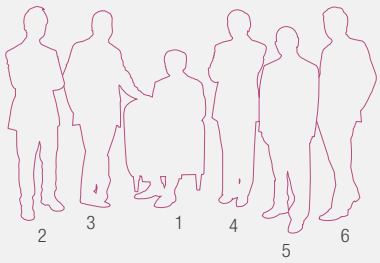
2013

JANUARY - FEBRUARY: BTSC and the BMA commenced trial operations of the Silom Line extension from Wongwian Yai (S8) to Pho Nimit (S9) and Talat Phlu (S10) in January and February 2013, respectively.

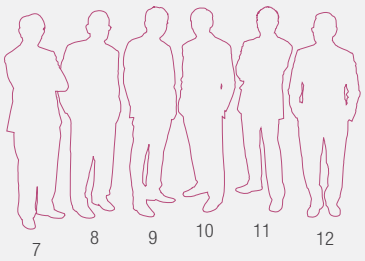
APRIL: BTSC concluded the sale of the future Net Farebox Revenues from the BTS SkyTrain Core Network to BTS Rail Mass Transit Growth Infrastructure Fund (BTSGIF). BTSC remains the operator and concessionaire of the Core BTS SkyTrain and the Group maintains a significant investment in the BTS SkyTrain Core Network via a 33.3% holding of investment units of BTSGIF (the largest permitted holding under the Thai SEC regulations). Please see further details in *Section 2.3: BTSGIF at a Glance*.

DECEMBER: BTSC and the BMA commenced full operations of the Silom Line extension from Wongwian Yai (S8) to Bang Wa (S12) on 5 December 2013.

3.4 OUR BOARD OF DIRECTORS

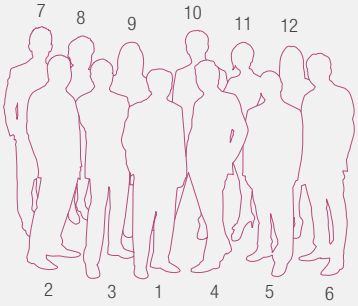


1. **Mr. Keeree Kanjanapas** - Chairman / Executive Chairman / Chairman of the Corporate Governance Committee
2. **Dr. Paul Tong** - Director
3. **Mr. Kavin Kanjanapas** - Executive Director
4. **Mr. Suchin Wanglee** - Independent Director / Audit Committee Member / Nomination and Remuneration Committee Member
5. **Dr. Anat Arbhabhirama** - Executive Director / Corporate Governance Committee Member
6. **Mr. Surapong Laoha-Unya** - Executive Director



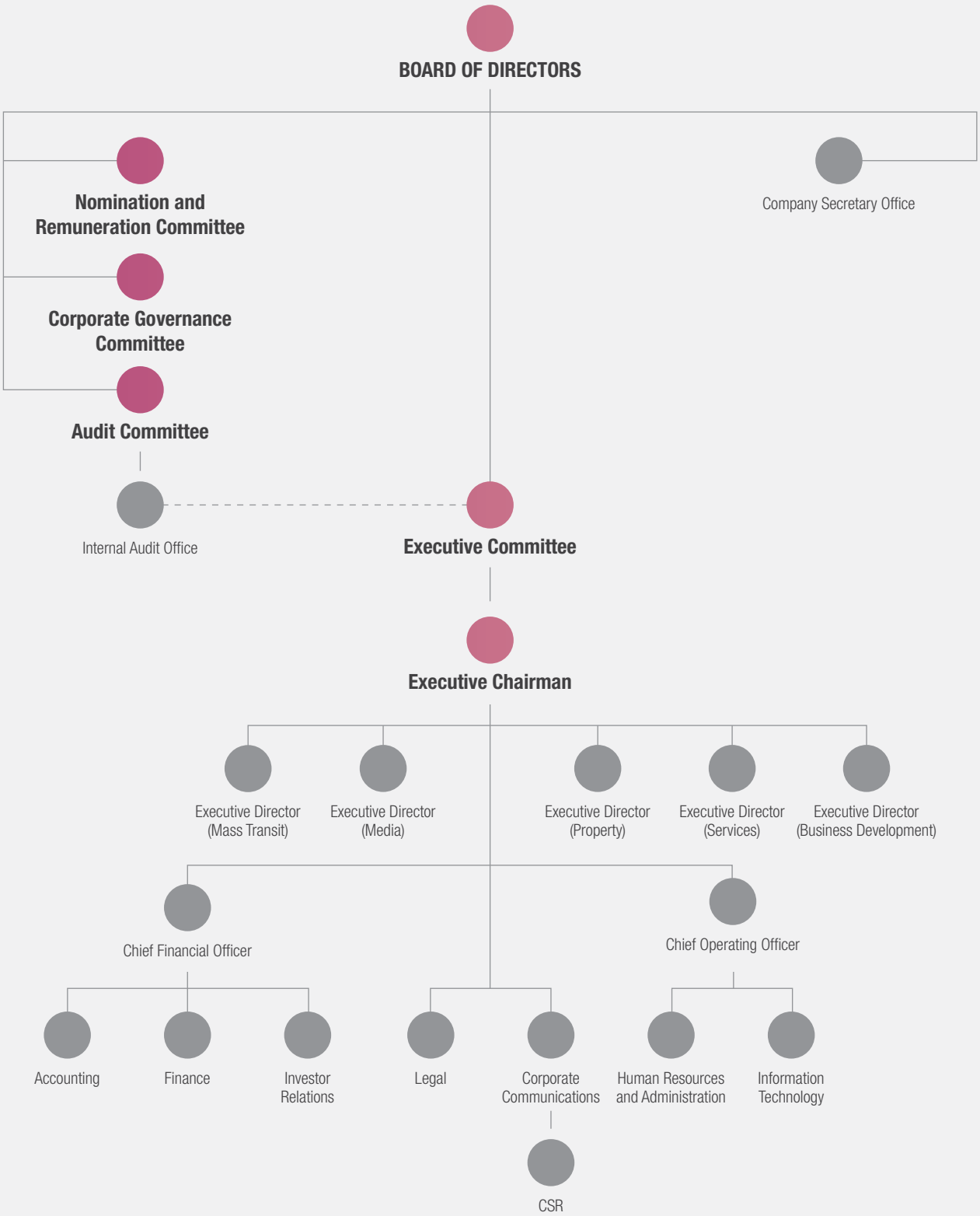
7. **Dr. Amorn Chandara-Somboon** - Independent Director
8. **Prof. (special) Lt. Gen. Phisal Thepsithar** - Independent Director / Chairman of the Audit Committee / Chairman of the Nomination and Remuneration Committee
9. **Mr. Kong Chi Keung** - Executive Director / Nomination and Remuneration Committee Member
10. **Mr. Cheong Ying Chew, Henry** - Independent Director
11. **Mr. Rangsin Kritalug** - Executive Director / Chief Operating Officer / Nomination and Remuneration Committee Member / Corporate Governance Committee Member
12. **Prof. (special) Charoen Wattanasin** - Independent Director / Audit Committee Member / Nomination and Remuneration Committee Member / Corporate Governance Committee Member

3.5 OUR MANAGEMENT



1. **Mr. Keeree Kanjanapas** - Chairman / Executive Chairman
2. **Mr. Kavin Kanjanapas** - Executive Director
3. **Mr. Rangsin Kritalug** - Executive Director / Chief Operating Officer
4. **Mr. Surapong Laoha-Unya** - Executive Director
5. **Dr. Anat Arbhabhirama** - Executive Director
6. **Mr. Kong Chi Keung** - Executive Director
7. **Mr. Surayut Thavikulwat** - Chief Financial Officer
8. **Mrs. Duangkamol Chaichanakajorn** - Accounting Director
9. **Mrs. Patchaneeya Pootme** - Corporate Communications Director
10. **Mr. Daniel Ross** - Financial Director / Head of Investor Relations
11. **Miss Chawadee Rungruang** - Financial Controller
12. **Miss Chayada Yodyingtammakul** - Legal Director / Company Secretary

3.6 ORGANISATION CHART



3.7.1 BUSINESS AND INDUSTRY OVERVIEW: MASS TRANSIT

"

Our Mass Transit business achieved core ridership growth of 8.9% against an average fare increase of 6.5%. We also fully opened the new 5.3km Silom Line extension. In spite of the political disruptions and consumption slowdown that hurt the Thai economy, this business once again demonstrates its quality of resilience.

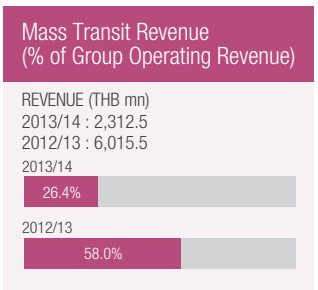
Surapong Laoha-Unya,
Executive Director for Mass Transit

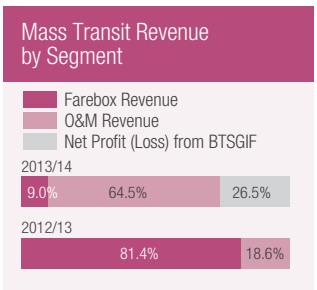
"

Key Developments in 2013/14

- Record ridership of 214.7mn total passengers (+8.9% YoY)
- Historic ridership record of 884,769 trips (Core Network) achieved on 13 January 2014
- Average fare increased 6.5% YoY to THB 26.4
- Full commencement of Wongwian Yai – Bang Wa extension on 5 December 2013
- Train operating revenue increased 33.2% YoY to THB 1,492mn

Key Performance Highlights





	2013/14	2012/13	Change (%)
Operating revenue (THB mn)	2,312.5	6,015.5	(61.6)%
Gross operating profit (THB mn)	1,397.2	2,900.5	(51.8)%
Operating EBITDA (THB mn)	1,407.1	3,869.1	(63.6)%
Gross profit margin (%)	60.4%	48.2%	
Operating EBITDA margin (%)	60.8%	64.3%	

Bangkok Mass Transit System Public Company Limited (BTSC) reported another year of robust growth and proved resilient amidst the weakened global economy and Thai political stalemate in 2013/14. Thailand's GDP grew a mere 2.9% in 2013 but contracted 0.6% in 1Q 2014 from the same period in the previous year, with the Bank of Thailand forecasting that GDP growth will be confined to less than 2.7% in 2014. Whilst many Thai companies suffered under the economic stagnation, our Mass Transit business flourished, as evident from the increase in total annual ridership, which reached 214.7mn trips. This translates to a growth of 8.9% compared to 2012/13 and within the higher end of our 7 – 10% target range. Ridership peaked during the Bangkok political demonstrations, growing 17.1% in January 2014 and 20.1% in February 2014 from the previous year, as commuters experienced inconvenience on road-based transit and subsequently resorted to the BTS SkyTrain and other rail mass transit as an alternative mode of transport. A historic ridership record of 884,769 trips was achieved on 13 January 2014 on the Core Network. Average weekday ridership for 2013/14 was 654,100 trips, representing an increase of 8.3% from last year. Aside from the short-term political impact, key growth factors include the expanding network (the opening of full operation of the Silom Line extension in December 2013), the new rolling stock (in service since May 2013) and continued organic growth (population growth, urbanisation and property development along the mass transit routes).

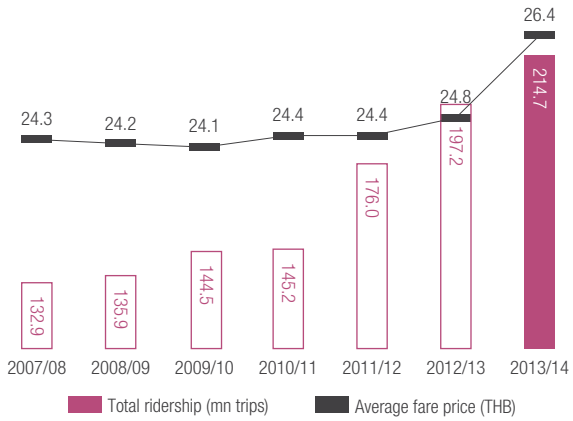
BTSC also continues to expand its scope of operation services as the mass transit network continues to expand. On 5 December 2013, BTSC commenced full operation of the 5.3km Silom Line extension from Wongwian Yai (S8) to Bang Wa (S12) following the award of this 30-year Operating and Maintenance Service (O&M) Contract from the Bangkok Metropolitan Administration (BMA) in May 2012. (Note that trial operation from Wongwian Yai (S8) to Talat Phlu (S10) was commenced in early 2013.) Through this expansion programme, the Company aims to be a part of fostering a higher quality of service to the public.

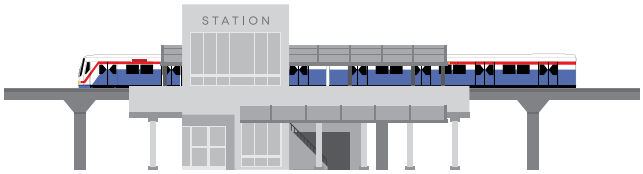
On 17 April 2013, BTSC sold the future Net Farebox Revenues from the BTS SkyTrain Core Network to the BTS Rail Mass Transit Growth Infrastructure Fund (BTSGIF). The transaction enabled the Group to secure funding for the upcoming expansion of the mass transit network which is forecasted to increase from 100.1km currently to 464.0km by 2029. BTS expects to be a lead participant in this expansion and is now strongly positioned to do so both from an operational expertise and financial perspective. Following the sale, BTSC remains the operator of the BTS SkyTrain and the Group maintains a significant investment in the BTS SkyTrain Core Network via a 33.3% holding of investment units of BTSGIF. Subsequent to the completion of the transaction, the Group recognised a capital gain from the sale of Net Farebox Revenues in 1Q 2013/14.

In 2010, BTSC executed an order for 35 single-car trains under an ongoing capacity expansion programme. By May 2013, all trains on the Sukhumvit Line were extended from 3-car trains to 4-car trains. Moreover, in 2011, an additional five 4-car trains were ordered and these have all arrived in November 2013.

On 1 June 2013, BTSC together with BBL Asset Management Company Limited, the Fund Manager of BTSGIF, implemented the first effective fare increase since March 2007. The resulting 6.5% average fare increase for 2013/14 was in line with our target. After enduring years of rising inflation, an increase in minimum wage, rising electricity costs, increase in operating expenses and investing in new rolling stock, the fare hike was deemed a good balance taking into account the increased purchasing power of passenger, the ongoing sustainable and effective maintenance of the system, the provision of a better service for commuters and return to unit holders.

Historical Ridership and Average Fare Price





APPROACHING

2,000mn

TRIPS

5 December 1999 to May 2014

Operations Performance in 2013/14

BTSC continues to maintain high standards of safety and services throughout its operation. The key indicators for operations performance include service reliability, train reliability and ticket reliability. Service reliability measures the punctuality of the trains, with the target set at more than 1,000 trips per delay of 5 minutes or greater. The results achieved for 2013/14 were an average of 1,890 trips, surpassing the target and an improvement from 2012/13, where on average, only 960 trips were made before a delay of 5 minutes or greater occurred. The low result in 2012/13 was on account of the replacement of a new signaling system as well as the commissioning of new trains, which caused interruptions during the initial stage. Train reliability measures the distance travelled before a fault occurs. The target is set for not less than 35,000 car-kilometres per fault and BTSC recorded 97,570 car-kilometres per fault in 2013/14, exceeding the target. Ticket reliability refers to the number of transactions before a fault occurs, which includes equipment failure as well as mishandling of tickets by passengers. The target was set at not less than 15,000 transactions before a failure and ticket reliability in 2013/14 was recorded at 22,914 transactions per fault, staying above the target. BTSC performs regular upgrades on equipment in order to ensure continuous improvement in performance and reliability.

Operations Performance against Target

Performance Indicators	Target	2013/14	2012/13
Service Reliability (trips)	More than 1,000 trips per delay of 5 minutes or greater	1,890	960
Train Reliability (car-kms.)	Not less than 35,000 car-km. per fault	97,570	99,941
Ticket Reliability (transactions)	Not less than 15,000 times before a failure	22,914	19,821

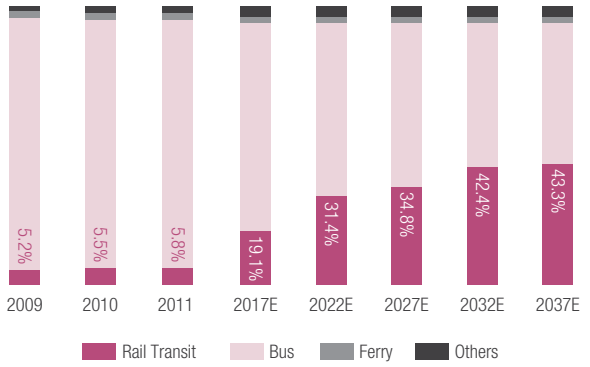
Thailand Mass Transit Market Overview

Immature Rail Mass Transit Network

Since the inception of the 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 2011, accounted for 5.8% (0.68mn trips) of the total mass transit usage in Bangkok (11.8mn trips per day). This is a relatively slow growth in the overall mass transit market share. According to the Office of Transport and Traffic Policy and Planning (OTP), modes of transport categorised under mass transit in Bangkok includes rail-based (including the BTS SkyTrain and MRT Subway), road-based (buses), water-based (ferry) and others (mini-vans, limited standard gauge over-ground rail). Bangkok's mass transit market share (measured in number of trips per day) as of December 2011 was composed of bus mass transit at 89.0%, rail mass transit at 5.8%, ferry at 2.5% and others at 2.7%. The OTP forecasts that rail mass transit market share will progressively take the market share of bus mass transit as the demand for rail mass transit in Bangkok increases and the network becomes more extensive in the next few years.

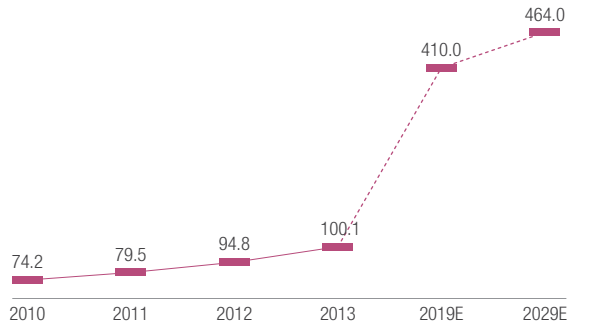
Following the commencement of the Wongwian Yai - Bang Wa extension in December 2013, the total route length of the current rail mass transit network (consisting of BTS SkyTrain, MRT Subway, Airport Rail Link and SRT Line) expanded to 100.1km from 94.8km in 2012. The extension also had a positive effect on the pervasion (defined as rail mass transit length per million population) in Bangkok, which rose slightly to 9.5km per million people in 2013 from 9.1km in 2012. Despite this, the rail mass transit network in Bangkok and vicinities is still immature when compared to those of regional peers (for more details, please refer to *Comparable Markets Overview*).

Bangkok's Mass Transit Market Share (forecast 2017-2037)



Source: Transport data and model integrated with multimodal transport and logistics (TDML II) of the Office of Transport and Traffic Policy and Planning (OTP)

Existing and Future Rail Mass Transit Network Rail Length (km)



Source: Ministry of Transport

Aggressive Network Expansion in the Pipeline

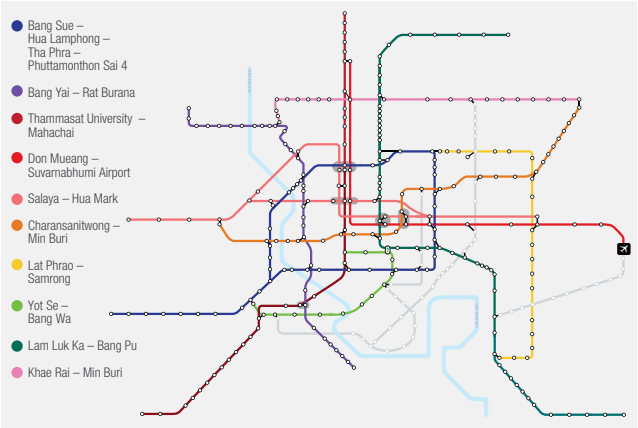
Expansion of public transportation infrastructure has always been a top priority on the national agenda. The Policy Statement of the Council of Ministers delivered by the Prime Minister on 23 August 2011 stated that the government will expedite the bidding process of 10 mass transit lines to be completed within 4 years (from 2011 – 2015). The government targets to have a network covering a total route length of 410.0km by 2019 and reaching 464.0km by 2029. Of those, 88.8km are currently under construction. Prior to the dissolution of Parliament in December 2013, some of the 10 routes were planned to be open for bidding by 2013 – 2014 under the government's policy. The bidding for these projects has inevitably experienced delays since then, as the caretaker government had limited authority to approve the projects. Nonetheless, the current military government has full authority to approve budgets and projects, and the recently approved fiscal budget for 2014/15 includes plans for mass rapid transit network development.

10 Mass Rapid Transit Projects Under the Government's Policy

Project	Route	Distance (km)
Dark Red	Thammasat University Rangsit Campus - Mahachai	80.8
Light Red	Salaya - Hua Mark	54.0
Airport Rail Link	Don Mueang - Suvarnabhumi Airport	50.3
Dark Green	Lam Luk Ka - Bang Pu	66.5
Light Green	Yot Se - Bang Wa	15.5
Blue	Bang Sue - Hua Lamphong - Tha Phra - Phuttamonthon Sai 4	55.0
Purple	Bang Yai - Rat Burana	42.8
Orange	Charansanitwong - Min Buri	32.5
Pink	Khae Rai - Min Buri	36.0
Yellow	Lat Phrao - Samrong	30.4
Total		**464.0**

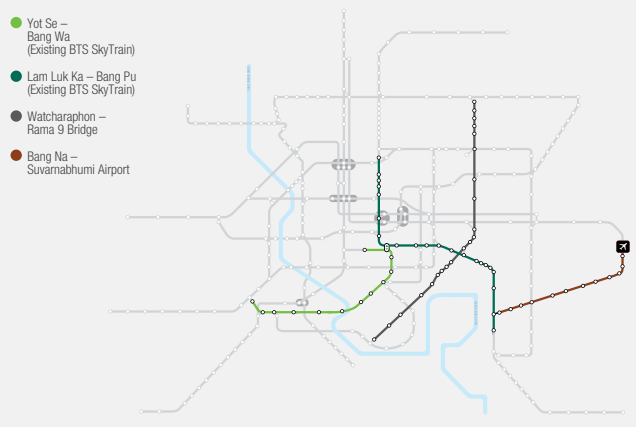
Sources: Office of Transport and Traffic Policy and Planning, Ministry of Transport

10 Mass Rapid Transit Projects Under the Government's Policy



Sources: Office of Transport and Traffic Policy and Planning, Ministry of Transport

Map of LRT and Grey Line Under BMA and Existing BTS SkyTrain



Source: Traffic and Transportation Department, BMA

The OTP expects the tendering of 221.4km new mass rapid transit lines and extensions to be rolled out over the next few years. Out of these, the Company has targeted the Dark Green Line extensions (Mo Chit – Saphan Mai – Khu Khot, 18.4km and Samut Prakarn – Bang Pu, 7.0km) and the Pink Line (Khae Rai – Min Buri, 36.0km) as the potential lines for winning the bid to be the operator.

In addition, the BMA has a few projects under its purview which is expected to come to fruition within the next 5 years. The most imminent projects are the Light Rail Transit (LRT), stretching 18.3km from Bang Na to Suvarnabhumi Airport, and the Grey Line monorail (26.0km), which runs from Watcharaphon to Rama 9 Bridge. The BMA has already procured a consultant for the environmental impact assessment (EIA) and feasibility study for Phase I of the Grey Line and bidding for this line is expected to be within 2015. The Company retains an optimistic stance on both of these lines as the stations interchange with the existing Green Lines currently operated by BTSC.

Bangkok Traffic Conditions

Whilst customer choice on the mode 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 mentioned earlier). Bangkok has been suffering from some of the most severe road-based traffic congestion in the world.

The Ministry of Transport reported that the average speed of private vehicles along the main streets of Bangkok in 2013 during rush hours was 16.3km/hour in the morning and 23.0km/hour in the evening, whilst the average number of newly registered cars per day in Bangkok stood at 1,954 in 2013. The combined effects of increase in number of newly registered cars, population growth and inefficient road networks lead us to believe that road-based traffic congestion will not improve anytime soon. The development of 10 mass rapid transit projects mentioned earlier is one of the longer term measures in which the government intends to address the traffic congestion issue.

Comparable Markets Overview

In 2013, the Bangkok Metropolitan Region (Bangkok and 5 adjacent provinces consisting of Nakhon Pathom, Pathumthani, Nonthaburi, Samut Prakarn and Samut Sakhon) had an official population of more than 10.5mn compared to 13.3mn in Tokyo, 7.2mn in Hong Kong and 5.3mn in Singapore. The urban mass transit pervasion for Bangkok increased to 9.5km this year from 9.1km last year as a result of the new extension. Compared to regional peers, however, Bangkok is lagging behind Tokyo, Hong Kong and Singapore, with pervasion of 24.1km, 35.3km and 33.5km, respectively. Moreover, as of 2011, the rail market share was 6% for Bangkok, 36% for Tokyo, 46% for Hong Kong and 40% for Singapore. This demonstrates the development of Bangkok's mass transit system is much needed to cope with the rapid increase in population density and severe road-based traffic congestion.

Rail Mass Transit Development in the Region in 2013

	Population (mn)	Rail Mass Transit Length (km)	Urban Mass Transit Pervasion*
Bangkok Metropolitan Region	10.5	100.1	9.5
Tokyo	13.3	320.0	24.1
Hong Kong	7.2	254.4	35.3
Singapore**	5.3	177.7	33.5

Sources: Ministry of Interior, OTP, Tokyo Metropolitan Government, Tokyo Metro, Hong Kong's Census and Statistics Department, Hong Kong MTR Corporation, Singapore Land Transport Authority, SMRT Corporation Limited

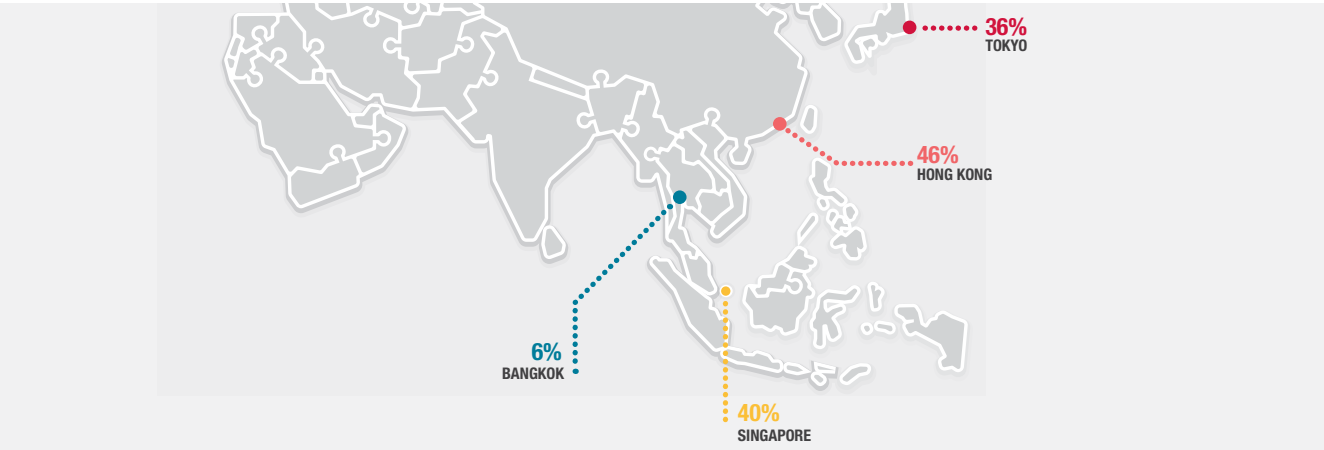
* Pervasion is defined as rail mass transit length per mn population
** Data as of 2012

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 some of central Bangkok's major public roadways. It is operated by BTSC and opened for service on 5 December 1999. As of 31 March 2014, there were a total of 52 trains, with all trains in service comprising of 4 carriages. The network, which includes the Core Network and its subsequent extensions, comprises 34 stations across 2 separate lines with a combined track length of 36.3km. The Sukhumvit Line, or the Dark Green Line, currently consists of 22 stations and runs northwards and eastwards from central Bangkok, connecting Mo Chit and Bearing. The Silom Line, or the Light Green Line, currently consists of 13 stations and runs through one of Bangkok's central business districts, connecting National Stadium and Bang Wa. Both lines intersect at Siam station, which is the system's single shared interchange station. In 2013/14, BTS SkyTrain carried a total of 214.7mn passengers on the system. Ridership has grown at 10.5% CAGR since inception.

Rail Market Share in Comparable Markets



MRT Subway

TThe MRT Subway is Bangkok's first underground mass transit railway system in Thailand and commenced operation on 3 July 2004. The network currently consists of only one line, the Metropolitan Rapid Transit System Chaloem Ratchamongkhon Line (Blue Line), which runs 20.0km through 18 stations from Hua Lamphong to Bang Sue; however, construction of a second line, which runs 22.0km and covers 16 stations from Khlong Bang Phai to Tao Poon (Purple Line), is already underway and expected to commence operation in 2016. The current system is connected to the BTS SkyTrain at three stations: Sala Daeng, Asok and Mo Chit stations. In 2013, the MRT Subway trains carried a total of 86.4 mn passengers on the system.

The MRT Subway is solely operated by Bangkok Metro Public Company Limited (BMCL) under a concession agreement with the Mass Rapid Transit Authority of Thailand (MRTA) to exclusively operate the existing network of the Blue Line. The concession includes the exclusive right to operate the current 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 works investment whilst 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 the MRTA.

In September 2013, BMCL was awarded the concession to operate the Purple Line for 30 years until 2043. Under the agreement, BMCL is responsible for implementing the E&M works as well as the procurement of rolling stock, which is funded by MRTA.

Suvarnabhumi Airport Rail 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 28.5km 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. There are a total of three lines: a 15-minute non-stop SA Express Line that runs from Makkasan station to the airport, an 18-minute non-stop SA Express Line that runs between Phaya Thai station and the airport, and the City Line, an approximate 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. From 14 April 2014 onwards, the SA Express Line to Phaya Thai station has been temporarily suspended until further notice.

SRT Line

The SRT Line is part of the Light Red Line under the authority of SRT that runs between Bang Sue to Taling Chan and covers a total route length of 15.3km with 4 stations. This line commenced trial operations from 8 September to 30 November 2012 by diesel railcars and began providing temporary service on 5 December 2012.

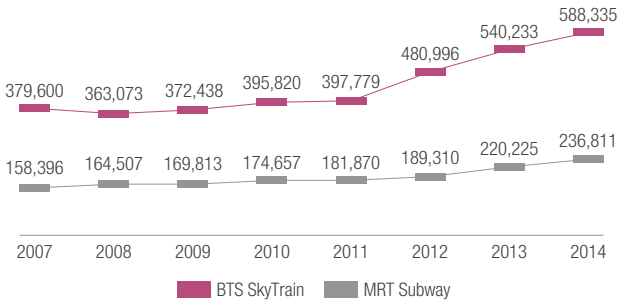
Bangkok Rapid Transit

The Bangkok Rapid Transit (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 Ratchaphruek 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 receives all the revenue from fares and BTSC receives pre-agreed annual fees. In return, BTSC bears the operating expenses, maintenance expenses and investment in the buses.

Whilst the expansion of the network will be of primary benefit to the public, ridership of the BTS SkyTrain, MRT Subway, Airport Rail Link, SRT Line 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.

BTS SkyTrain (Core Network)* and MRT Subway Average Daily Ridership (passengers / day)



Sources: BTS and Bangkok Metro PCL

* Fiscal year end 31 March

Ridership of Key Mass Transit System in Bangkok (mn trips)

System Type	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
BTS SkyTrain													
(Core Network)*	79.3	96.5	105.1	118.5	131.9	138.6	132.9	135.9	144.5	145.2	176.0	197.2	214.7
Growth	N.A.	21.8%	8.9%	12.7%	11.3%	5.1%	-4.1%	2.3%	6.3%	0.5%	21.3%	12.0%	8.9%
MRT Subway				26.8	57.2	57.8	60.0	62.2	63.7	64.9	69.1	80.6	86.4
Growth				N.A.	113.1%	1.0%	3.9%	3.5%	2.6%	1.8%	6.4%	16.6%	7.2%

Source: BTS and Bangkok Metro PCL

* Fiscal year end 31 March

Overseas Opportunities

With over 14 years of track record in mass transit operation, the Company is frequently approached by various parties (both private sector and government) in the region with respect to new mass transit development. Proposed roles include the provision of consultancy services and conducting feasibility studies to potentially provide O&M services and/or invest capital in mass transit projects. The most recent development on the overseas front was the joint bid with CITIC Construction Company Limited (CITIC) (an affiliate of CITIC Group Corporation) for Beijing Subway Line 16.

The structure of the project is a PPP investment scheme in which the government will invest in the civil works and the private sector will invest in the E&M systems and be awarded the 30-year O&M concession. At the time of writing, the expected bidding results announcement will be in June 2014. The Group is keen to explore overseas opportunities with an appropriate risk and reward profile and will continue to evaluate such opportunities on a case-by-case basis.

3.7.2 BUSINESS AND INDUSTRY OVERVIEW: MEDIA

"

2013/14 was a challenging year for Thailand's advertising industry, with total Media spend contracting by 0.9%. In spite of this, VGI's revenue increased 11% YoY and net income increased by 27% YoY.

Marut Arthakaivalvatee,
Chief Executive Officer for Media

"

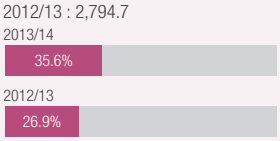
Key Developments in 2013/14

- In spite of a 0.9% decline in Thai advertising spend during 2013/14, VGI's revenue increased 11% YoY and net income increased 27% YoY
- Installed and began selling Platform Truss LEDs and Platform Screen Doors from November 2013 and January 2014, respectively
- Installed E-Posters and in the process of installing the media on the new five 4-car trains, which VGI expects to start selling by the beginning of 2014/15
- In 2013/14, expanded sales floor media coverage in Big C and Tesco Lotus to 119 branches and 121 branches, respectively
- Added 24 new contracts into the Office Building portfolio, totaling 75 buildings (656 screens) under management

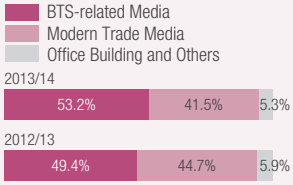
Key Performance Highlights

Media Business Revenue (% of Group Operating Revenue)

REVENUE (THB mn)
2013/14 : 3,121.2
2012/13 : 2,794.7



Media Business Revenue by Segment



	2013/14	2012/13	Change (%)
Operating revenue (THB mn)	3,121.2	2,794.7	11.7%
Gross operating profit (THB mn)	1,889.8	1,652.9	14.3%
Operating EBITDA (THB mn)	1,580.5	1,385.8	14.0%
Gross profit margin (%)	60.5%	59.1%	
Operating EBITDA margin (%)	50.6%	49.6%	

The Group's media company, VGI Global Media Public Company Limited (VGI), has proved less resilient in the face of dampened domestic consumption and political disturbances as advertising budgets were delayed or cut. Media operating revenue in the second half of 2013/14 was adversely affected, causing VGI to miss its targeted revenue growth of 30.0%. Nevertheless, "in spite of a 0.9% decline in Thai advertising spend during 2013/14, VGI's revenue increased 11% YoY and net income increased 27% YoY" owing largely to the strong improvement in BTS-related Media business. Resilience of BTS-related Media was once again demonstrated from revenue growth of 20.3% in 2013/14. Despite the lower-than-expected growth, the Company remains positive and views the current deceleration in domestic consumption as a temporary disruption.

In 2013/14, the Company updated its media network to respond to the growing demand for digital screens in order to deliver better interactive advertising messages, which includes Platform Truss LEDs, Platform Screen Doors and E-Posters (electronic posters) across the BTS SkyTrain Network. As such, the Company expects to see increased revenue contribution from the aforesaid updated media in the years to come.

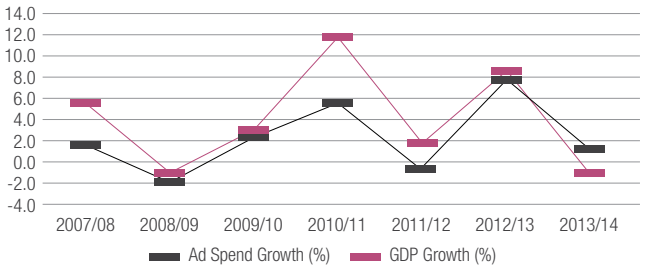
In line with VGI's vision to be the leader in lifestyle media network, the Company has begun to seek new growth opportunities by expanding its footprint into the Outdoor Media segment. VGI formed a joint venture with Deelight Multimedia Company Limited in February 2014 which will begin to contribute revenues within 2014/15. Further, in May 2014, VGI purchased a 24.43% stake in Master Ad Plc. (MACO). MACO has a successful track record in the transit, billboard and street furniture segments which have been professionally developed by its highly experienced management team. This investment will complement our existing business, extend and reinforce our domestic media network and bring synergy for growth potential.

Thai Media Industry in 2013/14

In 2013/14, Thailand faced growing political uncertainty amidst economic slowdown which adversely affected consumer confidence, and had a knock-on impact on the media sector. This was reflected in media sector stocks, as the Entertainment Index dropped 19.0% in the year ended 31 December 2013, the worst performing sub-index on the Stock Exchange of Thailand. Moreover, total market value of the Thai media industry dropped by 0.9% to THB 113,408mn in 2013/14, far below the Media Agency Association of Thailand's expectations of 10.0% growth. The performance of the media industry has a tendency to strengthen or weaken depending on the country's economy, which can be observed by the relationship between GDP growth and advertising spending growth from 2007/08 to 2013/14. Hence, it is deduced that the decline in 2013/14 advertising growth was caused by the country's economy and political unrest, as evident from GDP drop of 1.4%, a significant drop from 7.8% growth achieved in 2012/13[1].

Despite the slowdown in the overall media industry, the Transit Media sector (in which the Company also operates its business) grew 10.4%, the second best performing sector in the media industry, following the Internet sector which grew 33.4%.

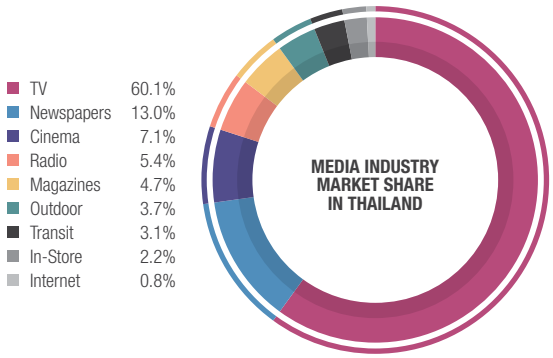
Media Advertising Growth vs GDP Growth (2007/08 - 2013/14)



Sources: National Economic and Social Development Board.
The Nielsen Company (Thailand) Co., Ltd.

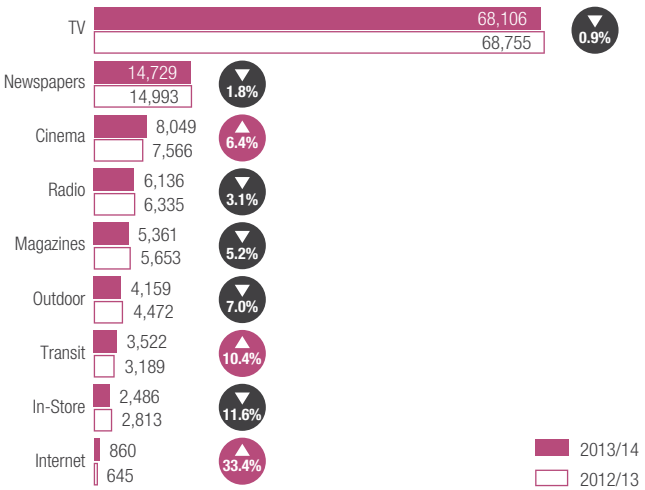
1 The data was recalculated based on fiscal year from April to March from the Office of the National Economic and Social Development Board

Media Industry Market Share in Thailand in 2013/14



Source: The Nielsen Company (Thailand) Co., Ltd.

Advertising Expenditure in Thailand in 2013/14 vs 2012/13 (THB mn)



Source: The Nielsen Company (Thailand) Co., Ltd.

Key Trends

Out-of-Home Media vs Traditional Media in Thailand

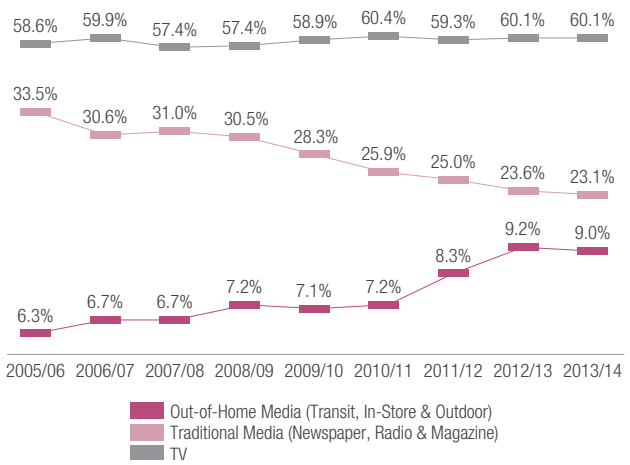
In 2013/14, Out-of-Home Media spending, which includes Transit, In-Store and Outdoor Media, was THB 10,167mn or 9.0% of Thailand's advertising spending, which totaled THB 113,408mn. Out-of-Home Media has grown continuously at a higher rate each year compared to Traditional Media segments such as TV, Radio, Newspaper and Magazine. Whilst Traditional Media still had the highest market share at 83.2% of Thailand's advertising spending, the trend is expected to move towards Out-of-Home Media over time. This is apparent from the faster pace in advertising spending in Out-of-Home Media during the past 5 years. During 2008/09 – 2013/14, In-Store and Transit Media had compound annual growth rate (CAGR) of 24.0% and 18.6%, respectively. On the contrary, the three highest ad spending growth in Traditional Media was Television, Newspaper and Radio, with CAGR of 5.7%, -0.1% and -1.9%, respectively. Moreover, Out-of-Home Media segment gained the most market share. Out-of-Home Media's market share grew from 6.3% in 2005/06 to 9.0% in 2013/14, or a 2.7% increase. By comparison, the Traditional Media's market share which includes Radio, Newspaper and Magazine declined from 33.5% in 2005/06 to 23.1% in 2013/14 (or a 10.4% decrease) and TV's market share saw a steady increase from 58.6% in 2005/06 to 60.1% (a 1.5% increase)[2].

2 The Nielsen Company (Thailand) Co., Ltd.

Transitions to Digital Media

A remarkable change in media landscape is the increasing proliferation of Digital Media. According to figures released by Digital Advertising Association, Thailand (DATT), Thai digital advertising spending has grown from THB 2,005mn in 2011 to THB 4,248mn in 2013, representing CAGR of 45.5%. Moreover, the market share of digital advertising spending out of total advertising spending has increased significantly from 1.9% to 3.5%, or a 1.6% increase. Recent development in Digital Media is posing as a major threat to Traditional Media, particularly in Newspaper as evident from the decline of its advertising spending from THB 15,258mn in 2011 to THB 14,541mn in 2013, a 4.7% decrease. The growth of Digital Media is supported by its flexibility and scalability for advertisers to deliver the key message to a target audience. Through its flexibility, advertisers can easily and faster deploy marketing campaigns which reach a broader scope of audience compared to static media. Hence, Digital Media is becoming more time- and cost-effective than other Traditional Media, which is one of the most critical components to keep up with the trend in the media industry going forward. Moreover, Digital Media allows advertisers to deliver a dynamic image, which is a powerful tool that can more easily capture attention from the audience as well as evoke a sense of interaction. From the consumer-end, the ever increasing demand for instant information gives Digital Media the ability to keep consumers informed responsively and interactively. Hence, media owners who are able to offer advertisers media that are increasingly interactive and provide better engagement with consumers would have a competitive advantage.

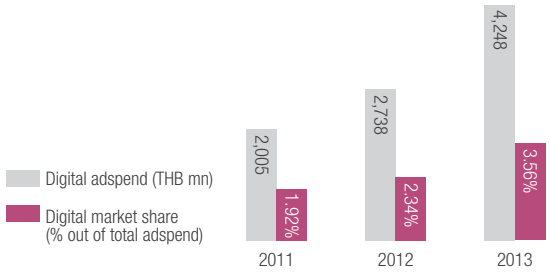
Out-of-Home vs Traditional Media Market Share Trend (2005/06 – 2013/14)



Source: The Nielsen Company (Thailand) Co., Ltd.

Note: Excludes Classified and House Ads

Digital Advertising Spending and Market Share (2011 – 2013)



Source: Digital Advertising Association (Thailand)

Competitive Environment

There are a few local key players in Out-of-Home Media in Thailand. The table below shows the key players based on 2013 revenues:

Company	Revenue (THB mn)
VGI Global Media Public Company Limited*	3,121.2
Plan B Media Public Company Limited**	644.6
Master Ad Public Company Limited	724.6
Three Sixty Five Public Company Limited	412.2
Aqua Corporation Public Company Limited	397.1

Sources: Plan B Media PCL Filing, Master Ad PCL, Three Sixty Five PCL, Aqua Corporation PCL

* Fiscal Year end 31 March
** 6 months revenue ended 30 June 2013

In the past 2 - 3 years, the trend for allocating advertising budget has become increasingly fragmented across different media types since each has its own strengths and effectiveness in communicating messages to consumers, and the allocation across multiple media types often enhances the effectiveness of a single message. Advertising agencies and product owners therefore opt to employ a wide variety of media in their advertising mix that is suitable to their target groups and budget in order to create a consistent brand and product recognition, expand customer base, and reinforce brand loyalty. For this reason, competition in the media industry today is not merely to grab the market share from the same type of media but also to compete with all types of media in the industry. Companies that have media networks covering a wide range of media and reaching all target groups thus have competitive advantage in meeting the needs of advertisers, which translates into capturing more market share.

In 2013, TV sector was all about "digital" as Thailand has started to liberalise its digital TV system. In terms of the landscape of media industry after the liberalisation, it is expected that advertising spending in the TV sector will be more equally distributed as advertisements will no longer be clustered in the free TV channels. In the next 3 - 5 years, the transition to digital TV will create a competitive environment in the TV sector itself as the key success of digital TV business will rely heavily on the quality of content. Therefore, the market share of the media industry is believed to follow the current trend where TV has the highest market share. Nevertheless, the TV sector will be more competitive as there is lower entry to barriers and operators have to compete in terms of the media content to stay in business.

Taking into account trends such as this, the Company believes that its media network has advantage over competitors as its media network conforms to the modern lifestyle of consumers and interweaves itself with out-of-home lifestyles of consumers regardless of whether they are on the BTS SkyTrain, in modern trade outlets or in office buildings. Moreover, advertisers can select specific target groups in terms of geography and demography. The Company's media is also perceived to have the ability to reach its target market effectively, to persuasively stimulate impulse buying from consumers at the point of purchase and to consistently communicate the properties of the product or services.

3.7.3 BUSINESS AND INDUSTRY OVERVIEW: PROPERTY

"In 2013/14, we transferred most of the units of Abstracts Phahonyothin Park (Tower A) Condominium, which contributed revenue of approximately THB 2bn to the Group. Moreover, we also have recurring income of THB 800mn from groups of hotel businesses. Although our core businesses are Mass Transit and Media, we have adopted an opportunistic strategy towards our Property business. Going forward, we will consider opportunistic acquisitions and development on a case-by-case basis with an emphasis on income generating assets."

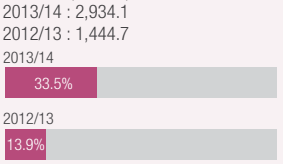
Rangsin Kritalug,
Chief Operating Officer and
Executive Director for Property

Key Developments in 2013/14

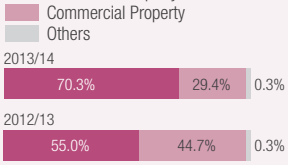
- Property operating revenue reached THB 2,934.1mn, an increase of 103.1% YoY from both Residential and Commercial Property.
- Abstracts Sukhumvit 66/1 Condominium project completed and pre-sales of Abstracts Phahonyothin Park (Tower A) reached 89% as of 31 March 2014.
- All hotels under the Group's business (Eastin Grand Hotel Sathorn, U Chiang Mai Hotel and U Inchantree Kanchanaburi) had over 75% occupancy inspite of political turmoil.
- Eastin Grand Hotel Sathorn was ranked top 8 of the Certificate of Excellence 2014 from a total of 747 hotels in Bangkok by TripAdvisor.com

Key Performance Highlights

Property Business Revenue (% of Group Operating Revenue)



Property Business Revenue by Segment

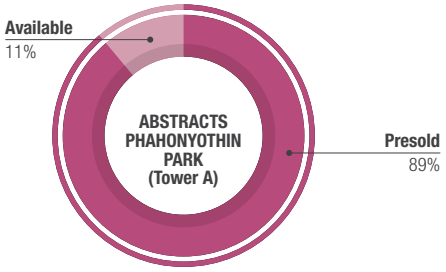


	2013/14	2012/13	Change (%)
Operating revenue (THB mn)	2,934.1	1,444.7	103.1%
Gross operating profit (THB mn)	1,178.3	524.3	124.7%
Operating EBITDA (THB mn)	631.6	116.7	441.2%
Gross profit margin (%)	40.2%	36.3%	
Operating EBITDA margin (%)	21.5%	8.1%	

In our Property portfolio, we categorise our property into three types: Residential, Commercial and land bank. Residential Property revenue increased by 159.5% YoY or THB 1,267.8mn to THB 2,062.8mn in 2013/14. The increase was mainly driven by sales of real estate of THB 2.1bn. The inaugural condominium projects under the Abstracts brand located within 250m of existing or future mass transit stations has shown good progress. As of 2Q 2013/14, Abstracts Sukhumvit 66/1 project was completed, with all of the units already sold and transferred. In 2013/14, the Group recognised revenue of THB 1.97bn with the transfer of 610 units (198 units in 2012/13) of Abstracts Phahonyothin Park (Tower A), which started transfering in December 2012. Pre-sales of Abstracts Phahonyothin Park (Tower A) reached 89% as of 31 March 2014 and the average selling price was THB 85,000 psm. Furthermore, the Company expects to sell and transfer all of its remaining units of Abstracts Phahonyothin Park (Tower A) units in 2014/15 with expected revenue of approximately THB 650mn.

In our Commercial Property business, revenue reached THB 861.9mn, an increase of 33.6% YoY or THB 216.7mn. The growth was largely driven by the full year effect of revenue from Eastin Grand Hotel Sathorn operations at Surasak BTS SkyTrain station. Revenue from Eastin Grand Hotel Sathorn accelerated to THB 483.8mn, representing 60.4% growth YoY. In spite of political demonstrations in Bangkok, the hotel achieved an average occupancy rate of 80% in 2013/14. Furthermore, despite being launched 2 years ago, the hotel was ranked in Top 1 - 2 among competitors based on RevPAR (Revenue Per Available Room) during January – March 2014. It was also voted by TripAdvisor.com as Top 8 of the Certificate of Excellence 2014 from a total of 747 hotels in Bangkok. U Chiang Mai Hotel and U Inchantree Kanchanaburi, the other existing hotel assets held by the Group, had respective occupancy rates of 80% and 75% in 2013/14.

Residental Property Units as of 31 March 2014



Furthermore, the Group established a new subsidiary, Mak8 Co., Ltd., (Mak8 Project) to develop real estate projects, including a condominium project at Pak Chong District, Nakorn Ratchasima Province. Construction is expected to start within 2014 and the first phase is targeted to be launched by 2016. In addition, the Group is constructing our fourth hotel asset, U Sathorn project, a 4-star hotel and serviced apartment project with 86 rooms and units. The construction has progressed past 55% as of 31 March 2014 and the Group expects that U Sathorn will be completed in 2014.

The Group also owns an extensive land bank in Bangkok and other provinces. Our land bank is considered prime assets and is unencumbered by any debt. Moreover, most of our land plots in Bangkok are located adjacent to existing and future mass transit network. During the year, the Group recognised a gain on the sale of land at Bang Pakong and Bangna KM 18 of THB 379.3mn (versus a gain of THB 999.7mn from sale of investments of land in 2012/13) as the Group divested some non-core assets. Going forward, we will consider opportunistic acquisitions and development on a case-by-case basis with an emphasis on income generating assets. We may do this independently or on a joint-venture basis in order to extract value from our existing asset base.

Summary of BTS Group Existing Property Assets (as of 31 March 2014)

Property Summary by Category	Total Area		Book Value
	Total (rai)	Total (sqm)	THB mn
Residental			
Houses	65.6		304.1
Condominiums		15,267.5	1,781.8
Commercial			
Hotels		42,811.0	2,734.5
Golf Course & Sports Club	475.1		2,587.3
Residential Apartments		5,233.5	143.0
Land Bank			
Bangkok	75.0	120,007.6	2,508.5
Samut Prakarn	319.8	511,711.6	713.2
Nakorn Ratchasima	657.1	1,051,424.0	424.9
Chiang Mai and Chiang Rai	184.2	294,724.0	17.7
Phuket	37.3	59,740.0	29.8
Other Provinces	95.2	155,958.8	7.6
Total	**1,909.3**	**2,256,878.0**	**11,252.4**

Abstracts Phahonyothin Park (Tower A)

Eastin Grand Hotel Sathorn

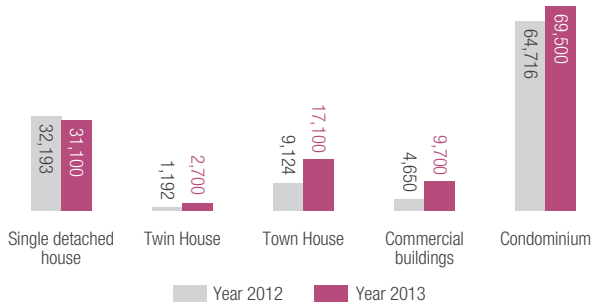
Overview of Bangkok's Existing Property Market

Bangkok Residential Property Market in 2013

The Bangkok residential property market fluctuated in 2013. During the first half of the year, although the country's overall economic output showed less growth than expected and household debt index rose from last year, the residential property market in 1H-2013 remained competitive, as seen in the increasing number of newly launched projects. The higher construction cost (driven by shortage of construction workers and contractors as well as the higher minimum wage) caused developers to subsequently slow down the development of projects in 2H-2013. Unfortunately, in the second half of the year, the residential property market was further affected by the softened economy and the prolonged political tensions, especially towards the end of the year. Subdued consumer sentiment hurt condominium sales, and there were delays in transfer or cancellation of some units. These further led to a slowdown in new condomimiums launched towards the end of the year.

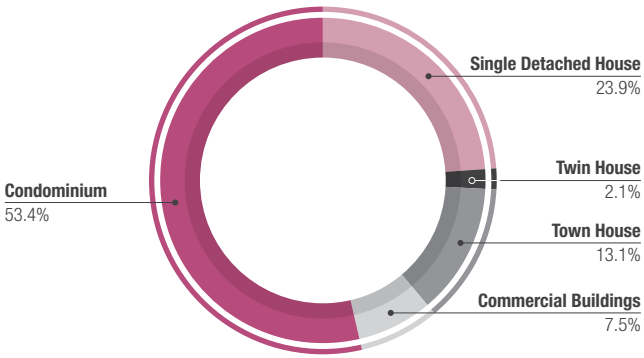
In spite of the year's fluctuation, the overall residential property market still grew slightly in 2013. The survey of the Real Estate Information Center shows that the number of newly completed and registered housing units in Bangkok and vicinities[1] (Bangkok Metropolitan Region) in 2013 increased 4.1% YoY from 125,000 units to 130,100 units. Except for a reduction in number of units launched of single detached houses, other types of newly constructed housing units increased from the previous year. Amongst the new projects, condominium projects represented 53% of total units, followed by single detached house, townhouse, commercial buildings and twin house at 24%, 13%, 8% and 2%, respectively. According to the survey of Colliers Internationaltotal, total newly launched condomimium units in Bangkok during 2013 was 51,150 units, an increase of 8% from the previous year.

Newly Completed & Registered Housing Units in Bangkok Metropolitan Region in 2013 and 2012



Source: Real Estate Information Center

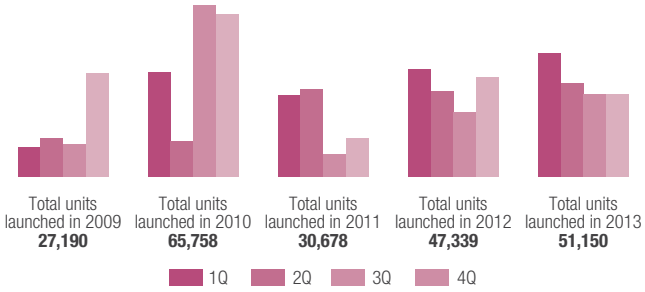
Newly Completed & Registered Housing Units in Bangkok Metropolitan Region by type in 2013



Source: Real Estate Information Center

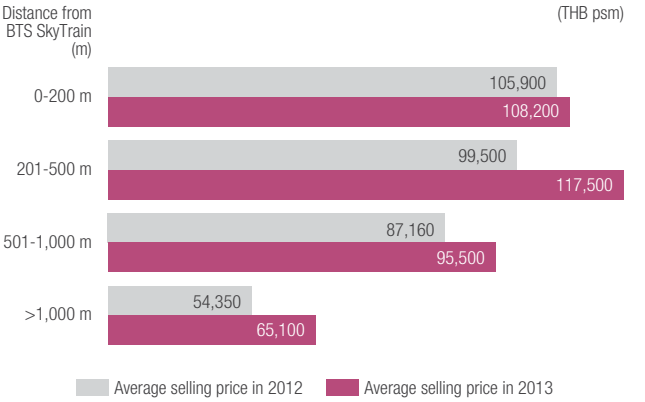
1 Vicinities mean Nonthaburi, Pathumthani, Samut Prakarn, Samut Sakhon and Nakhon Pathom

Newly Launched Condominium Units in Bangkok from 1Q 2009 - 4Q 2013



Source: Colliers International Thailand Research

Average Selling Price of Newly Launched Condominium Units by Proximity to Existing BTS SkyTrain in 2013 and 2012



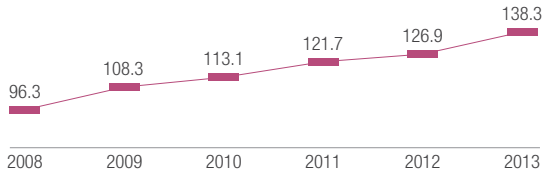
Source: Colliers International Thailand Research

As buyers seek more convenient lifestyles, developers anticipate demand and have developed properties along the BTS SkyTrain and MRT Subway routes. Development along mass transit routes has been a feature of the property development market for several years now. This trend continues unabated and this is evident from 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 (an area served by existing mass transit system and to be served by future mass transit systems). The proximity from mass transit stations, therefore, remains a key trend in attracting buyers and developers, as is evident from the premium in selling prices.

The prices of condominium units that are located within 200m from BTS stations had an average sales price of THB 108,200 psm (2.2% increase YoY), projects 201 - 500m away had an average sales price of THB 117,500 psm (18.1% increase YoY), while projects 501 - 1,000m and projects further than 1,000m away had a lower average selling price at THB 95,500 psm (9.6% increase YoY) and THB 65,100 psm (19.8% increase YoY), respectively. Note that the price of condomium units sold within 2013 within 200m distance of BTS SkyTrain station on average showed a lower increase (and are now priced lower than units 201 - 500m from the BTS). This reflects a lack of supply of CBD condominium units next to the BTS due to land scarcity, and this year's prices therefore represent units closer to more suburban or non-prime areas.

Moreover, land prices in Bangkok, especially in the CBD, have risen in the fastest pace over the past 6 years. Bangkok Metropolis and vicinity land price index grew from 96.3 in 2008 to 138.3 in 2013, or a 43.6% increase. This resulted in a new trend in development towards the suburban areas along mass transit routes as the scarcity of land plots and increasing land prices in the centre make projects less feasible.

Bangkok Metropolis and Vicinity Land Price Index from 2008 – 2013



Source: Bank of Thailand

Key Trends

The outlook on residential property in 2014 would have high uncertainty should the political situation remains ambiguous and GDP growth further abates. According to Bank of Thailand's Economic Forecast, GDP growth in 2014 is likely to fall short of 2.7% as a result of sizable contraction in 1Q 2014 and policy time lag. The expected slowdown in GDP growth would not be supportive for property market sentiment. Consumers may slow down their purchasing decision as a result of lack of confidence in the overall economy. Meanwhile, developers would postpone the launch of new projects and slow down their investment mainly from some of these key factors: political instability, potential delays in infrastructure implementation and mass transit expansion plan, labour shortage and higher construction cost. On the other hand, the concern about oversupply in condomimium market can be eased from the expected reduction in newly launched projects by big players and fewer launches from small or non-listed delelopers.

Thana City Golf Course & Sports Club

U Chiang Mai

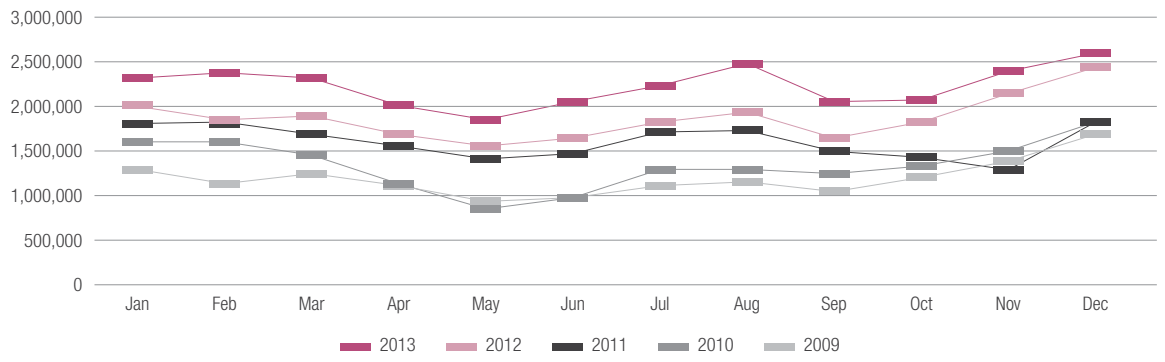
Hotel Industry in 2013

Despite the ongoing political instability in Bangkok, Thailand remains an attractive place for tourists. According to information from Department of Tourism, the number of international visitor arrivals to Thailand in 2013 reached 26.7mn, (rising by 19.6% from the previous year) with generated tourism income of THB 1.2tn, an increase of 19.1% YoY. Chinese tourists were the majority of international tourists who visited Thailand, accounting for 17.5%, followed by Malaysians, Russians, Japanese and Koreans. A flourishing tourism industry in 2013 is reflected in the overall improvement in occupancy rate, Average Daily Rate (ADR) and REVPAR. Based on CBRE Thailand report, the average occupancy rate of hotels in Bangkok in 2013 reached 75% (versus 70% in 2012) and ADR also rose to THB 3,200, an increase of 7% YoY.

Key Trends

Recent data from the Department of Tourism showed tourist arrivals to Thailand posting a slight growth of about 6% in January to March 2014. The growth of tourist arrivals has slowed due to the ongoing political turmoil that has troubled the country since November 2013. Few travel companies are optimistic that last year's double digit growth can be achieved in 2014 should the the political instability and protests persist. Political analysts have forecasted a more bleak outlook for Thailand in the near term, which if accurate, would erase all chances of a repeat of last year's strong tourism performance. However, Thailand has shown resilience in many ways in the past and the tourism industry typically demonstrates a fast rebound. In the long term, Thailand's tourism industry is expected to continue its rapid expansion.

International Tourist Arrivals to Thailand in 2009 - 2013



Source: Department of Tourism

3.7.4 BUSINESS AND INDUSTRY OVERVIEW: SERVICES

"

Within the Services business, we focus on providing convenience to our customers through various kinds of services. Rabbit cards can be used as a common ticket across Mass Transit systems, such as BTS SkyTrain and BRT Bus as well as for payment of goods and services at rabbit's participating retail stores to earn Carrot Rewards. We also have ChefMan Restaurant, a premium Chinese restaurant chain committed to providing excellent food with high quality ingredients cooked by professional chefs.

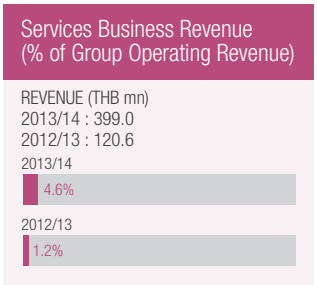
Surapong Loaha-Unya,
Executive Director

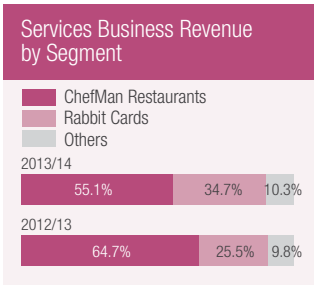
"

Key Developments in 2013/14

- The number of rabbit cards issued has increased 150% from 1 million in 2012/13 to 2.5 million cards in 2013/14 and coverage extends to over 40 brands with more than 1,000 outlets
- BSS is one of the world's first companies to deploy NFC technology for AIS mPAY rabbit sim
- Over 800,000 Rabbit holders have enrolled in Carrot Rewards in 2013/14, making it one of the fastest growing membership-based loyalty programmes in Thailand
- AHS has acquired 12 new management contracts under "Eastin Hotels & Residences" and "U Hotels & Resorts" brands regionally in 2013/14
- ChefMan Restaurant has expanded its branches to 4 branches.

Key Performance Highlights

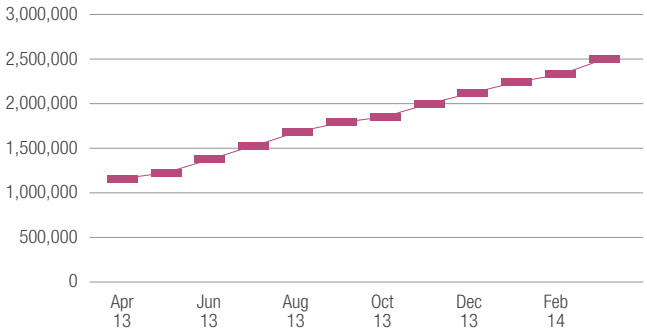




	2013/14	2012/13	Change (%)
Operating revenue (THB mn)	399.0	120.6	230.8%
Gross operating profit (THB mn)	191.7	(19.7)	N.A.
Operating EBITDA (THB mn)	33.0	(99.4)	N.A.
Gross profit margin (%)	48.0%	N.A.	
Operating EBITDA margin (%)	8.3%	N.A.	

The rabbit card was launched on 1 May 2012 by Bangkok Smartcard System Company Limited (BSS). Rabbit card is used as a common ticket to travel on transit systems such as BTS SkyTrain and BRT Bus and also as a means of payment at retail partner stores. The number of rabbit cards issued has increased significantly from 1 million in the first year to 2.5 million in the second year which was higher than our projection of 2 million cards. Furthermore, rabbit's retail partners increased to over 40 brands with more than 1,000 outlets, covering brands such as McDonald's, Starbucks, Burger King, Oishi, Major Cineplex, Gourmet Market and other participating stores located at The Emporium, Siam Paragon and The Mall.

Number of Rabbit Cards Issued



Co-branded Rabbit with Bangkok Bank PCL

Bangkok Bank Public Company Limited (Bangkok Bank) and BSS have collaborated to issue "Be-1st Smart Rabbit" debit cards and "Bangkok Bank Rabbit Credit Cards". In 2013/14, there were over 300,000 registrations for the co-branded cards. Moreover, Bangkok Bank plans to spread out the co-branded rabbit cards to its branches. Additionally, Be-1st Smart Rabbit is the first debit card in Thailand to use the highly secure EMV technology, which stores and protects data on the microchips that cannot be modified or reproduced. Other than this special qualification, BSS and Bangkok Bank are now developing the Auto Top-Up system to provide more convenience to rabbit holders and we anticipate to launch this service by third quarter of 2014.

Rabbit & Carrot Service Center

AIS mPAY Rabbit

AIS mPAY Rabbit

BSS has partnered with Advanced Info Service Public Company Limited (AIS) and Advanced MPAY Company Limited to develop the AIS mPAY Rabbit Sim, which enables usage of rabbit services on mobile phones with NFC technology. The AIS mPAY rabbit sim was officially launched in November 2013 and facilitates online financial transactions, or e-banking with all rabbit retail partners, as well as allow balance checking and viewing historical transactions. In addition, over-the-air (OTA) top-up system has been implemented to expand the top-up service channels. AIS expects that around 100,000 normal SIM cards will be traded in for AIS mPAY rabbit sim per year.

Co-developed Membership Card for McDonald's and McCafe

BSS and McDonald's have co-developed membership card for McDonald's and McCafe in the form of rabbit cards. The holders will receive exclusive privileges such as 25% discount for buying coffee at McCafe and 10% discount for buying food and drinks at McDonald's. Furthermore, BSS has expanded its rabbit card top-up channels at McDonald's outlet throughout Thailand. By providing this service, the rabbit usage transactions at McDonald's has increased by more than 200% since October 2013, which is when top-up service at McDonald's became available.

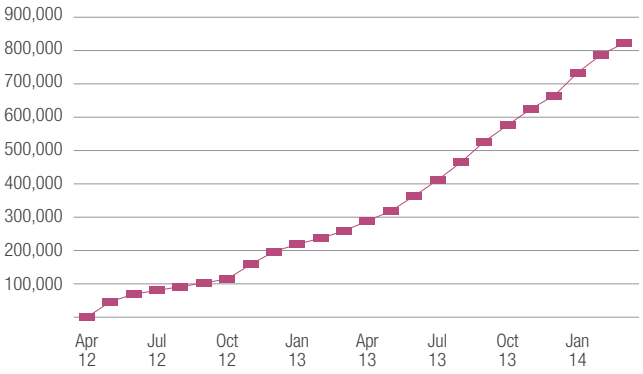
McDonald's and McCafe Membership Card

Carrot Rewards is the exclusive loyalty and benefits programme for rabbit. Rabbit holders who enroll their cards earn "Carrot Rewards" for topping up their rabbit card as well as for using their rabbit card on the BTS SkyTrain and for retail purchases at select retail partners. Carrot Rewards can subsequently be redeemed for cash top up to a member's rabbit card as well as for an array of merchandise and gift certificates from the Carrot Rewards website (www.carrotrewards.co.th).

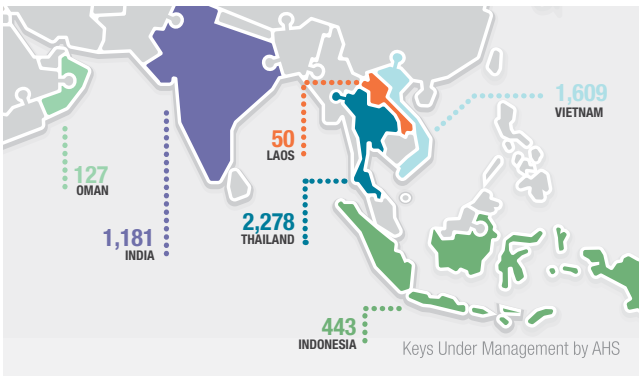
Since its launch in May 2012, over 800,000 rabbit holders have enrolled in Carrot Rewards, making it one of the fastest growing membership-based loyalty programmes in Thailand. Carrot Rewards Co., Ltd. generates income through the sale of Carrot rewards to its point issuing partners. In 2013/14, we sold over 150 million Carrot rewards. Additionally, revenues are earned through customised direct marketing activities to the Carrot Rewards membership database on behalf of third parties.

In addition to points based and direct marketing revenue streams, Carrot Rewards Co., Ltd. generates further income through its network of "Carrot Kiosks". The revenue comes from selling advertising space on the button and coupon placement across the kiosk network. The trade partner can then promote different types of offers to Carrot Rewards members. Currently, Carrot Rewards operates a network of 120 kiosks at 23 BTS stations, office towers and shopping centres. During 2014, the network will be expanded to over 300 kiosks including a new network inside modern trade stores. In 2014, Carrot Rewards will also launch its mobile application that will facilitate member enrollment and engagement activities.

Carrot Rewards Member Enrollment (2012/13 – 2013/14)



ChefMan Restaurant



ChefMan Restaurant is a premium Chinese restaurant chain managed by Man Kitchen Company Limited offers distinctly original Cantonese cuisine. ChefMan is committed to providing excellent food with high quality ingredients cooked by professional chefs. ChefMan Restaurant has 4 branches, divided into 3 dine-in branches and 1 take-away branch, under its operation. Major competitors are Chinese restaurants in five-star hotels. According to TripAdvisor.com, ChefMan Eastin Grand Hotel Sathorn Bangkok was ranked 1,797th out of a total of 7,722 restaurants in the vote of popular restaurants (including all types). In 2013/14, ChefMan Restaurant generated THB 220mn to the Group revenue from its first operations in November 2013 to March 2014.

Absolute Hotel Services Co., Ltd. (AHS) is a joint venture company between the Group and partners with experience in the hotel business. Currently, AHS manages 3 to 4 star hotels under 'U Hotels & Resorts' and 'Eastin Hotels & Residences" brands across South East Asia. AHS vision is to provide a unique range of complete hospitality services and consultancy on an a la carte basis with tailor-made client-, owner- and developer-centric solutions. As of 31 March 2014, AHS has 49 properties with 5,688 keys under its management. Amongst these, there will be 11 properties with 1,017 keys in Thailand, Vietnam, Indonesia and India opening in 2014/15. By 31 Mar 2015, AHS aims to have a total of 8,000 keys and 80 properties under its management.

3.8 SUBSIDIARIES AND ASSOCIATED COMPANIES INFORMATION

as of 31 March 2014

Juristic Person	Type of Business	Address	Paid-up Capital (Baht)	Total Issued Shares	Type	Shareholding (%)
1. Mass Transit Business						
Bangkok Mass Transit System Plc.	Mass Transit Business	1000 BTS Building, Phahonyothin Road, Chomphon, Chatuchak, Bangkok 10900 Tel: 0 2617-7300 Fax: 0 2617-7133	4,016,783,413.25	16,067,133,653 shares (par value of Baht 0.25 per share)	Ordinary Shares	97.46
BTS Rail Mass Transit Growth Infrastructure Fund (BTSGIF) managed by BBL Asset Management Co., Ltd. and having Standard Chartered Bank (Thai) Plc. as the Fund Supervisor	Investment in the Net Farebox Revenue from the operation of the Core BTS SkyTrain System under the Concession Agreement, covering a combined track length of 23.5 km	175 Sathorn City Tower, 7th, 21st and 26th Floor, South Sathorn Road, Thung Mahamek, Sathorn, Bangkok 10120 Tel: 0 2674-6488 # 8 Fax: 0 2679-5955	62,510,400,000	5,788,000,000 units (par value of Baht 10.80 per unit)	Investment Units	33.33
2. Media Business[1]						
VGI Global Media Plc. (formerly known as VGI Global Media Co., Ltd. and registered for conversion into a public company and changed its name to VGI Global Media Plc. on 2 April 2012.)	Providing advertising network service in mass transit system (BTS SkyTrain), advertising media in modern trades (Tesco Lotus and Big C) and advertising media in office buildings and others	21 TST Tower, 9th Floor Viphavadi-Rangsit Road Chomphon, Chatuchak, Bangkok 10900 Tel: 0 2273-8884 Fax: 0 2273-8883	343,197,362.50	3,431,973,625 shares (par value of Baht 0.10 per share)	Ordinary Shares	61.84[2] (51% held by Bangkok Mass Transit System Plc. and 10.84% held by the Company)
VGI Advertising Media Co., Ltd.	Providing advertising media service in Tesco Lotus	21 TST Tower, 9th Floor, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900 Tel: 0 2273-8884 Fax: 0 2273-8883	10,000,000	100,000 shares (par value of Baht 100 per share)	Ordinary Shares	100.00 (held by VGI Global Media Plc.)
999 Media Co., Ltd.	Providing point of purchase radio media in modern trades	21 TST Tower, 9th Floor, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900 Tel: 0 2273-8884 Fax: 0 2273-8883	7,500,000	750,000 shares (par value of Baht 10 per share)	Ordinary Shares	100.00 (held by VGI Global Media Plc.)
888 Media Co., Ltd. (formerly known as VGI Property Co., Ltd. and changed its name to 888 Media Co., Ltd. on 16 February 2009.)	Providing advertising media service in Non-Sales Floor of Big C	21 TST Tower, 9th Floor, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900 Tel: 0 2273-8884 Fax: 0 2273-8883	20,000,000	2,000,000 shares (par value of Baht 10 per share)	Ordinary Shares	100.00 (held by VGI Global Media Plc.)
Point of View (POV) Media Group Co., Ltd.	Providing advertising media service in office buildings	21 TST Tower, 9th Floor, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900 Tel: 0 2273-8884 Fax: 0 2273-8883	40,000,000	4,000,000 shares (par value of Baht 10 per share)	Ordinary Shares and Preferred Shares	100.00 (held by VGI Global Media Plc.)
VGI Advertising China Co., Ltd.	Providing advertisement of Chinese products in Thailand	Room 43A13, 4th Floor, Building B, No. 666 Beijing East Road, Huangpu, Shanghai, China Tel: +86 2152401333 Fax: +86 2152400910	USD 2,000,000	2,000,000 shares (par value of USD 1 per share)	Ordinary Shares	100.00 (held by VGI Global Media Plc.)
Midas Global Media Co., Ltd. (formerly known as VGI MutiTech International Co., Ltd. and changed its name to Midas Global Media Co., Ltd. on 4 April 2014.)	Providing services in relation to sale, marketing and managing advertising space	21 TST Tower, 9th Floor, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900 Tel: 0 2273-8884 Fax: 0 2273-8883	150,000,000	15,000,000 shares (par value of Baht 10 per share)	Ordinary Shares	30.00 (held by VGI Global Media Plc.)

Juristic Person	Type of Business	Address	Paid-up Capital (Baht)	Total Issued Shares	Type	Shareholding (%)
3. Property Business						
BTS Assets Co., Ltd. (formerly known as Uni Holding Co., Ltd. and changed its name to BTS Assets Co., Ltd. on 4 February 2010.)	Land Owner, Hotel and Property Development	21 Soi Choei Phuang, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900 Tel: 0 2273-8511-5 Fax: 0 2273-8516	800,000,000	8,000,000 shares (par value of Baht 100 per share)	Ordinary Shares	100.00
PrannaKiri Assets Co., Ltd. (formerly known as Muang Thong Lakeside Restaurant Co., Ltd. and changed its name to PrannaKiri Assets Co., Ltd. on 18 January 2010.)	Land Owner and Property Development	21 Soi Choei Phuang, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900 Tel: 0 2273-8511-5 Fax: 0 2273-8516	311,000,000	3,110,000 shares (par value of Baht 100 per share)	Ordinary Shares	100.00
BTS Land Co., Ltd.	Brand Development for Property and Services Business and Securities Investment	21 Soi Choei Phuang, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900 Tel: 0 2273-8511-5 Fax: 0 2273-8516	10,000,000	100,000 shares (par value of Baht 100 per share)	Ordinary Shares	100.00
Siam Paging and Communication Co., Ltd.	Land Owner and Property Development	21 Soi Choei Phuang, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900 Tel: 0 2273-8511-5 Fax: 0 2273-8516	5,000,000	50,000 shares (par value of Baht 100 per share)	Ordinary Shares	100.00
Kamkoong Property Co., Ltd.	Land Owner and Property Development	21 Soi Choei Phuang, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900 Tel: 0 2273-8511-5 Fax: 0 2273-8516	375,000,000	3,750,000 shares (par value of Baht 100 per share)	Ordinary Shares	100.00
DNAL Co., Ltd.	Office Building for Rent	21 Soi Choei Phuang, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900 Tel: 0 2273-8833 Fax: 0 2273-8131	50,000,000	500,000 shares (par value of Baht 100 per share)	Ordinary Shares	100.00
Muangthong Assets Co., Ltd. (formerly known as Muangthong Apartment Co., Ltd. and changed its name to Muangthong Assets Co., Ltd. on 16 May 2008.)	Hotel	21 Soi Choei Phuang, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900 Tel: 0 2273-8511-5 Fax: 0 2273-8516	125,000,000	1,250,000 shares (par value of Baht 100 per share)	Ordinary Shares	100.00
Tanayong Food and Beverage Co., Ltd.	Land Owner and Property Development	100-100/1 Moo 4 Bangna-Trad Road km. 14, Bangchalong, Bangplee, Samutprakarn 10540 Tel: 0 2336-1938-9 Fax: 0 2336-1985	1,000,000	10,000 shares (par value of Baht 100 per share)	Ordinary Shares	100.00
Tanayong Property Management Co., Ltd.	Building Management	100-100/1 Moo 4 Bangna-Trad Road km. 14, Bangchalong, Bangplee, Samutprakarn 10540 Tel: 0 2336-1938-9 Fax: 0 2336-1985	1,000,000	10,000 shares (par value of Baht 100 per share)	Ordinary Shares	100.00
Yongsu Co., Ltd.	Cessation of Business Operation	21 Soi Choei Phuang, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900 Tel: 0 2273-8511-5 Fax: 0 2273-8516	234,000,000	2,340,000 shares (par value of Baht 100 per share)	Ordinary Shares	100.00

Juristic Person	Type of Business	Address	Paid-up Capital (Baht)	Total Issued Shares	Type	Shareholding (%)
Thana City Golf & Sports Club Co., Ltd. (formerly known as Thana City Golf & Country Club Co., Ltd. and changed its name to Thana City Golf and Sports Club Co., Ltd. on 22 February 2010.)	Management and Operation of Golf Course and Sports Facilities	100-100/1 Moo 4 Bangna-Trad Road km.14, Bangchalong, Bangplee, Samutprakarn 10540 Tel: 0 2336-1968-75 Fax: 0 2336-1980	20,000,000	200,000 shares (par value of Baht 100 per share)	Ordinary Shares	100.00
Mak8 Co., Ltd.	Land Owner and Property Development	21 Soi Choei Phuang, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900 Tel: 0 2273-8511-5 Fax: 0 2273-8516	240,000,000	2,400,000 shares (par value of Baht 100 per share)	Ordinary Shares	87.50
Nuvo Line Agency Co., Ltd.	Land Owner and Property Development	21 Soi Choei Phuang, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900 Tel: 0 2273-8511-5 Fax: 0 2273-8516	2,001,000,000	20,010,000 shares (par value of Baht 100 per share)	Ordinary Shares	80.00[3]
Bayswater Co., Ltd.	Land Owner and Property Development	19/72 Chuanchuen, Modus Centro, Moo 2, Klongklua, Pakkret, Nonthaburi 11120	10,000,000	100,000 shares (par value of Baht 100 per share)	Ordinary Shares	50.00
4. Services Business[4]						
Tanayong International Limited	Cessation of Business Operation	Wilmington Trust Corporate Services (Cayman) Limited P.O. Box 32322 SM 4th Floor, Century Yard, Cricket Square, Elgin Avenue George Town, Cayman Islands	USD 1,000	1,000 shares (par value of USD 1 per share)	Ordinary Shares	100.00
Tanayong Hong Kong Limited	Securities Investment	11th Floor, Malahon Centre 10-12 Stanley St. Central, Hong Kong	HKD 10,000	10,000 shares (par value of HKD 1 per share)	Ordinary Shares	100.00
Carrot Rewards Co., Ltd. (formerly known as Bangkok Smartcard Technology Co., Ltd. and changed its name to Carrot Rewards Co., Ltd. on 11 May 2011.)	Operating loyalty and CRM services as well as network of couponing kiosks	21 TST Tower, 24th Floor, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900 Tel: 0 2618-3799 Fax: 0 2618-3798	2,000,000	20,000 shares (par value of Baht 100 per share)	Ordinary Shares	100.00
Bangkok Smartcard System Co., Ltd.	Providing e-money services and common ticketing system for mass transit and retails	21 TST Tower, 19th and 24th Floors, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900 Tel: 0 2617-8338 Fax: 0 2617-8339	400,000,000	4,000,000 shares (par value of Baht 100 per share)	Ordinary Shares	90.00 (held by Bangkok Mass Transit System Plc.)
Man Kitchen Co., Ltd	Restaurant and Food Business	21 Soi Choei Phuang, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900 Tel: 0 2273-8511-5 Fax: 0 2273-8516	50,000,000	500,000 shares (par value of Baht 100 per share)	Ordinary Shares	70.00
HHT Construction Co., Ltd. (formerly known as Hip Hing Construction (Thailand) Co., Ltd. and changed its name to HHT Construction Co., Ltd. on 30 November 2011.)	Construction and Construction Management	21 Soi Choei Phuang, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900 Tel: 0 2273-8733 Fax: 0 2273-8730	25,000,000	5,000,000 shares (par value of Baht 5 per share)	Ordinary Shares	51.00
Absolute Hotel Services Co., Ltd.	Hotel Management	1091/343, 4th Floor, New Petchburi Road Makkasan, Rajthevee Bangkok 10400 Tel: 0 2255 9247 Fax: 0 2255 9248	8,000,000	2,500,000 shares (par value of Baht 10 per share)	Ordinary Shares	50.00

Juristic Person	Type of Business	Address	Paid-up Capital (Baht)	Total Issued Shares	Type	Shareholding (%)
Absolute Hotel Services Hong Kong Limited	Hotel Management	Flat/Room 908, Dominion Centre, 43-59 Queen's Road East, Wanchai, Hong Kong	HKD 6,930,687	6,930,687 shares (par value of HKD 1 per share)	Ordinary Shares	50.00 (12.26% held by Tanayong Hong Kong Limited and 37.74% held by Absolute Hotel Services Co., Ltd.)[5]

Details of Juristic Person the Company holding 10% shares or more

Juristic Person	Type of Business	Address	Paid-up Capital (Baht)	Total Issued Shares	Type	Shareholding (%)
Changklanway Co., Ltd.	Hotel and Restaurant	199/42 Changklan Road, Changklan, Muang, Chiangmai 50100 Tel: 0 5325-3199 Fax: 0 5325-3025	330,000,000	6,600 shares (par value of Baht 50,000 per share)	Ordinary Shares	15.15
Community and Estate Management Co., Ltd.	Real Estate Management	144/2 Serithai Road, Khlong Chan, Bang Kapi, Bangkok, 10240 Tel: 0 2733-1500 Fax: 0 2733-1500 # 30	20,000,000	2,000,000 shares (par value of Baht 10 per share)	Ordinary Shares	15

1 On 12 May 2014, VGI Global Media Plc. acquired 73,500,000 shares in Master Ad Plc. from a group of existing shareholders or representing 24.43% of the total issued shares of Master Ad Plc.

Juristic Person	Type of Business	Address	Paid-up Capital (Baht)	Total Issued Shares	Type	Shareholding (%)
Master Ad Plc.	Providing service and producing Out-of-Home media materials	4th -6th Floor, 1 Soi Ladprao 19, Ladprao Road, Chompol, Chatuchak Bangkok 10900 Tel: 0 2938-3388 Fax: 0 2938-3489	300,896,950	300,896,950 shares (par value of Baht 1 per share)	Ordinary Shares	24.43 (held by VGI Global Media Plc.)

2 On 30 May 2014, the Company's shareholding in VGI Global Media Plc. has been increased from 10.84% to 13.65%. As a result, the Company's shareholding in VGI Global Media Plc., direct and indirect, has been increased to 64.65%.

3 On 27 May 2014, the Company acquired additional 4,002,000 shares, representing 20% shares in Nuvo Line Agency Co. Ltd. from Pacific Harbor Advisors Pte. Ltd., and therefore the Company's shareholding in Nuvo Line Agency Co. Ltd. has been increased from 80% to 100%.

4 On 30 April 2014, a new subsidiary in the service business, named Bangkok Payment Solutions Co., Ltd. was established. The Company holds 60% shares through BTS Land Co., Ltd., a subsidiary.

Juristic Person	Type of Business	Address	Paid-up Capital (Baht)	Total Issued Shares	Type	Shareholding (%)
Bangkok Payment Solutions Co., Ltd.	Software Development and Technology Services	21 TST Tower 24th floor Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900	12,500,000	5,000,000 shares (par value of Baht 5 per share)	Ordinary Shares	60.00 (held by BTS Land Co., Ltd.)

5 In October 2013, there was a capital increase and restructuring in Absolute Hotel Services Hong Kong Limited. Absolute Hotel Services Co., Ltd. converted its debts in Absolute Hotel Services Hong Kong Limited in the amount of USD 644,037.90 into 5,230,687 ordinary shares in Absolute Hotel Services Hong Kong Limited. As a result of this restructuring, Absolute Hotel Services Co., Ltd., an associated company, holds 75.47% shares in Absolute Hotel Services Hong Kong Limited or the equivalent effective shareholding/benefit at 37.74% (75.47 x 50.00 = 37.74) and Tanayong Hong Kong Limited, a subsidiary, holds 12.26% shares in Absolute Hotel Services Hong Kong Limited. Consequently, the Company's shareholding in Absolute Hotel Services Hong Kong Limited, direct and indirect, remains unchanged, i.e. 50%.

4.0
ANNUAL BUSINESS REVIEW

This Section provides review of capital markets, risk management, and CSR. 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

> **The Company paid total dividends of THB 7.07bn* in 2013/14, in line with the 3-year committed dividend policy**. As of 22 May 2014, BTS dividend yield for last-twelve-months was at 7.34%* compared to the SET50 dividend yield of 3.29%**.

Historical Share Price Analysis

Following a year of heavy outperformance in 2012/13, BTS share price moved more closely in line with SET Index during 2013/14. BTS share price dropped 10.6% YoY to close at THB 8.40 per share, outperforming the SET Index, which declined 11.8% and underperforming against the SET Transportation Index, which grew 6.4%. Aside from events which impacted the share price as below, the Company also saw a 7.3% increase in the number of issued and fully paid up shares.

During the first fiscal quarter, the SET Index saw a broad based sell-off as foreign investors reacted to the anticipation of tapering of quantitative easing in the US. BTS share price fell from THB 9.35 per share on 2 April 2013 to THB 7.65 per share on 28 June 2013, hitting the year-low of THB 7.20 per share on 24 June 2013. This represented an underperformance versus the SET Index as yield stocks were hit harder as a result of the change in interest rate expectations and BTS shareholders took profit following the success of the BTSGIF transaction.

However, from July through end November, BTS outperformed the SET Index significantly, reaching a peak of THB 9.35 per share on 29 November 2013. During this period, despite political disputes, uncertainties regarding the ability to implement the government's THB 2.2-trillion infrastructure bill and continued outflow of foreign funds, BTS share price appreciated on strong financial results (aided by the 1 June effective fare hike), associated dividend payments (interim dividend 1 announced 9 August 2013 and XD 22 August 2013) as well as the announcement of the issuance of BTS-W3 warrants (announced 23 August 2013, approved by shareholders on 11 October 2013 and XW on 16 October 2013).

As of 29 November 2013, when political demonstrations were gathering momentum, BTS share price had outperformed the SET Index by 12.1% for the fiscal year, yet again demonstrating the relative resilience of the Group's business.

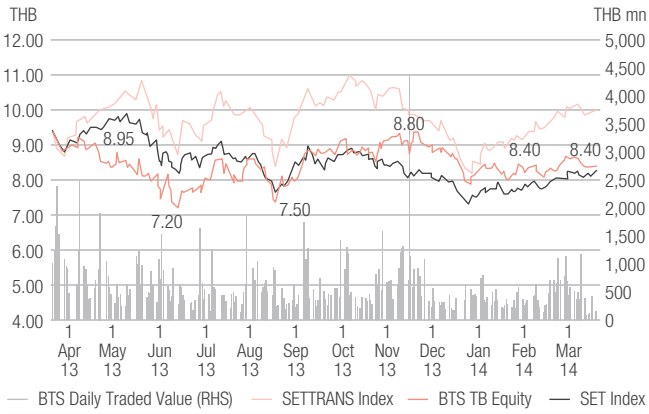
* Equivalent to a total dividend of THB 0.60 per share.
Subject to shareholders' approval of the final dividend of THB 0.21 per share.
Dividend yield based on share price as of one day prior to Board of Directors' approval of relevant dividend payment.

** Sum of the gross DPS that have gone ex-dividend over the past 12 months, divided by stock price as of 22 May 2014.

However, an intensification of the protests (which peaked on 'Bangkok Shutdown Day' on 13 January 2014) led to a second round of accelerated withdrawal of overseas funds. BTS share price started to fall in mid-December 2013 before hitting the trough of the second half at THB 7.90 on 6 January 2014.

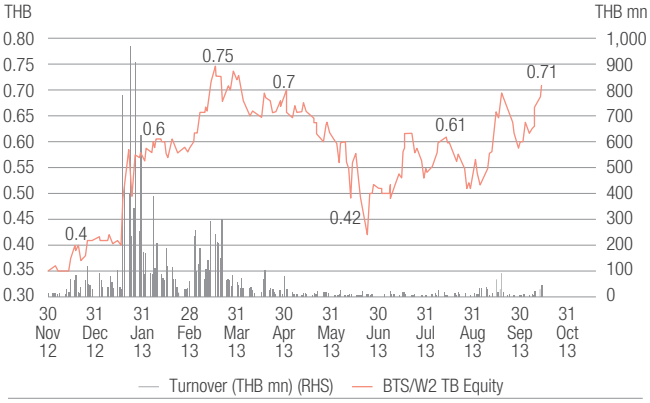
BTS share price then remained relatively flat until March 2014 as positive news surrounding a second interim dividend (announced 10 January 2014, XD 23 January 2014) and news on the joint bid to run Subway Line 16 in Beijing was offset by the uncertainty surrounding the ongoing political instability and which culminated in the Constitutional Court's ruling that the THB 2.2-trillion infrastructure bill was unconstitutional in March 2014.

BTS Annual Stock Performance



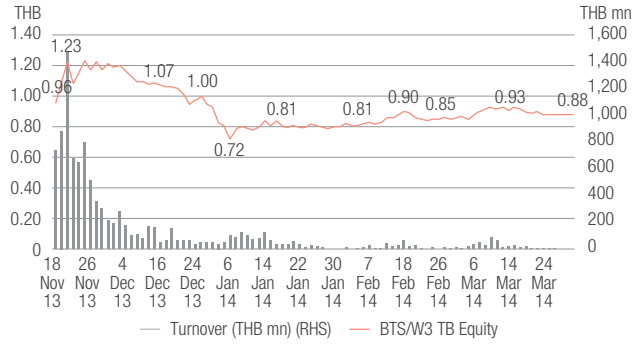
Source: www.settrade.com

BTS-W2 Warrant Price (last trading day on 15 October 2013)



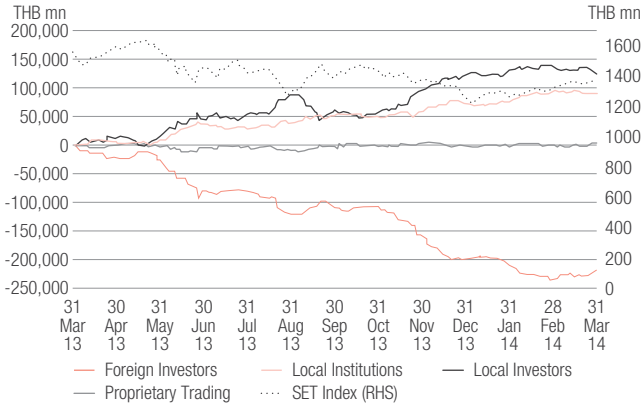
Source: www.settrade.com

BTS-W3 Warrant Price (first trading day on 18 November 2013)



Source: www.settrade.com

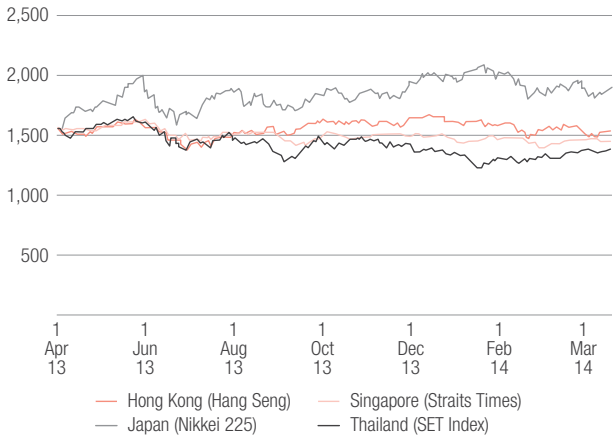
Cumulative Investor Flow



Source: www.settrade.com

SET Index Performance (SET versus regional peers)

The SET Index decreased 11.8% in the year-ended 31 March 2014, largely driven by the foreign investors who were net sellers of THB 218.6bn worth of equities. By contrast, local investors bought THB 125.2bn and local institutions bought THB 90.1bn. The SET Index underperformed other regional peers such as Nikkei 225 (Japan), which increased 19.6% YoY, the Hang Seng Index (Hong Kong), which decreased 0.7% YoY, and the Straits Times Index (Singapore), which decreased 3.6% YoY.



Source: www.settrade.com

Share Performance and Liquidity

In 2013/14, the average traded volume was 72.2mn shares per day (a reduction of 3.9% from 2012/13) and the average traded value was THB 616.5mn per day or USD 19.8mn (a decrease of 8.4% from 2012/13).

Key Share Data	2013/14	2012/13*	2011/12	2010/11	2009/10
Share price (THB)					
Year-end	8.40	9.40	0.78	0.75	0.71
Year-high	9.35	9.40	0.79	0.92	0.83
Year-low	7.20	4.63	0.52	0.60	0.37
Average daily traded value (THB mn)	616.5	673.4	127.2	380.8	29.2
Average daily trade volume (mn of shares)	72.2	98.7	162.8	457.7	46.1
Number of shares outstanding at year-end (mn)	11,914.2	11,106.6	57,188.3	55,889.3	7,614.4
Market capitalisation at year-end (THB mn)	100,079.5	104,402.4	44,606.9	41,917.0	5,406.2
Change (YoY)					
BTS TB	-10.6%	92.8%	4.0%	5.6%	91.9%
SET Transportation Index	6.4%	67.0%	3.1%	3.4%	107.1%
SET Index	-11.8%	30.4%	14.3%	32.9%	82.6%
Hong Kong (Hang Seng)	-0.7%	7.7%	-12.6%	10.8%	56.4%
Japan (Nikkei 225)	19.6%	23.0%	3.4%	-12.0%	36.8%
Singapore (STI)	-3.6%	9.9%	-3.1%	7.6%	69.9%

* The Company changed the par value of BTS shares from THB 0.64 per share to THB 4 per share. BTS shares have been trading with new par value since 10 August 2012. 2012/13 was presented by the new par value adjusted based on ordinary shares from the beginning of the fiscal year.

For the latest company share price, please refer to http://bts.listedcompany.com/shareprice_bts.html.

SET50 Index Constituent Member

On 14 December 2010, BTS was announced as a constituent 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 more than 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-assesses 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 automatically became eligible under certain investment funds investment criteria, and saw liquidity jump at the start of January 2011.

MSCI Thailand Mid Cap Constituent Member

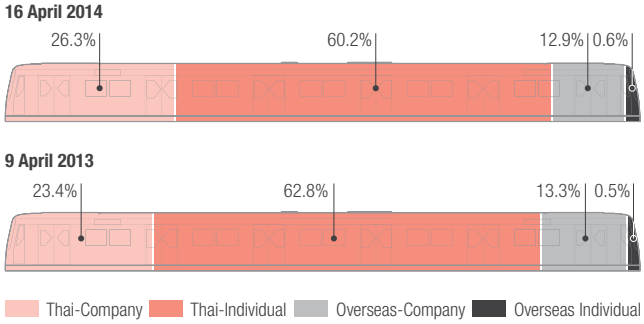
In November 2013, BTS was included as a constituent of MSCI Thailand Mid Cap Index (MXTHMC). To qualify for inclusion in the MSCI Indices, a company must first meet all the necessary criteria for the MSCI Global Investable Market Indices (MSCI GIMI), which comprise of size-segment (in terms of full company market capitalisation), free float-adjusted market capitalisation and the liquidity requirements at the time of the review. The appropriate size-segment for inclusion is then determined from the Investable Market Index (IMI). MSCI Mid Cap Indices cover all investable mid cap securities, targeting approximately 15% of each market's free-float adjusted market capitalisation which is subject to minimum investability criteria and a universal minimum size range. The MSCI GIMI Indices are reviewed on a quarterly basis and the results are announced mid of February, May, August and November.

Source: SET and MSCI

Shareholding Structure

As of 16 April 2014, the Company had 67,988 shareholders. The major shareholder is Mr. Keeree Kanjanapas Group, which owned 41.7% of 11,914.2mn issued shares. For more details of major shareholders, please see the top 10 shareholders table. Non-Thai shareholding represented 13.5% of total shares (13.8% in 2012/13). For more details, please see the subsequent heading, 'Investor Relations'. The Company's free float shareholding stood at 57.5% of total paid-up capital as of 16 April 2014.

Shareholding by Shareholder Type



Shareholder Distribution (as of 16 April 2014)

Number of Shares Held	No. of Shareholders	% of all Shareholders
1 - 1,600	18,240	26.8%
1,601 - 8,000	19,624	28.9%
8,001 - 16,000	10,065	14.8%
16,001 - 80,000	13,851	20.4%
80,001 - 160,000	2,899	4.3%
160,001 - 1.6mn	2,883	4.2%
1.6mn - 16mn	373	0.5%
> 16mn	53	0.1%
Total	**67,988**	

Top 10 Major Shareholders (as of 16 April 2014)

	Name of Shareholders	Number of Shares	% of all Shareholders
1	Mr.Keeree Kanjanapas Group	4,968,675,039	41.70%
2	Thai NVDR Co., Ltd.	709,325,351	5.95%
3	Bangkok Bank Public Company Limited	545,466,733	4.58%
4	HSBC (SINGAPORE) NOMINEES PTE LTD	176,126,863	1.48%
5	NORTRUST NOMINEES LTD.	115,322,757	0.97%
6	STATE STREET BANK EUROPE LIMITED	93,654,058	0.79%
7	UOB KAY HIAN (HONG KONG) LIMITED - Client Account	83,672,062	0.70%
8	K Equity 70:30 LTF	80,080,200	0.67%
9	K Equity LTF	65,476,600	0.55%
10	K Equity Dividend LTF	62,131,600	0.52%

Mr. Keeree Kanjanapas Group consists of (1) Mr. Keeree Kanjanapas holding 3,964,164,652 shares on his own name, holding 350,000,000 shares through the custodian, UBS AG HONG KONG BRANCH, and holding 260,000,000 shares through the custodian, CREDIT SUISSE AG, SINGAPORE BRANCH (2) Mr. Kavin Kanjanapas holding 2,459,295 shares, (3) Ms. Sushan Kanjanapas holding 32,000,000 shares, (4) K2J Holding Co., Ltd. holding 360,000,000 shares, and (5) Amsfield Holdings Pte. Ltd. holding 51,092 shares.

Tanayong Food & Beverage Co., Ltd., a subsidiary of the Company, holds 39,650,550 shares (0.33%) for and in favour of the creditors pursuant to the Company's business rehabilitation plan to which these shares will be transferred to the creditors in the future.

Top 10 major shareholders as at the shares register book closure date on 10 June 2014 (11,914.2mn total issued shares) are as follows:

1. Mr. Keeree Kanjanapas Group holding 4,886,135,039 shares (41.01%) where (1) Mr. Keeree Kanjanapas holding 3,881,164,652 shares on his own name, holding 350,000,000 shares through the custodian, UBS AG HONG KONG BRANCH, and holding 260,000,000 shares through the custodian, CREDIT SUISSE AG, SINGAPORE BRANCH (2) Mr. Kavin Kanjanapas holding 2,459,295 shares, (3) Ms. Sushan Kanjanapas holding 32,460,000 shares, (4) K2J Holding Co., Ltd. holding 360,000,000 shares, and (5) Amsfield Holdings Pte. Ltd. holding 51,092 shares
2. Thai NVDR Co., Ltd. holding 770,667,077 shares (6.47%)
3. Bangkok Bank Public Company Limited holding 545,466,733 shares (4.58%)
4. HSBC (SINGAPORE) NOMINEES PTE LTD holding 178,476,063 shares (1.50%)
5. STATE STREET BANK EUROPE LIMITED holding 93,279,408 shares (0.78%)
6. K Equity 70:30 LTF holding 88,896,700 shares (0.75%)
7. K Equity Dividend LTF holding 62,131,600 shares (0.52%)
8. CHASE NOMINEES LIMITED 46 holding 60,651,410 shares (0.51%)
9. STATE STREET BANK AND TRUST COMPANY holding 58,578,083 shares (0.49%)
10. Mr. Sombat Panichcheewa holding 53,592,992 shares (0.45%)

For the latest top 10 shareholding, please refer to http://bts.listedcompany.com/shareholdings.html.

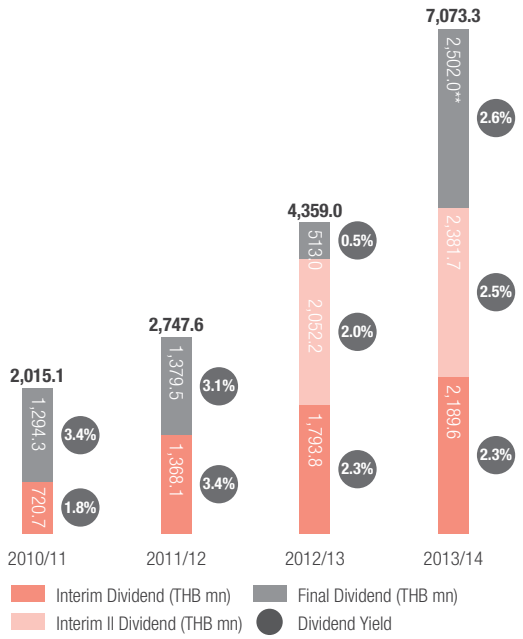
Dividend Policy

On 27 May 2013, the Board of Directors approved the dividend policy for the next 3 fiscal years in the aggregate amount of no less than THB 21,000mn, i.e. no less than THB 6,000mn in 2013/14, THB 7,000mn in 2014/15 and THB 8,000mn in 2015/16 (subject to the public limited companies law and no material adverse change to the business operation or financial conditions of the Company). The ability to pay these dividends will be supported by the profits from operation as well as the extraordinary profits from the infrastructure fund transaction.

In 2013/14, the Company paid two interim dividends of THB 0.19 per share and of THB 0.20 per share, respectively, and has also proposed a final dividend of THB 0.21 per share to the shareholders approval. This translates into a dividend yield of approximately 2.3% and 2.5%, respectively, and subject to shareholders' approval, a dividend yield of 2.6% for the final dividend. SET50 average dividend yield was 3.3% as of 22 May 2014.

For the latest dividend information, please refer to http://bts.listedcompany.com/dividend.html.

BTS Dividend Record



* Dividend yield is calculated using BTS TB closing share price one day before the date of Board of Directors' meeting approving the relevant dividend payment.

** 2013/14 final dividend is subject to shareholders' approval at the shareholders' meeting on 25 July 2014.

Credit Rating and Outlook

As of 29 January 2014, Fitch Ratings (Thailand) Limited (FITCH) upgraded the long-term ratings of BTSC's three tranches of debentures that are guaranteed by Bank of Ayudhya Plc. (BAY) to 'AAA/Stable' from 'AA/Stable'. The Outlook is Stable. The rating reflects the credit rating of Bank of Ayudhya Plc. (BAY), who has provided a letter of guarantee against the payment of interest and principal of the debentures outstanding.

Three tranches of debentures of BTSC	FITCH Issue Rating / Outlook
BTS148A: THB 4,000mn senior debentures due 2014	AAA / Stable
BTS158A: THB 1,500mn senior debentures due 2015	AAA / Stable
BTS168A: THB 1,500mn senior debentures due 2016	AAA / Stable

Other Capital Markets Activity

New Equity Issuance

During the course of the fiscal year, the Company issued a total of 807.6mn new ordinary shares as a result of (1) the allocation of 802.7mn new ordinary shares for the exercise of rights under the warrants BTS-W2 (the second - the last exercise) and (2) the first exercise of warrants BTS-WA into 4.9mn ordinary shares.

Warrants BTS-W2 (BTS-W2): 5,027.0mn units of BTS-W2 were issued for free to existing shareholders in November 2010. BTS-W2 had a term of 3 years from the issuance date, could be exercised quarterly on the last business day of every quarter starting from the first exercise date on 28 December 2012 with the last exercise date on 11 November 2013. Following the share consolidation on 7 August 2012, the exercise price was THB 4.375 per share (1 warrant: 0.16 shares). The holders of BTS-W2 have exercised their rights in the total amount of 5,025.6mn units or equivalent to 99.97% of the total units of BTS-W2. The Company has allocated a total of 804.1mn newly issued ordinary shares to the holders who exercised their rights under the BTS-W2. There were 1.4mn units of the BTS-W2 (0.03%) failed to exercise their rights which are now nullified under the terms and conditions of the BTS-W2.

Warrants BTS-WA (BTS-WA): 100.0mn units of BTS-WA were issued to the employees of the Company and its subsidiaries under BTS Group ESOP 2011 Scheme. Following the share consolidation on 7 August 2012, the exercise ratio of BTS-WA is 1 unit of warrant for 0.16 ordinary share of the Company and the exercise price is THB 4.375 per share. BTS-WA has a term of 5 years from the issue date (18 August 2011). BTS-WA can be exercised quarterly on the last business day starting from the first quarter following 2 years from the issue date. The first exercise date will be on 30 September 2013 and the last exercise date will be on 18 August 2016.

The ordinary shares reserved to accommodate the exercise of BTS-WA are 16.0mn shares. At present, the balance of the outstanding BTS-WA is 69.1mn units and the balance of ordinary shares reserved to accommodate the exercise of BTS-WA warrants is 11.1mn shares.

Warrants BTS-WB (BTS-WB): 16.0mn units of BTS-WB were issued to the employees of the Company and its subsidiaries under BTS Group ESOP 2012 Scheme. The exercise ratio of BTS-WB is 1 unit of warrant for 1 ordinary share of the Company and the exercise price is THB 5.01 per share. BTS-WB has a term of 5 years from the issue date (11 June 2013). BTS-WB can be exercised quarterly on the last business day starting from the first quarter following 2 years from the issue date. The first exercise date will be on 30 June 2015 and the last exercise date will be on 11 June 2018. The ordinary shares reserved to accommodate the exercise of BTS-WB are 16.0mn shares.

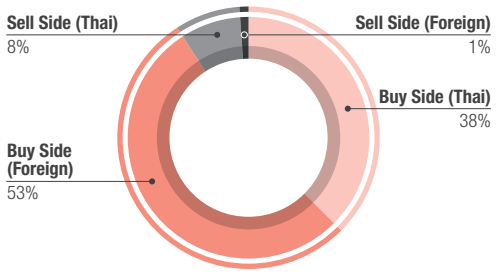
Warrants BTS-W3 (BTS-W3): The Company issued 3,944.6mn units of BTS-W3 at no cost to the Company's existing shareholders through a rights offering at the allocation ratio of 1 unit of warrants for every 3 existing ordinary shares. The issue is intended to be contingent capital funding in the case whereby the Group secures its targeted new mass transit contracts. BTS-W3 has a term of 5 years from the issuance date (1 November 2013). BTS-W3 can be exercised quarterly on the last business day starting from the first quarter following 3 years from the issue date. The first exercise date will be on 30 December 2016 and the last exercise date will be on 1 November 2018. The exercise ratio of BTS-W3 is 1 unit of warrant for 1 ordinary share of the Company and the exercise price is THB 12 per share. The ordinary shares reserved to accommodate the exercise of BTS-W3 are 3,971.6mn shares.

Type of Equity/Security Issued (2013/14)	Amount	Date Traded in SET	Purpose
Common Shares (BTS TB Equity)			
1. From the second exercise of warrants 2 (BTS-W2)	296.16mn shares	5 April 2013	Ordinary Shares allocated for the exercise of the warrants
2. From the third exercise of warrants 2 (BTS-W2)	123.41mn shares	5 July 2013	Ordinary Shares allocated for the exercise of the warrants
3. From the fourth exercise of warrants 2 (BTS-W2)	306.86mn shares	4 October 2013	Ordinary Shares allocated for the exercise of the warrants
4. From the first exercise of warrants A (BTS-WA)	4.94mn shares	9 October 2013	Ordinary Shares allocated for the exercise of the warrants
5. From the last exercise of warrants 2 (BTS-W2)	76.23mn shares	15 November 2013	Ordinary Shares allocated for the exercise of the warrants
Total	807.60mn shares		
Warrants			
Issuance of warrants 3 (BTS-W3)	3,944.63mn units	18 November 2013	Proceeds from the exercise will be contingent capital funding in the case whereby the Group secures its targeted new mass transit contracts.

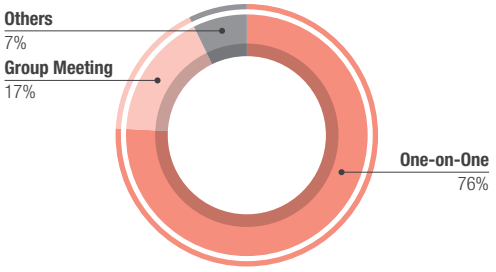
Investor Relations

The Company places a high priority on a professional Investor Relations (IR) function. The aim of the IR function is to establish and maintain open, accurate, relevant and timely communications with existing and potential investors and shareholders, which is executed through several IR products such as Management Discussion and Analysis, quarterly IR Newsletters and company presentations. These materials are available publicly on the SET website, the Company's website as well as distributed to the investment community through e-mail. The IR 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 Executive Committee or 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 enlarged visibility (such as number of meetings held, number of roadshows attended, website traffic) as well as quality and timeliness of product and service offerings (taking into account product delivery times, response times as well as results from surveys).

Types of Companies Met in 2013/14 (Total of 514)



Meeting Types in 2013/14 (Total of 243)



Over the past few years, the Company has been more active in its investor facing activities with existing and potential shareholders as well as the brokerage community. In 2013/14, the Company met a total of 468 companies from domestic and overseas buy-side, of which 193 were domestic buy-side (versus 114 in 2012/13) and 275 were overseas companies (versus 183 in 2012/13). Of these meetings, 184 companies were one-on-one meetings (79 in 2012/13) and Top Management were in attendance at 100% of all these meetings (100% in 2012/13). Additionally, the Company has stepped up its marketing efforts by attending 18 non-deal roadshows (NDRs)/conferences in 2013/14, divided into 14 overseas NDRs/conferences (5 in 2012/13) and 4 domestic NDRs/conferences (8 in 2012/13).

The overseas NDRs/conferences attended were 'Thai Corporate Day' hosted by SCB Securities (Hong Kong), 'ASEAN Conference' hosted by Goldman Sachs (London), 'UBS Asian Transport Conference 2013' hosted by UBS (Hong Kong), 'Thailand Corporate Day' hosted by the SET and Nomura (Japan), 'ASEAN London Forum' hosted by J.P.Morgan (London), 'APAC Corporate Access Day' hosted by J.P. Morgan (New York & Boston), 'High Dividend Corporate Days' hosted by FSS International Investment Advisory Securities (Singapore), 'Asia Pacific Summit' hosted by Morgan Stanley (Singapore), 'CLSA ASEAN Access Day' hosted by CLSA (Singapore), 'Asian Investment Conference (AIC)' hosted by Credit Suisse (Hong Kong) and 4 NDRs hosted by Bualuang Securities and Morgan Stanley (Hong Kong & Singapore), Credit-Suisse (Hong Kong), Thanachart Securities and Daiwa (Tokyo) and Bualuang Securities and Morgan Stanley (London & Edinburgh).

Moreover, the domestic NDRs/conferences attended were 'Thailand Focus' hosted by the SET, Bank of America Merrill Lynch and Phatra Securities (Bangkok), 'Access Thailand Services Sectors Corporate Day' hosted by Tisco / Deutsche Bank (Bangkok) and 2 NDRs hosted by Bualuang Securities in Bangkok, Songkhla and Chiang Mai.

In 2013/14, the Company held 4 quarterly earnings review meetings for analysts (4 in 2012/13), arranged 2 conferences ('CEO Forum' and 'Strategies Update') as well as organised 2 site visits for analysts. In addition, the Company participated in its first 'SET Opportunity Day' hosted by The Stock Exchange of Thailand in order to increase its exposure to retail investors.

The Company continued to hold quarterly earnings review conferences (each within 3 business days following the release of financial statements) and the webcasts of these are available both on the Company's website within 24 hours from the meeting as well as on the SET website. For 2014/15, the Company not only expects to maintain its communication efforts across all areas but also to increase certain IR activities. For example, the Company intends to take part in 'SET Opportunity Day' at least twice a year and continue to arrange site visits for the investment community.

The Company website represents one of the key communications channels with the investment community. 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, Form 56-1, financial statements, MD&A, company presentations and IR newsletters), financial calendar and 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. In 2013/14, the average website hits increased 0.3% YoY to 294,021 hits per month and the average number of unique visits increased 7.4% YoY to 9,950 visits per month.

Furthermore, in April 2014, the Company received the '4th Asian Excellence Recognition Awards 2014' for 'Best Investor Relations Company' by Corporate Governance Asia for the second consecutive year. The awards highlighted outstanding executive achievements in investor relations and in practices in public and private companies as well as non-profit organisations in Asia. The recognition was based on the scores that were submitted by Corporate Governance Asia's readers and from interviews conducted with investors.

Event: CEO Forum

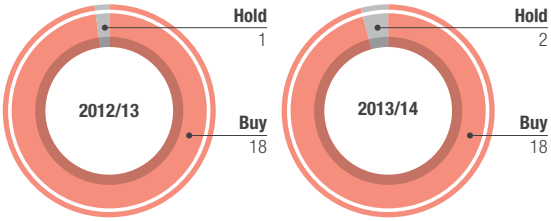
Investor Relations Key Statistics	2013/14	Percentage Attended by Top Management	2012/13	Percentage Attended by Top Management
Companies Met (Buy-side) – domestic	193	100%	114	100%
Companies Met (Buy-side) - overseas	275	100%	183	100%
Companies Met (Sell-side) – domestic	40	100%	15	100%
Companies Met (Sell-side) - overseas	6	100%	2	100%
Analyst Earnings Review Meetings, Analyst Strategies Update Meetings, SET Opportunity Day	7	100%	4	100%
Number of One-on-One meetings held	184	100%	79	100%
Number of Roadshows / Conferences	18	100%	13	100%
Number of Site Visits	2	100%	N.A.	N.A.

As of 28 April 2014, the Company was covered by 22 research companies, an increase compared with the year 2012/13 (19 companies). Of these, 6 research companies, namely FSS International Investment Advisory Securities, Credit Suisse Securities, Jefferies Group LLC, Macquarie Securities, Trinity Securities and UBS AG initiated coverage of BTS, while the remaining 16 research companies, namely Maybank Kim Eng Securities, Bualuang Securities, Tisco Securities, CIMB securities, J.P. Morgan Securities, Asia Plus Securities, SCB Securities, Phillip Securities, Finansia Syrus Securities, KT ZMICO Securities, Thanachart Securities, DBS Vickers Securities, Phatra Securities, RHB OSK Securities, Krungsri Securities and IV Global Securities covered BTS in the year 2012/13 and continued to maintain coverage of BTS in 2013/14. Among these, 2 reports from RHB OSK Securities and Macquarie Securities have not been updated since July and November 2013 respectively. As such, their target prices are not included in the calculation of average consensus target price. As of 28 April 2014, 18 of the 20 companies placed a buy or overweight recommendation on BTS and 2 placed a hold or neutral recommendation, with average consensus target price of THB 9.96 per share.

Event: Investor Day 2013

Event: SET Opportunity Day 2Q 2013/14

Analyst Recommendation Summary



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4.2 RISK MANAGEMENT REVIEW

> In 2013/14, the Company joined the anti-corruption collective action; our Board of Directors has reviewed the implementation plan and this is scheduled to be launched in 2014/15. We believe that taking social responsibility into our business operation is very essential for sustainable growth of our businesses.

BTS Group established both a "top down" and "bottom up" approach to Risk Management and emphasised the importance of in-house ownership of the Risk Management procedure with clear designated responsibilities across the Risk Management Framework. The Group has implemented its Risk Management Framework in accordance with the standards set out by risk management framework of the Committee of the Sponsoring Organisations of the Treadway Commission (COSO) and expanded on their earlier Internal Control Framework. Further details can be seen in *Section 5: Corporate Governance* in this annual report.

Risk Management Framework is applied to all business units, which included identifying and evaluating risks of all business units, preparing risk report, proposing risk controls and monitoring the risks of each business unit by tracking risk parameters and reporting to the Group on a quarterly basis. This process has strengthened our discipline in managing our risks along with growing our businesses.

We focus on risks by classifying them into four key risk categories: strategic, operational, compliance and finance. The following section highlights some of the key risks which the 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.

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 is 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 operation of each business. This risk may negatively affect the Company's reputation, financial performance as well as expose the Company to penalty expense if it cannot deliver such services or product to the 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 project investments 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 of this risk are environmental regulation, labour laws, stock exchange regulation and industry regulation.

Key Risks

Opportunities

Strategic	Operational	Financial	Compliance
Industry Changes	Recruitment / HR	Interest Rates	Legal
Macroeconomic Changes	Political	Exchange Rates	Regulatory
Supply & Demand	Reputation / Social	Available of Funding	Market Practice
Competition	Health & Safety	Cash Flow	Environment
Acquisitions	Technological Changes	Accounting & Tax	
	Supply Chain	Liquidity	
	Cost Efficiency	Counterparty Risk	

Corporate Governance

Internal Controls

Key Risk Factors: For more details of risk factors, please refer to *Form 56-1* of the Company.

1. Strategic risk

1.1 Risk from Thai Economy

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.

BTS Group believes that affordable and good quality services can fortify the Group's growth even amidst a sluggish economic environment. Historical performance of the Core SkyTrain Network of mass transit shows evidence of 'recession resilience' with revenue increasing every year since the start of commercial operations in 1999 and showing compound annual growth rate of 11.3% over the same period, as well as ridership growth of 8.9% YoY in 2013/14. Further, our customer satisfaction score (co-ordinated by an independent organisation) improved to 3.94 (out of 5.00) in 2013 from 3.93 in 2012.

1.2 Market risk

BTS Group 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 Group 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 public opinion on matters not limited to the increase of fares on the Core Network.

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 100.1km which is comparatively low compared to Singapore and Hong Kong. However, the Policy Statement of the Council of Ministers delivered by the Prime Minister in August 2011 clearly stated that the government will push expedite the bidding process of 10 mass transit lines to be completed within 4 years (from 2011 - 2015) (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 - 2013, Transit and In-store Media markets in Thailand grew at an outstanding compound annual growth rate (CAGR) of 21.7% and 45.5%, respectively. This is due mainly to impressive ridership growth as well as branch expansion of modern trade retailers across Thailand. 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 development along the rail mass transit system in Bangkok. The property development market in Bangkok is highly competitive and oversupply in certain segments may result in the Group not achieving its sales forecast. In order to mitigate this, the Group only develops property that is 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 Group 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 strengths. For example, our Property business unit differentiates itself from other property developers by introducing a 10-year 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 help 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 2010/11, we participated in the bidding process for the rail mass transit (Purple Line) extension. Had BTSC been successful in its bid, it would have had to procure significant capital to fund the project.

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 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 consistently monitor movement on operating costs. According to the Concession Agreement, BTSC 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 Group 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 (18.5% of EBITDA in 2013/14) 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 a relatively small property player and have less purchasing power, it may have a material effect on our ability to compete with other property developers.

2.2 Business interruption risk

Our business operation is exposed to interruption risk which may be the result of political turmoil, acts of terrorism amongst other things or natural disasters. In 1Q 2010/11, BTSC 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 3Q 2011/12, Bangkok was also impacted by flooding, hence there was a slight fall in ridership during that period. In the future, our earnings performance may be negatively impacted if such interruptions occur. The Group has made insurance agreements such as business interruption insurance, property damage insurance (including from terrorism, political demonstrations or natural disasters) in order to protect the Group 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.

2.3 Human resource risk

As of 31 March 2014, the Group employed 3,813 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 Group 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 Group provides variable bonus payments, provident fund scheme and other welfare such as a savings cooperative scheme and an Employee Stock Option (ESOP) plan.

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, BTSC 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.

2.5 Reputation risk

The BTS brand is well known by the market since its 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 the 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.

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 parent company is heavily reliant on its subsidiary and associated companies (particularly VGI Global Media and BTSGIF) for dividends in order to pay dividends to its shareholders. Any adverse performance of these subsidiaries or associates may impair the Company's ability to pay dividends to its shareholders.

In 2013/14, the Group sold the Net Farebox Revenues to BTSGIF which has significantly strengthened the Group's balance sheet. As of 31 March 2014, the Group has net cash balance of THB 31.3bn.

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 2014, the Group's interest coverage ratio and net debt to equity ratio were 5.43 times and (0.02) times respectively, illustrating the Group'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.

Three tranches of debentures of Bangkok Mass Transit System Public Company Limited's (BTSC), have been upgraded an investment grade credit rating from "AA-/ Stable" to "AAA/Stable" by Fitch ratings.

3.3 Interest rate risk

As of 31 March 2014, the Group had total interest bearing debt of approximately THB 6,655.1mn, the key items of which are BTSC debenture of THB 6,415.1mn and other bank loans of THB 240.0mn.

96% of our interest bearing debt is BTSC debenture, which is subject to fixed rate coupons at 6.07%. The rest is other bank loans, which are mostly linked to a commercial bank's minimum lending rate (MLR). The Group's interest expense will increase if a commercial bank raises the MLR. Conversely, the Group may lose an opportunity to borrow at cheaper interest rates if the market interest rate decline below the rate of existing fixed rate debt.

The Group also has interest rate risk on investment part. We invest our excess cash in many forms of instruments i.e. bank fixed deposits, bills of exchange and short-term debentures. The interest income of the Group will decline if the market interest rate goes down and we may lose an opportunity to enjoy higher interest income if we are already committed to long-term investments in a rising interest rate environment.

Our management team always monitors global and domestic economic situation as well as interest rate trend in order to manage our interest rate exposure.

3.4 Foreign exchange rate risk

The Group is exposed to fluctuations in exchange rates. Although as of 31 March 2014, the Group has no outstanding debt liabilities in foreign currencies, the Group has capital expenditure obligations for rolling stock of EUR 2.8mn and Platform Screen Door of approximately RMB 0.1mn and HKD 5.3mn and foreign currency payment obligations under the Siemens maintenance agreement of approximately of EUR 1mn per year.

The Group intends to minimise foreign currency commitments because our income is chiefly generated in THB. However, we may not be able to completely avoid certain foreign exchange transactions such as the purchase of rolling stock and spare parts, which BTSC procures directly from overseas manufacturers. The Group will consider hedging the exposure to foreign currency exposure only where the exposure is deemed material and the cost of such hedging is not punitive.

Apart from this, the Company has diversified risks in managing excess liquidity by investing overseas. In doing so, the Group has entered into contracts to hedge foreign currency exposure as appropriated.

3.5 Risks from excess-liquidity management

After the BTSGIF transaction, the Group has significant amount of excess cash which is earmarked for future investment projects. In order to manage the excess cash and preserve its value, the Company has initiated a prudent treasury management policy. The Company invests in various kinds of financial assets, mostly fixed deposits in both local and foreign financial institutions in order to reach absolute return target as well as to diversify risks. Within investment in foreign countries, the Group has entered into contracts to hedge foreign exchange rate risk exposure as appropriated. However, returns from financial assets depend on several external factors, for instance, interest rate, foreign exchange rate and return on investment. The Company, therefore, may face risks in not achieving the absolute return target from excess-liquidity management as expected.

4. Legal and compliance risk

4.1 Agreement risk

Our Mass Transit revenues rely mainly on the Concession Agreement and the 30-year Operating and Maintenance (O&M) Service Contract. Despite the sale of Net Farebos Revenues (and the transfer of associated risk and reward under the contract to unit holders of BTSGIF), BTSC still remains the legal concessionaire.

The extension of the Concession Agreement, which expires in December 2029, is subject to the consent of the Ministry of Interior and Bangkok Metropolitan Administration (BMA). Any termination of the Concession Agreement or 30-year O&M agreement or failure to extend the Concession Agreement may have a material impact to our future cash flows.

In addition, if the Concession Agreement is terminated, it will be an event of default under the Net Revenue Purchase and Transfer Agreement, entitling BTSGIF a right to enforce the Company to repay the debts under the guarantee agreement by enforcing the BTSC share pledge under the BTSC Share Pledge Agreement or by enforcing the Company to transfer BTSC shares to BTSGIF under the Agreement to Sell and Purchase BTSC Shares.

Following the Asian financial crisis in 1997, BTSC went through business rehabilitation following exposure to foreign currency debt. Despite this financial difficulty and owing to its technical expertise and strong relationship with the government agencies, BTSC 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 (Krung Thon Buri - Wongwian Yai) and Sukhumvit Line (On Nut - Bearing) extension , the first Bus Rapid Transit (BRT) system in Bangkok and another future Sukhumvit Line extension (Wongwian Yai - Bang Wa). Further, on 3 May 2012, BTSC signed a 30-year contract for the operating and maintenance of all the extension lines under the BMA supervision (for the period 2012 - 2042) as well as the for the period Core Network (2029 - 2042). We will continue to develop our operating efficiency as well as maintain strong relationships with government agencies.

In addition to risk factors to be described in this section, please consider the risks associated with BTSGIF or the structure of BTSGIF and the risks in investing in its units pursuant to the offering circular of BTSGIF available at its website on www.btsgif.com.

Our contracts with our Modern Trade Media partners contribute a significant amount to our Media business revenues. Such contracts are typically 3 - 5 years in duration and as such are shorter than the contract that our Media business has for its Mass Transit Media segment. Although the terms of such contracts are typical for that within the industry, our inability to renew such contracts would have a material impact on the revenues of our Media business. Despite this risk, VGI Global Media has demonstrated a track record of renewing such contracts in the past and also has a right to negotiate for renewal before each contract expires.

4.2 Environmental risk

Our business operation is subject to environmental regulations such as pollution constraint and environment impact assessment. The Group 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 increase in ridership is also positive to the environment because our SkyTrain system benefits from economies of scale in terms of energy consumption. The Group believes it is 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 environmental impact.

4.3 CORPORATE SOCIAL RESPONSIBILITY REVIEW

"

BTS Group Holdings Public Company Limited herewith presents the results of its Corporate Social Responsibility performance during 2013/14, reflecting the way in which the Group treats all stakeholders; namely, staffs, shareholders, customers, counterparties / suppliers, competitors, society / communities and the environment. The results present the performance and developments during the year 2013/14 and the Group's committed operating plan for the future, in line with the sustainable development plan from the management's perspective and business prospects for the future. This mainly represents the operational performance of the Group's core Mass Transit business, which has demonstrated strong corporate social responsibility.

(Please see further details of each item in *Form 56-1*)

"

Policy and Mission for Sustainable Development

The Group's Corporate Social Responsibility policy for 2013/14 continued to be applied in accordance with the main guideline established in 2011, which is ***"Corporate Social Responsibility is implemented with the realisation that social responsibility stems from the Group's overall operational policies, applicable to every part of the organisation"***. The Group's CSR performances follow the 8 guidelines of the Stock Exchange of Thailand, which are as follows:-

1. Fair Business Practices

The Group recognises the significance of good corporate governance in its management by ensuring ongoing compliance with the good corporate governance policy and guidelines, pursuant to the requirements of the Stock Exchange of Thailand. It has taken into account the significance of and responsibilities toward relevant stakeholders, in the interests of management transparency, responsibilities of the Board of Directors and Management Team and increasing the confidence of shareholders, investors and all related parties. The Group's principles and practices of good corporate governance, including its management structure, are described in the *Form 56-1*.

2. Anti-Corruption

Anti-Corruption Policy and Framework

The Group has a policy to encourage employees to abide by the laws and be good citizens of the country and encourage the business partners to conduct business transparently, in line with the Declaration of Intent of the Thai Institute of Directors' Private Sector Collective Action Coalition Against Corruption, whereby the Group vowed to adhere to the Coalition's aim.

The Board of Directors consequently set the Anti-Corruption Policy by establishing a set of policies and procedures in the Code of Conduct and Business Ethics. In 2013, the Corporate Governance Committee has established the timeline regarding the Anti-Corruption internal campaign.

Apart from the above policy, guidelines, work plan, including the timeline regarding Anti-Corruption in the Code of Conduct, from now on, the Group is going to follow the implementation plan and train employees about the Anti-Corruption, aiming to make sure the Group is immune to and is protected against Anti-Corruption in the long term. **"Nuduan Chaun Chee Chong"** is set up to be a channel to report any misconduct. Once there are a lot of reports, the Group will set up a committee to establish further implementation plans.

3. Respect for Human Rights

The Group has adopted an efficient human resource management system in order to treat our employees equally without discrimination of any kind pertaining to race, religion, gender, marital status or physical ability. Additionally, the Group has set out a policy on recruitment procedures, as described in the "Code of Conduct and Business Ethics" handbook, following the Labour Protection Act B.E. 2541 (1998).

4. Employees

As employees are our most valuable resource, the Group has established a policy on fair wage and remuneration management for our employees, with continuous improvement of employee benefits to encourage and motivate good performance of employees, as the organisation's key stakeholders. Apart from wage and remuneration, the Group focuses on personnel training and development, so as to accommodate the continuing rapid growth in business.

5. Customer Responsibility

BTS SkyTrain Service

BTSC gives top priority to maintaining high standards of customer service. In 2013/14, BTS SkyTrain incorporated Key Performance Indicators (KPIs) into its business operation as follows:

Target in 2013/14	Results in 2013/14	Target Assessment
Service Reliability		
More than 1,000 trips/delay of 5 minutes or greater	1,890 trips/delay of 5 minutes or greater	Target achieved as a result of system improvement.*
Train Reliability		
Not less than 35,000 km/ fault	97,570 km/ fault	Target achieved as a result of system improvement.
Ticket reliability		
Not less than 15,000 times before failure	22,914 times before failure	Target achieved. The improved logistic and quality-related improvements increased ticket reliability.
Customer satisfaction		
Average customer satisfaction of 3.8 from 5	Average customer satisfaction of 3.94	Target achieved.

* Changing calculation method from monthly to average of 12 months

The comfort and convenience of the BTS SkyTrain helps encourage people to switch to public transport instead of using private cars. Providing ample passenger capacity, rapid transport and punctual service, the BTS Trains have an overall passenger capacity of more than 1,400 persons, which is equivalent to 875 private cars. Consequently, to support the increasing number of passengers, BTSC has invested in extending the original 3-car trains to provide 4-car trains. All original 35 trains manufactured by Siemens have now been extended to 4-car configuration, with a length of 86.6 metres and width of 3.12 metres, providing **an overall increase in passenger capacity of 1,490 persons from the 3-car configuration capacity of 1,006 persons** (with all seats occupied and 8 persons standing per square metre). Apart from providing fast, safe and reliable mass transit services, BTSC continues to make improvements to facilities at stations and in trains as well as providing walkways linking stations to adjacent places.

Furthermore, the BTS SkyTrain received various system management certifications, e.g. ISO 9001:2008 for Quality Management System, OHSAS 18001:2007 for Occupational Health and Safety System and Lloyds Register Rail for Safety Management, etc.

Customer Care

BTSC provides continuous support to ensure equal accessibility to the BTS SkyTrain service, namely passengers with disabilities, the elderly, pregnant women and children. The infrastructure of BTS SkyTrain was originally designed to facilitate convenient access to all BTS stations for these special groups. Such facilities include wheelchair ramps, Braille buttons for the blind in elevators, special 'Priority Seats' reserved for pregnant women and special discounted passes provided for Thai senior citizens aged 60 years and over. BTSC has adopted a policy on fare exemptions for passengers with disabilities and for chidren of not more than 90 cm in height .

On 23 May 2014, BTS Hotline Centre was awarded the "Consumer Protection Thailand Call Centre Award 2014" from the Office of the Consumer Protection Board as BTS Hotline Centre has an outstanding performance in handling customers' complaints.

Trip Compensation Due to Service Disruption

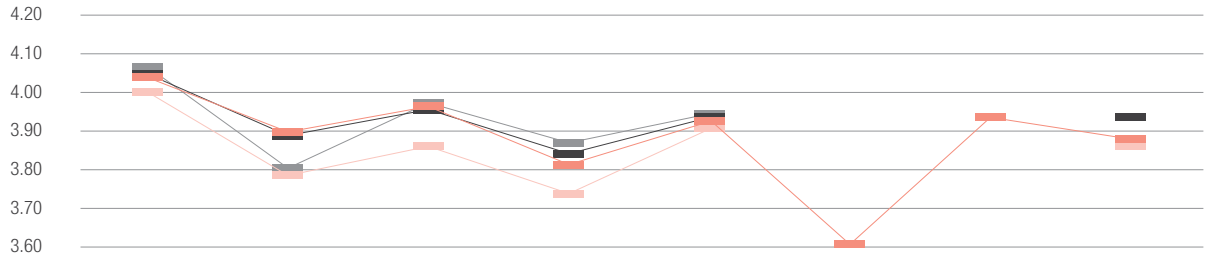
Regarding the BTS SkyTrain system failure on 24 December 2013, causing service disruption on both the Silom and Sukhumvit Lines, the BTS SkyTrain offered trip compensation to those passengers who were affected on that day. During the period from 6 January to 28 February 2014, the BTS SkyTrain compensated a total of 27,448 trips worth THB 556,264.

Customer Satisfaction Survey

In order to evaluate all aspects of performance, since 2007, BTSC has conducted annual surveys of the BTS SkyTrain passenger satisfaction. The objective is to measure satisfaction and viewpoints of passengers for future improvements in service and operation efficiency. The survey results from the BTS SkyTrain passenger satisfaction surveys have been successful as seen in the improved scores in every aspect of the BTS SkyTrain operation, particularly the score for safety, which has been continuously increasing and received top ranking every year. This shows that passengers have confidence in the service and levels of customer care provided.

The satisfaction survey for the BTS SkyTrain service covered the following aspects of the BTS SkyTrain operation: Security and Safety - scoring of 4.06, Service Reliability - scoring of 3.91, Station Facilities - scoring of 3.98, Staff Attitude and Manner - scoring of 3.82 and finally, Value for Money - scoring of 3.94. This year's survey included two additional aspects of services, namely, Tickets and Marketing, which scored 3.60 and Public Relations and Information, scoring 3.95.

Results of Customer Satisfaction Surveys of the BTS SkyTrain Service Conducted in 2010/11 – 2013/14



	Security & Safety	Service Reliability	Station Facilities	Staff Attitude and Manner	Value of Money	Tickets and Marketing	Public Relations & Information Giving	Average Score
2013/14	4.06	3.91	3.98	3.82	3.94	3.60	3.95	3.89
2012/13	4.02	3.79	3.87	3.74	3.92			3.87
2011/12	4.07	3.90	3.97	3.85	3.95			3.95
2010/11	4.09	3.81	3.99	3.88	3.96			3.95

6. Environment

The Group is committed to a policy of environmental conservation and energy saving measures. During many years of operation, the Group had continuously initiated energy-saving projects, which were planned and budgeted for in advance, with the aim of conserving the environment and saving energy as well as reducing expenses. With this policy in place, the Group has been able to extend the useful life of electronic devices and decrease maintenance expenditure.

In 2013/14, BTSC resolved to apply the Environmental Management System ISO 14001:2004. Initially, BTSC conducted employee training courses in 5 major areas related to the Environmental Management System ISO 14001:2004, under assessment by Bureau Veritas Certification (Thailand) Ltd. and received certification on 2 April 2014.

Moreover, the improvement of lighting system was implemented as a pilot project, aimed at saving energy by changing the lighting in the Stabling from high-pressure sodium lamps to LED lamps. The investment of changing to LED lamps was a total of THB 11.15mn. With this, BTSC would be able to reduce electrical consumption by 504,948 units, or equivalent to the electricity charge of THB 1.7mn (based on an average electricity charge of THB 3.35 per unit and 24-hour switch on). Furthermore, BTSC plans to further improve lighting systems by changing to LED lamps in 23 BTS SkyTrain stations. This project is under study and budget planning.

7. Social Responsibility

The Group's Corporate Social Responsibility policy for 2013/14 continues to be applied in accordance with Ongoing Projects at the Macro Level, in particular the "The Thai Elephant Conservation Project" and Ongoing Projects at the Community Level focusing on youth education. In the previous year, the Group initiated a pilot project by organising educational trips, allowing children to experience various aspects in the operation of the country's first Mass Transit System. This project coincides with the policy for educational development of the Office of the Basic Education Commission to enhance learning outside the classroom. In addition, various other social responsibility related programmes have been implemented as the following details:-

Project: The Thai Elephant Conservation Project **Project Scale:** Macro Scale **Scope of Work:** Environment	**Performance in 2013/14:** • Supported the new Elephant Hospital in Krabi, for which construction of Phase I has been partially completed. The Group has provided additional support in the amount of THB 830,000 for future hospital construction, in addition to the Reverse Osmosis Water Treatment System provided in 2012. • Hosted the Thai Elephant Day, which is celebrated on 13 March every year, in collaboration with the Forest Industry Organisation in Lampang and the Thai Elephant Conservation Centre under the patronage of HRH Princess Galayani Vadhana Krom Luang Narathiwas Rajanakarindra, with the hopes of encouraging Thai people to realise the importance of Thai Elephants and jointly helping to conserve Thai Elephants.
Project: The Elephant Medical Treatment Centre **Project Scale:** Macro Scale **Scope of Work:** Environment	**Performance in 2013/14:** • Provided essential medical supplies to the Elephant Hospital in Lampang province every 3 months, such as surgical alcohol and Betadine antiseptic solution for the first-aid treatment of injured elephants from all over the country.
Project: Nuduan Invites Children to Visit the BTS SkyTrain **Project Scale:** Community and Society Scale **Scope of Work:** Education	**Performance in 2013/14:** • A pilot project for educational development for children nationwide to experience the aspects of the BTS SkyTrain, an energy efficiency public transportation system and enhancing learning opportunities outside the school classroom. The project is organised every 3 months. The first event was held in September 2013, the second in November 2013 and the latest in March 2014. More than 300 children from schools nationwide participated.
Project: Presentation of Scholarships to Students **Project Scale:** Community and Society Scale **Scope of Work:** Education	**Performance in 2013/14:** • In 2013, provided scholarships to students in 5 schools in Trad province. Over the past 9 years, 446 scholarships have been presented, totaling THB 1,352,000 in value.
Project: Children Day Project **Project Scale:** Community and Society Scale **Scope of Work:** Education	**Performance in 2013/14:** • The 2nd event was held on the annual 'Children's Day' on 11 January 2014. The Group presented student uniforms, school bags, and hosted lunch for children at Wat Ubolwanaram School, Bang Kruai District, Nontaburi Province. The school is one of many schools which had been affected by the flooding.

	Project: Supporting Education **Project Scale:** Community and Society Scale **Scope of Work:** Education	**Performance in 2013/14:** • THB 100,000 was donated annually in support of the Thai Rath Foundation for education.
	Project: Supporting Sports **Project Scale:** Community and Society Scale **Scope of Work:** Sports	**Performance in 2013/14:** • Continuing to regularly support sporting activities through sponsorship of the "10th BTS-CARLTON-SENA Badminton Championships 2013" organised by the SENA Badminton Sports Club on 20 – 24 July 2013. The Group presented a cash donation of THB 200,000 as sponsorship for the event.
	Project: The 11th Sky Clinic **Project Scale:** Community and Society Scale **Scope of Work:** Health	**Performance in 2013/14:** • The Sky Clinic has been organised for the eleventh consecutive year. The 11th Sky Clinic was held during 16 – 19 May 2013 at the Sanam Pao BTS station. The event features eight major areas. These are diabetes, heart disease, cancer, eye disease, bones and joints, Thai traditional medicine and alternative medicine, liver disease and gynecology, with the aim to provide free health check-ups as well as free access to the BTS SkyTrain system.
	Project: The 7th Vegetarian Food Festival with Nuduan **Project Scale:** Community and Society Scale **Scope of Work:** Health	**Performance in 2013/14:** • The event has been organised for the seventh consecutive year. The event was held at the walkway of BTS National stadium station during 4 – 6 October 2013, providing free vegetarian food, fruits and drinks for three days with a total of 4,000 people.
	Project: Blood Donations **Project Scale:** Community and Society Scale **Scope of Work:** Health	**Performance in 2013/14:** • Blood donations have been organised for over 10 years. In 2013, the four blood donations were held on 5 March, 4 June, and 3 – 4 September. This year, employees donated blood with a combined total of 294,000 cc.
	Project: Energy Saving **Project Scale:** Community and Society Scale **Scope of Work:** Energy Savings	**Performance in 2013/14:** • For energy saving in the workplace, BTSC reminds staff to switch their computers to sleep mode during lunch times (12.00 – 13.00 hrs.)
	Project: Car Free Day **Project Scale:** Community and Society Scale **Scope of Work:** Energy Savings	**Performance in 2013/14:** • BTSC has been annually supporting the campaign, organised by the Traffic and Transportation Department, by offering cyclists free BTS rides for 2 days during 21 – 22 September 2013. There were a total of 7,201 trips made by cyclists.

8. Innovation

BTS SkyTrain, the Group's core business, has developed an automatic fare collection system to support the payment of fares, top-up travel trips or money for BTS Skytrain ride through Smart Phone technology **"NFC: Near Field Communication"**, or popularly known as **"Rabbit SIM"**. The Rabbit SIM, an AIS SIMcard developed by a collaboration between BTS SkyTrain, Bangkok Smart Card System Co., Ltd, a subsidiary of the Group, and Advanced MPAY Co., Ltd., operates like an electronic wallet, which can also be used to pay for goods and services of participating partners.

NFC: Near Field Communication Technology is a short-range wireless communications technology based on the principle of electromagnetic spectrum using radio as a medium to transmit or receive information to communicate between electrical equipments or appliances. This technology has the same basic features as Contactless Smart Card Technology.

4.4 MANAGEMENT DISCUSSION & ANALYSIS

Significant Transaction

On 17 April 2013, Bangkok Mass Transit System PCL (BTSC) sold the future Net Farebox Revenues under its Concession Agreement with the Bangkok Metropolitan Administration for the BTS SkyTrain Core Network (original mass transit line in Bangkok, covering 23 stations in Sukhumvit and Silom Lines, with a combined track length of 23.5km) to BTS Rail Mass Transit Growth Infrastructure Fund (BTSGIF). The transaction occurred in 1Q 2013/14 and the Company and BTSC treated the sale of the rights to collect future farebox revenues as a true sale of an intangible asset, and BTSC therefore recognised the write off of project costs and related accounts from the statement of financial position, and recorded its estimates of the liabilities related to this transaction in the statement of financial position, net of cash receipts of THB 61,399mn from the sale of the rights to collect these Net Farebox Revenues. The Group recorded a gain on the sale amounting to THB 13,498mn (after eliminating one-third of the transactions, in proportion to the Company's unit holding in BTSGIF) and presented this as a separate item in the consolidated statement of comprehensive income for the year ended 31 March 2014.

Net debt to equity as at 31 March 2014 was zero, compared to 0.17 times as at 31 March 2013, following the sale of future Net Farebox Revenues transaction from which the Group received sale proceeds of THB 61,399mn and used such proceeds in (1) investment in one-third of investment units in BTSGIF of THB 20,833mn, (2) investment in fixed deposits and unsubordinated debentures that were placed at a financial institution to secure the principal and interest payment obligations of the BTSC's long term debentures of THB 9,422mn and (3) the remaining portion in treasury investment in deposits and other investments. As at 31 March 2014, the Group had cash and cash equivalents and current investment totaling THB 32,164.9mn, highly increased from as at 31 March 2013 which is THB 4,507.1mn. Current ratio was 4.31 times (versus 1.12 times as at 31 March 2013, calculated excluding non-current assets classified as held for sale). Strong liquidity was attributable to the sale of future Net Farebox Revenues to BTSGIF.

After the BTSGIF transaction, the Group has significant amount of excess cash which is earmarked for future investment projects. In order to manage the excess cash and preserve its value, the Company has initiated a prudent treasury management policy. The Company invests in various kinds of financial assets, mostly fixed deposits in both local and foreign financial institutions in order to reach absolute return target.

The Company intends to use the proceeds to invest in rail mass transit projects in Thailand as well as in Asia. Our vision is to expand our rail mass transit network coverage from 36.3km at present to 121.6km by 2018. Although the sale of future Net Farebox Revenues resulted in Mass Transit revenue contribution to decline from 58.0% to 26.4% range, we aim to bring it up to 60% level over the next five years through the aforementioned expansion plan.

Subsequent to the BTSGIF transaction, the Company is required to comply with certain obligations such as provision of a guarantee to secure BTSC's performance under the Net Revenue Purchase and Transfer Agreement, pledging its shares held in BTSC to secure the obligations under the Sponsor Support and Guarantee Agreement and maintaining its shareholding in BTSC while obligations under this agreement are outstanding.

For more information, please refer to *Note 52 to 2013/14 financial statements*.

Business Impact Analysis

2013 was an eventful year for Thailand in several aspects. The impact from the sluggish global economy coupled with the uncertainty surrounding the U.S. QE tapering resulted in a slowdown in the Thai economy. Additionally, the prolonged political instability in Thailand further contributed to the worsening Thai economy, which was reflected in the reduction in government spending, contraction in exports and private investments as well as the decline in domestic consumption. This led to a deceleration in Thailand's GDP growth to a mere 2.9% in 2013 from a 6.5% growth in 2012[1]. This slowdown subsequently had differing effects across our different businesses.

Our **Mass Transit business** continued to demonstrate its resilience and growth characteristics and relative immunity to the aforementioned economic cyclicality. 2013/14 ridership grew 8.9% YoY to 214.7mn trips, within the higher end of our 7 – 10% target range. This was largely due to organic growth and the opening of the Green Line Silom extension (Wongwian Yai – Bang Wa), which fed more passengers to the Core Network. Moreover, amidst the ongoing political unrest, ridership in January and February 2014 grew significantly as commuters experienced inconvenience on road-based transit and subsequently resorted to the BTS SkyTrain and other rail mass transit as an alternative mode of transport. As mentioned previously, on 5 December 2013, BTSC and BMA commenced full operation of the 5.3km Green Line Silom extension from Wongwian Yai (S8) to Bang Wa (S12). As a result, the Company recorded improved O&M revenue of THB 1,492.3mn, an increase of 33.2% YoY as the Company recorded full year effect of O&M revenue from Pho Nimit (S9) to Talat Phlu (S10) stations and also started recording additional O&M revenue for Wutthakat (S11) and Bang Wa (S12) stations, the new portion of the extension. In regards to the development of future domestic mass transit projects under the THB 2.2-trillion infrastructure borrowing bill, the Company

is confident in the government's ability to finance these projects despite the Constitutional Court ruling the bill as unconstitutional. The government is expected to look to other funding sources, primarily the annual government budget and also the private sector to invest in mass transit projects under its authority.

Our **Media business** has proved less resilient in the face of dampened domestic consumption and political disturbances as advertising budgets were delayed or cut. Media operating revenue in the second half of 2013/14 was adversely affected, causing VGI Global Media (VGI) to miss its targeted revenue growth of 30.0%. Nevertheless, despite the decrease in total Thai adverting spending, VGI was still able to generate 11.7% revenue growth largely owing to the strong improvement in BTS-related Media business. Resilience of BTS-related Media was once again demonstrated from revenue growth of 20.3% in 2013/14. Despite the lower-than-expected growth, the Company remains positive and views the current deceleration in domestic consumption as a temporary disruption.

The softened economy and political tensions also affected our **Property businesses**. Subdued consumer sentiment hurt sales of our Abstracts Phahonyothin Park (Tower A) Condominium units; although most units have been sold and transferred during the year, the Company did not achieve its target to transfer all units within 2013/14 due to the delay in transfer or cancellation of some units. Regardless, Residential Property revenue still contributed 70.3% to total Property revenue. On the Commercial Property side, our hotel business performed strongly despite occupancy falling slightly during the political disruption. Our Commercial Property managed to generate recurring revenue of THB 861.9mn, representing 33.6% growth YoY.

Within the **Services business**, the number of rabbit cards issued increased significantly from last year to 2.5 million cards in 2013/14, exceeding the Company target of 2.0 million cards despite being launched just 2 years ago. The government is currently expediting the National Common Ticketing System (NCTS) project and we expect the award of bidding contracts for the Central Clearing House (CCH) to be announced in mid-2014.

Statement of Comprehensive Income

The Group recorded consolidated total revenue of THB 23,300.5mn in 2013/14. This represented an increase of 247.3% (or THB 16,591.6mn) from THB 6,708.9mn in 2012/13. The increase was primarily due to both stronger operating performance as well as the gain from the sale of Net Farebox Revenues to BTSGIF of THB 13,497.6mn (for more details, please refer to *Note 52 to 2013/14 financial statements*). Despite (1) higher O&M revenue from additional service income from the Silom Line extension, (2) stronger Media, Property and Services operating performance and (3) an increase in interest income by THB 1,154.2mn to THB 1,213.2mn, mainly earned on the sales proceeds from BTSGIF, operating revenue[2] (which already includes share of net profit in BTSGIF of THB 612.5mn) fell by 15.5% YoY to THB 8,766.8mn as a result of the sale of Net Farebox Revenues to BTSGIF. Revenue from the Mass Transit, Media, Property and Services businesses accounted for 26.4%, 35.6%, 33.5% and 4.6% of total operating revenue, respectively.

Operating Revenue[2] (THB mn)	2013/14	% of Total[2]	2012/13	% of Total[2]	% Change (YoY)	2013/14 GP Margin[6]	2012/13 GP Margin[6]
Mass Transit[3]	2,312.5	26.4%	6,015.5	58.0%	(61.6%)	60.4%	48.2%
Media	3,121.2	35.6%	2,794.7	26.9%	11.7%	60.5%	59.1%
Property[4]	2,934.1	33.5%	1,444.7	13.9%	103.1%	40.2%	36.3%
Services[5]	399.0	4.6%	120.6	1.2%	231.0%	48.0%	N/A
TOTAL[2]	**8,766.8**	**100.0%**	**10,375.5**	**100.0%**	**(15.5%)**	**53.1%**	**48.8%**

1 Source: www.nesdb.go.th
2 Operating revenue from the operational performances from 4 BUs and share of net profit (loss) from BTSGIF, EXCLUDES interest income and non-recurring items
3 Mass Transit revenues include:
  i) 16-day Farebox Revenue
  ii) Share of net profit (loss) from BTSGIF (included in 'Share of profit from investments in associates and joint venture' in Statement of comprehensive income)
  iii) Service Income from Train & Bus Operation Management (included in 'Service income' under 'Revenues from provision of operating services')
4 Property revenue includes Sales from Real Estate, Rental and Service Income, Construction & Services Businesses and Service income related to Thana City Golf & Sports Club Co., Ltd.
5 Services revenue includes sales from BSS, revenue from Carrot, revenue from HHT construction and revenue from ChefMan Restaurants. Note that transactions related to ChefMan Restaurants were reclassified from Property business to Services business in 4Q 2013/14
6 Operating gross profit margin calculated based on the operational performances from 4 BUs and share of net profit (loss) from BTSGIF

Total consolidated expenses and SG&A reached THB 5,928.0mn in 2013/14, an increase of THB 1,744.5mn or 41.7% YoY largely from the higher cost of sales of real estate and cost of services. Operating costs decreased by 22.7% YoY to THB 4,109.9mn largely from the reduction in costs related to the operation of the Core Network which was sold to BTSGIF, which offset the increase in operating costs of Property, Media and Services businesses (see *Segmental Performance* for more details). As a result of cost efficiency and the one-third investment of the units in BTSGIF, the Group operating gross profit margin[6] improved to 53.1% from 48.8% in the previous year.

Although operational performance in Media, Property and Services businesses improved, the Group operating EBITDA[7] margin declined from 49.0% in the previous year to 39.0% due to the higher proportion contribution of lower margin Mass Transit O&M and Property businesses. Finance costs fell by 49.5% or THB 617.1mn to THB 630.7mn, primarily as the Group repaid outstanding debt and all CBs were fully converted.

Due to the improved operational performance, the recognition of share of net profit in BTSGIF, the increase in interest income as well as a reduction in finance costs, recurring pre-tax profit[8] margin for this year improved to 36.4% from 21.6% in 2012/13. Although the Company recorded an increase in consolidated income tax to THB 3,806.4mn, mainly from (1) tax expenses related to capital gain on BTSGIF transaction of THB 2,700.0mn, (2) tax expenses associated with BTSC capital reduction of THB 406.7mn, net recurring profit[8] improved 153.5% YoY to THB 2,611.6mn in 2013/14. Taking into account all the aforesaid transactions, together with non-recurring items which were mainly gain from sale of Net Farebox Revenues, the Group recorded a consolidated profit of THB 13,585.0mn (increasing 604.9% YoY) and profit attributable to the equity holders of the Company of THB 12,644.9mn (increasing 635.8% YoY).

7 Operating EBITDA calculated based on the operational performances from 4 BUs, share of net profit (loss) from BTSGIF, EXCLUDES interest income and non-recurring items which are dividend income, gain from sales of Net Farebox Revenues to BTSGIF, other non-recurring items

8 Recurring profit calculated based on the operational performances from 4 BUs, share of net profit (loss) from BTSGIF and AHS, as well as including other recurring items which are interest income and other recurring items (before MI)

Segmental Performance

Mass Transit Business

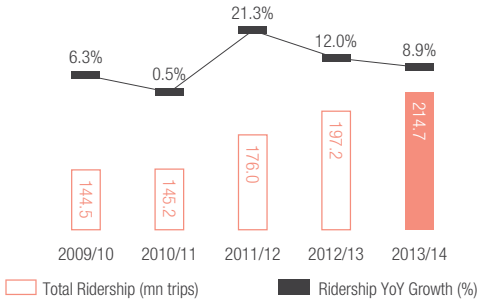
Total Mass Transit[3] revenue dropped 61.6% YoY to THB 2,312.5mn. As a result of the sale of Net Farebox Revenues to BTSGIF, farebox revenue decreased from THB 4,895.5mn to THB 207.7mn this year, and costs and SG&A related to the Core Network dropped from THB 2,939.7mn to THB 134.7mn (BTSG recorded transactions related to the Core Network for 16 days before the completion of the BTSGIF transaction on 17 April 2013). O&M revenue increased YoY by 33.2% or THB 372.3mn to THB 1,492.3mn. Furthermore, the Company recorded a share of net profit from its investment in BTSGIF units of THB 612.5mn in 2013/14.

Note: In order to enable analysis of underlying performance on a comparable basis to previous years, the following section analyses farebox revenues, O&M revenues and their associated costs and SG&A for the full years of 2013/14 and 2012/13 irrespective of whether BTSG or BTSGIF had the rights to such revenues.

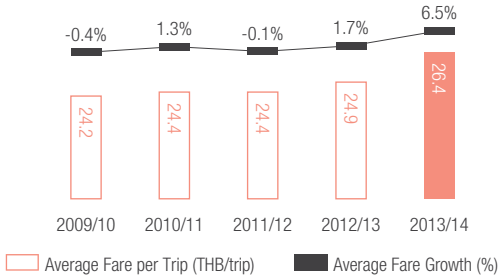
Total revenue from the Mass Transit business increased by 19.2% YoY to THB 7,169.4mn supported by an increase in farebox revenue and an increased O&M income. Farebox revenue increased 16.0% (or THB 781.6mn) to THB 5,677.1mn on account of ridership growth (up 8.9% YoY to 214.7mn trips) and the increased average fare (which rose by 6.5% YoY to THB 26.4 per trip, following the recent fare hike on 1 June 2013). Key ridership growth factors included organic growth and the commencement of 4 stations (from Wongwian Yai – Bang Wa) of the Silom Line extension, which fed more passengers to the Core Network. To accommodate the increasing patronage, the Company introduced additional carriages into service (all trains on the Sukhumvit Line were extended from 3-car trains to 4-car trains since May 2013 and all of the new five 4-car trains became available for service in February 2014). O&M revenue rose by 33.2% or THB 372.3mn YoY to THB 1,492.3mn, mainly attributable to the additional service income from the Silom Line extension which opened on 5 December 2013.

Cost of Mass Transit revenue, including SG&A, rose by 17.9% or THB 639.6mn YoY to THB 4,213.2mn, tied to higher ridership. Key cost items were cost of farebox which increased in line with the ridership growth, costs of train operation and maintenance which increased in line with higher O&M revenue, and depreciation recorded (from higher ridership and new trains). As costs and SG&A increased less than the revenue growth, this led to the improvement in operating EBITDA margin to 65.9% in 2013/14 (versus 64.8% in 2012/13).

Historical Ridership and % YoY growth for past 5 years



Historical average fare and % YoY growth for past 5 years



Media Business

Even though the 30% revenue growth target was not achieved as a result of consumption slowdown and political disruptions in the second half, our Media business revenue still grew 11.7% (or THB 326.5mn) YoY to THB 3,121.2mn. Factors contributing to our Media revenue growth mainly came from the revenue growth in BTS-related Media (see business sector performances below).

BTS-related Media revenue was THB 1,659.9mn, representing growth of 20.3% or THB 280.6mn YoY. This was mainly due to (1) the aforementioned increase in carriages; (2) the increase in capacity from i) Platform Truss LEDs ii) Platform Screen Doors iii) Platform Truss Static and (3) increased merchandising revenue as a result of the increase in rent for long-term contracts of merchandising space on the BTS station which became effective this year, coupled with the increased occupancy of small rental shops on stations, which grew with increased ridership.

Revenue from Modern Trade Media reached THB 1,295.2mn, an increase of 3.7% or THB 45.6mn YoY. Key growth drivers came from the increase in occupancy of sales floor areas and the development of radio streaming technology in Big C branches nationwide.

Office Building & Other Media revenue reached THB 166.1mn, rising by 0.2% YoY or THB 0.4mn. This increase was primarily supported by (1) higher sales from additional office buildings and (2) full year recognition of the rights to advertise in Chulalongkorn University's bus system.

Cost of revenue increased 7.9% or THB 89.7mn YoY to THB 1,231.5mn and Media SG&A increased by 8.9% or THB 32.8mn YoY to THB 399.7mn. As a result of the improvement in operational performance in BTS-related Media, which is the biggest contributor to total Media revenue, the operating EBITDA margin of the Media business improved to 50.6% in 2013/14 (49.6% in 2012/13).

Property Business

Property operating revenue grew by 103.1% YoY or THB 1,489.4mn to THB 2,934.1mn which was attributable from both Residential and Commercial Property. Residential Property revenue increased by 159.5% YoY or THB 1,267.8mn to THB 2,062.8mn in 2013/14. The increase was mainly driven by sales of real estate of THB 2,057.2mn (largely in relation to 610 transferred units of Tower A from Abstracts Phahonyothin Park, which started transferring in December 2012). Commercial Property revenue reached THB 861.9mn, an increase of 33.6% YoY or THB 216.7mn. The growth was largely driven by revenue from Eastin Grand Hotel operations at Surasak BTS SkyTrain station. Revenue from Eastin Grand Hotel accelerated to THB 483.8mn, representing 60.4% growth YoY. Furthermore, in this year, the Group recognised a gain on the sales of land at Bang Pakong and Bangna KM 18 of THB 379.3mn (versus a gain of THB 999.7mn from sale of investments of land in 2012/13).

Operating costs rose at a lower rate than operating revenues. The increase of 90.8% YoY or THB 835.4mn to THB 1,755.8mn was mainly from costs from transferred units of Abstracts Phahonyothin Park (Tower A) and costs related to Eastin Grand Hotel. Property SG&A expenses increased by 28.5% YoY or THB 154.7mn to THB 698.4mn mainly driven by expenses related to transfers from Abstracts Phahonyothin Park (Tower A), including transfer fees, marketingexpenses and sales commission. Due to the improved operating performance, the Property business proved to be more profitable this year, with operating EBITDA improving to THB 631.6mn compared to THB 116.7mn in the previous year and the operating EBITDA margin improving to 21.5% versus 8.1% in 2012/13.

Services Business

Services business revenue increased YoY by THB 278.5mn to THB 399.0mn. This increase was primarily due to (1) the growth in revenue generated from ChefMan Restaurants of THB 219.7mn as well as (2) a growth in royalty fee recognised from the co-ordination between BTS and its business partner from the issuance of the co-branded rabbit cards, which was launched in March 2013. As of 31 March 2014, over 2.5 million rabbit cards were issued, exceeding the target number of issued cards for 2013/14. Operating costs increased by 47.8% YoY or THB 67.1mn to THB 207.3mn, increasing at a lower rate than operating revenue. There was also THB 225.9mn SG&A expenses, an increase of 72.2% YoY. Key costs and SG&A items were mainly from staff costs, food & beverage cost at ChefMan Restaurants and depreciation expenses (for hardware, software and machines).

Statement Of Financial Position

Total assets as of 31 March 2014 stood at THB 76,757.1mn, a 14.1% increase from 31 March 2013. Total current assets reduced by 28.7% to THB 37,226.8mn mainly due to (1) the de-recognition of non-current assets held for sale of THB 42,123.1mn from the Group statement of financial position, in accordance with TFRS 5 Non-current Assets Held for Sale and Discontinued Operations following the sale of future Net Farebox Revenues to BTSGIF as well as (2) a THB 960.5mn (or 27.4%) reduction in real estate development costs to THB 2,549.8mn as condominium units were transferred to buyers. This was partially offset with (3) the increase in cash by THB 4,349.5mn (see further details in *Cash Flow section*) and (4) the increase in current investments by THB 23,308.2mn, reflecting the treasury management of sales proceeds from BTSGIF. Total non-current assets rose by 162.3% to THB 39,530.3mn largely from the increase in (1) investment in associates by THB 13,888.9mn (primarily from the Group's investment in one-third of the units of BTSGIF) and (2) other long-term investments by THB 5,870.7mn, largely from the investment in fixed deposits of THB 1,082.3mn and unsubordinated debentures (the long-term portion of THB 2,999.3mn were placed at a financial institution in order to secure the principal and interest payment obligations with respect to BTSC's Long Term Debentures).

Total liabilities increased from 31 March 2013 by 1.2% or THB 205.5mn to stand at THB 16,994.8mn largely due to increases in (1) deferred tax liabilities of THB 2,731.3mn in accordance with TAS 12 Income Taxes of 2013/14, (2) provision for future liabilities from Special Business Tax levied on BTSGIF, to be absorbed by the Company of THB 1,083.5mn, and (3) income tax payable of THB 840.9mn largely from tax expenses related to BTSC capital reduction, which offset with the effect of (1) the repayment of bank loans (THB 3,241.0mn) and (2) the second tranche repayment of BTSC debenture (THB 2,081.3mn) in August 2013.

Total equity increased by THB 9,260.6mn or 18.3% to THB 59,762.3mn. This increase was attributable to (1) an increase in retained earnings of THB 5,508.3mn largely from the gain from the sale of future Net Farebox Revenues to BTSGIF, offset with dividend payments of THB 7,112.0mn, (2) increase in surplus from the changes in the ownership interests in subsidiaries of THB 1,637.1mn mainly from the sale of a portion of investment in subsidiary (VGI)[9] and (3) increase in paid-up capital by THB 3,230.4mn to THB 47,656.9mn resulting from the issuance of additional 807.6mn ordinary shares from the exercise of BTS-W2 and BTS-WA. As of 31 March 2014, total issued and fully paid-up shares stood at 11,914.2mn shares.

9 The gain on sale of VGI shares was recorded in the consolidated statement of financial position as equity under "surplus from the changes in the ownership interests in subsidiaries" but not recorded in the profit & loss account, as the changes in the Company's ownership interest in a subsidiary do not result in a loss of control

Cash Flow

Net cash from operating activities declined 30.9% to THB 3,218.5mn compared to THB 4,659.3mn in the previous year. Key contributors of the decrease were the sales of Net Farebox Revenues to BTSGIF. Net cash from investing activities stood at THB 12,180.3mn from THB 4,097.7mn last year. Key items include the proceeds from the sale of Net Farebox Revenues to BTSGIF, the reinvestment in BTSGIF units and the treasury management of surplus cash proceeds from the sale. Net cash used in financing activities was THB 11,048.4mn compared to THB 6,588.8mn last year, mainly from debt repayment of THB 5,322.3mn and dividend payment of THB 7,112.0mn, offset with cash received from exercised warrants of THB 2,237.5mn. As a result, the consolidated cash flow statements showed an increase of THB 4,349.5mn in cash and cash equivalents to THB 7,862.8mn from THB 3,513.3mn as of 31 March 2013.

Cash Flow Summary (THB mn)	2013/14	2012/13	Change (%)
Cash from operating activities	3,361.4	6,017.1	(44.1)%
Net cash from operating activities	3,218.5	4,659.3	(30.9)%
Net cash from investing activities	12,180.3	4,097.7	197.2%
Net cash used in financing activities	(11,048.4)	(6,588.8)	67.7%
Net increase in cash and cash equivalents	4,349.5	2,180.0	99.5%
Cash and cash equivalents at end of the year	7,862.8	3,513.3	123.8%

Key Financial Ratios

Profitability ratios (%)	2013/14*	2012/13*	2011/12*
Gross operating profit margin	53.1	48.8	47.2
Selling and administrative expenses to operating sales ratio	19.9	16.6	15.8
Operating EBITDA margin[A]	39.0	49.0	50.7
Accounting EBITDA margin	76.8	53.3	57.8
Recurring pre-tax profit margin[B]	36.4	21.6	15.3
Net recurring profit margin[B]	25.6	9.7	13.2
Accounting net profit margin[C]	57.8	16.6	24.2
ROA[D]	17.7	2.9	3.3
ROE[E]	22.7	3.8	6.1
Liquidity ratio (times)			
Current ratio	4.31	5.79	0.94
Leverage ratios (times)			
Total liabilities to total asset	0.22	0.25	0.45
Total liabilities to total equity	0.28	0.33	0.81
Net debt to equity	(0.02) x	0.17	0.67
Net debt to operating EBITDA	(0.35) x	1.66	6.32
Interest coverage[F]	5.43	4.07	2.73
Per share ratios (THB)[G]			
Basic earnings per share	1.0819	0.1720	0.2311
Operating cash flow per share	0.275	0.466	0.193
Free cash flow per share	0.023	0.270	(0.094)
Enterprise value per share	9.11	10.65	1.26
Book value per share	5.11	5.05	4.05

* Includes profit from discontinued operation
A Excludes non-operating items and interest income
B Calculated based on recurring profit (before MI) / total recurring revenue
C Calculated based on accounting net profit (before MI) / total accounting revenue
D Calculated based on accounting net profit (before MI) / total assets
E Calculated based on accounting net profit (before MI) / total shareholders' equity
F Calculated based on operating EBITDA / finance cost
G Calculated based on weighted average number of shares at par value of THB 4.0

Business Outlook

Please refer to *Section 2.5: Business Outlook 2014/15.*

5.0
CORPORATE GOVERNANCE REPORT

In this Section, we outline our Management Structure and Corporate Governance Committee Report. 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 **Management Structure**
5.2 **CG Committee Report**
5.3 **Nomination and Remuneration Committee Report**
5.4 **Internal Control and Risk Management**
5.5 **Related Party Transactions**
5.6 **Director & Executive Profiles**

5.1 MANAGEMENT STRUCTURE

As of 31 March 2014, the Company's management structure consists of the Board of Directors and four sub-committees, namely the Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance Committee and the Executive Committee. The structure is shown in *Section 3.6: Organisation Chart.*

Board Of Directors

The structure of the Board of Directors shall consist of at least 5 members but shall not exceed 12 members. At least 1/3 of the members shall be Independent Directors and in any case the Independent Directors shall not be less than 3 members. The Board of Directors will have more than 6 meetings in each fiscal year.

As of 31 March 2014, the Board of Directors consists of 12 members. 6 members are Executive Directors and 6 members are Non-Executive Directors:-

No.	Name of Directors	Position	Authorised Directors	Date of Registration as Directors	Number of Meetings in 2013/14
1.	Mr. Keeree Kanjanapas	Chairman	Group A	2 June 1993	10/10
2.	Mr. Paul Tong	Director	-	20 February 2007	9/10
3.	Mr. Anat Arbhabhirama	Director	Group B	7 May 1998	10/10
4.	Mr. Surapong Laoha-Unya	Director	Group A	30 July 2010	10/10
5.	Mr. Kavin Kanjanapas	Director	Group A	23 January 2007	9/10
6.	Mr. Rangsin Kritalug	Director	Group B	19 December 1997	10/10
7.	Mr. Kong Chi Keung	Director	Group B	23 January 2007	10/10
8.	Lt. Gen. Phisal Thepsithar	Independent Director	-	4 August 2000	9/10
9.	Mr. Amorn Chandara-Somboon	Independent Director	-	30 July 2010	10/10
10.	Mr. Suchin Wanglee	Independent Director	-	30 July 2010	8/10
11.	Mr. Charoen Wattanasin	Independent Director	-	30 July 2010	10/10
12.	Mr. Cheong Ying Chew, Henry	Independent Director	-	30 July 2010	10/10

In 2013/14, the Non-Executive Directors had one meeting among themselves without the Management. The profile of the Board of Directors can be found in *Section 5.6: Director and Executive Profiles.*

Directors who have the authority to sign for and on behalf of the Company : any one Director from Group A signing jointly with any one Director from Group B, totaling 2 persons together with the Company's seal affixed.

Duties and Responsibilities of the Board of Directors

1. To perform their duties in accordance with the laws, the objectives and the Articles of Association of the Company as well as the resolutions of the shareholders' meeting with honesty and due care for the benefits of the Company;

2. To determine the Company's vision, mission, policies and business direction and to supervise the Management to ensure the implementation of those policies effectively and efficiently so as to maximize the value for the Company and the shareholders, and to consider and review vision and mission of the Company at least every 5 years;

3. To determine the Company's policies, strategies, business plans, annual budget including progress of the monthly and quarterly performance of the Company, in comparison with the business plan and budget, and to also consider the future trends for the next periods;

4. To evaluate the works of the Management regularly and to monitor the remuneration mechanism of the high level executives as deemed appropriate, by having the Nomination and Remuneration Committee to act as superintendent;

5. To supervise the Management to ensure that the accounting system, financial reports and accounting audit system are accountable, as well as to ensure that the Company has an appropriate and sufficient internal control system;

6. To consider and approve the acquisition and disposal of assets, investment in new businesses and any matters as required by the laws, save for the matters that the resolutions of the shareholders' meeting are required under the laws;

7. To consider and/or provide an opinion on the connected transactions of the Company and its subsidiaries and to ensure the compliance with the laws, notifications, regulations and relevant rules;

8. To monitor and prevent a conflict of interests among the stakeholders of the Company;

9. To consider all the Company's affairs by taking into account the benefits of the shareholders and all groups of stakeholders equitably. The Director shall report to the Company, without delay, if he has any conflict of interests in a contract to be entered into with the Company or an increase or decrease of his shareholding in the Company or its subsidiaries. Hence, for any transaction with the Director or a person having a conflict of interests or a conflict of any kinds with the Company or its subsidiaries, the Director in conflict shall have no right to vote to approve such transaction;

10. To govern the business operations with business ethics and conducts and to review the corporate governance policy and code of conduct regularly, and to evaluate the implementation of such policies at least once a year;

11. To establish the risk policy and framework, to review the appropriateness of the policy and framework on an ongoing basis and to ensure that risk management and internal controls are implemented;

12. To establish a corporate social responsibility (CSR) policy and to monitor the implementation of such CSR policy;

13. To report the responsibilities of the Board of Directors in the preparation of the financial statements by disclosing such report along with the external auditor report in 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;

14. To delegate one or more Directors or other persons to perform any task on behalf of the Board of Directors. However, such delegation shall not be the authorisation or sub-authorisation that allows the Director or any designated person, who has a conflict of interests or a conflict of any kinds with the Company or its subsidiaries, to approve such transaction;

15. To evaluate the performance of the Board of Directors on an annual basis, both group evaluation and individual evaluation, in order to use as a guideline for the review of the Board of Directors' performance;

16. To appoint sub-committees to assist and monitor the management system and the internal control system to ensure the compliance with the Company's policies, such as the Executive Committee, the Audit Committee, the Nomination and Remuneration Committee, and the Corporate Governance Committee, and to assign the annual performance evaluation of all sub-committees; and

17. To appoint the Company Secretary to ensure that the Board of Directors and the Company comply with the laws and relevant regulations.

Roles and Duties of the Chairman of the Board of Directors

1. The Chairman as the chief of the Board of Directors has the duties and responsibilities to supervise, follow up and monitor the due performance of the Board of Directors and other sub-committees to achieve the business objectives and plans;

2. The Chairman is the person who calls the meetings of the Board of Directors. In calling a meeting, the Chairman or a person assigned by him shall send out the meeting invitation to all Directors at least 7 days prior to the meeting date, unless in a necessary and emergency case. Such invitation shall specify the place, date and time of the meeting and the nature of the businesses to be discussed;

3. To act as the chairman at the meetings of the Board of Directors and to cast the casting vote in case of an equality of votes;

4. To act as the Chairman at the shareholders' meetings of the Company and to conduct the meeting in compliance with the Company's Articles of Association and the agenda and to cast the casting vote in case of an equality of votes; and

5. To perform other duties as specified by laws particularly as the duties of the Chairman.

Audit Committee

The structure of the Audit Committee shall entirely consist of Independent Directors who possess the qualifications in accordance with the definition of Independent Director of the Company, which is *"more stringent"* than the requirements of the SEC and the SET. The Audit Committee shall consist of at least 3 members and at least one member must be knowledgeable and experienced in reviewing the accountability of the financial statements. The Audit Committee will hold a meeting on a quarterly basis and the additional meetings will be called as necessary and appropriate.

As of 31 March 2014, the Audit Committee consists of 3 members:-

No.	Name	Position	Number of Meetings in 2013/14
1.	Lt. Gen. Phisal Thepsithar	Chairman of the Audit Committee	6/6
2.	Mr. Suchin Wanglee	Audit Committee Member	6/6
3.	Mr. Charoen Wattanasin	Audit Committee Member	6/6

Lt. Gen. Phisal Thepsithar is the Audit Committee Member, who is knowledgeable and experienced in reviewing the Company's financial statements.
Mr. Pipop Intaratut, Internal Audit Office Director, is the Secretary to the Audit Committee.

Duties and Responsibilities of the Audit Committee

1. To review the Company's financial reporting process to ensure that it is accurate, in accordance with the generally accepted accounting principles and adequately disclosed;

2. To review the Company's internal control system, internal audit system and risk assessment policy to ensure their appropriateness and efficiency and to review the independency of the Internal Audit Office as well as to approve the appointment, transfer and dismissal of the head of the Internal Audit Office or any other unit in charge of an internal audit;

3. To review that the Company is in compliance with the securities and exchange laws, the regulations of the SET and the laws relevant to the Company's businesses;

4. To consider, select and nominate independent person(s) to be elected as the Company's external auditor(s) as well as to propose their remuneration, and to attend a meeting with the external auditor(s) without the Management at least once a year;

5. To consider the connected transactions or the transactions that may lead to a conflict of interests to ensure that those transactions are in compliance with the laws and regulations of the SET, and are justifiable and for the utmost benefit of the Company;

6. To prepare and disclose in the Company's annual report, the Audit Committee's report which must be signed by the Chairman of the Audit Committee and consists of at least the following information:

   (1) an opinion on the accuracy, the completeness and the creditability of the Company's financial report;

   (2) an opinion on the adequacy of the Company's internal control system;

   (3) an opinion on the compliance with the securities and exchange laws, the regulations of the SET, or the laws relevant to the Company's businesses;

   (4) an opinion on the suitability of the external auditor(s);

   (5) an opinion on the transactions that may lead to a conflict of interests;

   (6) number of the Audit Committee's meetings, and the meeting attendance by each member;

   (7) an opinion or overview comment of the Audit Committee derived from their performance of duties under the scope of the Audit Committee Charter;

   (8) other transactions which, according to the Audit Committee's opinion, should be known to the shareholders and general investors, and are in the scope of the duties and responsibilities assigned by the Board of Directors;

7. To review and provide an opinion on the internal audit plan and the performance of the Internal Audit Office. In the performance of duties, the Audit Committee has the authority to invite the management, executives, or employees relevant to the matters to provide their opinion, attend the meeting or submit any relevant and necessary documents;

8. In the performance of the duties of the Audit Committee, if it is found or suspected that there is a transaction or any of the following acts which may materially affect the Company's financial conditions and operating results, the Audit Committee shall report such to the Board of Directors for a rectification within the period that the Audit Committee deems appropriate:

   (1) a transaction which causes a conflict of interests;

   (2) any fraud, irregularity or material error in the internal control system;

   (3) an infringement of the securities and exchange laws, the regulations of the SET, or the laws relevant to the Company's businesses;

   If the Board of Directors or executives fail to make a rectification within the period that the Audit Committee deems appropriate, any member of the Audit Committee may report such transaction or act to the SEC or the SET;

9. To review and update the Audit Committee Charter and present to the Board of Directors for consideration and approval; and

10. To perform any other duties as assigned by the Board of Directors as the Audit Committee may agree.

Nomination And Remuneration Committee

The structure of the Nomination and Remuneration Committee shall consist of at least 3 Directors but shall not exceed 5 Directors. The majority members shall be the Independent Directors. The Nomination and Remuneration Committee will hold at least two meetings in each fiscal year and the additional meetings will be called as necessary and appropriate.

As of 31 March 2014, the Nomination and Remuneration Committee consists of 5 members:-

No.	Name	Position	Number of Meetings in 2013/14
1.	Lt. Gen. Phisal Thepsithar	Chairman of the Nomination and Remuneration Committee	2/2
2.	Mr. Suchin Wanglee	Nomination and Remuneration Committee Member	2/2
3.	Mr. Charoen Wattanasin	Nomination and Remuneration Committee Member	2/2
4.	Mr. Rangsin Kritalug	Nomination and Remuneration Committee Member	2/2
5.	Mr. Kong Chi Keung	Nomination and Remuneration Committee Member	2/2

Miss Chayada Yodyingtammakul, Company Secretary and Legal Director, is the Secretary to the Nomination and Remuneration Committee.

Duties and Responsibilities of the Nomination and Remuneration Committee

1. To consider and provide an opinion on the Board of Directors' structure, such as the appropriate size and composition of the Board of Directors, taking into consideration the Company's size and business strategy in comparison with the current size and composition of the Board of Directors as well as to review the independency of each of the Independent Directors, for the adjustment of the Board of Directors' structure to correspond with the Company's strategy;

2. To determine the criteria and process in selecting a person for the position of Director, by considering:

   - Qualifications of a Director which correspond with the Company's strategy, structure, size and composition of the Board of Directors as determined by the Board of Directors, including the diversity in the structure (Board Diversity) and other qualifications being required and inadequate in the Board of Directors (Board Skill Matrix);

   - The appropriateness of their knowledge, experience, expertise and time availability as well as other requirements as stipulated by the laws or regulations of the government authorities;

3. To select a Director who has qualifications in accordance with the specified qualifications:

   - If the Directors retire by rotation, to recommend those persons to the Board of Directors for approval and to further propose to the shareholders' meeting for consideration and appointment;

   - If there is a vacancy in the Board of Directors for any reasons other than the retirement by rotation, to propose a person/ persons to the Board of Directors for consideration and appointment as a new Director to replace the vacant position;

   - If there is a need on the appointment of an additional Director to correspond with the Board of Directors' structure, to recommend a person/persons to the Board of Directors for approval and to further propose to the shareholders' meeting for consideration and appointment;

4. To consider the structure, amount, form and criteria for all types of appropriate remuneration (monetary and non-monetary) for the Chairman of the Board of Directors, Directors and members of the sub-committees, taking into account the remuneration in other same industry companies or other companies in the same range of market capitalisation. This is in order to motivate and maintain the valuable Directors with the Company and to propose to the Board of Directors for approval and to further propose to the shareholders' meeting for consideration and approval;

5. To consider the performance evaluation criteria of the Executive Chairman and to propose the result of such evaluation to the Board of Directors for approval, as well as to propose the amount and form of remuneration of the Executive Chairman, both short-term and long-term remuneration, in correspondence with the result of the performance evaluation, to the Board of Directors for approval;

6. To consider the appropriateness and conditions in offering new shares, warrants or other securities to the Directors and employees as a motivation for the Directors and employees to perform and build the long-term value for the shareholders as well as to maintain the qualified personnel with the Company. Nonetheless, such remuneration shall be justified to the shareholders;

7. To report their performance to the Board of Directors and/or at the shareholders' meeting;

8. To conduct an evaluation of the performance of the Nomination and Remuneration Committee on an annual basis and report the evaluation result to the Board of Directors;

9. To appoint the working group to assist the Nomination and Remuneration Committee in performing their duties as well as to appoint the independent expert consultants for providing advice and assistance for the performance of duties by the Nomination and Remuneration Committee; and

10. To perform any other acts related to the nomination of Directors and determination of remuneration as assigned by the Board of Directors and to perform any other acts as stipulated by the laws or regulations of the authorities.

Corporate Governance Committee

The structure of the Corporate Governance Committee shall consist of at least 4 Directors but shall not exceed 6 Directors. The Corporate Governance Committee will hold at least two meetings in each fiscal year and the additional meetings will be called as necessary and appropriate.

As of 31 March 2014, the Corporate Governance Committee consists of 4 members:-

No.	Name	Position	Number of Meetings in 2013/14
1.	Mr. Keeree Kanjanapas	Chairman of the Corporate Governance Committee	2/2
2.	Mr. Anat Arbhabhirama	Corporate Governance Committee Member	2/2
3.	Mr. Charoen Wattanasin	Corporate Governance Committee Member	2/2
4.	Mr. Rangsin Kritalug	Corporate Governance Committee Member	2/2

Miss Chayada Yodyingtammakul, Company Secretary and Legal Director, is the Secretary to the Corporate Governance Committee.

Duties and Responsibilities of the Corporate Governance Committee

1. To consider, determine, review, and update the Corporate Governance Policy and Code of Business and Employees Conduct to be in line with the international standard practices and to propose to the Board of Directors for consideration and approval, and to monitor the implementation of such Corporate Governance Policy and Code of Business and Employees Conduct;

2. To consider, determine, review, and update the Corporate Social Responsibility (CSR) policy and to propose to the Board of Directors for consideration and approval, and to monitor the implementation of such CSR policy;

3. To consider, determine, review, and update the Policy and Guideline on Anti-Corruption and Bribery and to propose to the Board of Directors for consideration and approval, and to monitor the implementation of the Policy and Guideline on Anti-Corruption and Bribery;

4. To report their performance to the Board of Directors and/or at the shareholders' meeting;

5. To conduct an evaluation of the performance of the Corporate Governance Committee on an annual basis and report the evaluation result to the Board of Directors;

6. To appoint the working group to assist the Corporate Governance Committee in performing their duties as well as to appoint the independent expert consultants for providing advice and assistance for the performance of duties by the Corporate Governance Committee; and

7. To perform or undertake other tasks as the Board of Directors may assign and to perform any other acts as stipulated by laws or regulations of the authorities.

Executive Committee

The structure of the Executive Committee shall consist of not more than 6 Executive Directors. The Executive Committee has scheduled a meeting on a monthly basis and the additional meetings will be called as necessary and appropriate.

As of 31 March 2014, the Executive Committee consists of 6 members:-

No.	Name	Position
1.	Mr. Keeree Kanjanapas	Executive Chairman
2.	Mr. Anat Arbhabhirama	Executive Director
3.	Mr. Surapong Laoha-Unya	Executive Director
4.	Mr. Kavin Kanjanapas	Executive Director
5.	Mr. Rangsin Kritalug	Executive Director and Chief Operating Officer
6.	Mr. Kong Chi Keung	Executive Director

Miss Chayada Yodyingtammakul, Company Secretary and Legal Director, is the Secretary to the Executive Committee.

Duties And Responsibilities Of The Executive Committee

1. To determine business policy, direction, strategy, management structure, objectives and long-term goal for the Company's businesses to correspond to the economics and competitive environment and to propose such to the Board of Directors for consideration and approval;

2. To prepare a business plan, budget, the management authorities of the Company and to propose such to the Board of Directors for consideration and approval;

3. To review and monitor the Company's performance result to ensure the achievement and compliance with the approved policy and the business plan in the efficient and effective manner;

4. To consider and approve the Company's projects and report the project progress to the Board of Directors;

5. To manage the overall risk of the organisation, to evaluate such risk and plan the Company's risk management structure and to monitor and control key risks and any conditions that may have a material impact on the business operations of the Company and to report such to the Board of Directors;

6. To report their performance to the Board of Directors and/or at the shareholders' meeting;

7. To conduct an evaluation of the performance of the Executive Committee on an annual basis and report the evaluation result to the Board of Directors;

8. To appoint the working group to assist the Executive Committee in performing their duties as well as to appoint the independent expert consultants for providing advice and assistance for the performance of duties by the Executive Committee; and

9. To perform other tasks as assigned by the Board of Directors and to perform any other acts as stipulated by laws or regulations of the authorities.

Executives

As of 31 March 2014, the Non-Director Executives consist of 6 members:-

No.	Name	Position
1.	Mr. Surayut Thavikulwat	Chief Financial Officer
2.	Mrs. Duangkamol Chaichanakajorn	Accounting Director
3.	Mrs. Patchaneeya Pootme	Corporate Communications Director
4.	Mr. Daniel Ross	Financial Director
5.	Miss Chawadee Rungruang	Financial Controller
6.	Miss Chayada Yodyingtammakul	Legal Director / Company Secretary

The profile of the Executives can be founded in *Section 5.6: Director and Executive Profiles.*

Roles and Responsibilities of the Executives

1. To efficiently and effectively manage the business operations in accordance with the Company's policies, direction, strategy and operational structure;

2. To prepare the business plan, budget and management authorities of the Company for the approval of the Executive Committee and/or the Board of Directors;

3. To manage the Company's businesses operations to correspond to the business plan and the budget as approved by the Executive Committee and/or the Board of Directors with honesty, integrity and with due care for the utmost benefit of the Company and the shareholders;

4. To monitor the Company's performance result to ensure that it follows the approved business plan and annual budget;

5. To regularly report the Company's performance to the Executive Committee and/or the Board of Directors;

6. To perform other tasks as assigned by the Executive Committee and/or the Board of Directors; and

7. To supervise the general business operations to be in compliance with the Company's rules and regulations.

Company Secretary

Miss Chayada Yodyingtammakul, Legal Director, holds the Company Secretary position during the period between May 2008 to July 2010 and 11 February 2011 until present. The Company Secretary is responsible for monitoring the Company to comply with the relevant and applicable laws and regulations and correspond with the principles of the good corporate governance of the listed companies as follows:

1. To organise the Board of Directors' meetings and shareholders' meetings in compliance with the applicable laws and regulations and to ensure that such resolutions are duly implemented;

2. To prepare and keep the Directors' registration, the invitation to the Board of Directors' meetings, the minutes of the Board of Directors' meetings, the invitation to the shareholders' meetings and the minutes of the shareholders' meetings;

3. To monitor and ensure that the disclosure of information is in compliance with the regulations of the SET, the SEC and other supervisory agencies as well as the good corporate governance principles;

4. To keep the conflict of interests report as filed by the Directors or the Executives and submit a copy of such report to the Chairman of the Board of Directors and the Chairman of the Audit Committee;

5. To keep a copy of the report on the change of the securities holding of the Directors or the Executives;

6. To provide an advice to the Directors as regards the laws and regulations in relation to the good corporate governance, the maintenance of the status as a listed company and other laws and regulations relevant to the Company's businesses; and

7. To perform other tasks as stipulated by the Capital Market Supervisory Board or as assigned by the Board of Directors.

The Company Secretary has completed the Corporate Secretary Development Program of Thai Listed Companies Association in 2008, the Director Certification Program (DCP) of Thai Institute of Directors Association in 2011. The Company Secretary attends the trainings and seminars organised by the SET and the SEC regularly and constantly.

Report on Securities Holding by the Directors and Executives

The Company has a policy requiring the Directors and Executives of the Company to report their movement in the holding of the Company's securities to the Board of Directors' meeting on a quarterly basis. The Directors and Executives shall provide a copy of their report of change in securities holding (Form 59-2) to the Company Secretary Office. The Company Secretary Office will prepare and present a report summary to the Board of Directors' meeting on a quarterly basis.

Table summary of the changes in the securities holding of the Directors and Executives in 2013/14

No.	Name	Number of Shares (BTS)*		*Increased/ (Decreased)*	Number of BTS-W3 Warrants*		*Increased/ (Decreased)*
		31 Mar 2013	31 Mar 2014		1 Nov 2013**	31 Mar 2014	
1.	Mr. Keeree Kanjanapas	4,224,098,573	4,574,164,652	*350,066,079*	1,506,944,382	1,506,944,382	*0*
2.	Mr. Paul Tong	30,347,888	30,776,501	*428,613*	10,258,833	10,258,833	*0*
3.	Mr. Anat Arbhabhirama	-	-	-	-	-	-
4.	Mr. Surapong Laoha-Unya	5,552,627	5,552,627	*0*	1,850,875	1,850,875	*0*
5.	Mr. Kavin Kanjanapas	2,459,295	2,459,295	*0*	819,765	819,765	*0*
6.	Mr. Rangsin Kritalug	-	-	-	-	-	-
7.	Mr. Kong Chi Keung	3,200,000	3,200,000	*0*	1,066,666	1,066,666	*0*
8.	Lt. Gen. Phisal Thepsithar	80,000	80,000	*0*	26,666	26,666	*0*
9.	Mr. Amorn Chandara-Somboon	-	-	-	-	-	-
10.	Mr. Suchin Wanglee	5,157,166	5,880,023	*722,857*	1,960,007	1,560,007	*(400,000)*
11.	Mr. Charoen Wattanasin	276,571	351,713	*75,142*	117,237	117,237	*0*
12.	Mr. Cheong Ying Chew, Henry	-	-	-	-	-	-
13.	Mr. Surayut Thavikulwat	17,000	74,816	*57,816*	24,938	19,272	*(5,666)*
14.	Mrs. Duangkamol Chaichanakajorn	-	165,252	*165,252*	55,084	55,084	*0*
15.	Mrs. Patchaneeya Pootme	166,000	225,216	*59,216*	75,072	0	*(75,072)*
16.	Mr. Daniel Ross	32,000	135,240	*103,240*	45,080	45,080	*0*
17.	Miss Chawadee Rungruang	-	9,604	*9,604*	3,201	0	*(3,201)*
18.	Miss Chayada Yodyingtammakul	-	301,632	*301,632*	100,544	100,544	*0*

*Included the securities holding of their spouse and minor child. **The Company issued the BTS-W3 Warrants on 1 November 2013.

Personnel

Table summary of the number of employees, remuneration, training hours and leaves of the employees of the Company and Subsidiaries

Company / Subsidiaries	as of 31 March 2014			1 April 2013 – 31 March 2014			
	Number of Employees (persons)	Male (persons)	Female (persons)	Remuneration* 2013/14 (THB mn)	Average Training Hours of Employees per year (hours)	Average Days of Sick Leave, Business Leave and Annual Leave per year (days)	Other Types of Leave (times)
1. Company	63	17	46	80.7	12.2	12.8	2
2. Mass Transit Business (1 company)	2,037	1,113	924	772.5	8.2	17.1	60
3. Media Business (6 companies)	514	343	171	285.7	59.6	8.4	5
4. Property Business (13 companies)	821	404	417	260.3	10.2	11.9	20
5. Services Business (6 companies)	378	221	157	160.5	0.8	6.5	5
Total	**3,813**	**2,098**	**1,715**	**1,559.7**	**14.9**	**13.7**	**92**

*The monetary remuneration consists of salary, bonus and provident fund contribution. Besides, there is also the allocation of warrants as the non-monetary remuneration. In 2011 and 2012, 146 employees in the Company and the subsidiaries were allotted totaling 100.0mn units of BTS-WA Warrants. In 2013, 188 employees in the Company and the subsidiaries were allotted totaling 16.0mn units of BTS-WB Warrants. This represents that the Group provides both monetary and non-monetary remuneration to the employees in correspondence with the operating results of each company both in short-term and long-term.

Employee Benefits & Welfares and Personnel Skill Development

The Group provides other benefits and compensation to the employees, for example, the establishment of a provident fund to rest the assurance to the employees and their family, the set up of BTS Group Savings and Credit Cooperative as an alternative for the savings, investment and loan support to the employees, the provision of housing loan welfare to encourage the employees to have their own house, the support of other monetary subsidies in some occasions, and the arrangement of the life insurance, group health insurance and group personal accident insurance to facilitate and accommodate the employees when there is a need for medical treatment. In addition, since all employees are valuable resources of the Group who will drive the Group to achieve its goal and business plan, the Group therefore places an importance on the personnel skill development. The personnel management guidelines cover the process starting from the recruitment, personal skill development, creating good working environment, retaining all quality employees and implanting the awareness that they are a part of the community. Additional details can be found in *Form 56-1*.

5.2 CORPORATE GOVERNANCE COMMITTEE REPORT

Details about the structure, duties and responsibilities of the Corporate Governance Committee can be found in *Section 5.1: Management Structure.*

The Company has a good management system. The system is composed of having the Board of Directors and the executives with vision and accountability, having a check and balance system to ensure that the management and operation is transparent and monitored, and treating the shareholders equitably and having responsibility to all groups of the stakeholders. All of these are the key factors in adding the value and providing the utmost benefit to the shareholders in the long run. The Board of Directors has established the Corporate Governance Policy with principles and guidelines that are aligned with the principles of the good corporate governance of the SET and the recommendation from the Thai Institute of Directors. The Company constantly communicates with its executives and employees regarding this policy to assure that they understand and comply with this policy. Moreover, the Board of Directors reviews the Corporate Governance Policy on an annual basis to ensure that the policy is appropriate for the current situation and the Company's business operations at all time. In May 2012, the Board of Directors has appointed the Corporate Governance Committee to support the corporate governance works of the Company.

The Corporate Governance Policy of the Company covers the good corporate governance in 5 aspects namely 1) Rights of Shareholders, 2) Equitable Treatment of Shareholders, 3) Role of Stakeholders, 4) Disclosure and Transparency and 5) Board Responsibilities.

Rights Of Shareholders

The Company places emphasis on the rights of the shareholders as the true owner of the Company. All shareholders, no matter the retailed investors or the institutional investors, are encouraged to exercise their fundamental rights, e.g. the sale/purchase or transfer of shares, sharing of profit of the business, receipt of adequate information either via the website of the Company or the website of the SET or through other channels, attendance at the shareholders' meetings to acknowledge the Company's annual business performance, and the casting of votes at the shareholders' meetings to approve the significant matters as specified by laws, such as the appointment or removal of Directors, the determination of Directors' remuneration, the appointment of the auditor and the determination of the audit fee, the dividend payment or suspension of the dividend payment, the capital increase and the issuance of new securities and the making of enquiries or comments on the matters that the Board of Directors presents or requests for the approval at the shareholders' meetings.

Shareholders' Meeting: The Company 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 called when deemed necessary and appropriate. The Company has set up a Company Secretary Office to assure that the shareholders' meetings are called and held as required by laws and in accordance with the good corporate governance principles. In the shareholders' meetings, the Company will arrange for the legal advisor to attend the meeting to provide their legal advice and act as a witness in the inspection of the vote counting throughout the meeting. Besides, the Company gives the minority shareholders the opportunity to nominate a representative to act as a witness to the vote counting inspection. The Company will also arrange the financial advisor as well as the legal advisor to provide an explanation or an answer to the enquiries in the complicated matters proposed to the meeting. For the Annual General Meeting of Shareholders, where the agenda on the financial statements will be considered, the Company will arrange the Company's auditor to be present at such meeting.

Delivering the Invitation and Facilitating the Shareholders: The Company engages Thailand Securities Depository Co., Ltd., its securities registrar, to manage the delivery of the invitation to both Thai and foreign shareholders. The Company also prepares and provides an English version of the invitation for the foreign shareholders. The invitation will provide information regarding the place, date and time of the meeting, the meeting's agenda, the objectives and rationales of each proposed agenda together with the opinion of the Board of Directors as well as other supporting documents adequately. This is to allow the shareholders the sufficient time to study the documents beforehand. There shall be no hidden agenda or other agenda items not stated in the invitation to the shareholders' meeting, except for urgent matters. Besides, the Company will also publish the invitation to the shareholders' meeting together with the supporting documents on the Company's website in advance and announce through a newspaper for 3 consecutive days prior to the meeting date. In addition, the Company allows the shareholders to submit the inquiries to the Company prior to the meeting.

Moreover, the Company has applied the Barcode System of the Thailand Securities Depository Co., Ltd. in managing the registration and the vote counting. This purports to enhance the transparency as well as to facilitate the shareholders. The registration opens two hours prior to the meeting. The Company's officers are assigned to welcome and facilitate the shareholders attending the meeting. The stamp duties are also provided for the attendants by proxy. To facilitate shareholders who are the institutional investors and the shareholders holding shares through the custodians, the Company gives an opportunity to such shareholders to verify the name, information and the registration supporting document before the meeting date to reduce time and process of information and documents verification on the shareholders' meeting date.

Procedure during and after the Shareholders' Meeting: Prior to the meeting commencement, the secretary to the meeting will introduce to the meeting the members of the Board of Directors, the executives, the Company's auditor, and the legal advisor. The secretary to the meeting will also inform the meeting about the voting procedures and the method on the vote counting in the meeting. After the information has been provided for each agenda, the chairman of the meeting will grant equal opportunities to all attendants to make their comments or enquiries relevant to the agenda. The enquiries will be answered precisely and the adequate time will be given for the debate as appropriate. For the agenda on the appointment of the Directors, there will be the casting of votes to appoint each Director individually.

The Company arranges the minutes of meetings to be correctly and completely recorded so that the shareholders can inspect the content of such minutes. The resolutions of the meeting are to be clearly recorded with the details of approved, non-approved and abstained votes for all agenda items requiring the casting of votes. Furthermore, the comments, suggestions, questions and answers which are significant and relevant to the agenda will be recorded in the minutes. The Company will report the summary on the significant meeting resolutions through the SET's website within the meeting date or 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.

Equitable Treatment Of Shareholders

Proposing Agenda and Nominating Candidates to be elected as Director: Since the 2011 Annual General Meeting of Shareholders, the Company has allowed the minority shareholders to exercise their rights to propose agenda and/or nominate the candidate(s) to be elected as the Director(s) in advance. The objective is to promote the equitable treatment of shareholders. The minority shareholders are entitled to propose agenda and/or nominate the candidate(s) to be elected as the Director(s) at the Annual General Meeting of Shareholders in accordance with the criteria published on the Company's website and announced through the SET's website.

Appointment of a Proxy for Meeting Attendance: To protect the rights of the shareholders who cannot attend the shareholders' meeting in person, the Company has enclosed a proxy form (Form B) to the invitation together with the list of documents and evidence required for the appointment of a proxy. The shareholders may appoint his/her representative or the Independent Director of the Company as his/her proxy to attend the meeting and cast the votes on his/her behalf. The Company will provide in the invitation at least the name of one Independent Director whom a shareholder can appoint as his/her proxy. In addition, the Company will also publish the invitation and the proxy forms (Form A, Form B and Form C) together with the details and procedures on the Company's website.

Access to Information: The Company favors no particular group of shareholders. All disclosed information is accessible by the shareholders and public equally through the Company's website at www.btsgroup.co.th, or through Investor Relations at telephone no. +66 (0) 2273-8631, +66 (0) 2273-8623, and +66 (0) 2273-8637, fax no. +66 (0) 2273-8610 or email: ir@btsgroup.co.th.

The Company abides by the good corporate governance in protecting the rights and treating the shareholders equitably. Additional information for 2013/14 is as follows:

	2013 Annual General Meeting of Shareholders	Extraordinary General Meeting of Shareholders No. 1/2013
Date	26 July 2013	11 October 2013
Venue	Rama Gardens Hotel	Rama Gardens Hotel
The Company allowing the minority shareholders to propose agenda and/or nominate the candidate(s) to be elected as the Director(s) in advance*	28 December 2012 – 31 March 2013	-
Date of publishing the invitation on the Company's website	25 June 2013	9 September 2013
Date of sending the invitation via registered post	4 July 2013	19 September 2013
Date of announcement in the newspaper	17, 18, and 19 July 2013	25, 26, and 27 September 2013
Commencement of registration	11.30 hrs.	12.00 hrs.
Meeting duration	13.30 hrs. – 16.53 hrs.	14.00 hrs. – 16.00 hrs.
Shareholders attending in person and by proxy at the beginning of the meeting (no less than 1/3 of the total issued shares will form a quorum.)	3,470 persons holding in total 58.89% of the total issued shares	2,270 persons holding in total 65.09% of the total issued shares
Date of reporting the meeting's resolutions through the SET	26 July 2013 at 20.42 hrs.	11 October 2013 at 18.38 hrs.
Date of submitting the copy of the minutes to the SET (within 14 days from the meeting date)	9 August 2013	24 October 2013

* For the 2014 Annual General Meeting of Shareholders, the Company allows the minority shareholders, with a combined holding of at least 3% of the Company's total issued shares and continually holding the shares for at least 6 months, to propose the agenda and/or nominate the candidate(s) to be elected as the Director(s) during the period between 25 December 2013 – 31 March 2014. Nonetheless, none of the shareholders proposed any agenda nor nominated any candidate for the 2014 Annual General Meeting of Shareholders.

Role of Stakeholders

The Company pays close attention to the importance of the role and rights of all groups of the stakeholders by ensuring that they are treated properly, equitably and honestly. The Company believes that the good relationship with all groups of the stakeholders is significant for the long-term development and sustainable growth of BTS Group. Therefore, the written policies have been set in the Code of Conduct for the executives and employees of BTS Group to pay attention and conduct.

Treatment of Stakeholders

Shareholders: The Company operates its business with transparency, justice and fairness. This is to develop the business with stability and growth with the objective to generate the returns that outperform the returns from other investment alternatives with a similar risk profile for all shareholders equitably and constantly.

Customers: BTS Group aims to build customers' satisfaction and confidence by focusing on the responsibility and customers' needs which are the factors for the business success. To achieve this, BTS Group continues to improve the quality and features of the products and services to meet the customers' needs and to maintain a good relationship with the customers in the long run. BTS Group conducts a survey on the satisfactory of the customers to listen to their comments or complaints and uses such as a guideline for the improvement of services and operations. BTS Group also provides the trainings for the customer services personnel both before they begin their duties and thereafter to enhance their skills and knowledge constantly so that the customers can obtain the utmost benefit through the services.

BTS Group also emphasises on the safety of its customers. For example, in operating the mass transit business, BTSC received various standard management certifications, e.g. ISO 9001:2008 for Quality Management System, OHSAS 18001:2007 for Occupational Health and Safety Management System, and Lloyds Register Rail for the Railway Safety Management System. In 2014, BTS Hotline Center was awarded the "Consumer Protection Thailand Call Center Award 2014" from the Office of the Consumer Protection Board as BTS Hotline Center has an outstanding performance in handling and solving the customers' complaints.

Employees: BTS Group believes that human resource is the key factor and valuable resource in its business operation and, therefore, it places an importance and value on the employees. BTS Group provides the same treatment to the employees at all level equally without discrimination. BTS Group also respects the human rights principles under the international standards and laws and

regulations. BTS Group values an importance of the wellness and occupational health, safety of life and property, working environment as well as supports the good corporate culture and teamwork system. All employees are equally provided with the opportunity for the career growth. BTS Group values the quality of employees and focuses on the personnel development. BTS Group regularly arranges both internal and external trainings to the employees as well as organises group activities either among the employees or between the employees and the executives to develop and build a good relationship in the organisation.

Business Partners: BTS Group values its business partners as the key to its success through the support of its operation. BTS Group, therefore, treats all business partners on the basis of equality and fair competition. Besides, BTS Group places an emphasis on the transparency and justification in conducting its businesses, selecting of business partners on an equal and fair treatment and concluding contracts with its business partners aiming for fair consideration for both parties. BTS Group will treat its business partners in accordance with the agreements as well as the code of business ethics.

Competitors: BTS Group competes with its competitors within the scope of laws and business ethics and the competition is based on the fair competition. BTS Group will not discredit or seek for the confidential information of its competitors in a bad faith or an unfair manner but will professionally operate the business with trustworthiness.

Creditors: BTS Group focuses on building the trustworthiness towards its creditors and it, therefore, strictly conforms to the conditions and agreements entered into with its creditors. BTS Group pays all loan principals and interests on a due and timely manner. Also, BTS Group will not use the loan proceeds in the way that is in a contrary to the loan objectives nor hide any information that may cause damages to its creditors.

Society, the Community and the Environment: BTS Group places an importance on the sustainable business growth together with the development of society, community, environment and quality of life. With the awareness of the social responsibility, BTS Group has implemented the policy on social responsibility which is to be applied to every part of the organisation, stemming from the Group's overall operational policies. BTS Group believes that conducting business with good governance for the society would create a powerful economic driving force, offering sustainable development to the society, both at community level and for the country as a whole. In 2014, BTSC has achieved ISO 14001:2004 for the Environmental Management System, an international standard important to the development of organisation and the commercial and community recognition from Bureau Veristas Certification (Thailand) Ltd.

Additional details can be found in *Section 4.3: Corporate Social Responsibility (CSR)* and *Form 56-1.*

Code of Business Ethics

The Company has policies in relation to the business ethics of BTS Group. These policies support the good corporate governance of BTS Group.

Respect and Non-Violation of Human Rights: BTS Group treats all stakeholders fairly and complies with the laws and regulations as regards employees and the fundamental human rights pursuant to the international principles. This is regardless of the place of birth, nationality, gender, age, skin color, religious belief, disability, status, family status, educational institute, or other status irrelevant to the work performance. BTS Group also recognises and well respects individualism and human dignity.

Anti-Corruption and Bribery: The Company has joined the Declaration of Intent in view of establishing Thailand's Private Sector Collective Action Coalition Against Corruption with the leading private sectors in Thailand. This declares the intents of BTS Group in operating its businesses in accordance with the international framework and procedure standard. The Board of Directors explicitly established the Anti-Corruption Policy in a written form in the Code of Conduct for the conduct of BTS Group's employees.

Non-Infringement of Intellectual Property and Copyright: BTS Group has established a policy against infringement of intellectual property and copyright. Directors, executives and employees are required to adhere to this policy strictly. There is also an inspection to prevent an infringement of copyright in the computer software.

Use of Information Technology and Communication: BTS Group places an importance on the policy on the use of information technology and communication by establishing the information security and safety standard. This is to prevent and reduce the leakage of the significant or confidential information outside the organisation, whether with intention or by negligence. The guidelines on the use of information technology and communication have been established based on the international standard.

Additional details can be found in *Form 56-1.*

Complaint Channel: The Company provides a channel for all stakeholders to contact or express any concerns or complaints directly to the Board of Directors through the Company Secretary Office at telephone no. +66 (0) 2273 8611-5 ext. 1525, 1531, fax no. +66 (0) 2273-8610, email: CompanySecretary@btsgroup.co.th, or via post to the Company Secretary Office at the Company's address or a channel to contact or express any concerns or complaints to the Audit Committee through the Internal Audit Office at telephone no. +66 (0) 2273-8611-5 ext.1553, fax no. +66 (0) 2273-8616, email: InternalAudit@btsgroup.co.th, or via post to the Internal Audit Office at the Company's address.

Disclosure And Transparency

Financial and Non-Financial Disclosure: The Board of Directors has a duty to duly disclose the financial and non-financial information to all shareholders and stakeholders in the accurate, complete, accountable and timely manner. This is to ensure that the shareholders and stakeholders receive the information equally. The Company shall develop the Company's website as well as regularly and promptly update the information on the website to ensure that it is complete and consistent. The information disclosure shall be prepared with due care, accuracy and transparency. It shall also be conveyed with simple and concise language.

Investor Relations: The Company places a high priority on the Investor Relations (IR) function. The aim of the IR function is to establish and maintain the accurate, relevant, constant and timely communications with the existing and potential Company's investors as well as the shareholders (Additional details can be founded in *Section 4.1: Capital Markets Review*). For enquiries by the shareholders and investors, please contact our Investor Relations at telephone no. +66 (0) 2273 8631, +66 (0) 2273 8623, +66 (0) 2273 8637, or email: ir@btsgroup.co.th.

Policy on Significant Information Disclosure: The Company has a policy to disclose the significant information to the public, namely the Company's objectives, the financial position and business performance, the organisation chart and the shareholding structure, the names and profiles of the Board of Directors and the executives including their shareholding, the material foreseeable risk factors related to the business operations and finance, the Corporate Governance Policy, the Code of Conduct, the duties and responsibilities of the Board of Directors and sub-committees as well as the responsibilities of the Board of Directors regarding the financial report and the report of the Chairman of the Audit Committee, information on the number of meetings of each Director and member the sub-committees, the criteria for determining the remuneration of the Directors and the executives, including the remuneration of each Director, other information having an impact on the Company's share price, investment decision, or other rights and benefits of the shareholders pursuant to the notifications of the SET and relevant laws and regulations, as well as the disclosure of the Articles of Association, the minutes of the shareholders' meeting, Form 56-1 and Annual Report. This is to make available, through the SET and the Company's website, the information that the investors, shareholders and potential investors can use to support their investment decisions.

Board Responsibilities

The duties and responsibilities of the Board of Directors include the determination of the vision and business direction of the Company. In addition, the Board of Directors also supervises and assesses the management and operation through the sub-committees. The objective is to enhance the value to the shareholders. In achieving this, the Board of Directors must ensure that its duties are carried out in compliance with the laws, objectives and Articles of Association. Moreover, the Board of Directors has a due care and awareness on the corporate governance, a conflict of interests and the code of business ethics and conduct.

The Board of Directors is determined and committed in building the Company and its subsidiaries as a leading organisation that is perceived at the international level as one of the most successful companies in Thailand with business variety, 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 independency in making decision and has the duties and responsibilities to govern the business to the utmost benefit of the shareholders. The Board of Directors has the duties and responsibilities to the Company's shareholders in monitoring the performance of the Management where the duties of the Board of Directors and the Management are clearly segregated.

Composition of the Board of Directors: The Board of Directors shall consist of at least 5 members but shall not exceed 12 members. At least one-third (1/3) of the members shall be Independent Directors and in any case the Independent Directors shall not be less than 3 members. The Audit Committee shall entirely consist of Independent Directors and shall not be less than 3 members. At least one member must be knowledgeable and experienced in reviewing the accountability of the financial statements. The Nomination and Remuneration Committee shall consist of at least 3 Directors but shall not exceed 5 Directors. The majority members shall be the Independent Directors. The Corporate Governance Committee shall consist of at least 4 Directors but shall not exceed 6 Directors. The Executive Committee shall consist of not more than 6 Executive Directors.

Meeting of the Board of Directors and Sub-Committees: The Board of Directors will hold more than 6 meetings in each fiscal year pursuant to the annual meeting schedule set in advance. The meeting materials will be provided to the Directors in advance at least 5 business days prior to the meeting to allow the Directors to have sufficient time to study the information beforehand. As regards the sub-committees, the Audit Committee will hold a meeting on a quarterly basis and the additional meetings will be called as necessary and appropriate. The Nomination and Remuneration Committee and the Corporate Governance Committee will hold at least two meetings in each fiscal year and the additional meetings will be called as necessary and appropriate. The Executive Committee has scheduled a meeting on a monthly basis and the additional meetings will be called as necessary and appropriate.

Director Personal Skill Development: The Company has a policy to encourage the Directors to develop their personal skills and knowledge regularly and adequately. The Company supports the Directors to enroll in various training programs or seminars to enhance the necessary knowledge and skill for the performance as a Director, for example the training programs organised by

Thai Institute of Directors Association, i.e. Director Certification Program (DCP), Director Accreditation Program (DAP), Role of the Compensation Committee (RCC), Audit Committee Program (ACP), Anti Corruption Training Program, Role of the Nomination and Governance Committee (RNG) and the training programs organised by Capital Market Academy, i.e. Executive Program. For the new Directors, the Company will organise an orientation session to brief on the Company's business plans and policies, the duties and responsibilities of the Board of Directors and the sub-committees, and to provide the relevant information, e.g. Annual Report, Corporate Governance Policy, Code of Conduct, etc. In addition, the Company has prepared the Director's Handbook, which contains all useful information for the directors of the listed companies, e.g. Public Limited Companies Act B.E. 2535 (1992), Securities and Exchange Act (No. 4) B.E. 2551 (2008), Director Fiduciary Duty Check List for Directors of Listed Companies, the Principles of Good Corporate Governance for Listed Companies, 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, etc.

In the past year, there were Directors attending the training programs i.e. Mr. Kavin Kanjanapas attending the Top Executive Program (CMA 16) organised by Capital Market Academy in 2013, Mr. Suchin Wanglee attending the Director Accreditation Program (DAP) organised by Thai Institute of Directors in 2013 and Mr. Charoen Wattanasin attending the Role of the Nomination and Governance Committee (RNG) organised by Thai Institute of Directors in 2014.

Assessment of the performance of the Board of Directors

The Board of Directors conducts the assessment of its annual performance through both the group evaluation and the individual evaluation. The purpose is to review the performance outcome, problems, and obstacles in the business operation in the past year and use such to improve the work efficiency.

Assessment of the annual performance of the Board of Directors (group evaluation): In 2013/14, the Board of Directors still used the same assessment criteria applied since 2011/12. The criteria cover 6 assessment headings, i.e. 1) Structure and Characteristics of the Board of Directors, 2) Roles, Duties and Responsibilities of the Board of Directors, 3) the Board of Directors' Meetings, 4) the Board of Directors' Performance of Duties, 5) Relationship with the Management and 6) Personal Development of Directors and Executives. In 2013/14, the average score result is 96.3% *(90 - 100% means excellent, 76 - 89% means very good, 66 - 75% means good, 50 – 65% means fair and below 50% means need improvement).*

Assessment of the annual performance of the Board of Directors (individual evaluation): 2013/14 is the first year of evaluating the annual performance of the Board of Directors individually. The assessment headings cover 1) the fiduciary duties to oversee the business operation and manage the business of the Company to the utmost benefit of the shareholders, 2) the time allocation and advanced preparation for the attendance of the Board of Directors' meetings and the shareholders' meetings, 3) the contribution of opinion, suggestion or other matters useful to the management, 4) providing opinion with independency, 5) supporting the performance and compliance with the principles of the good corporate governance of the listed company and 6) the attendance of trainings and personal development programs necessary for the performance as the directors of the listed companies. The average score result of each Director is in the range of 4-5 *(5 means very good, 4 means good, 3 means fair, 2 means lower than standard and 1 means needs improvement).*

Assessment of the performance of the Sub-Committees

The Board of Directors assigns all sub-committees, namely the Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance Committee and the Executive Committee to conduct the assessment of their performance and report the assessment result to the Board of Directors on an annual basis.

Assessment of the annual performance of the Audit Committee: The Audit Committee has started its annual performance assessment since 2010/11. In 2013/14, the Audit Committee still used the same assessment criteria which cover 6 assessment headings, i.e. 1) Composition of the Audit Committee, 2) Independency of the Audit Committee Members, 3) Trainings and Source of information, 4) Meetings, 5) Activities of the Audit Committee and 6) Relationship with the Chief of the internal Audit Office, the Company's auditors and the management. The average score result is 4.9 *(5 means very good, 4 means good, 3 means fair, 2 means lower than standard and 1 means needs improvement).*

Assessment of the annual performance of the Nomination and Remuneration Committee, the Corporate Governance Committee and the Executive Committee: The first assessment started in 2013/14. The criteria cover 5 assessment headings, i.e. 1) Structure and Qualification, 2) Performance of Duties, 3) Training / Source of Information, 4) Meetings and 5) Duties and Responsibilities. The average score result of the Nomination and Remuneration Committee is 93.3%, the Corporate Governance Committee is 92.0%, and the Executive Committee is 88.0% *(90 - 100% means excellent, 76 - 89% means very good, 66 - 75% means good, 50 - 65% means fair and below 50% means need improvement).*

Succession Plan: The Board of Directors is aware of the importance of having the Company's management and operation running smoothly and continually in the effective and efficient manner. This will lead the organisation to the sustainable growth. Thus, in 2013/14, the Company has established the succession plan to establish the succession procedures for the position of Executive Chairman, the chief of the organisation, and other senior executive positions to ensure that there are competent executives for the succession of the key positions in the organisation.

Policy on holding a director position in other companies of the Executive Chairman: The Company has established a policy regarding the holding of a director position in other companies of the Executive Chairman. In short, the Executive Chairman should not hold the position of a director in other companies, save for the companies in BTS Group, or unless otherwise exempted.

Management Policy in Subsidiaries: The Company manages the subsidiaries by setting the business policies and guidelines that the Company considers supporting the achievement of the Group's corporate objective and long-term goal to the subsidiaries through the approval of the annual budget. The Company will designate the representatives in the Executive Director level or the senior executive level to sit as the directors in the subsidiaries and to set their business strategies as well as to monitor that they conduct their businesses within the framework set by the Company. The representative directors will use their discretion to the utmost benefit of both the Company and the Group as a whole. For the matters which are significant or related to the business of the subsidiaries, the representative directors will update the project progress or propose such matters to the Executive Committee or the Board of Directors for acknowledgment or approval, as the case may be. Besides, the management has a duty to report to the Board of Directors, on a quarterly basis, the financial status and the operating result of the core subsidiaries in each business through the financial report.

Management Policy in Associated Companies: The Company will designate the representatives to sit as the directors in the associated companies in order to monitor and ensure that the associated companies carry out their business operations in accordance with the Company's guidelines.

Protection of the Misuse of Inside Information: BTS Group is well aware of the importance of the preclusion of the use of the inside information by the Directors, the executives and the employees of BTS Group for their own or other's benefits. Utilisation of the inside information for trading securities violates Section 241 of the Securities and Exchange Act B.E. 2535 (1992) (as amended) and is liable for the penalties according to Section 296 thereof. Therefore, BTS Group has established a policy to prohibit the Directors, the executives and the employees of BTS Group as well as their related persons from the use of the inside information for the benefit in trading the Company's securities, and also prohibit the disclosure of inside information to the outsiders or the non-relevant parties before the publication through the SET. In addition to the penalties according to the Securities and Exchange Act, the executives or the employees who violate the policy on the use of the inside information are also considered violating the working regulations and are subject to the disciplinary punishment.
In addition, the Directors and the executives of the Company (including their spouses and minor children) are required to report the changes in their securities holding to the SEC within 3 business days from the date of such change. This is to comply with Section 59 of the Securities and Exchange Act B.E. 2535 (1992). In addition, the Directors and executives shall also provide a copy of such report to the Company Secretary Office. The Company Secretary Office shall then consolidate, summarise and present such report to the Board of Directors on a quarterly basis.

Conflict of Interests
Policies Relating the Transaction which may be in Conflict with the Company's interest: Please see details in *Section 5.5: Related Party Transactions.*

Preparation of Conflict of Interest Report by Directors and Executives: The Company requires the Directors and the executives to submit a report on their and their related persons' conflict of interests to the Company and to notify an update where there is any change therein. The Company Secretary shall keep and maintain the reports submitted by the Directors and executives and submit a copy of those reports to the Chairman of the Board of Directors and the Chairman of the Audit Committee for the purpose of monitoring the good corporate governance as regards conflict of interests.

Code of Conduct: The Board of Directors has established the policies for BTS Group to operate its business with integrity and adhere to the principles of corporate governance and the code of conduct and ethics. The Board of Directors has, then, prepared the Code of Conduct in writing where the contents cover 1) Vision, Mission, Value, Strategy and Long-term Goal, 2) Corporate Governance, 3) Business Ethics, 4) Employees and 5) Corporate Social Responsibility. The Company reviews the Code of Conduct every year and monitors the implementation regularly. In addition, there are trainings for the executives and employees. The executives and supervisors have the responsibility to ensure and encourage that their subordinates comply with such ethics as well as to behave as a role model.

Auditor's Remuneration: The Company and its subsidiaries (28 companies) paid the audit fees for the fiscal year ended 31 March 2014 in the amount of THB 12.9mn to EY Office Limited (formerly known as Ernst & Young Office Limited). In addition, VGI Advertising China Co., Ltd., a subsidiary incorporated in the People's Republic of China, paid the audit fees for the fiscal year ended 31 March 2014 in the amount of THB 0.5mn to BDO China Shu Lun Pan CPAs Ltd. These auditors do not have any relationship with the Company in any matters except the audit works. Moreover, for the fiscal year ended 31 March 2014, the Company and its subsidiaries did not pay any non-audit fees to the auditors.

Additional details as regards the corporate governance can be found in *Form 56-1*.

5.3 NOMINATION AND REMUNERATION COMMITTEE REPORT

Details about the structure, duties and responsibilities of the Nomination and Remuneration Committee can be found in *Section 5.1: Management Structure.*

Appointment and Removal of Directors

The appointment and removal of the Directors of the Company are in accordance with the criteria and procedures as stipulated in the laws and the Company's Articles of Association which can be summarised as follows:

1. In every Annual General Meeting of Shareholders, at least one-third (1/3) of the Directors shall retire by rotation. If the number of Directors to retire by rotation is not divisible by three, the number of Directors closest to one-third (1/3) of all Directors shall retire. The Directors who retire by rotation are eligible for re-election;

2. The election of the Directors at the shareholders' meeting shall be in accordance with the following rules and procedures:
   - Each shareholder shall have one vote for one share;
   - Each shareholder shall use all of his or her votes to elect one or several persons as the Director(s). However, he or she may not divide his or her votes among the candidates;
   - The candidates who receive the most votes in descending order will be elected as the Director(s) up to the number of the Directors required to be elected at such meeting. In the event that the candidates have equal votes and their election would exceed the number of Directors required to be elected at such meeting, the Chairman of the meeting shall have a casting vote;

3. Apart from the retirement by rotation, the Directors shall cease from their office on the grounds of death, resignation, lack of qualifications or possession of prohibited characteristics according to the Public Limited Companies Act B.E. 2535 (1992), a removal by a resolution of the shareholders' meeting or a removal by the court's order;

4. In case of a vacancy in the Board of Directors for the reasons other than the retirement by rotation, the Board of Directors shall pass a resolution with the affirmative votes of not less than three-quarters (3/4) of the number of the Directors remaining in the office to elect a person who has the qualifications 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; and

5. The shareholders' meeting may pass a resolution to remove any Director from his office prior to the expiration of his term by the affirmative votes of not less than three-quarters (3/4) of the number of the shareholders attending the meeting and having the right to vote and hold shares not less than one-half (1/2) of the total number of shares held by the shareholders attending the meeting and having the right to vote.

Nomination of New Directors

The Nomination and Remuneration Committee is responsible for the nomination of a new Director. The Nomination and Remuneration Committee will search for the potential candidate(s) and then propose to the Board of Directors or the shareholders' meeting for their consideration and appointment (as the case may be). The selecting criteria is taken into consideration the structure of the Board of Directors, the diversity in the structure of the Board of Directors (Board Diversity), the appropriateness of the qualifications and skills of the Director(s) being required and inadequate in the Board of Directors to which the Board Skill Matrix will be used to identify the required qualification.

Nomination Procedures

The Nomination and Remuneration Committee will select the candidates for the position of Director(s) of the Company from the recommendation of other Directors, the nomination by the shareholders of the Company, using of the external professional search firm or from the director pool or other nomination procedures as the Nomination and Remuneration Committee considers appropriate.

Qualifications of Directors

1. Possessing qualifications and not having any prohibited characteristics under the Public Limited Companies Law, Securities and Exchange Law, rules and regulations of the Company and relevant supervisory agencies and the good corporate governance of the Company. In case of the nomination of Independent Director, such nominated person shall possess the qualifications as specified in the Company's Definition of Independent Director. In case of the nomination of the member of the Audit Committee, such nominated person shall possess additional qualifications in accordance with the laws;

2. Having knowledge, capability, skill, experience, and diversified expertise beneficial to the Company's businesses;

3. Being independent, performing the duty of the Director with due care and loyalty, being mentally and physically healthy and able to contribute and dedicate time for the Company's business affairs; and

4. Having a good working profile and not engaging in a business or being a partner in a general partnership or being an unlimited liabilities partner in a limited partnership or a director in other private or public company which carries on businesses with the same nature and in competition with the Company's businesses, except the shareholders' meeting is informed of such nature before having a resolution to appoint such person and other relevant laws are complied.

Additional Qualifications of Independent Directors

In case of the nomination of an Independent Director, such nominated person shall possess the qualifications under the Definition of Independent Director of the Company which is *"more stringent"* than the requirements of the SEC and the SET, i.e. the shareholding of Independent Director (including shares held by their related persons) shall "not be more than 0.75%" of the total number of shares (with voting rights) in the Company, the parent company, the subsidiaries, the associated companies, the major shareholders, or the controlling person of the Company.

Additional Qualifications of the Members of the Audit Committee

Apart from the qualifications as Independent Directors, the members of the Audit Committee shall possess the additional qualification as follows:

1. Being appointed by the Board of Directors to be a member of the Audit Committee;

2. Neither being a director who has been assigned by the Board of Directors to be the decision maker in the business operations of the Company, the parent company, the subsidiaries, the associated companies, the subsidiaries ranked in the same level, the major shareholders or the controlling person of the Company, nor being a director of the parent company, the subsidiaries, or the subsidiaries ranked in the same level, which are the listed companies;

3. Being knowledgeable and experienced in performing his duty as a member of the Audit Committee. At least one member must be knowledgeable and experienced in reviewing the accountability of the financial statements; and

4. Having full and proper qualifications in accordance with the laws and regulations of the authorities.

Nomination of Directors Retired by Rotation / Allowed Minority Shareholders to Nominate Candidate(s) to be elected as Director at the Annual General Meeting of Shareholders

The Nomination and Remuneration Committee (by the members not having a conflict of interests) reviewed the qualifications of Directors who will retire by rotation at the 2014 Annual General Meeting of Shareholders, namely Mr. Keeree Kanjanapas (Director), Mr. Surapong Laoha-Unya (Director), Mr. Rangsin Kritalug (Director) and Mr. Charoen Wattansin (Independent Director). The Nomination and Remuneration Committee is of the opinion that these 4 Directors are knowledgeable, experienced, having skill beneficial to the Company's operations, possessing qualifications and not having any prohibited characteristics under the laws and other relevant regulations. In addition, the Independent Director also possesses the qualifications in accordance with the Definition of Independent Director of the Company. Therefore, the Nomination and Remuneration Committee proposed to the Board of Directors' meeting to further propose to the 2014 Annual General Meeting of Shareholders to consider the election of these 4 persons to be the Directors of the Company for another term.

To promote the good corporate governance, from 2011 onwards, the Company allows the minority shareholders to nominate the candidate(s) to be elected as Director at the Annual General Meeting of Shareholders. For the 2014 Annual General Meeting of Shareholders, the minority shareholders, with a combined holding of at least 3% of the Company's total issued shares and continually holding the shares for at least 6 months, are allowed to nominate the candidate(s) to be elected as Director during the period between 25 December 2013 – 31 March 2014. Nonetheless, none of the shareholders nominated any candidate.

Remuneration of Directors and Executives

The Nomination and Remuneration Committee is responsible for the determination of the remuneration of the Directors by considering from the size of business and responsibilities of the Board of Directors having compared with other listed companies with the same range of market capitalisation and further proposes to the shareholders' meeting for further consideration and approval on an annual basis. The Nomination and Remuneration Committee has proposed the Board of Directors' meeting to propose to the 2014 Annual General Meeting of Shareholders to consider and approve the Directors' fixed remuneration in the same basis as the previous year and determine the 2014 Directors' bonus in a lump sum amount of THB 22.0mn. The Directors' bonus shall be allotted among the Directors after obtaining the approval of the 2014 Annual General Meeting of Shareholders.

Furthermore, the Nomination and Remuneration Committee is responsible for considering and determining the amount and form of the remuneration of the Executive Chairman for both short term and long term and then proposes to the Board of Directors' meeting for consideration and approval. The determination will take into account the various indicators, including the evaluation result of the performance of the Executive Chairman, the key business success and also a comparison with other listed companies. The Nomination and Remuneration Committee has evaluated the performance of the Executive Chairman in 2013/14. The criteria of the assessment cover 3 sections, i.e. Section I: Key Business Success taking into account the success of activities and projects in the past year, Section II: Performance Measures and Section III: Personal Development. The average score result of the performance evaluation is at 95.7% (90 - 100% means excellent, 76 - 89% means very good, 66 - 75% means good, 50 – 65% means fair and below 50% means need improvement). The result of this evaluation has been taken into account for the determination of the remuneration of the Executive Chairman for 2014/15.

The Executive Chairman is responsible for considering and determining the executives' remuneration individually based on their performance by using various indicators. The Company provides the short-term incentive through the promotion of salary and annual bonus in correspondence with the economy and the Company's operating results. As for the long-term incentive, the Company allocates the warrants as a motivation for the executives to take part in the achievement and the growth of the Company.

Directors' Remuneration in 3 years

Directors' Remuneration	2013-2011
Chairman of the Board of Directors	THB 60,000 / month
Chairman of the Audit Committee	THB 50,000 / month
Directors	THB 30,000 / person / month
Meeting Allowance	**2013 – 2011**
Directors	None
Audit Committee	Chairman of the Audit Committee THB 20,000 /attendance
	Audit Committee Members THB 20,000/ person/ attendance
Other Sub-Committees	None
Director's Bonus	0.5% of the dividend payment of the Company
	2013 = THB 21.8mn
	2012 = THB 13.7mn
	2011 = THB 10.1mn

Directors' Remuneration in 2013/14, 2012/13 and 2011/12

Directors' Remuneration	Persons	Remuneration (THB mn)
2013/14	12	27.1
2012/13	13	19.2
2011/12	13	15.7

Executives' Remuneration* in 2013/14, 2012/13 and 2011/12

Executives' Remuneration***	Persons	Remuneration (THB mn)**
2013/14	9	47.6
2012/13	9	54.3
2011/12	9	37.7

* Executives mean the Executive Directors (for the remuneration paid for their role as the executives of the Company) and the Non-Director Executives.
** Salary, bonus and provident fund contribution.
*** In 2011-2013, the Non-Director Executives received the non-monetary remuneration in the form of BTS-WA and BTS-WB warrants in the total amount of 11.6mn units and 1.7mn units, respectively. As of 31 March 2014, the outstanding units of the BTS-WA and BTS-WB warrants are 7.7mn units and 1.7mn units, respectively.

Director Remuneration in 2013/14

Name	Days	Monthly Remuneration (THB)	Meeting Allowance (THB)	Directors' Bonus (THB)	Total (THB)
1. Mr. Keeree Kanjanapas	365	720,000.00	-	3,353,057.48	4,073,057.48
2. Mr. Paul Tong	365	360,000.00	-	1,676,528.74	2,036,528.74
3. Mr. Anat Arbhabhirama	365	360,000.00	-	1,676,528.74	2,036,528.74
4. Mr. Surapong Laoha-Unya	365	360,000.00	-	1,676,528.74	2,036,528.74
5. Mr. Kavin Kanjanapas	365	360,000.00	-	1,676,528.74	2,036,528.74
6. Mr. Rangsin Kritalug	365	360,000.00	-	1,676,528.74	2,036,528.74
7. Mr. Kong Chi Keung	365	360,000.00	-	1,676,528.74	2,036,528.74
8. Lt. Gen. Phisal Thepsithar	365	600,000.00	120,000.00	1,676,528.74	2,396,528.74
9. Mr. Amorn Chandara-Somboon	365	360,000.00	-	1,676,528.74	2,036,528.74
10. Mr. Suchin Wanglee	365	360,000.00	120,000.00	1,676,528.74	2,156,528.74
11. Mr. Charoen Wattanasin	365	360,000.00	120,000.00	1,676,528.74	2,156,528.74
12. Mr. Cheong Ying Chew, Henry	365	360,000.00	-	1,676,528.74	2,036,528.74
	Total	4,920,000.00	360,000.00	21,794,873.59	27,074,873.59

5.4 INTERNAL CONTROL AND RISK MANAGEMENT

The good internal control system will support and lead the Company to achieve the corporate objectives, in particular, the matters relating to 1) effectiveness and efficiency of business operation, 2) reliability of financial reporting and 3) compliance with laws and regulations. The good internal control system will also build up the confidence of the shareholders and stakeholders towards the Company. The Company always emphasises on the importance of the good internal control system. The Board of Directors assigns the Audit Committee to review and evaluate the internal control system and report to the Board of Directors and, therefore, the good internal control system has been efficiently and effectively established in the following aspects, namely Control Environment, Risk Management, Control Activities, Information & Communication, and Monitoring Activities.

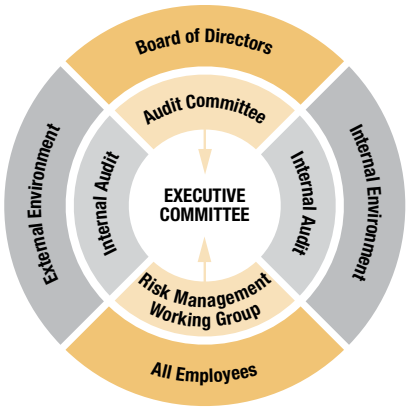
For 2013/14, the Board of Directors' meeting held on 23 May 2014 assessed the adequacy of the internal control system through the assessment form and supporting information prepared and proposed by the management. The Board of Directors is of the opinion that the Company's internal control system is adequate and appropriate. The Audit Committee's meeting held on 21 May 2014 has the comments aligned with the Board of Directors' that the Company has adequate internal control system suitable for the business operation. In addition, the Auditor of the Company has the comments in correspondence with the Board of Directors' and the Audit Committee's as regards the appropriate internal control system and does not have any material observation having an impact on the internal control system. The Auditor has the opinion that the internal control system of the Company can protect the misuse or unauthorised use of the assets of the Company and subsidiaries by the executives and employees. In addition, the financial statements present fairly, in all material respects, the financial position, financial performance, and cash flows in accordance with Thai Financial Reporting Standards.

Control Environment

The Company has clearly established the Company's vision, mission, strategy, corporate objectives, and long-term goal and communicated these to all employees to use as the operational guidelines. The Company has also established the organisation chart, the chain of command, the delegation of authority, policies and procedures which are appropriate to the duties and responsibilities of each department, including policies relating to the transaction which may be in conflict with the Company's interest. As such, the executives and employees can use those as the guidelines for their conduct and prevent the transaction which may be in conflict with the best interest of the Company and the shareholders. Furthermore, the Company has established the Corporate Governance Policy and Code of Conduct of the Group for the executives and employees to use as the guidelines for their conduct with integrity and business ethics. The Code of Conduct covers the context as regards the Corporate Governance Policy, Business Ethics, Policies on the Employees' Remuneration, Benefits and Career Development, including Policies on the Anti-Corruption and Bribery and the Corporate Social Responsibility. The Company has also established the appropriate penalties where those regulations or policies have been violated.

Risk Assessment

The Company has a policy to manage both internal and external risk factors that affect the Group to an appropriate and acceptable level. Risk management is a part of the annual business plan in order to ensure that the risk management guidelines are in accordance with the Group's objectives, goal and the strategic plan. All the executives and employees of the Group are the risk owners and have a duty to assess the risk of their units and the efficiency of the existing control policy, as well as to present plans and procedures to mitigate the risks if the existing procedures are insufficient.



Risk Management Working Group, which is comprised of the representatives from all business units of the Group, is responsible for consolidating risks of all business units and conducting a risk assessment of the Group, including supporting the implementation of risk management framework and reporting to Executive Committee on a quarterly basis and to Board of Directors on an annual basis. ***Risk Management Framework*** consists of 5 procedures, namely, risk identification, risk evaluation, risk reporting, risk control and risk monitoring. ***Executive Committee*** is the core of the Group's risk management structure which is responsible for monitoring and controlling the key risks and any factors that may have a material impact on the Group. ***The Board of Directors*** provides the top down oversight and accountability and has the responsibilities of 1) setting out the risk management policy and framework, 2) reviewing the appropriateness of the policy and framework on an ongoing basis and 3) ensuring that risk management and internal control are implemented. In order to achieve this end, ***the Audit Committee*** is tasked with evaluating the sufficiency

of the risk management policy and providing advice to both the Board of Directors and the management. ***Internal Audit Office*** is responsible for reviewing the risk management process and independently evaluating the efficiency of the internal control system.

Control Activities

The Company has a variety of written risk control measures, e.g. the scope of authority and threshold of approval in each level of management, policies and procedures on the approval of the finance, procurement and management transactions. The Company also implements the procurement management information system (ProMis) to control the transactions relating to finance, procurement and management, such as Budget, Purchase Requisition (PR) and Purchase Order (PO). The role of the person who prepares the information and the person who approves the transaction will be separated. The authority of the approvers will be as delegated by ranking in the Chart of Delegation of Authority. This is to ensure the effective cross-checking and monitoring system. In addition, each department has prepared their own operational manuals and work instructions that are tailored to their job descriptions, duties and responsibilities.

The Company does not have a policy to do business with its directors, executives, major shareholders or any related persons thereof, except where there is a necessity and in the best interest of the Company and its shareholders in general. If there is such an event, the Company has established the strict and clear measures governing the transactions between the major shareholders, directors, management or connected persons and the Company or its subsidiaries. The measures require the transaction between the Company or its subsidiaries and the person who may have a conflict of interests shall be in compliance with the relevant rules and regulations, having the reasonable terms and conditions or general trading conditions or market price. In addition, the transactions shall be transacted at the arm's length basis and the related transactions shall be presented to the Audit Committee for the review on a quarterly basis. For additional details on measures or procedures in approving related party transactions of the Company, policy and trend of related party transactions and policies relating to transactions which may be in conflict with the Company's interest, please see *Section 5.4: Related Party Transactions.*

Information & Communication

The Company organises its information system to cover the Company's performance at the organisational level, the financial reporting level, the business unit level and the compliance to the policies and regulations. This is to ensure that the Company has effective communication and provides the Board of Directors, executives, employees, shareholders, investors and all stakeholders with correct, accurate and complete information. Furthermore, the Company also provides channels for employees and outsiders to make a complaint to the Board of Directors or the Audit Committee or the relevant business units through the Company Secretary Office, Email: CompanySecretary@btsgroup.co.th or the Internal Audit Office, Email: InternalAudit@btsgroup.co.th or Investor Relations, Email: ir@btsgroup.co.th. In addition, the Company has "Nuduan Chaun Chee Chong" campaign to receive any clue of faults in the organisation through the Internal Audit Office, Email: CAC@btsgroup.co.th.

Monitoring Measures

The Company reviews and improves the internal control system to correspond with the change of the internal and external factors constantly. To achieve this, the Company monitors and evaluates the internal control system through the result of the actual operation. The management regularly conducts the meetings to consider whether the performance result is in line with the established business plan, budget and business goal of the Company. The operational guidelines have also been discussed and proposed so that the Company can rectify the errors in a timely manner. If any significant error on internal control system is found, the relevant person must immediately report such to the Board of Directors and/or the Audit Committee to clarify the reasons, propose a solution for the error, monitor the rectification and update to the Board of Directors and/or the Audit Committee of the progress within the defined period. In addition, the Company assigns the Internal Audit Office to review the compliance with the internal control system regularly. To allow the internal auditors to perform their duties independently and without bias, the Internal Audit Office is under the direct supervision of the Audit Committee and makes report to the Audit Committee directly.

Internal Audit Office

The Internal Audit Office has responsibilities to examine and evaluate both financial and non-financial information on a regular basis, including reviewing the compliance with the internal principles and reporting directly to the Audit Committee. The objective is to ensure that the Company strictly abides by laws and regulations, retains the good corporate governance and good internal control and achieves the operational objectives of the organisation.

The Internal Audit Office arranges the internal audit annual plan and 3-year long-term plan based on the risk assessment principle that affects the business operation and covers the operational process of the organisation. These plans are approved by the Audit Committee. The scope of works of the Internal Audit Office covers the examination, the review and the assessment of the sufficiency and the effectiveness of the Company's internal control system, including the quality of the performance of the following:

- Reliability of the internal control system as well as the compliance with the standards and finance and accounting policies to ensure that the accounting and financial information is accurate

and reliable, and the adopted organisation structure plan, procedures, and measures are sufficient in protecting the assets from all kinds of frauds and errors.

- Reliability of the internal control system in terms of management and operations to ensure that they are consistent with the policies and plans and are in accordance with the requirements of the laws and regulations of the government and supervisory authorities, including the Company's regulations which cover activities such as operation management, procurement, marketing, administration, finance, accounting and human resources.

- Reliability of the internal control system as regards the information and communication, the review of the internal control of the IT department structure, the access to the information, the access to the programs, the data processing, the system development, the data backup, the backup plan in case of emergency, the authorities of the operational system, the document management system, including the storage of documents, the manual and the computer system flowchart.

The Internal Audit Office presents the audit report to the Audit Committee constantly on a quarterly basis and monitors the progress of the implementation of the recommendations made during the course of examination regularly. The Internal Audit Office is independent from other departments and can access to the information and assets of the Company which are relevant to their audit. The Internal Audit Office has the authority to request the information and explanation from a person being audited on the subject matter as assigned by the Audit Committee. The Internal Audit Office is responsible for the internal auditing, monitoring, controlling, examining, reviewing and evaluating the operating results of all departments based on the roles and responsibilities assigned by the Audit Committee. In addition, the Internal Audit Office encourages all business units to conduct the risk self-assessment. This is to ensure that the internal control system is effective and efficient, the financial reporting is reliable and the operational performance is in accordance with the laws and regulations of the governmental agencies or the regulatory bodies as well as the standards, the policies, the plans, the rules, the regulations and the announcements of the Company. The internal control system is also to protect the Company's assets, to prevent the Company from any damages it may suffer from and to create the balance and check mechanism among the business units to ensure the accountability in the Company's operations and achievement of the Company's business goal.

At present, the Internal Audit Office collaborates with the management to create a system for receiving complaints. The employees and other stakeholders, therefore, have a channel to notify the clues. This system will promote the integrity of the business conduct and the sustainable development. The Internal Audit Office will be a channel to receive complaints and to communicate with the relevant business units to find a way to solve the problem and to find a prevention mechanism. The Internal Audit Office will monitor the progress of the action relating to the complaints and report it to the Audit Committee.

In addition, the personnel of the Internal Audit Office are encouraged to develop their personal skills regularly by attending both the internal and external training courses. This is to enhance their knowledge, internal audit professional skill, and other necessary skills for their performance of works.

Head of Internal Audit

On 1 January 2011, the Company has established the Internal Audit Office and Mr. Pipop Intaratut holds the position of the head of Internal Audit Office since such. Mr. Pipop Intaratut has 9-year internal auditing experience in the business with the same nature as the Company's business and has enrolled in various internal audit training programs, e.g. training programs organised by Thai Institute of Directors Association, namely, Audit Committee Program (ACP), Monitoring Fraud Risk Management (MFM), Monitoring the System of Internal Control and Risk Management (MIR), Monitoring the Internal Audit Function (MIA) and training programs organised by other institutions, namely, Audit Project Management, Control Self Assessment, Tools and Techniques for the Audit Manager, Business Continuity Management, Internal control and COSO concept, ISO/IEC 27001: 2013 Transaction Training Course FDIS Stage, Audit Change from Internal Auditor to Consultant. Furthermore, Mr. Pipop Intaratut has knowledge and good understanding in the Company's activities and operations. Therefore, the Audit Committee is of the opinion that Mr. Pipop Intaratut is suitable and qualified for this position.

The appointment, dismissal, or transfer of the Company's head of internal audit shall be approved by the Audit Committee.

5.5 RELATED PARTY TRANSACTIONS

The related party transactions the Company and/or subsidiaries entered with the person who may have a conflict of interests as presented below are the outstanding amounts of the transactions that occurred a long time ago. The Audit Committee has reviewed these transactions as regards the appropriateness of the monitoring and collection process, evaluation of transaction status and evaluation of competency in debt servicing by the debtors, as well as the appropriateness of making provision for the doubtful debt covering the losses may occur. The outstanding amounts in 2013/14 and 2012/13 are as follows:

Person who may have conflict of interest	Company having related party transactions	Relationship	Transaction	Transaction Value 2013/14 (THB mn)	Transaction Value 2012/13 (THB mn)	Necessity / Remarks
Hwa Kay Thai (Thailand) Co., Ltd.	Muangthong Assets Co., Ltd. and PrannaKiri Assets Co., Ltd.	- Hwa Kay Thai (Thailand) Co., Ltd. was formerly a subsidiary of the Company but all shares in Hwa Kay Thai (Thailand) Co., Ltd. were transferred to the Company's creditors as debts settlement. - Mr. Man Ka Ho Donald, a son in law of Mr. Keeree Kanjanapas, Chairman, Executive Chairman and a major shareholder of the Company, has benefit and controlling power of more than 10% in Oriental Field Ltd. which in turn holds 49% shares in Hwa Kay Thai (Thailand) Co., Ltd.	- Loan, where THB 25mn is the principal and the rest is interest. Muangthong Assets Co., Ltd. and PrannaKiri Assets Co., Ltd. are still charging interest at the rate equaling to their financial cost. However, Muangthong Assets Co., Ltd. and PrannaKiri Assets Co., Ltd. already made the provision of the doubtful debt in full amount. - In 1995, Muangthong Assets Co, Ltd. and PrannaKiri Assets Co., Ltd, provided loan to Hwa Kay Thai (Thailand) Co., Ltd. with the interest rate equaling to their financial cost. At the date of borrowing, Hwa Kay Thai (Thailand) Co., Ltd. was still a subsidiary of the Company. At such time, inter-company loan among companies in the group was the practice for the working capital management. - All shares in Hwa Kay Thai (Thailand) Co., Ltd. held by the Company were pledged as the collateral to the Company's loan and subsequently the Company transferred those shares to creditors during the course of business rehabilitation in 2006. - Muangthong Assets Co., Ltd. and PrannaKiri Assets Co., Ltd. have constantly followed up on the debt collection with Hwa Kay Thai (Thailand) Co., Ltd. Curently, the parties are still under negotiation to reach a solution though there is a progress.	54.9	55.2	This transaction occurred a long time ago. It is a normal transaction of which the interest rate is equivalent to the cost of the borrowing of Muangthong Assets Co., Ltd. and PrannaKiri Assets Co., Ltd.
EGV Co., Ltd.	The Company	- Mr. Keeree Kanjanapas, Chairman, Executive Chairman and major shareholder of the Company, is a director and a major shareholder holding 40% shares in EGV Co., Ltd.	- Loan, where THB 4mn is the principal and the rest is interest. The Company is still charging interest at the rate equaling to its financial cost. However, the Company has already made the provision of the doubtful debt in full amount due to the fact that EGV Co., Ltd. ceased its operation and the Company believes that the opportunity to receive the repayment is low. - EGV Co., Ltd. is a company founded in 1994 for the joint investment as the co-founder of Siam Infotainment Co., Ltd., as now known as ITV Plc. ("ITV").	11.6	11.4	This transaction occurred a long time ago. It is a normal transaction of which the interest rate is equivalent to the Company's cost of the borrowing.

Person who may have conflict of interest	Company having related party transactions	Relationship	Transaction	Transaction Value 2013/14 (THB mn)	Transaction Value 2012/13 (THB mn)	Necessity / Remarks
			- In 1995, EGV Co., Ltd. borrowed money 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 share in ITV to secure the Company's debt. Later in 2002, the Company underwent the business rehabilitation process.The financial institutional creditor, who was the pledgee of ITV's shares, applied for repayment of debt with the official receiver. The official receiver issued an order that such financial institutional creditor would receive only a 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 case is now still pending under the consideration of the Supreme Court. - The only asset of EGV Co., Ltd. is its ITV shares. Those ITV shares have been pledged as collateral with the financial institutional creditor to secure the Company's debt where EGV Co., Ltd. did not charge any fee from the Company. Therefore, the Company will proceed to have EGV Co., Ltd. transferred these ITV shares to the Company as debt settlement after the case between the Company and such financial institution creditor in the Supreme Court is final. - Such financial institution is under the liquidation process. Therefore, all claims have been assigned to another financial institution. - Currently, the Company is waiting for the final order of the Supreme Court.			

Measures or Procedures in Approving Related Party Transactions

All related party transactions must be approved by the Audit Committee and the Board of Directors or 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 Stock Exchange of Thailand relating to the execution of connected transactions or the transactions which may be in a conflict of interests or the relevant regulations applicable at such time (the "Relevant Rules and Regulations on Related Party Transactions").

Policy and Trend of Related Party Transactions

The Company may need to enter into the related party transactions with the connected person(s) or with the person(s) who may have a conflict of interests in the future. In such an event, the Company will determine the terms and conditions to correspond with the general trading conditions and market price comparable to those offered to the third parties. The Company will also comply with the Relevant Rules and Regulations on Related Party Transactions.

If there is any related party transaction between the Company or subsidiary and a connected person or a person who may have a conflict of interests or a conflict of any kinds, the Company will request the Audit Committee to review and give opinion on the necessity and appropriateness of such transaction. Moreover, if the Audit Committee does not possess expertise to review such

transaction, the Company will i volve an independent expert, independent financial advisor, or the Company's auditor to provide the opinion on such transaction, so that the Board of Directors or the shareholders, as the case may be, can use such opinion to support their decision making. In case where the related party transaction is proposed to the shareholders' meeting for its consideration and approval, the Company shall appoint an independent financial advisor to report and give their opinions on the execution of such transaction to the shareholders. The Company will disclose related party transactions in the remarks of the financial statements as audited by the Company's auditor, the Annual Registration Statement Disclosure Form (Form 56-1) and in the Annual Report of the Company.

Policies Relating to Transactions which may be in Conflict with the Company's Interest

In order to prevent an occurrence of a transaction which may be in conflict with the best interest of the Company and shareholders and to maintain the good corporate governance, the Board of Directors has established a set of policies relating to transactions which may be in conflict with the Company's interest as follows:

- Policy on doing a new business

  The Company shall propose the details of the business plan to the Board of Directors or any persons appointed by the Board of Directors. The investment plan shall be reviewed and considered by mainly taking into account the returns and benefits to the Company and its shareholders. Nevertheless, the Company has no policy to do business with its directors, executives, major shareholders or any related persons thereof, except in the case of necessity or to support the businesses of the Company and mainly for the best interest of the Company and its shareholders in general. The Company shall also comply with the Relevant Rules and Regulations on Related Party Transactions.

- Policy on holding shares in a company that the Company makes investment

  The Company has a policy to hold shares of any investments it makes by its own except in the case of necessity and for the best interest of the Company or its share holders in general which shall be brought to the consideration of the Audit Committee and the Board of Directors for approval, provided that any person who has an interest in the transaction shall not be present at the Board of Directors' meeting during the course of consideration of such transaction and shall have no right to vote.

- Policy on lending money to a joint venture company

  Lending money is not the business of the Company. However, if the Company has a necessity to lend money to its joint venture company to support the financing of the joint venture company in a form of shareholders' loan, the Company will grant the loan pro rata to its investment, except in the case of necessity and appropriateness where the Board of Directors will consider and approve on a case by case basis. Nevertheless, the Company has no policy to lend money to its Directors, executives, major shareholders and/or any related persons thereof, or the business of the joint venture company with such person, except in the case of providing loan pro rata to the investment or for the best interest of the Company or its shareholders in general. The Company shall also comply with the Relevant Rules and Regulations on Related Party Transactions. In addition, if such transaction has the size smaller than the disclosure requirement, the Company shall report such transaction to the Audit Committee for acknowledgement.

- Policy on preparing documents in writing

  The Company will prepare promissory notes, loan agreements and/or any financial support agreements with due care and in a written form and shall keep all evidence properly, regardless of such loan is lent to companies in the group.

- Policy on entering into the connected transactions with the commercial terms in the same nature as the person of ordinary prudence would enter into with the ordinary counterparty under the same circumstance

  The Board of Directors approved, in principle, a policy on entering into the connected transactions between the Company/subsidiaries and directors, executives or related person thereof with the general commercial terms and/or market price in the same nature as the person of ordinary prudence would enter into with the ordinary counterparty under the same circumstance, with arm-length negotiation power and without the influential power due to the status as the director, executive or connected person as stipulated in Section 89/12 of the Securities and Exchange Act (No. 4) B.E. 2551. For the connected transaction not with general commercial terms and/or market price, the Company shall comply with rules and regulations of relevant authorities.

5.6 DIRECTOR AND EXECUTIVE PROFILES

Mr. Keeree Kanjanapas
Age 64

Chairman / Executive Chairman / Chairman of the Corporate Governance Committee / Authorised Director

Education
- Top Executive Program (CMA 10) Year 2010, Capital Market Academy
- Director Accreditation Program (DAP) Year 2011, Thai Institute of Directors

No. of Shares held (%)* 4,491,164,652 (37.70%)

Family Relationship with the Executives Father of Mr. Kavin Kanjanapas

Working Experience for the 5-year period:

2010 - Present	Executive Chairman, BTS Group Holdings Plc.
2006 - Present	Chairman, BTS Group Holdings Plc.
1993 - 2006	Managing Director, BTS Group Holdings Plc.
2012 - Present	Chairman of the Corporate Governance Committee, BTS Group Holdings Plc.

Other listed companies in Thailand

2012 - Present	Chairman, VGI Global Media Plc.

Other companies

2010 - Present	Chairman, Bangkok Mass Transit System Plc.
1996 - Present	Chief Executive Officer, Bangkok Mass Transit System Plc.
2010 - Present	Director, Kamkoong Property Co., Ltd.
	Director, Carrot Rewards Co., Ltd.
2009 - Present	Director, Nuvo Line Agency Co., Ltd.
	Director, BTS Land Co., Ltd.
	Director, Bangkok Smartcard System Co., Ltd.
1994 - Present	Director, Tanayong International Limited
1993 - Present	Director, PrannaKiri Assets Co., Ltd.
1992 - Present	Director, Tanayong Food and Beverage Co., Ltd.
1991 - Present	Director, Thana City Golf & Sports Club Co., Ltd.
1990 - Present	Director, Siam Paging and Communication Co., Ltd.
	Director, Tanayong Property Management Co., Ltd.
1988 - Present	Director, Muangthong Assets Co., Ltd.
2010 - 2012	Director, Kampoo Property Co., Ltd.
2009 - 2010	Director, BTS Assets Co., Ltd.
2007 - 2012	Director, Kamala Beach Resort & Hotel Management Co., Ltd.
1996 - 2009	Director, Yongsu Co., Ltd.
1991 - 2009	Director, DNAL Co., Ltd.

Mr. Paul Tong
Age 73

Director

Education
- PhD. Engineering University of Manchester, UK
- Master of Science in Engineering, University of Hong Kong, Hong Kong
- Bachelor of Science in Engineering, University of Hong Kong, Hong Kong

No. of Shares held (%)* 30,776,501 (0.26%)

Working Experience for the 5-year period:

2007 - Present	Director, BTS Group Holdings Plc.

Other companies

2010 - Present	Chairman, BTS Assets Co., Ltd.
2006 - Present	Director, Chongbang Holdings (International) Limited
2007 - 2013	Managing Director, Hip Hing Construction (China) Co., Ltd.
2008 - 2012	Director, Kamala Beach Resort & Hotel Management Co., Ltd.
2006 - 2011	Managing Director, Hip Hing Construction Co., Ltd.
	Director, NW Project Management Limited
2006 - 2010	Chairman, Bangkok Mass Transit System Plc.
2005 - 2010	Director, Parsons Brinckerhoff International Pte Ltd., Singapore

Mr. Anat Arbhabhirama
Age 76

Executive Director /
Corporate Governance
Committee Member / Authorised Director

Education

- PhD. Engineering (Civil Engineering)
  Colorado State University, USA
- Honorary Doctorate Degree in Engineering,
  Prince of Songkla University
- Honorary Doctorate Degree in Civil Engineering,
  Chulalongkorn University
- Master of Engineering (Hydraulic Engineering),
  Asian Institute of Technology
- Bachelor of Engineering (Civil Engineering),
  Chulalongkorn University
- Director Accreditation Program (DAP) Year 2011,
  Thai Institute of Directors

Working Experience for the 5-year period:

2010 - Present	Executive Director, BTS Group Holdings Plc.
2009 - 2010	Director, BTS Group Holdings Plc.
1998 - 2009	Audit Committee Independent Director, BTS Group Holdings Plc.
2012 - Present	Corporate Governance Committee Member, BTS Group Holdings Plc.

Other companies

2010 - Present	Director, Kamkoong Property Co., Ltd.
2009 - Present	Director, BTS Land Co., Ltd.
2008 - 2013	Director, Bangkok Mass Transit System Plc.
2010 - 2012	Director, Kampoo Property Co., Ltd.
2009 - 2010	Director, BTS Assets Co., Ltd.

Mr. Surapong Laoha-Unya
Age 52

Executive Director / Authorised Director

Education

- M.M.E. Civil Engineering, Chulalongkorn University
- Bachelor of Engineering (Civil Engineering)
  Kasetsart University
- Director Accreditation Program (DAP) Year 2010,
  Thai Institute of Directors
- The Senior Executive Bangkok Management Program
  Year 2013, Urban Green Development Institute

No. of Shares held (%)* 5,552,627 (0.05%)

Working Experience for the 5-year period:

2010 - Present	Executive Director, BTS Group Holdings Plc.

Other listed companies in Thailand

2006 - Present	Director, VGI Global Media Plc.

Other companies

2010 - Present	Director, Carrot Rewards Co., Ltd. Director, Kamkoong Property Co., Ltd.
2009 - Present	Director, Nuvo Line Agency Co., Ltd. Director, BTS Land Co., Ltd. Director, Bangkok Smartcard System Co., Ltd.
2006 - Present	Director Chief Operating Officer, Bangkok Mass Transit System Plc.
2010 - 2012	Director, Kampoo Property Co., Ltd.
2009 - 2010	Director, BTS Assets Co., Ltd.

Other organisations

2013 - Present	Director, Profession Standard and Professional Qualification for Rail System and High Speed Rail
2010 - Present	Advisory to the Academic Subcommittee of Traffic and Transportation Engineering Program, The Engineering Institute of Thailand under the Royal Patronage of H.M. the King

Mr. Kavin Kanjanapas
Age 39

Executive Director / Authorised Director

Education
- Stonyhurst College, UK
- Director Accreditation Program (DAP) Year 2007, Thai Institute of Directors
- Top Executive Program (CMA 16) Year 2013, Capital Market Academy

No. of Shares held (%)* 2,459,295 (0.02%)

Family Relationship with the Executives Son of Mr. Keeree Kanjanapas

Working Experience for the 5-year period:

2010 - Present	Executive Director, BTS Group Holdings Plc.
2007 - 2010	Managing Director, BTS Group Holdings Plc.

Other listed companies in Thailand

2012 - Present	Executive Chairman, VGI Global Media Plc.
2003 - 2012	Director, VGI Global Media Plc.

Other companies

2014 - Present	Director, Mak8 Co., Ltd.
2013 - Present	Director, Man Kitchen Co., Ltd.
2010 - Present	Director, Tanayong Hong Kong Limited
	Director, Absolute Hotel Services Hong Kong Limited
	Director, 999 Media Co., Ltd.
	Director, 888 Media Co., Ltd.
	Director, Carrot Rewards Co., Ltd.
	Director, BTS land Co., Ltd.
	Director, Kamkoong Property Co., Ltd.
	Director, VGI Advertising China Co., Ltd.
	Executive Chairman, BTS Assets Co., Ltd.
2009 - Present	Director, Bangkok Mass Transit System Plc.
	Director, Nuvo Line Agency Co., Ltd.
	Director, Bangkok Smartcard System Co., Ltd.
	Director, Point of View (POV) Media Group Co., Ltd.
	Director, VGI Advertising Media Co., Ltd.
2008 - Present	Director, Thana City Golf & Sports Club Co., Ltd.
	Director, Tanayong Property Management Co., Ltd.
	Director, Muangthong Assets Co., Ltd.
	Director, PrannaKiri Assets Co., Ltd.
	Director, Siam Paging and Communication Co., Ltd.
	Director, Tanayong Food and Beverage Co., Ltd.
	Director, Absolute Hotel Services Co., Ltd.
2009 - 2014	Director, VGI Multi-Tech International Co., Ltd. (currently known as Midas Global Media Co., Ltd.)
2010 - 2012	Director, Kampoo Property Co., Ltd.
2007 - 2012	Director, Kamala Beach Resort & Hotel Management Co., Ltd.
2008 - 2009	Director, DNAL Co., Ltd.
	Director, Yongsu Co., Ltd.

Mr. Rangsin Kritalug
Age 52

Executive Director / Chief Operating Officer / Nomination and Remuneration Committee Member/ Corporate Governance Committee Member / Authorised Director

Education
- MBA, Thammasat University
- Bachelor of Architecture, Silpakorn University
- Director Accreditation Program (DAP) Year 2003, Thai Institute of Directors
- Role of the Compensation Committee (RCC) Year 2011, Thai Institute of Directors
- Director Certification Program (DCP) Year 2011, Thai Institute of Directors
- Anti-Corruption for Executive Program Year 2012, Thai Institute of Directors
- Role of the Nomination and Governance Committee (RNG) Year 2012, Thai Institute of Directors

Working Experience for the 5-year period:

2010 - Present	Executive Director and Chief Operating Officer, BTS Group Holdings Plc.
2006 - 2010	Deputy Managing Director, BTS Group Holdings Plc.
1997 - 2006	Director, BTS Group Holdings Plc.
2012 - Present	Corporate Governance Committee Member, BTS Group Holdings Plc.
2009 - Present	Nomination and Remuneration Committee Member, BTS Group Holdings Plc.

Other companies

2014 - Present	Director, Mak8 Co., Ltd.
2013 - Present	Director, Man Kitchen Co., Ltd.
2011 - Present	Director, BTS Land Co., Ltd.
2010 - Present	Director, Kamkoong Property Co., Ltd.
	Director, Nuvo Line Agency Co., Ltd.
	Director, BTS Assets Co., Ltd.
2008 - Present	Director, Siam Paging and Communication Co., Ltd.
	Director, Absolute Hotel Services Co., Ltd.
2007 - Present	Director, Muangthong Assets Co., Ltd.
	Director, HHT Construction Co., Ltd.
2001 - Present	Director, DNAL Co., Ltd.
	Director, Tanayong Food and Beverage Co., Ltd.
	Director, PrannaKiri Assets Co., Ltd.
	Director, Tanayong Property Management Co., Ltd.
	Director, Yongsu Co., Ltd.
1998 - Present	Director, Thana City Golf & Sports Club Co., Ltd.
2010 - 2012	Director, Kampoo Property Co., Ltd.
2007 - 2012	Director, Kamala Beach Resort & Hotel Management Co., Ltd.

Mr. Kong Chi Keung
Age 39

Executive Director / Nomination and Remuneration Committee Member / Authorised Director

Education

- MBA (Executive) Sasin Graduate Institute of Business Administration of Chulalongkorn University
- BA (Honorary Degree), Business Administrative, University of Greenwich, UK
- Director Accreditation Program (DAP) Year 2007, Thai Institute of Directors

No. of Shares held (%)* 3,200,000 (0.03%)

Working Experience for the 5-year period:

2010 - Present	Executive Director, BTS Group Holdings Plc.
2008 - 2010	Deputy Managing Director, BTS Group Holdings Plc.
2007 - 2008	Director, BTS Group Holdings Plc.
2010 - Present	Nomination and Remuneration Committee Member, BTS Group Holdings Plc.

Other listed companies in Thailand

2000 - Present	Director, VGI Global Media Plc.

Other companies

2012 - Present	Chief Financial Officer, Bangkok Mass Transit System Plc.
2010 - 2013	Director, Bangkok Mass Transit System Plc.
2010 - Present	Director, Tanayong Hong Kong Limited Director, VGI Advertising China Co., Ltd. Director, BTS Assets Co., Ltd.
2008 - Present	Director, Absolute Hotel Services Co., Ltd.

Lt. Gen. Phisal Thepsithar
Age 82

Independent Director / Chairman of the Audit Committee / Chairman of the Nomination and Remuneration Committee

Education

- MBA, Thammasat University
- BA and Higher Diploma in Accounting, Thammasat University
- Bachelor of Law, Thammasat University
- Bachelor of Education (First Class Honor), Sukhothai Thammathirat University
- Bachelor of Dental Surgery (Second Class Honor), University of Medical Science
- Director Certification Program (DCP) Year 2002, Thai Institute of Directors
- Audit Committee Program (ACP) Year 2009, Thai Institute of Directors

No. of Shares held (%)* 80,000 (0.001%)

Working Experience for the 5-year period:

2000 - Present	Chairman of the Audit Committee Independent Director, BTS Group Holdings Plc.
2009 - Present	Chairman of the Nomination and Remuneration Committee Member, BTS Group Holdings Plc.

Other listed companies in Thailand

2001 - Present	Chairman of the Audit Committee Independent Director, President Rice Products Plc.
1999 - Present	Chairman of the Audit Committee Independent Director, Rockworth Plc.
2005 - 2013	Independent Director, President Bakery Plc.

Other companies

2009 - 2010	Audit Committee Independent Director, Bangkok Mass Transit System Plc.

Mr. Amorn Chandara-Somboon
Age 84

Independent Director

Education

- Doctoral Degree, Public International Law, Paris University, France
- Bachelor of Law, Thammasart University
- Honorary Doctoral Degree of Law, Thammasat University
- Honorary Doctoral Degree of Law, Chulalongkorn University
- Honorary Doctoral Degree of Law, Ramkhamhaeng University
- Distinguished Research Professor, Sukhothai Thammathirat University
- Certificate, National Defence College of Thailand (Class 14)
- Certificate Programs of Thai Institute of Directors, i.e. Director Certification Program (DCP) Year 2003, Directors Accreditation Program (DAP) Year 2003, Finance of Non-Finance Director (FND) Year 2003, Audit Committee Program (ACP) Year 2009, Monitoring the System of Internal Control and Risk Management (MIR) Year 2009, Monitoring the Internal Audit Function (MIA) Year 2009, Monitoring the Quality of Financial Reporting (MFR) Year 2009, Financial Institutions Governance Program (FGP) year 2011

Working Experience for the 5-year period:

2010 - Present	Independent Director, BTS Group Holdings Plc.

Other listed companies in Thailand

1990 - Present	Director and Executive Director, Bangkok Bank Plc.

Other organisations

2010 - Present	Member of Honorary Committee of NIDA Council, The National Institute of Development Administration (NIDA) Distinguished Scholar, Law Faculty, The National Institute of Development Administration (NIDA)
2000 - Present	Honorary Members of University Council, Mahidol University
1996 - Present	Honorary Members of University Council, Ubon Ratchathani University
1984 - Present	Member of the Advisory Council, Sasin Graduate Institute of Business Administration of Chulalongkorn University

Mr. Suchin Wanglee
Age 78

Independent Director / Audit Committee Member / Nomination and Remuneration Committee Member

Education

- Bachelor Degree Electrical Engineering, Northrop Institute of Technology, U.S.A.
- Executive Course, Harvard University, U.S.A
- Role of the Chairman Program (RCP) Year 2001, Thai Institute of Directors
- Top Executive Program (CMA 9) Year 2009, Capital Market Academy
- Top Executive Program in Commerce and Trade, Commerce Academy 2010
- The Urban Development & Administration Training Course for the Executive Administrator, Year 2011, Urban Green Development Institute
- Thailand Insurance Leadership Program, Year 2012, Office of Insurance Commission
- Director Accreditation Program (DAP) Year 2013, Thai Institute of Directors

No. of Shares held (%)* 6,680,023 (0.06%)

Working Experience for the 5-year period:

2010 - Present	Audit Committee and Independent Director, BTS Group Holdings Plc. Nomination and Remuneration Committee Member, BTS Group Holdings Plc.

Other listed companies in Thailand

2013 - Present	Audit Committee, Serm Suk Plc.
2012 - Present	Chairman of the Compensation Committee, Serm Suk Plc.
2011 - Present	Vice Chairman, Independent Director, Serm Suk Plc.
2010 - 2011	Independent Director, Serm Suk Plc.
2010 - Present	Vice Chairman, Thai Metal Drums MFG. Plc.
2009 - Present	Chairman of the Remuneration and Nomination Committee, Thai Metal Drums MFG. Plc.
1989 - 2010	Director, Thai Metal Drums MFG. Plc.
2001 - Present	Chairman, Navakij Insurance Plc.
1999 - Present	Chairman, Thaire Life Assurance Plc.
1994 - Present	Independent Director, Varopakorn Plc.
1978 - Present	Chairman Independent Director, Thai Reinsurance Plc.
1969 - 2013	Independent Director, Thai-German Ceramics Industry Plc.

Other companies

2007 - Present	Chairman, The Falcon Insurance Plc. Director, Aqua Infinite Co., Ltd.
2006 - Present	Director, Wanglee Pattana Co., Ltd.
2005 - Present	Director, Rajadamri Hotel Plc.
1991 - Present	Chairman, Rangsit Plaza Co., Ltd.
1990 - Present	Director, Nuchapon Co., Ltd.
1988 - Present	Director, The Pet Co., Ltd.
1982 - Present	Chairman, Sathorn Thani Co., Ltd.
1968 - Present	Director, Wanglee Co., Ltd.
1988 - 2010	Director, Thai-Petchaboon Co., Ltd.

Other organisations

1971 - 2010	Director, The General Insurance Association
2007 - 2009	Chairman, The General Insurance Association

Mr. Charoen Wattanasin
Age 77

Independent Director / Audit Committee Member / Nomination and Remuneration Committee Member / Corporate Governance Committee Member

Education

- Business Administration, City of Liverpool College of Commerce, UK
- Management, B.I.M. London, UK
- Director Accreditation Program (DAP) Year 2011, Thai Institutes of Directors
- Director Certification Program (DCP) Year 2011, Thai Institutes of Directors
- Audit Committee Program (ACP) Year 2011, Thai Institutes of Directors
- Role of the Nomination and Governance Committee (RNG) Year 2014, Thai Institute of Directors

No. of Shares held (%)* 351,713 (0.003%)

Working Experience for the 5-year period:

2010 - Present	Audit Committee Independent Director, BTS Group Holdings Plc.
2012 - Present	Corporate Governance Committee Member, BTS Group Holdings Plc.
2010 - Present	Nomination and Remuneration Committee Member, BTS Group Holdings Plc.

Other organisations

2007 - Present	Rules Committee, Olympic Council of Asia
2005 - Present	Hon. Life Vice President, Badminton World Federation
2004 - Present	Councilor, South East Asian Games Federation
2003 - Present	Vice President, National Olympic Committee of Thailand under the Royal Patronage of H.M. the King
1987 - Present	Special Professorship of Marketing, Faculty of Commerce and Accountancy, Chulalongkorn University
2002 - 2013	President, The Badminton Association of Thailand under The Royal Patronage of H.M. the King

Mr. Cheong Ying Chew, Henry
Age 66

Independent Director

Education

- Master of Science in Operational Research and Management, Imperial College, University of London, UK
- Bachelor of Science (Mathematics), Chelsea College, University of London, UK

Working Experience for the 5-year period:

2010 - Present	Independent Director, BTS Group Holdings Plc.

Other companies

2010 - Present	Independent Non-Executive Director, Creative Energy Solutions Holdings Limited
2009 - Present	Independent Non-Executive Director, Hutchison Telecommunications Hong Kong Holdings Limited
2008 - Present	Independent Non-Executive Director, CNNC International Limited
2007 - Present	Independent Non-Executive Director, New World Department Store China Limited
2006 - Present	Independent Non-Executive Director, SPG Land (Holdings) Limited (currently known as Greenland Hong Kong Holdings Limited)
2004 - Present	Independent Non-Executive Director, Cheung Kong (Holdings) Limited
2000 - Present	Independent Non-Executive Director, TOM Group Limited
1997 - Present	Independent Non-Executive Director, Worldsec Limited
1996 - Present	Independent Non-Executive Director, Cheung Kong Infrastructure Holdings Limited
2000 - 2012	Independent Non-Executive Director, Excel Technology international (currently known as Hong Kong Jewellery Holding Limited)

Other organisations

2009 - Present	Member, Securities and Futures Appeals Tribunal, Hong Kong Member, Advisory Committee of the Securities and Futures Commission, Hong Kong
2005 - 2011	Member, The Disciplinary Panel (Panel A) of the Hong Kong Institute of Certified Public Accountants
2002-2009	Member of Corporate Advisory Council, Hong Kong Securities Institute Limited

Mrs. Duangkamol Chaichanakajorn
Age 54

Accounting Director

Education
- MBA, Thammasat University
- BA, Thammasat University

No. of Shares held (%)* 165,252 (0.001%)

Working Experience for the 5-year period:

2001 - Present	Accounting Director, BTS Group Holdings Plc.

Mr. Surayut Thavikulwat
Age 42

Chief Financial Officer

Education
- MBA, Ross School of Business, University of Michigan - Ann Arbor, U.S.A.
- BA, Chulalongkorn University
- TLCA Executive Development Program (EDP 7) Year 2011, Thai Listed Companies Association
- Poom Palung Pandin Program (PPP 1) Year 2012, Chulalongkorn University

No. of Shares held (%)* 74,816 (0.001%)

Working Experience for the 5-year period:

2011 - Present	Chief Financial Officer, BTS Group Holdings Plc.
2013 - Present	Director of Thai Investor Relations Club, Thai Listed Companies Association
2010 - 2011	Chief Financial Officer, Unique Mining Services Plc.
1998 - 2010	SVP, Head of Strategic Planning & Budgeting Bangkok Bank Plc.
1994-1996	Senior Auditor, Ernst & Young Office Limited

Mrs. Patchaneeya Pootme
Age 62

Corporate Communications Director

Education
- BA, (English Major), Ramkhamhaeng University

No. of Shares held (%)* 225,216 (0.002%)

Working Experience for the 5-year period:

2010 - Present	Corporate Communications Director, BTS Group Holdings Plc.
2002 - Present	Corporate Communications Department Manager, Bangkok Mass Transit System Plc.

Mr. Daniel Ross
Age 38

Financial Director Head of Investor Relations

Education
- Bachelor of Science in Mathematics (First Class Honours) King's College, University of London, UK
- Director Certification Program (DCP) Year 2009, Thai Institute of Directors

No. of Shares held (%)* 135,240 (0.001%)

Working Experience for the 5-year period:

2010 - Present	Financial Director /Head of Investor Relations, BTS Group Holdings Plc.
2008 - 2010	Audit Committee Independent Director, SFG Plc.
2007 - 2009	Director and Project Management Committee Member, AP Pacific Star Co., Ltd. (Ratchada) Director and Project Management Committee Member, AP Pacific Star Co., Ltd. (Sathorn)
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, Global Markets, JPMorganChase, London

Miss Chawadee Rungruang
Age 37

Financial Controller

Education
- MBA, Chulalongkorn University
- BA, Chulalongkorn University
- TLCA Executive Development Program Year 2013 (EDP 12), Thai Listed Companies Association

No. of Shares held (%)* 9,604 (0.0001%)

Working Experience for the 5-year period:

2011 - Present	Financial Controller, BTS Group Holdings Plc.
2003 - 2010	Assistant Corporate Controller, Central Plaza Hotel Plc.
1998 - 2003	Assistant Auditor, Ernst & Young Office Limited

Miss Chayada Yodyingtammakul
Age 37

Legal Director /
Company Secretary

Education
- Master of Laws (LL.M) in Commercial Law, University of Bristol, UK
- Bachelor of Laws (LL.B), Thammasat University
- Corporate Secretary Development Program Year 2008, Thai Listed Companies Association
- Director Certification Program (DCP) Year 2011, Thai Institute of Directors
- Thai Intelligent Investors Program (TIIP4) Year 2013, Thai Investors Association

No. of Shares held (%)* 301,632 (0.003%)

Working Experience for the 5-year period:

2011 - Present	Company Secretary, BTS Group Holdings Plc.
2008 - 2010	Company Secretary, BTS Group Holdings Plc.
2007 - Present	Legal Director, BTS Group Holdings Plc.
2000 - 2007	Lawyer, Baker & McKenzie Ltd.

Mr. Pipop Intaratut
Age 43

Internal Audit Office Director

Education
- Bachelor of Business Administration (Accounting) Ramkhamhaeng University
- Master of Business Administration (Financial) Ramkhamhaeng University

Training Course
- Audit Committee Program (ACP), Thai Institute of Directors
- Monitoring Fraud Risk Management (MFM), Thai Institute of Directors
- Monitoring the System of Internal Control and Risk Management (MIR), Thai Institute of Directors
- Monitoring the Internal Audit Function (MIA), Thai Institute of Directors
- ISO/IEC 27001:2013 Transaction Training Course FDIS Stage, BSI Group (Thailand) Co., Ltd.
- Audit Change from Internal Auditor to Consultant, The Institute of Internal Auditors of Thailand (IIA)
- Audit Project Management
- Control Self Assessment
- Tools and Techniques for the Audit Manager
- Business Continuity Management
- Internal Control and COSO concept

Working Experience for the 9-year period:

2011 - Present	Internal Audit Office Director, BTS Group Holdings Plc.
2012 - Present	Internal Audit Director, VGI Global Media Plc.
2005 - Present	Internal Audit Director, Bangkok Mass Transit System Plc.

Information on the Position of Directors and Executives in Subsidiaries and Associated Companies as of 10 June 2014

Directors and Executives / Companies	BTS Group Holdings Plc.	Bangkok Mass Transit System Plc.	BTS Rail Mass Transit Growth Infrastructure Fund	VGI Global Media Plc.	VGI Advertising Media Co., Ltd.	999 Media Co., Ltd.	888 Media Co., Ltd.	Point of View (POV) Media Group Co., Ltd.	VGI Advertising China Co., Ltd.	Midas Global Media Co., Ltd.	Master Ad Plc.	BTS Assets Co., Ltd.	PrannaKirr Assets Co., Ltd.	BTS Land Co., Ltd.	Siam Paging and Communication Co., Ltd.	Kamkoong Property Co., Ltd.	DNAL Co., Ltd.
1. Mr. Keeree Kanjanapas	A, B, D	A, B, D		A, D									D	D	D	D	
2. Mr. Paul Tong	D											A, D					
3. Mr. Anat Arbhabhirama	C, D													D		D	
4. Mr. Surapong Laoha-Unya	C, D	D		D										D		D	
5. Mr. Kavin Kanjanapas	C, D	D		B, D	D	D	D	D	D			B, D	D	D	D	D	
6. Mr. Rangsin Kritalug	C, D											D	D	D	D	D	D
7. Mr. Kong Chi Keung	C, D	H		D					D			D					
8. Lt. Gen. Phisal Thepsithar	E, G																
9. Mr. Amorn Chandara-Somboon	G																
10. Mr. Suchin Wanglee	F, G																
11. Mr. Charoen Wattanasin	F, G																
12. Mr. Cheong Ying Chew, Henry	G																
13. Mrs. Duangkamol Chaichanakajorn	H																
14. Mrs. Patchaneeya Pootme	H																
15. Mr. Surayut Thavikulwat	H																
16. Mr. Daniel Ross	H																
17. Miss Chawadee Rungruang	H																
18. Miss Chayada Yodyingtammakul	H																

Directors and Executives / Companies	Muangthong Assets Co., Ltd.	Tanayong Food and Beverage Co., Ltd.	Tanayong Property Management Co., Ltd.	Yongsu Co., Ltd.	Thana City Golf & Sports Club Co., Ltd.	Mak8 Co., Ltd.	Nuvo Line Agency Co., Ltd.	Bayswater Co., Ltd.	Tanayong International Limited	Tanayong Hong Kong Limited	Carrot Rewards Co., Ltd.	Bangkok Smartcard System Co., Ltd.	Man Kitchen Co., Ltd.	Bangkok Payment Solutions Co., Ltd.	HHT Construction Co., Ltd.	Absolute Hotel Services Co., Ltd.	Absolute Hotel Services Hong Kong Limited
1. Mr. Keeree Kanjanapas	D	D	D		D		D		D		D	D					
2. Mr. Paul Tong																	
3. Mr. Anat Arbhabhirama																	
4. Mr. Surapong Laoha-Unya							D				D	D		D			
5. Mr. Kavin Kanjanapas	D	D	D		D	D	D			D	D	D	D			D	D
6. Mr. Rangsin Kritalug	D	D	D	D	D	D	D						D		D	D	
7. Mr. Kong Chi Keung										D				D		D	
8. Lt. Gen. Phisal Thepsithar																	
9. Mr. Amorn Chandara-Somboon																	
10. Mr. Suchin Wanglee																	
11. Mr. Charoen Wattanasin																	
12. Mr. Cheong Ying Chew, Henry																	
13. Mrs. Duangkamol Chaichanakajorn																	
14. Mrs. Patchaneeya Pootme																	
15. Mr. Surayut Thavikulwat																	
16. Mr. Daniel Ross																	
17. Miss Chawadee Rungruang																	
18. Miss Chayada Yodyingtammakul																	

The Company Subsidiaries Associated Companies

A: Chairman **B:** Executive Chairman / Chief Executive Officer **C:** Executive Director **D:** Director **E:** Chairman of Audit Committee **F:** Audit Committee **G:** Independent Director **H:** Executive

Details of Directors in the Subsidiaries as of 31 March 2014

As of 31 March 2014, the Company has totally 26 subsidiaries. Bangkok Mass Transit System Plc., VGI Global Media Plc. and Nuvo Line Agency Co., Ltd. are 3 core subsidiaries as each of their revenue is more than 10% of the total operating revenue in 2013/14. The directors of these 3 subsidiaries are as follows:

	Companies		
	Bangkok Mass Transit System Plc.	VGI Global Media Plc.	Nuvo Line Agency Co., Ltd.
Directors			
1. Mr. Keeree Kanjanapas	A	A	A
2. Mr. Chulchit Bunyaketu	B		
3. Mr. Surapong Laoha-Unya	A	A	A
4. Mrs. Voravan Tarapoom	A		
5. Mr. Anan Santichewasatian	B		
6. Mr. Kavin Kanjanapas	A	A	A
7. Mr. Wasin Wattanaworakijkul	A		
8. Mr. Sudhipongse Phuaphanprasert	A		
9. Mrs. Pichitra Mahaphon	B		
10. Mr. Kong Chi Keung		A	
11. Mr. Marut Arthakaivalvatee		A	
12. Mr. Chan Kin Tak		A	
13. Mrs. Jaruporn Viyanant		B	
14. Mrs. Maneeporn Siriwatanawong		B	
15. Mr. Mana Jantanayingyong		B	
16. Mr. Rangsin Kritalug			A
17. Mr. Kom Panomreongsak			A

A: Director **B:** Independent 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, 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 **Independent Auditor's Report**
6.4 **Audited Financial Statements**
6.5 **Notes to the Audited Financial Statements**

6.1 DIRECTORS' 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 Director 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 Wattanasin 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 core 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, accordance with generally accepted accounting principles and adequate disclosure;

2. To review The Company's internal control system, internal audit system and risk assessment policy to ensure that the system are suitable and efficient, to consider the independency of the internal audit unit, and to approve the appointment, transfer or dismissal of the Head of the internal audit office any other unit in charge of the internal audit;

3. To review the Company's Complies 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 consider 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;

7. To review and comment on the internal audit office plan, and performance of duties, the Audit Committee has the power to invite the management, the executives directors or employees of the Company, to participate with the Audit Committee to dedicates their comments or send support documents as deemed necessary.

8. Duty of the Audit Committee. If it is found or suspected. The following items or actions. Which may have a significant impact on the financial position and results of operations of the Company. The Audit Committee reports to the Board of Directors. To continue to improve in time, the Audit Committee deems appropriate:
   (1) the transactions that may have a conflict of interest.
   (2) fraud or irregularity or a defect in the internal control system.
   (3) breach of the Securities and Exchange Commission (SEC) requirements of the Stock Exchange of Thailand (SET), Laws relating to the business of the Company.

   If the Board of Directors or the management does not perform to make a rectification within time that the Audit Committee deems appropriate. Any one of Audit Committee may report the such transactions or operation to SEC or SET.

9. Consider, review and update the Audit Committee Charter and presented to the Board of Directors for approval.

10. To perform any other act as assigned by the Board of Directors, with prior content of the Audit Committee.

In 2013/14, 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 causes to believe that such financial reports were not accurate as mentioned by Generally Accepted Accounting Principles.

2. Reviewed and ensured the Company has an appropriate and efficient internal control and internal audit system by internal audit office is under Audit Committee perform to evaluate the appropriateness and effectiveness of the internal control system to ensure internal control system of the company has and appropriate and adequate internal control system in each of the Company's activities to achieve the purpose and goals of the Company and to manage the Company's business.

3. Considered, reviewed and evaluated the Company's risk assessment process on a quarterly basis as well as gave advice, suggestion and support the performance of the board of director and executive management in relation to risk management policy.

4. 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 department to ensure the company had good and efficient operations and management processes in accordance with the principle of good corporate governance.

5. 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 Ouaanunkun, Certified Public Accountant (Thailand) No. 3844 and/or Mr. Supachai Phanyawattano, Certified Public Accountant (Thailand) No. 3930 from Ernst & Young Office Limited to act as the Company's auditor for the fiscal year ended March 31, 2014 to review and give opinion on the Company's financial statements. The audit fee was not more than THB 3.3mn Such appointment and fee were approved by the Board of Directors and the General Meeting of Shareholders of the Company, In addition, The Audit Committee members also participated in a private meeting with the company's auditor without any executive management to ensure that the auditors can independently performed their function appropriately.

6. Considered and reviewed the connected transactions or the transactions that may lead to conflicts of interest between the Company with related person or related companies whether these transactions were complied and practiced to trade of condition and business agreement. The Company's auditors were of the opinion that such transaction 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.

7. During the period between 1 April 2013 and 31 March 2014, the Audit Committee had a total of 6 meetings. Each member of Audit Committee attended the Audit Committee Meeting as follows:

Name	Title	Number of Attendances
Lt. Gen Phisal Thepsithar	Chairman of the Audit Committee	6/6
Mr. Suchin Wanglee	Audit Committee	6/6
Mr. Charoen Wattanasin	Audit Committee	6/6

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

9. Prepared this Audit Committee Report and disclosed the Report signed by the Chairman of the Audit Committee in the Annual Report 2013/14.

10. 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.

11. Overall, the Audit Committee is of the opinion that the performing duties under the Audit Committee charter, can be independently performed, in line with the principles of good corporate governance. In this regard with fully cooperation and support of all parties, the Audit Committee can be efficiently performing functions with a responsible and satisfactory.

Lt. Gen. (Phisal Thepsithar)
Chairman of the Audit Committee

6.3 INDEPENDENT AUDITOR'S REPORT

To the Shareholders of BTS Group Holdings Public Company Limited

I have audited the accompanying consolidated financial statements of BTS Group Holdings Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 March 2014, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of BTS Group Holdings Public Company Limited for the same period.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of BTS Group Holdings Public Company Limited and its subsidiaries as at 31 March 2014, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Emphasis of matters

I draw attention to the following matters:

a) As discussed in Note 4 to the financial statements regarding the change in accounting policy due to the adoption of Thai Accounting Standard 12 *Income Taxes*, the Company has restated the consolidated and separate financial statements for the year ended 31 March 2013, presented herein as comparative information, to reflect the adjustments resulting from such change. The Company has also presented the consolidated and separate statements of financial position as at 1 April 2012 as comparative information, using the newly adopted accounting policy for income taxes.

b) As discussed in Note 52 to the financial statements regarding the Infrastructure Fund transaction and recognition of gain from the transaction amounting to Baht 13,498 million, the transaction is highly material to the financial statements and was not a regular transaction occurring in the normal course of business.

My opinion is not qualified in respect of these matters.

Siraporn Ouaanunkun
Certified Public Accountant (Thailand) No. 3844, EY Office Limited
(Formerly known as Ernst & Young Office Limited)
Bangkok: 23 May 2014

6.4 STATEMENT OF FINANCIAL POSITION

(Unit : Baht)

		Consolidated financial statements			Separate financial statements		
	Note	As at 31 March 2014	As at 31 March 2013 (Restated)	As at 1 April 2012	As at 31 March 2014	As at 31 March 2013 (Restated)	As at 1 April 2012
Assets							
Current assets							
Cash and cash equivalents	8	7,862,751,501	3,513,281,951	1,333,240,137	2,269,611,665	1,628,917,898	453,132,248
Current investments	9	24,302,068,236	993,849,166	-	2,314,122,880	993,849,166	-
Bank account for advances from cardholders	10	152,684,948	78,881,627	1,142,006	-	-	-
Trade and other receivables	11	1,074,454,681	945,646,126	1,106,681,106	354,132,177	194,489,057	276,156,542
Unbilled receivable - related party		-	-	-	-	-	284,440,564
Consumable spare parts	12	31,002,505	29,153,286	92,956,330	-	-	-
Advances to contractors							
Related party	7	-	-	-	44,823,112	34,648,509	27,055,252
Unrelated parties		13,682,983	25,565,132	13,818,246	-	-	-
Short-term loans to related parties	7	-	-	-	176,500,000	111,500,000	18,500,000
Real estate development costs	13	2,549,762,493	3,510,307,262	3,349,068,113	624,752,129	670,895,620	778,394,620
Assets awaiting transfer under rehabilitation plan	15	68,290,413	73,008,516	73,026,618	68,290,413	68,308,516	68,326,618
Investments in subsidiaries awaiting transfer under rehabilitation plan	16	224,342,586	224,342,586	224,342,586	197,438,333	197,438,333	197,438,333
Accrued income		671,666,324	247,768,779	1,202,547,505	-	-	-
Prepaid expenses		60,568,573	137,552,359	127,991,280	6,846,577	7,168,125	7,440,020
Other current assets		215,497,001	315,913,680	342,853,416	27,691,308	44,608,614	37,075,374
		37,226,772,244	10,095,270,470	7,867,667,343	6,084,208,594	3,951,823,838	2,147,959,571
Non-current assets classified as held for sale	27	-	42,123,099,124	-	-	-	-
Total current assets		37,226,772,244	52,218,369,594	7,867,667,343	6,084,208,594	3,951,823,838	2,147,959,571

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

6.4 STATEMENT OF FINANCIAL POSITION (CONTINUED)

(Unit : Baht)

		Consolidated financial statements			Separate financial statements		
	Note	As at 31 March 2014	As at 31 March 2013 (Restated)	As at 1 April 2012	As at 31 March 2014	As at 31 March 2013 (Restated)	As at 1 April 2012
Non-current assets							
Restricted deposits	53	611,073,812	88,527,047	323,833,601	609,162,500	81,644,467	321,492,842
Cash deposited as collateral for debt settlement	14	232,657,728	232,657,728	232,657,728	232,657,728	232,657,728	232,657,728
Loans to related parties	7	-	-	-	3,823,745,217	2,986,836,748	2,931,324,091
Investments in subsidiaries	17	-	-	-	32,827,884,794	42,442,849,862	42,777,903,572
Investment in a joint venture	18	44,517,103	-	-	-	-	-
Investments in associates	19	13,898,964,479	10,026,474	7,033,070	20,842,200,000	4,000,000	4,000,000
Other long-term investments	20	6,238,184,405	367,522,165	148,826,514	2,126,788,775	267,522,165	148,826,514
Project costs - elevated train system		-	-	45,144,217,633	-	-	-
Project costs - media	21	2,340,066,979	-	-	-	-	-
Reusable spare parts	12	21,918,411	22,402,665	81,230,587	-	-	-
Spare parts - maintenance contract		-	-	292,771,346	-	-	-
Land and projects awaiting development	22	263,913,382	-	2,676,340,050	-	-	-
Investment properties	23	3,101,461,112	2,867,628,616	2,461,013,308	1,691,151,666	1,139,353,748	1,226,078,312
Property, plant and equipment	24	11,554,030,088	9,590,801,393	6,039,192,913	484,836,709	244,589,940	67,877,076
Leasehold rights	25	77,654,995	81,473,401	90,025,135	8,550,209	7,308,253	10,799,626
Intangible assets	26	65,822,860	50,215,370	26,696,704	208,092	493,075	1,452,161
Retention receivable							
Related party	7	-	-	-	1,200,000	105,558,500	87,753,520
Unrelated parties		2,409,485	2,045,000	2,145,000	1,976,000	2,045,000	2,145,000
Goodwill		78,656,476	78,656,476	78,656,476	-	-	-
Deposit and advances for asset acquisitions	15	45,000,000	481,702,325	496,939,338	-	-	-
Advances to contractors		208,650	208,650	79,586,010	-	-	-
Accrued income		324,968,545	-	-	-	-	-
Rights of claim from acquisition of debts per rehabilitation plan	15	204,032,633	545,087,021	741,501,854	-	-	-
Deferred tax assets		37,340,003	259,842,735	1,428,351,394	-	185,472,082	472,335,974
Other non-current assets		387,411,779	393,761,465	98,542,150	9,812,322	10,258,344	10,201,257
Total non-current assets		39,530,292,925	15,072,558,531	60,449,560,811	62,660,174,012	47,710,589,912	48,294,847,673
Total assets		**76,757,065,169**	**67,290,928,125**	**68,317,228,154**	**68,744,382,606**	**51,662,413,750**	**50,442,807,244**

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

6.4 STATEMENT OF FINANCIAL POSITION (CONTINUED)

(Unit : Baht)

	Note	Consolidated financial statements			Separate financial statements		
		As at 31 March 2014	As at 31 March 2013 (Restated)	As at 1 April 2012	As at 31 March 2014	As at 31 March 2013 (Restated)	As at 1 April 2012
Liabilities and shareholders' equity							
Current liabilities							
Bank overdraft and short-term loans from							
financial institutions	28	-	1,117,000,000	1,941,501,854	-	-	741,501,854
Trade and other payables	29	2,222,442,186	1,948,194,274	1,514,808,644	174,689,419	140,532,472	274,949,264
Advances received from cardholders		151,050,605	77,746,794	1,102,377	-	-	-
Accrued costs of construction							
Related party	7	-	-	-	-	6,957,441	90,414,726
Unrelated parties		73,783,797	152,322,301	351,908,026	3,293,108	4,706,053	10,767,640
Short-term loans from related individual and party	7	20,000,000	-	-	-	-	98,000,000
Current portion of creditors per rehabilitation plan	30	745,356,001	745,356,001	745,356,001	745,356,001	745,356,001	745,356,001
Current portion of long-term loans	31	10,000,000	1,967,221,105	583,400,000	-	-	-
Current portion of long-term debentures	32	3,607,630,003	2,078,656,425	2,495,767,044	-	-	-
Advance received from employer - related party		-	-	-	-	-	41,745,000
Liability awaiting final court order	15	181,869,688	80,830,972	-	181,869,687	80,830,972	-
Unearned revenues		205,002,874	470,379,297	160,210,070	-	-	-
Fare box revenues awaiting transfer		177,038,634	95,053,881	137,673,810	-	-	-
Income tax payable		988,876,552	148,015,777	55,842,452	698,086,744	-	-
Short-term provision - related party	7, 34	45,818,947	-	-	-	-	-
Other current liabilities		201,297,816	141,101,663	350,439,049	33,698,373	30,129,891	27,941,216
Total current liabilities		8,630,167,103	9,021,878,490	8,338,009,327	1,836,993,332	1,008,512,830	2,030,675,701
Non-current liabilities							
Unearned revenues		541,839,101	-	-	-	-	-
Creditors per rehabilitation plan -							
net of current portion	30	49,571,181	51,852,561	52,074,344	49,571,181	51,852,561	52,074,344
Long-term loans - net of current portion	31	230,000,000	396,747,178	2,933,972,800	-	-	-
Long-term debentures - net of current portion	32	2,807,456,233	6,400,979,526	9,443,811,417	-	-	-
Convertible debentures - liability component		-	-	8,648,338,304	-	-	8,648,338,304
Retention payable							
Related party	7	-	-	-	19,155,283	51,627,179	92,391,777
Unrelated parties		40,598,461	68,019,430	127,514,613	7,618,541	6,010,908	6,092,464
Provision for long-term employee benefits	33	557,623,702	481,713,903	400,178,249	24,621,910	21,296,395	25,986,847
Long-term provision - related party	7, 34	1,037,665,420	-	-	-	-	-
Deferred tax liabilities		3,092,145,367	360,840,715	108,145,788	44,054,193	-	-
Other non-current liabilities		7,686,422	7,180,668	12,727,283	-	-	-
Total non-current liabilities		8,364,585,887	7,767,333,981	21,726,762,798	145,021,108	130,787,043	8,824,883,736
Total liabilities		**16,994,752,990**	**16,789,212,471**	**30,064,772,125**	**1,982,014,440**	**1,139,299,873**	**10,855,559,437**

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

6.4 STATEMENT OF FINANCIAL POSITION (CONTINUED)

(Unit : Baht)

		Consolidated financial statements			Separate financial statements		
	Note	As at 31 March 2014	As at 31 March 2013 (Restated)	As at 1 April 2012	As at 31 March 2014	As at 31 March 2013 (Restated)	As at 1 April 2012
Shareholders' equity							
Share capital	35						
Registered							
15,913,136,180 ordinary shares of Baht 4 each (31 March 2013: 11,986,444,024 ordinary shares of Baht 4 each) (1 April 2012: 74,815,275,124 ordinary shares of Baht 0.64 each)		63,652,544,720	47,945,776,096	47,881,776,079	63,652,544,720	47,945,776,096	47,881,776,079
Issued and fully paid							
11,914,230,525 ordinary shares of Baht 4 each (31 March 2013: 11,106,634,594 ordinary shares of Baht 4 each) (1 April 2012: 57,188,274,676 ordinary shares of Baht 0.64 each)		47,656,922,100	44,426,538,376	36,600,495,793	47,656,922,100	44,426,538,376	36,600,495,793
Share premium	35	1,797,237,616	1,486,058,428	350,729,674	1,797,237,616	1,486,058,428	350,729,674
Share subscriptions received in advance		-	1,295,600,058	-	-	1,295,600,058	-
Deficit on business combination under common control	37	(3,371,978,137)	(3,371,978,137)	(3,371,978,137)	(3,790,492,685)	(4,812,208,580)	(3,371,978,137)
Surplus on swap of investment in subsidiary under common control	38	-	-	-	250,065,107	250,065,107	175,065,107
Surplus (deficit) from the changes in the ownership interests in subsidiaries	39	4,448,284,107	2,811,213,393	(123,129,489)	-	-	-
Retained earnings							
Appropriated - statutory reserve	41	2,760,300,559	1,750,522,658	1,476,047,924	1,659,215,559	649,537,658	376,047,924
Retained earnings (deficit)		1,032,668,233	(3,465,897,567)	(1,705,750,389)	17,877,307,796	5,829,947,794	4,088,826,163
Other components of shareholders' equity		3,577,100,725	3,663,498,125	3,340,704,756	1,312,112,673	1,397,575,036	1,368,061,283
Equity attributable to owners of the Company		57,900,535,203	48,595,555,334	36,567,120,132	66,762,368,166	50,523,113,877	39,587,247,807
Non-controlling interest of the subsidiaries		1,861,776,976	1,906,160,320	1,685,335,897	-	-	-
Total shareholders' equity		**59,762,312,179**	**50,501,715,654**	**38,252,456,029**	**66,762,368,166**	**50,523,113,877**	**39,587,247,807**
Total liabilities and shareholders' equity		**76,757,065,169**	**67,290,928,125**	**68,317,228,154**	**68,744,382,606**	**51,662,413,750**	**50,442,807,244**

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

6.4 STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2014

(Unit : Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013 (Restated)	2014	2013 (Restated)
Continued operation					
Profit or loss:					
Revenues					
Service income	42	6,056,403,693	4,787,610,589	131,988,877	108,930,940
Revenues from sales of real estate		2,057,152,573	787,913,864	90,310,449	159,873,208
Revenues from construction services (reversal)		1,555,065	9,188,325	24,000,000	(42,850,000)
Other income					
Management income		120,000	-	47,400,000	49,135,000
Dividend income		6,030,609	1,847,330	17,889,116,421	4,631,508,053
Interest income		1,213,178,546	58,948,999	256,046,516	106,559,617
Gain from sales of investments in subsidiaries	17	-	999,710,660	3,300,613,906	1,453,532,152
Gain on sale of future net fare box revenues	52	13,497,581,375	-	-	-
Gain on sales of assets	15	379,899,004	-	379,899,004	-
Others		88,611,525	63,713,885	77,431,773	26,349,603
Total revenues		23,300,532,390	6,708,933,652	22,196,806,946	6,493,038,573
Expenses					
Cost of services		2,828,061,982	2,346,798,631	122,276,122	125,149,348
Cost of sales of real estate		1,260,385,660	527,307,957	52,248,231	117,449,751
Cost of construction services		736,256	8,367,252	24,000,000	10,961,391
Selling and servicing expenses		342,075,628	223,076,877	15,950,495	29,523,061
Administrative expenses		1,496,725,439	1,077,899,360	423,177,024	304,324,624
Total expenses		5,927,984,965	4,183,450,077	637,651,872	587,408,175
Profit before share of income from investments in associates and joint venture, finance cost and income tax expenses		17,372,547,425	2,525,483,575	21,559,155,074	5,905,630,398
Share of income from investments in associates and joint venture	18, 19	619,241,396	2,993,214	-	-
Profit before finance cost and income tax expenses		17,991,788,821	2,528,476,789	21,559,155,074	5,905,630,398
Finance cost	44	(630,741,039)	(1,247,834,600)	(399,273,052)	(435,835,711)
Profit before income tax expenses		17,361,047,782	1,280,642,189	21,159,882,022	5,469,794,687
Income tax expenses	45	(3,806,393,892)	(1,248,069,812)	(966,323,996)	(282,884,878)
Profit from continued operation for the year		13,554,653,890	32,572,377	20,193,558,026	5,186,909,809
Discontinued operation					
Profit from discontinued operation for the year	27	30,376,089	1,894,670,596	-	-
Profit for the year		13,585,029,979	1,927,242,973	20,193,558,026	5,186,909,809
Other comprehensive income:					
Actuarial gains (losses)		-	(31,738,572)	-	959,537
Exchange differences on translation of financial statements in foreign currency		(935,037)	11,861,533	-	-
Revaluation surplus on assets		-	281,418,083	-	-
Gain (loss) on changes in value of available-for-sale investments		(94,093,035)	14,956,520	(94,093,035)	14,956,520
Other comprehensive income for the year		(95,028,072)	276,497,564	(94,093,035)	15,916,057
Total comprehensive income for the year		**13,490,001,907**	**2,203,740,537**	**20,099,464,991**	**5,202,825,866**

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

6.4 STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

For the year ended 31 March 2014

(Unit : Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2014	2013 (Restated)	2014	2013 (Restated)
Profit (loss) attributable to:					
Equity holders of the Company					
Profit (loss) from continued operation		12,615,258,614	(144,785,162)	20,193,558,026	5,186,909,809
Profit from discontinued operation		29,605,210	1,863,368,646	-	-
		12,644,863,824	1,718,583,484	20,193,558,026	5,186,909,809
Non-controlling interests of the subsidiaries					
Profit from continued operation		939,395,276	177,357,539		
Profit from discontinued operation		770,879	31,301,950		
		940,166,155	208,659,489		
		13,585,029,979	1,927,242,973		
Total comprehensive income attributable to:					
Equity holders of the Company					
Total comprehensive income from continued operation		12,520,230,542	132,453,027	20,099,464,991	5,202,825,866
Total comprehensive income from discontinued operation		29,605,210	1,863,368,646	-	-
		12,549,835,752	1,995,821,673	20,099,464,991	5,202,825,866
Non-controlling interests of the subsidiaries					
Total comprehensive income from continued operation		939,395,276	176,616,914		
Total comprehensive income from discontinued operation		770,879	31,301,950		
		940,166,155	207,918,864		
		13,490,001,907	2,203,740,537		
Earnings per share	46				
Basic earnings per share					
Profit attributable to equity holders of the Company		1.082	0.172	1.728	0.519
Diluted earnings per share					
Profit attributable to equity holders of the Company		1.071	0.167	1.710	0.475
Earnings per share from continued operation	46				
Basic earnings per share					
Profit (loss) attributable to equity holders of the Company		1.079	(0.014)	1.728	0.519
Diluted earnings per share					
Profit attributable to equity holders of the Company		1.069		1.710	0.475

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

6.4 STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended 31 March 2014

	Equity						
						Retained earnings (deficit)	
	Issued and paid-up share capital	Share premium	Share subscription received in advance	Deficit on business combination under common control	Surplus (deficit) from the change in the ownership interests in subsidiaries	Appropriated	Unappropriated
Balance as at 1 April 2012 - as previously reported	36,600,495,793	350,729,674	-	(3,371,978,137)	(123,129,489)	1,476,047,924	(3,508,626,402)
Cumulative effect of change in accounting policy for deferred tax (Note 4)	-	-	-	-	-	-	1,802,876,013
Balance as at 1 April 2012 - as restated	36,600,495,793	350,729,674	-	(3,371,978,137)	(123,129,489)	1,476,047,924	(1,705,750,389)
Debenture conversion to ordinary shares	7,820,299,127	1,134,790,310	-	-	-	-	-
Exercised warrants (Note 35)	5,743,456	538,444	1,295,600,058	-	-	-	-
Dividend paid (Note 47)	-	-	-	-	-	-	(3,173,257,981)
Dividend paid to non-controlling interests of the subsidiaries	-	-	-	-	-	-	-
Purchases of investment in subsidiary (Note 17)	-	-	-	-	(181,708,030)	-	-
Sales of investment in subsidiary - restated (Note 17)	-	-	-	-	2,379,721,622	-	-
Issuance of ordinary shares of subsidiary (Note 17)	-	-	-	-	736,329,290	-	-
Share-based payment transaction	-	-	-	-	-	-	-
Retained earnings transferred to statutory reserve	-	-	-	-	-	274,474,734	(274,474,734)
Total comprehensive income for the year - restated	-	-	-	-	-	-	1,687,585,537
Balance as at 31 March 2013 - as restated	**44,426,538,376**	**1,486,058,428**	**1,295,600,058**	**(3,371,978,137)**	**2,811,213,393**	**1,750,522,658**	**(3,465,897,567)**
Balance as at 1 April 2013 - as previously reported	44,426,538,376	1,486,058,428	1,295,600,058	(3,371,978,137)	3,357,495,014	1,750,522,658	(4,506,401,872)
Cumulative effect of change in accounting policy for deferred tax (Note 4)	-	-	-	-	(546,281,621)	-	1,040,504,305
Balance as at 1 April 2013 - as restated	44,426,538,376	1,486,058,428	1,295,600,058	(3,371,978,137)	2,811,213,393	1,750,522,658	(3,465,897,567)
Exercised warrants (Note 35)	3,230,383,724	311,179,188	(1,295,600,058)	-	-	-	-
Dividend paid (Note 47)	-	-	-	-	-	-	(7,136,520,123)
Issuance of ordinary shares of subsidiary	-	-	-	-	-	-	-
Dividend paid to non-controlling interests of the subsidiaries	-	-	-	-	-	-	-
Purchases of investments in subsidiary (Note 17)	-	-	-	-	(2,035,109,839)	-	-
Sales of investments in subsidiary (Note 17)	-	-	-	-	3,672,180,553	-	-
Decrease in issued share capital of subsidiary	-	-	-	-	-	-	-
Share-based payment transaction	-	-	-	-	-	-	-
Retained earnings transferred to statutory reserve	-	-	-	-	-	1,009,777,901	(1,009,777,901)
Total comprehensive income for the year	-	-	-	-	-	-	12,644,863,824
Balance as at 31 March 2014	**47,656,922,100**	**1,797,237,616**	-	**(3,371,978,137)**	**4,448,284,107**	**2,760,300,559**	**1,032,668,233**

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

(Unit : Baht)

Consolidated financial statements											
attributable to owners of the Company											
Other components of equity											
Other comprehensive income											
Translation adjustment	Revaluation surplus on assets	Surplus (deficit) on changes in value of investments	Convertible debentures-equity component	Surplus on debenture conversion	Capital reserve on consolidation	Share premium on sales of company's share held by subsidiaries	Capital reserve for share-based payment transaction	Total other components of shareholders' equity	Total equity attributable to owners of the company	Equity attributable to non-controlling interest of the subsidiaries	Total shareholders' equity
(133,837,577)	2,619,803,941	5,105,048	1,356,596,955	-	2,685,013	8,525,682	7,380,290	3,866,259,352	35,289,798,715	1,642,451,708	36,932,250,423
-	(524,533,586)	(1,021,010)	-	-	-	-	-	(525,554,596)	1,277,321,417	42,884,189	1,320,205,606
(133,837,577)	2,095,270,355	4,084,038	1,356,596,955	-	2,685,013	8,525,682	7,380,290	3,340,704,756	36,567,120,132	1,685,335,897	38,252,456,029
-	-	-	(1,356,596,955)	1,356,596,955	-	-	-	-	8,955,089,437	-	8,955,089,437
-	-	-	-	-	-	-	-	-	1,301,881,958	-	1,301,881,958
-	-	-	-	-	-	-	-	-	(3,173,257,981)	-	(3,173,257,981)
-	-	-	-	-	-	-	-	-	-	(253,676,068)	(253,676,068)
-	-	-	-	-	-	-	-	-	(181,708,030)	(283,468,703)	(465,176,733)
-	-	-	-	-	-	-	-	-	2,379,721,622	404,254,239	2,783,975,861
-	-	-	-	-	-	-	-	-	736,329,290	145,796,091	882,125,381
-	-	-	-	-	-	-	14,557,233	14,557,233	14,557,233	-	14,557,233
-	-	-	-	-	-	-	-	-	-	-	-
11,861,533	281,418,083	14,956,520	-	-	-	-	-	308,236,136	1,995,821,673	207,918,864	2,203,740,537
(121,976,044)	**2,376,688,438**	**19,040,558**	-	**1,356,596,955**	**2,685,013**	**8,525,682**	**21,937,523**	**3,663,498,125**	**48,595,555,334**	**1,906,160,320**	**50,501,715,654**
(121,976,044)	2,970,860,547	23,800,699	-	1,356,596,955	2,685,013	8,525,682	21,937,523	4,262,430,375	48,700,264,900	1,902,448,734	50,602,713,634
-	(594,172,109)	(4,760,141)	-	-	-	-	-	(598,932,250)	(104,709,566)	3,711,586	(100,997,980)
(121,976,044)	2,376,688,438	19,040,558	-	1,356,596,955	2,685,013	8,525,682	21,937,523	3,663,498,125	48,595,555,334	1,906,160,320	50,501,715,654
-	-	-	-	-	-	-	(8,330,877)	(8,330,877)	2,237,631,977	-	2,237,631,977
-	-	-	-	-	-	-	-	-	(7,136,520,123)	-	(7,136,520,123)
-	-	-	-	-	-	-	-	-	-	45,000,000	45,000,000
-	-	-	-	-	-	-	-	-	-	(864,300,634)	(864,300,634)
-	-	-	-	-	-	-	-	-	(2,035,109,839)	(115,043,076)	(2,150,152,915)
-	-	-	-	-	-	-	-	-	3,672,180,553	255,605,888	3,927,786,441
-	-	-	-	-	-	-	-	-	-	(305,811,677)	(305,811,677)
-	-	-	-	-	-	-	16,961,549	16,961,549	16,961,549	-	16,961,549
-	-	-	-	-	-	-	-	-	-	-	-
(935,037)	-	(94,093,035)	-	-	-	-	-	(95,028,072)	12,549,835,752	940,166,155	13,490,001,907
(122,911,081)	**2,376,688,438**	**(75,052,477)**	-	**1,356,596,955**	**2,685,013**	**8,525,682**	**30,568,195**	**3,577,100,725**	**57,900,535,203**	**1,861,776,976**	**59,762,312,179**

6.4 STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

For the year ended 31 March 2014

	Issued and paid-up share capital	Share premium	Share subscription received in advance	Deficit on business combination under common control	Surplus on swap of investment in subsidiary under common control
Balance as at 1 April 2012 - as previously reported	36,600,495,793	350,729,674	-	(3,371,978,137)	175,065,107
Cumulative effect of change in accounting policy for deferred tax (Note 4)	-	-	-	-	-
Balance as at 1 April 2012 - as restated	36,600,495,793	350,729,674	-	(3,371,978,137)	175,065,107
Debenture conversion to ordinary shares	7,820,299,127	1,134,790,310	-	-	-
Exercised warrants (Note 35)	5,743,456	538,444	1,295,600,058	-	-
Dividend paid (Note 47)	-	-	-	-	-
Share-based payment transaction	-	-	-	-	-
Purchases of investment in subsidiary (Note 17)	-	-	-	(1,734,155,024)	-
Sales of investment in subsidiary	-	-	-	293,924,581	75,000,000
Retained earnings transferred to statutory reserve	-	-	-	-	-
Total comprehensive income for the year - restated	-	-	-	-	-
Balance as at 31 March 2013 - as restated	**44,426,538,376**	**1,486,058,428**	**1,295,600,058**	**(4,812,208,580)**	**250,065,107**
Balance as at 1 April 2013 - as previously reported	44,426,538,376	1,486,058,428	1,295,600,058	(4,812,208,580)	250,065,107
Cumulative effect of change in accounting policy for deferred tax (Note 4)	-	-	-	-	-
Balance as at 1 April 2013 - as restated	44,426,538,376	1,486,058,428	1,295,600,058	(4,812,208,580)	250,065,107
Exercised warrants (Note 35)	3,230,383,724	311,179,188	(1,295,600,058)	-	-
Dividend paid (Note 47)	-	-	-	-	-
Sales of investments in subsidiary (Note 17)	-	-	-	1,021,715,895	-
Share-based payment transaction	-	-	-	-	-
Retained earnings transferred to statutory reserve	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-
Balance as at 31 March 2014	**47,656,922,100**	**1,797,237,616**	-	**(3,790,492,685)**	**250,065,107**

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

(Unit : Baht)

Separate financial statements							
		Other components of equity					
Retained earnings		Other comprehensive income					
Appropriated	Unappropriated	Surplus (deficit) on changes in value of investments	Convertible debentures-equity component	Surplus on debenture conversion	Capital reserve for share-based payment transaction	Total other components of shareholders' equity	Total shareholders' equity
376,047,924	3,615,469,179	5,105,048	1,356,596,955	-	7,380,290	1,369,082,293	39,114,911,833
-	473,356,984	(1,021,010)	-	-	-	(1,021,010)	472,335,974
376,047,924	4,088,826,163	4,084,038	1,356,596,955	-	7,380,290	1,368,061,283	39,587,247,807
-	-	-	(1,356,596,955)	1,356,596,955	-	-	8,955,089,437
-	-	-	-	-	-	-	1,301,881,958
-	(3,173,257,981)	-	-	-	-	-	(3,173,257,981)
-	-	-	-	-	14,557,233	14,557,233	14,557,233
-	-	-	-	-	-	-	(1,734,155,024)
-	-	-	-	-	-	-	368,924,581
273,489,734	(273,489,734)	-	-	-	-	-	-
-	5,187,869,346	14,956,520	-	-	-	14,956,520	5,202,825,866
649,537,658	**5,829,947,794**	**19,040,558**	-	**1,356,596,955**	**21,937,523**	**1,397,575,036**	**50,523,113,877**
649,537,658	5,639,715,572	23,800,698	-	1,356,596,955	21,937,523	1,402,335,176	50,337,641,795
-	190,232,222	(4,760,140)	-	-	-	(4,760,140)	185,472,082
649,537,658	5,829,947,794	19,040,558	-	1,356,596,955	21,937,523	1,397,575,036	50,523,113,877
-	-	-	-	-	(8,330,877)	(8,330,877)	2,237,631,977
-	(7,136,520,123)	-	-	-	-	-	(7,136,520,123)
-	-	-	-	-	-	-	1,021,715,895
-	-	-	-	-	16,961,549	16,961,549	16,961,549
1,009,677,901	(1,009,677,901)	-	-	-	-	-	-
-	20,193,558,026	(94,093,035)	-	-	-	(94,093,035)	20,099,464,991
1,659,215,559	**17,877,307,796**	**(75,052,477)**	-	**1,356,596,955**	**30,568,195**	**1,312,112,673**	**66,762,368,166**

6.4 CASH FLOW STATEMENT

For the year ended 31 March 2014

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013 (Restated)	2014	2013 (Restated)
Cash flows from operating activities				
Profit before tax	17,361,047,782	1,280,642,189	21,159,882,022	5,469,794,687
Plus Profit before tax from discontinued operation	30,376,089	1,894,670,596	-	-
Profit before tax	17,391,423,871	3,175,312,785	21,159,882,022	5,469,794,687
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	511,028,246	1,763,072,277	67,937,695	69,402,718
Unrealised loss (gain) on exchange	32,260,542	25,609,105	(1,830,671)	-
Share of income from investments in associates and joint venture	(619,241,396)	(2,993,214)	-	-
Amortisation of deferred debenture issuing costs	16,750,285	26,757,643	-	-
Unearned revenue recognition	(35,267,036)	-	-	-
Provision for long-term employee benefits	45,209,014	60,887,697	3,325,515	3,438,969
Amortisation of liability component of convertible debentures	-	170,826,182	-	170,826,182
Amortisation of letter of credit fee for convertible debentures	-	135,924,929	-	135,924,929
Allowance for doubtful account	2,523,018	19,090,710	444,839	46,038,986
Reversal of revenues from construction services	-	-	-	42,850,000
Revenue from court-ordered compensation	-	(7,272,461)	-	-
Gain on sale of net future fare box revenues	(13,497,581,375)	-	-	-
Gain from sales of investments in subsidiaries	(21,193,483)	(999,710,660)	(3,300,613,908)	(1,453,532,152)
Gain on sales of current investments	(2,109,012)	-	-	-
Unrealised gain on changes in value of current investments in trading securities	(12,608,851)	-	-	-
Loss (gain) on sales of assets	(379,899,004)	18,071,428	(379,899,004)	21,651,245
Dividend income	(6,030,609)	(1,847,330)	(17,889,116,421)	(4,631,508,053)
Share-based payment transaction	16,961,549	14,557,233	2,647,428	2,034,610
Interest income	(1,213,178,546)	(58,948,999)	(256,046,516)	(106,559,617)
Interest expenses	558,774,017	902,816,196	368,023,252	129,084,599
Profit (loss) from operating activities before changes in operating assets and liabilities	2 ,787,821,230	5,242,153,521	(225,245,769)	(100,552,897)

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

6.4 CASH FLOW STATEMENT (CONTINUED)

For the year ended 31 March 2014

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013 (Restated)	2014	2013 (Restated)
Decrease (increase) in operating assets				
Bank account for advances from cardholders	(73,803,321)	(77,739,621)	-	-
Trade and other receivables	106,288,255	144,416,790	(15,453,026)	155,692,312
Unbilled receivable	-	-	-	241,590,564
Spare parts	(2,662,370)	(7,280,282)	-	-
Real estate development costs	955,147,616	(108,418,418)	30,408,712	107,499,000
Advances to contractors	11,882,149	67,630,474	(10,174,604)	(7,593,256)
Other current assets	(255,109,331)	974,857,026	8,120,431	9,215,086
Other non-current assets	8,675,589	(291,805,840)	104,873,522	(18,516,405)
Increase (decrease) in operating liabilities			-	
Trade and other payables	114,899,572	217,729,624	12,574,360	(127,446,776)
Advances received from cardholders	73,303,811	76,644,418	-	-
Accrued costs of construction	(78,538,504)	(199,585,725)	(8,370,386)	(89,518,872)
Advances received from employers	1,382,104	-	-	(41,745,000)
Retention payable	(36,664,023)	(50,677,296)	(30,864,263)	(40,846,154)
Unearned income	(302,260,287)	310,169,227	-	-
Fare box revenues awaiting transfer	81,984,753	(42,619,929)	-	-
Provision for long-term employee benefits	(1,804,051)	(18,438,119)	-	(6,930,000)
Other current liabilities	(29,173,895)	(219,976,691)	(9,689,916)	1,966,914
Cash from (used in) operating activities	3,361,369,297	6,017,059,159	(143,820,939)	82,814,516
Cash paid for interest expenses	(481,699,780)	(1,064,096,963)	(9,630,137)	(95,959,121)
Cash paid for corporate income tax	(697,075,321)	(371,110,511)	(15,187,718)	(16,476,431)
Cash received for corporate income tax	57,144,943	26,506,042	28,026,140	-
Cash received for interest income	978,716,147	50,958,322	89,590,736	18,053,155
Net cash from (used in) operating activities	**3,218,455,286**	**4,659,316,049**	**(51,021,918)**	**(11,567,881)**

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

6.4 CASH FLOW STATEMENT (CONTINUED)

For the year ended 31 March 2014

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013 (Restated)	2014	2013 (Restated)
Cash flows from investing activities				
Decrease (increase) in current investments	(23,250,356,081)	(993,849,166)	2,177,836,957	(993,849,166)
Decrease (increase) in restricted deposits	(522,546,765)	2 35,306,554	(527,518,033)	239,848,375
Increase in short-term loans to related parties	-	-	(65,000,000)	(93,000,000)
Increase in loans to related parties	-	-	(1,875,173,023)	(278,671,497)
Cash received from loan to related parties	-	-	1,037,804,388	-
Interest income	-	-	24,726,442	12,798,848
Decrease in rights of claim from acquisition of debts per rehabilitation plan	341,054,388	196,414,833	-	-
Cash received from decrease in issued share capital of subsidiary	-	-	1,137,040,158	-
Cash received from sales of investments in subsidiaries	4,587,909,223	6,628,102,638	4,587,909,224	2,991,942,284
Cash paid for purchase of investments in subsidiary	(2,150,152,915)	(465,176,733)	(2,395,152,915)	(723,780,096)
Cash paid for purchases of investment in a joint venture	(43,200,000)	-	-	-
Net cash paid from change in status of investment	(1,743,967)	-	-	-
Cash paid for purchase of investment in associate	(20,838,200,000)	-	(20,838,200,000)	-
Cash paid for purchases of other long-term investments	(5,988,278,535)	(200,000,000)	(1,977,051,504)	(100,000,000)
Dividend received	823,398,181	1,847,330	3,800,910,853	2,908,975,731
Increase in project costs - elevated train system	-	(20,274,631)	-	-
Cash paid for purchases of property, plant and equipment	(1,979,632,195)	(1,180,167,818)	(334,424,572)	(171,638,963)
Cash received from sales of property, plant and equipment	2,404,785	13,565,257	58,500	119,000
Increase in deposit and advances for asset acquisitions	-	(39,255,620)	-	-
Cash paid for purchases of investment properties	(652,706,744)	(71,587,638)	(618,289,208)	(20,932)
Cash received from sales of investment properties	501,596,218	10,561,699	501,409,855	10,561,699
Cash paid for purchase of leasehold rights	(4,730,000)	-	(4,730,000)	-
Cash paid for purchases of intangible assets	(7,082,197)	(17,813,907)	(207,687)	(13,856)
Cash received from sale of future net fare box revenues	61,399,000,000	-	-	-
Cash paid for expenses of sale of future net fare box revenues	(36,391,043)	-	-	-
Net cash from (used in) investing activities	**12,180,342,353**	**4,097,672,798**	**(15,368,050,565)**	**3,803,271,427**

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

6.4 CASH FLOW STATEMENT (CONTINUED)

For the year ended 31 March 2014

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013 (Restated)	2014	2013 (Restated)
Cash flows from financing activities				
Increase in short-term loans from financial institutions	20,833,200,000	2,468,628,677	20,833,200,000	121,628,677
Cash paid for short-term loans from financial institutions	(21,950,200,000)	(3,293,130,531)	(20,833,200,000)	(863,130,531)
Increase in long-term loans from financial institution	99,000,000	1,052,109,700	-	-
Cash paid for long-term loans from financial institutions	(2,222,968,283)	(2,205,514,217)	-	-
Increase in short-term loans from related individual and parties	20,000,000	-	24,063,200,000	22,500,000
Cash paid for short-term loans from related parties	-	-	(3,230,000,000)	(120,500,000)
Cash received from exercised warrants	2,237,536,686	1,301,881,958	2,237,536,686	1,301,881,958
Increase in liability awaiting final court order	101,038,715	80,830,972	101,038,715	80,830,972
Dividend paid	(7,112,009,151)	(3,159,128,972)	(7,112,009,151)	(3,159,128,972)
Cash paid for long-term debentures	(2,081,300,000)	(3,486,700,154)	-	-
Dividend paid of subsidiaries to non-controling interests of subsidiaries	(768,895,092)	(229,911,384)	-	-
Cash paid to non-controlling interests of subsidiary as result of decrease in issued share capital	(248,795,927)	-	-	-
Cash received from non-controling interests for issuance of ordinary shares of subsidiaries	45,000,000	882,125,385	-	-
Net cash from (used in) financing activities	**(11,048,393,052)**	**(6,588,808,566)**	**16,059,766,250**	**(2,615,917,896)**
Increase (decrease) in translation adjustment	(935,037)	11,861,533	-	-
Net increase in cash and cash equivalents	4,349,469,550	2,180,041,814	640,693,767	1,175,785,650
Cash and cash equivalents at beginning of the year	3,513,281,951	1,333,240,137	1,628,917,898	453,132,248
Cash and cash equivalents at end of the year	**7,862,751,501**	**3,513,281,951**	**2,269,611,665**	**1,628,917,898**

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

6.4 CASH FLOW STATEMENT (CONTINUED)

For the year ended 31 March 2014

(Unit : Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013 (Restated)	2014	2013 (Restated)
Supplemental cash flow information				
Non-cash transactions				
Debenture conversion to ordinary shares	-	8,955,089,415	-	8,955,089,415
Transfer advances for asset acquisitions to property, plant and equipment	424,737,050	2,171,588,495	-	-
Transfer property, plant and equipment to intangible assets	23,030,067	21,502,404	-	-
Transfer project costs - elevated train system to project costs - media	2,371,446,572	-	-	-
Transfer advances for asset acquisitions to project costs - elevated train system	-	13,707,583	-	-
Transfer land and projects awaiting development to investment properties	-	1,440,405,737	-	-
Transfer real estate development cost to investment properties	15,734,779	-	15,734,779	-
Transfer property, plant and equipment to investment properties	-	-	87,415,600	-
Transfer investment properties to property, plant and equipment	25,199,952	-	-	-
Transfer investment properties to land and projects awaiting development	263,913,382	-	-	-
Transfer leasehold rights to property, plant and equipment	3,091,373	3,091,373	3,091,373	3,091,373
Increase in liability from equipment acquisition - net	3,229,509	242,791,301	8,017,489	15,580,652
Settle liabilty from purchase of ordinary shares of subsidiary with loan to related party and dividend received	-	-	-	1,722,532,323
Settle short-term loan from related party with dividend received and decrease in issued share capital of subsidiary	-	-	20,833,200,000	-
Settle interest payable with dividend received and decrease in issued share capital of subsidiary	-	-	358,393,115	-
Current investments received from decrease in issued share capital of subsidiary	-	-	3,500,000,000	-

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

6.5 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2014

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 provision of operating services under operating and maintenance service agreement of extension to the core network, property business, media business and service business. The registered office of the Company is at 21 Soi Choei Phuang, Viphavadi-Rangsit Road, Jompol, Jatujak, Bangkok.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions 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 28 September 2011, 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	
			2014	2013
Subsidiaries directly owned by the Company				
Bangkok Mass Transit System Public Co., Ltd. ("BTSC")	Operating services under operating and maintenance service agreement of extension of mass transit system	Thailand	97.46	97.46
Dnal Co., Ltd.	Office rental	Thailand	100	100
Muangthong Assets Co., Ltd.	Hotel	Thailand	100	100
PrannaKiri Assets Co., Ltd.	Property development	Thailand	100	100
Yong Su Co., Ltd.	Dormancy	Thailand	100	100
Tanayong Food and Beverage Co., Ltd.	Property development	Thailand	100	100
Thana City Golf & Sports Club Co., Ltd.	Management of golf course and clubhouse	Thailand	100	100
Siam Paging and Communication Co., Ltd.	Property development	Thailand	100	100
Sampaopetch Co., Ltd.	Property development	Thailand	-	100
Tanayong Property Management Co., Ltd.	Building management	Thailand	100	100
Tanayong International Ltd.	Dormancy	Cayman Island	100	100
HHT Construction Co., Ltd.	Construction services	Thailand	51	51
Tanayong Hong Kong Ltd.	Investment in securities	Hong Kong	100	100
Carrot Rewards Co., Ltd.	CRM Loyalty Program and Coupon Kiosks	Thailand	100	100
Nuvo Line Agency Co., Ltd.	Property development	Thailand	80	80
BTS Assets Co., Ltd.	Hotel and property development	Thailand	100	100
BTS Land Co., Ltd.	Trademark development for property development and service businesses	Thailand	100	100

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2014	2013
Kamkoong Property Co., Ltd.	Property development	Thailand	100	100
Man Kitchen Co., Ltd.	Restaurant and related businesses	Thailand	70	-
Mak8 Co., Ltd.	Property development	Thailand	87.5	-
Subsidiaries indirectly owned by the Company				
Held by BTSC				
Bangkok Smartcard System Co., Ltd.	Provision for electronic payment services	Thailand	90	90
VGI Global Media Public Co., Ltd.	Advertising services on Bangkok Mass Transit System (BTS), in modern trade locations (Big C and Tesco Lotus), in office buildings and other locations	Thailand	61.841[1]	67.331[1]
Held by VGI Global Media Public Co., Ltd.				
VGI Advertising Media Co., Ltd.	Management of advertising in department stores	Thailand	100	100
Midas Global Media Company Limited (Formerlyknown as "VGI Multi-Tech International Company Limited")	Services, rental and management of advertising media space, including electronic and new technology media	Thailand	-	100
999 Media Co., Ltd.	Manufacturing of radio media	Thailand	100	100
888 Media Co., Ltd.	Management of advertising in department stores	Thailand	100	100
Point Of View (POV) Media Group Co., Ltd.	Managing and providing of the advertising spaces in office buildings	Thailand	100	100
VGI Advertising China Co., Ltd.	Management of advertising in department stores	The People's Republic of China	100	100

1 51% held by BTSC and the remaining held by the Company

b) Subsidiaries are fully consolidated, 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 the same 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 end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statements of changes in shareholders' equity.

e) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.

f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

g) As discussed in Note 17 to the financial statements, on 27 May 2013, the Board of Directors of the Company approved the write off of the investment in Sampaopetch Company Limited. The Company has excluded the financial statements of this subsidiary from the consolidated financial statements since 27 May 2013.

h) As discussed in Note 17 to the financial statements, on 16 October 2013, a meeting of the Company's Executive Committee passed a resolution to establish Man Kitchen Company Limited in which a subsidiary company will hold a 70% interest. Man Kitchen Company Limited registered its incorporation on 17 October 2013. Subsequently, the Company purchased all ordinary shares of Man Kitchen Company Limited held by a subsidiary and as a result holds a 70% interest in this company.

i) As discussed in Note 17 to the financial statements, on 24 February 2014, a meeting of the Company's Executive Committee passed a resolution to establish Mak8 Company Limited which was registered its incorporation on 25 February 2014. The Company holds a 87.5% interest in this company.

j) As discussed in Note 18 to the financial statements, on 20 February 2014, the status of Midas Global Media Company Limited changed from a subsidiary to a jointly controlled entity.

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. New accounting standards

Below is a summary of accounting standards that became effective in the current accounting year and those that will become effective in the future.

(a) Accounting standards that became effective in the current accounting year

Accounting standards:

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

Financial Reporting Standard:

TFRS 8	Operating Segments

Accounting Standard Interpretations:

TSIC 10	Government Assistance - No Specific Relation to Operating Activities
TSIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
TSIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

Accounting Treatment Guidance for Transfers of Financial Assets

These accounting standards, financial reporting standard, accounting standard interpretations and accounting treatment guidance do not have any significant impact on the financial statements, except for the following accounting standard.

TAS 12 Income Taxes

This accounting standard requires an entity to identify temporary differences between the carrying amount of an asset or liability in the statement of financial position and its tax base and recognise the tax effects as deferred tax assets or liabilities subjecting to certain recognition criteria. The Company and its subsidiaries have changed this accounting policy in this current year and restated the prior year's financial statements, presented as comparative information, as though the Company and its subsidiaries had initially recognised the tax effects as deferred tax assets or liabilities. The cumulative effect of this change in accounting policy has been presented in Note 4 to the financial statements.

(b) Accounting standards that will become effective in the future

		Effective date
Accounting Standards:		
TAS 1 (revised 2012)	Presentation of Financial Statements	1 January 2014
TAS 7 (revised 2012)	Statement of Cash Flows	1 January 2014
TAS 12 (revised 2012)	Income Taxes	1 January 2014
TAS 17 (revised 2012)	Leases	1 January 2014
TAS 18 (revised 2012)	Revenue	1 January 2014
TAS 19 (revised 2012)	Employee Benefits	1 January 2014
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates	1 January 2014
TAS 24 (revised 2012)	Related Party Disclosures	1 January 2014
TAS 28 (revised 2012)	Investments in Associates	1 January 2014
TAS 31 (revised 2012)	Interests in Joint Ventures	1 January 2014
TAS 34 (revised 2012)	Interim Financial Reporting	1 January 2014
TAS 36 (revised 2012)	Impairment of Assets	1 January 2014
TAS 38 (revised 2012)	Intangible Assets	1 January 2014
Financial Reporting Standards:		
TFRS 2 (revised 2012)	Share-based Payment	1 January 2014
TFRS 3 (revised 2012)	Business Combinations	1 January 2014
TFRS 4	Insurance Contracts	1 January 2016
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations	1 January 2014
TFRS 8 (revised 2012)	Operating Segments	1 January 2014
Accounting Standard Interpretations:		
TSIC 15	Operating Leases - Incentives	1 January 2014
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	1 January 2014
TSIC 29	Service Concession Arrangements: Disclosures	1 January 2014
TSIC 32	Intangible Assets - Web Site Costs	1 January 2014
Financial Reporting Standard Interpretations:		
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 January 2014
TFRIC 4	Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 January 2014
TFRIC 7	Applying the Restatement Approach under TAS 29 *Financial Reporting in Hyperinflationary Economies*	1 January 2014
TFRIC 10	Interim Financial Reporting and Impairment	1 January 2014
TFRIC 12	Service Concession Arrangements	1 January 2014
TFRIC 13	Customer Loyalty Programmes	1 January 2014
TFRIC 17	Distributions of Non-cash Assets to Owners	1 January 2014
TFRIC 18	Transfers of Assets from Customers	1 January 2014

The Company's management believes that these accounting standards, financial reporting standard, accounting standard interpretations and financial reporting standards interpretations will not have any significant impact on the financial statements for the year when they are initially applied, except for TFRIC 12 Service Concession Arrangements of which the management is still evaluating the impact to the financial statements.

4. Cumulative effect of changes in accounting policies due to the adoption of new accounting standard

During the current year, the Company and its subsidiaries made the changes described in Note 3 to the financial statements to its significant accounting policies, as a result of the adoption of Thai Accounting Standard 12 Income Taxes. The cumulative effect of the changes in the accounting policies has been separately presented in the statements of changes in shareholders' equity.

The amounts of adjustments affecting the statements of financial position and comprehensive income are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	31 March 2014	31 March 2013	1 April 2012	31 March 2014	31 March 2013	1 April 2012
Statements of financial position						
Increase in deferred tax assets	37,340	259,843	1,428,351	-	185,472	472,336
Increase in deferred tax liabilities	3,092,145	360,841	108,146	44,054	-	-
Increase (decrease) in non-controlling interests of the subsidiaries	(25,124)	3,712	42,884	-	-	-
Increase (decrease) in revaluation surplus on changes in value of investments	18,763	(4,760)	(1,021)	18,763	(4,760)	(1,021)
Decrease in revaluation surplus on assets	(594,172)	(594,172)	(524,534)	-	-	-
Increase (decrease) in unappropriated retained earnings	(1,247,867)	1,040,504	1,802,876	(62,817)	190,232	473,357
Decrease in surplus from the changes in the ownership interests in subsidiary	(1,206,405)	(546,282)	-	-	-	-

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Statements of comprehensive income				
Profit or loss:				
Increase in income tax	2,317,207	808,892	253,049	282,885
Decrease in profit attributable to noncontrolling interests of the subsidiaries	(99,722)	(39,172)	-	-
Decrease in profit attributable to equity holders of the Company	(2,217,485)	(769,720)	(253,049)	(282,885)
Decrease in basic earnings per share (Baht)	(0.190)	(0.077)	(0.022)	(0.028)
Decrease in diluted earnings per share (Baht)	(0.188)	(0.075)	(0.021)	(0.025)
Other comprehensive income:				
Increase (decrease) in gain on changes in value of available-for-sale investments	23,523	(3,739)	23,523	(3,739)
Decrease in revaluation surplus on assets	-	(69,638)	-	-
Decrease (increase) in actuarial losses	-	7,348	-	(240)

5. Significant accounting policies

5.1 Revenue recognition

Fare box revenues

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.

On 17 April 2013, BTSC sold the net fare box revenue in the future to BTS Rail Mass Transit Growth Infrastructure Fund. Therefore, the Company presented fare box revenues as discussed in Note 27 to the financial statements.

Service income

Advertising income

Advertising income is recognised when services have been rendered taking into account the stage of completion, charged is in accordance with service areas, service rate charged per area, and service period as stipulated in the contract.

Revenues from provision of operating services

Income from providing of operating services is recognised when services have been rendered taking into account the stage of completion 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.

Revenues from provision of spaces

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.

Revenues from hotel operations

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.

Other service income

Service revenue is recognised when services have been rendered taking into account the stage of completion, excluding value added tax.

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.

Rental income in conjunction with apartments and condominiums is recognised as revenue on an accrual basis.

Revenues from sales of real estate

Revenues from sales of land, land and houses and condominium units are recognised in full when significant risks and rewards are transferred to the buyer.

Revenues from construction services

Revenues from construction are recognised on a percentage of completion basis based on the assessment of the Company's engineers. The recognised revenue which is not yet due per the contracts has been presented under the caption of "Unbilled receivable" in the statement of financial position.

Other income

Management income is recognised when services have been rendered, with reference to the term of the contract, excluding value added tax.

Interest income is recognised on an accrual basis based on the effective interest rate.

Dividends are recognised when the right to receive the payment is established.

5.2 Expenses

Cost of sales of real estate

Cost of sales of real estate, which is determined by attributing the total anticipated real estate development costs after recognition of the costs incurred to date to the units already sold on the basis of salable area, is recognised as costs in the statement of comprehensive income.

Cost of construction services

Cost of construction is recognised in accordance with the percentage of work completed based on total estimated costs. Provision for anticipated losses on construction projects is made in the accounts in full when the possibility of loss is ascertained. Differences between the estimated costs and the actual costs are recognised as current assets or current liabilities in the statement of financial position.

Expenses

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

5.3 Cash and cash equivalents

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.

5.4 Trade accounts receivable

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.

5.5 Real estate development costs

Real estate development costs are valued at the lower of cost and net realisable value.

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

5.6 Investments

a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.

b) 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 profit or loss when the securities are sold.

c) 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.

d) 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).

e) Investments in joint venture and associates are accounted for in the consolidated financial statements using the equity method.

f) 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 in profit or loss or recorded as other components of 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 in profit or loss.

5.7 Project costs - media

Project costs - media are stated at cost (allocated costs as discussed in Note 21 to the financial statements) less any accumulated amortisation and any accumulated impairment losses (if any).

Amortisation of project costs - media is calculated by reference to its costs, at a proportion of the actual rental and advertising income and budgeted rental and advertising income over the concession period.

Amortisation is included in determining income.

5.8 Spare parts and amortisation

Spare parts 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 through profit or loss whenever actually consumed.

b) Reusable spare parts, which 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 and is recorded through profit or loss.

5.9 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Golf course and construction	5 - 30 years
Buildings for rent	20 years
Condominiums for rent	period of lease

Depreciation of the investment properties is included in determining income.

No depreciation is provided on land awaiting sales and investment properties in progress.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

5.10 Property, plant and equipment and depreciation

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

Land is initially recorded at cost on the acquisition date, and subsequently revalued by an independent professional appraiser to its fair values. Revaluation ismade with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the end of reporting period.

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 recognized in the statements of other comprehensive income and 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 profit or loss. 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 statements of comprehensive income.

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

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

Depreciation is included in determining income.

No depreciation is provided on land, construction in progress and assets under installation.

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 is included in profit or loss when the asset is derecognised.

5.11 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.

5.12 Intangible assets

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 profit or loss.

Intangible asset with finite useful life of the Company is computer software with estimated useful lives of 3 and 5 years.

No amortisation is provided on intangible assets under development.

5.13 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 profit or loss.

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 recognized in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

5.14 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

5.15 Impairment of assets

At the end of each reporting period, the Company performs impairment reviews in respect of the property, plant and equipment whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Company estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

5.16 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

5.17 Equity-settled share-based payment transactions

The Company recognises the share-based payment transactions at the date on which the options are granted, based on the fair value of the share options. They are recorded as expenses over the expected life of the share options, and a capital reserve for share-based payment transactions is presented in shareholders' equity.

Estimating fair value for share-based payment transactions requires determination relating to appropriate assumptions, including the expected life of the share options, share price volatility and dividend yield.

5.18 Long-term leases

Leases of property, plant and 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 payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases are depreciated over the shorter of the useful life of the asset and the lease period.

Leases of property, plant and equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

5.19 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by the Company, whether directly or indirectly, or which are under common control with the Company.

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.

5.20 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period, with the exception of those covered by forward exchange contracts, which are translated at the contracted rates.

Translation differences on investments in debt securities and other monetary financial assets measured at fair value are included in gains and losses on exchange. Translation differences on non-monetary items such as investments in equity securities held for trading are reported as part of the fair value gain or loss. Translation differences on avaliable-for-sale investments in equity securities are included in the fair value gain or loss in other comprehensive income.

Gains and losses on exchange are included in determining income.

5.21 Gains from troubled debt restructuring

The Company adopts an accounting policy related to troubled debt restructuring whereby in case of transfer of assets to settle debts which the excess of the debt extinguished by the creditors over the fair value of the assets transferred is recognised as a gain from debt restructuring and the difference between the fair value and the net book value of the assets transferred is treated as a gain or loss from transfer of assets.

When the debt restructuring involves a waiver of debts, a portion of the waived debts that exceeds the aggregate amount of interest expenses to be incurred over the term of the new agreement is recognised as a gain from debt restructuring.

5.22 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses when incurred.

Defined benefit plans

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

For the first-time adoption of TAS 19 Employee Benefits during the year ended 31 March 2012, the Company elected to recognise the transitional liability, which exceeds the liability that would have been recognised at the same date under the previous accounting policy, retrospectively as though the Company and its subsidiaries initially recorded these employee benefit expenses.

5.23 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current 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.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company recognises deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company reviews and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

6. Significant accounting judgments and estimates

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

Leases
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.

Allowance for doubtful accounts
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.

Fair value of financial instruments
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 long-term volatility of financial instruments.

Impairment of investments
The Company treats available-for-sale investments and other investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgment of the management.

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

The Company measures land at revalued amounts in the consolidated financial statements. Such amounts are determined by the independent valuer using the market approach. 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.

Project costs - media and amortisation
In determining amortisation of project costs - media, the management is required to make estimate of the rental and advertising income over the concession period and to review the estimated rental and advertising income when circumstance changes.

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 estimates 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 intangible assets, and subsequent impairment testing, require management to 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.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Accrued expenses

In determining a provision for the Company's 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, recording expenses as of the statement of financial position date. The management of the Company believes that the actual expenses will be closed to their estimation as recorded.

Equity-settled share-based payment transactions

Estimating fair value for share-based payment transactions requires determination relating to appropriate assumptions, including the expected life of the share options, share price volatility and dividend yield.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

Provisions for special business tax of BTSGIF

In recording provisions, a subsidiary applies assumptions with reference to projections of future revenues prepared by an independent valuer and amortisation of BTSGIF's investment in rights to receive fare box revenue of the Core Bangkok Mass Transit System of BTSGIF, discounted to present value. The estimate is reviewed whenever circumstances change.

Gain on sale of net future fare box revenues and profit from discontinued operation

A subsidiary allocated assets and liabilities to be derecognized from its account in order to record gain on sale of net future fare box revenues and allocated revenues and expenses to record profit from discontinued operation. The management needs to apply judgment, bases, information and assumptions, regarding matters such as route length and reimbursable expenses from BTSGIF.

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 end of reporting period.

7. 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.

(Unit: Million Baht)

	For the years ended 31 March				Pricing policy
	Consolidated financial statements		Separate financial statements		
	2014	2013	2014	2013	
Transactions with subsidiaries					
(Eliminated from the consolidated financial statements)					
Interest income	-	-	151	87	At cost of funds
Management income	-	-	47	49	Contract price
Revenues from construction services (reversal)	-	-	24	(43)	Contract price
Utility income	-	-	8	3	Contract price
Revenue from guarantee	-	-	59	-	Contract price
Rental income	-	-	56	39	Contract price
Dividend income	-	-	17,063	4,630	Approved by the meeting of Board of Directors
Cost of construction services	-	-	24	14	Contract price
Purchase of fixed assets and investment properties	-	-	375	182	Contract price
Management fee	-	-	22	13	Contract price
Rental expenses	-	-	5	5	Contract price
Interest expenses	-	-	368	60	At cost of funds
Purchase of investments in subsidiaries	-	-	35	2,065	Contract price
Transaction of decrease in issued share capital (Note 17)	-	-	11,745	-	Approved by the Extraordinary General Meeting
Transactions with associates					
Sale of future net fare box revenues (Note 52)	61,399	-	-	-	Contract price
Service income	105	-	-	-	Contract price
Dividend income	821	-	821	-	Approved by the meeting of Board of Directors
Management fee	41	34	17	17	Contract price
Special business tax paid	50	-	-	-	Mutual agreement
Transactions with related individual or parties					
Purchase of land	150	-	-	-	Contract price
Cost of construction services	7	25	-	-	Contract price

As at 31 March 2014 and 2013, the balances of the accounts between the Company and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Trade and other receivables - related parties (Note 11)				
Subsidiary companies	-	461	306,750	162,210
Associated companies	51,019	-	-	-
Related company (common shareholders)	144	269	-	-
Total trade and other receivables - related parties	51,163	730	306,750	162,210
Advance to contractor - related party				
Subsidiary company	-	-	44,823	34,649
Total advance to contractor - related party	-	-	44,823	34,649
Retention receivable - related party				
Subsidiary company	-	-	1,200	105,559
Total retention receivable - related party	-	-	1,200	105,559
Refundable deposits - related party				
Subsidiary company	-	-	1,354	-
Total refundable deposits - related party	-	-	1,354	-
Accrued income - related party				
Associated company	345,903	-	-	-
Total accrued income - related party	345,903	-	-	-
Trade and other payables - related parties (Note 29)				
Subsidiary companies	-	-	46,068	22,696
Associated companies	684	-	-	-
Related companies (common shareholders)	3,576	873	-	-
Total trade and other payables - related parties	4,260	873	46,068	22,696
Accrued cost of construction - related party				
Subsidiary company	-	-	-	6,957
Total accrued cost of construction - related party	-	-	-	6,957
Unearned revenue - related party				
Associated company	578,723	-	-	-
Total unearned revenue - related party	578,723	-	-	-
Retention payable - related party				
Subsidiary company	-	-	19,155	51,627
Total retention payable - related party	-	-	19,155	51,627
Provision - related party (Note 34)				
Associated company	1,083,484	-	-	-
Total provision - related party	1,083,484	-	-	-

Loans to related parties and loans from related individual and parties

As at 31 March 2014 and 2013, the balances of loans between the Company and those related individual and companies and the movement are as follows:

(Unit: Thousand Baht)

Short-term loan to related party	Related by	Consolidated financial statements			
		Balance as at 31 March 2013	Increase during the year	Decrease during the year	Balance as at 31 March 2014
EGV Co., Ltd.	Related company	4,018	-	-	4,018
Less: Allowance for doubtful debt		(4,018)	-	-	(4,018)
Total		-	-	-	-

(Unit: Thousand Baht)

Short-term loans to related parties	Related by	Separate financial statements			
		Balance as at 31 March 2013	Increase during the year	Decrease during the year	Balance as at 31 March 2014
Bangkok Mass Transit System Public Co., Ltd.	Subsidiary company	-	570,000	(570,000)	-
Carrot Rewards Co., Ltd.	Subsidiary company	111,500	56,000	-	176,500
EGV Co., Ltd.	Related company	4,018	-	-	4,018
		115,518	635,000	(570,000)	180,518
Less: Allowance for doubtful debts		(4,018)	-	-	(4,018)
Total		111,500	635,000	(570,000)	176,500

(Unit: Thousand Baht)

Long-term loan to related party	Related by	Consolidated financial statements			
		Balance as at 31 March 2013	Increase during the year	Decrease during the year	Balance as at 31 March 2014
Hwa Kay Thai (Thailand) Co., Ltd.	Related company	25,780	-	(1,145)	24,635
Less: Allowance for doubtful debts		(25,780)	-	1,145	(24,635)
Net		-	-	-	-

(Unit: Thousand Baht)

Long-term loans to related parties	Related by	Separate financial statements			
		Balance as at 31 March 2013	Increase during the year	Decrease during the year	Balance as at 31 March 2014
Yongsu Co., Ltd.	Subsidiary company	5,670	100	-	5,770
Tanayong Food and Beverage Co., Ltd.	Subsidiary company	581,693	250	(338,804)	243,139
Muangthong Assets Co., Ltd.	Subsidiary company	83,700	-	-	83,700
Tanayong International Ltd.	Subsidiary company	430,361	6,509	-	436,870
Tanayong Hong Kong Limited	Subsidiary company	2,109	1,593	-	3,702
Nuvo Line Agency Co., Ltd.	Subsidiary company	20,000	634,000	(654,000)	-
Siam Paging and Communication Co., Ltd.	Subsidiary company	32,650	50	-	32,700
Sampaopetch Co., Ltd.	Subsidiary company	897,356	-	(897,356)	-
Kamkoong Property Co., Ltd.	Subsidiary company	149,150	9,120	-	158,270
BTS Asset Co., Ltd.	Subsidiary company	2,120,500	1,224,000	(45,000)	3,299,500
BTS Land Co., Ltd.	Subsidiary company	67,000	-	-	67,000
Thana City Golf & Sports Club Co., Ltd.	Subsidiary company	15,400	6,000	-	21,400
		4,405,589	1,881,622	(1,935,160)	4,352,051
Less: Allowance for doubtful debts		(1,418,752)	(6,910)	897,356	(528,306)
Net		2,986,837	1,874,712	(1,037,804)	3,823,745

(Unit: Thousand Baht)

Short-term loan from individual	Related by	Consolidated financial statements			
		Balance as at 31 March 2013	Increase during the year	Decrease during the year	Balance as at 31 March 2014
Shareholder	Subsidiary's shareholder	-	20,000	-	20,000
Total		-	20,000	-	20,000

(Unit: Thousand Baht)

Short-term loans from related party	Related by	Separate financial statements			
		Balance as at 31 March 2013	Increase during the year	Decrease during the year	Balance as at 31 March 2014
Bangkok Mass Transit System Public Co., Ltd.	Subsidiary's shareholder	-	24,063,200	(24,063,200)(1)	-
Total		-	24,063,200	(24,063,200)	-

(1) Settle with dividend income of Baht 13,894 million and decrease in issued share capital of a subsidiary of Baht 6,939 million

The loans to and loans from related individual and parties are not collateralised.

Directors' and management's benefits

During the years ended 31 March 2014 and 2013, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Short-term employee benefits	206	219	75	67
Post-employment benefits	26	27	2	9
Share-based payment	3	5	1	1
Total	235	251	78	77

Guarantee obligation with related party

The Company has an outstanding guarantee obligation with its related party, as described in Note 48.6 d) to the financial statements.

8. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Cash	50,616	69,502	129	149
Current deposits and saving deposits	6,658,749	859,633	1,585,054	569,071
Fixed deposits with maturity date due not more than 3 months	105,248	23	4	4
Certificates of deposits	464,574	2,268,043	384,425	1,059,694
Bills of exchange	583,565	116,081	300,000	-
BOT bonds with maturity date due not more than 3 months	-	200,000	-	-
Total	7,862,752	3,513,282	2,269,612	1,628,918

As at 31 March 2014, cash and cash equivalents carried interests between 0.37 and 3.25% per annum (2013: between 0.10 and 3.40% per annum) (Separate financial statements: 0.50 and 2.75% per annum (2013: 0.375 and 3.15% per annum)).

The Company is waiting to transfer the outstanding balance of cash and cash equivalents of Baht 182 million (2013: Baht 81 million) to the creditors per the rehabilitation plan of the Company, when the court issues its final judgment, as described in Note 15 to the financial statements

9. Current investments

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Fixed deposits with maturity date due more than 3 months	19,370,013	-	1,684,830	-
Held to maturity securities				
Private debt securities	4,516,464	993,849	629,293	993,849
Investments in trading securities				
Domestic marketable equity securities	178,903	-	-	-
Government and state-owned enterprise bonds	92,751	-	-	-
Private debt securities	131,328	-	-	-
	402,982	-	-	-
Add : Allowance for change in value	12,609	-	-	-
	415,591	-	-	-
Total	24,302,068	993,849	2,314,123	993,849

The current investments of Baht 3,897 million were pledged to secure a bank guarantee issued by a bank on behalf of subsidiary as security for the long-term debentures.

10. Bank account for advances from cardholders

In order to comply with the Notification of the Bank of Thailand applicable to electronic card businesses, the subsidiary (Bangkok Smartcard System Co., Ltd.) has to deposit cash received in advance from cardholders with a financial institution in an amount not less than the outstanding balance of the advance receipts at the end of each day. These funds cannot be used for any purposes other than making payment to goods or service providers on behalf of the cardholder. As at 31 March 2014, the balance of cash received in advance from cardholders was Baht 153 million (2013: Baht 79 million).

11. Trade and other receivables

As at the date of the statement of financial position, the balances of trade accounts receivable aged on the basis of due dates and the balances of other receivables were summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Trade receivables - related parties				
Not yet due	3,747	258	-	-
Past due				
Up to 3 months	-	11	-	-
Total trade receivables - related parties	3,747	269	-	-
Trade receivables - unrelated parties				
Not yet due	525,266	478,938	-	-
Past due				
Up to 3 months	149,405	340,822	-	-
3 - 6 months	39,282	20,924	-	-
6 - 12 months	9,859	2,008	-	-
Over 12 months	31,363	30,361	-	-
Total	755,175	873,053	-	-
Posted date cheques	9,157	13,220	-	-
Less: Allowance for doubtful debts	(32,895)	(29,329)	-	-
Total trade receivables - unrelated parties, net	731,437	856,944	-	-
Total trade receivables - net	735,184	857,213	-	-
Other receivables				
Advances	4,195	42,663	787	244
Interest receivable - related parties	-	-	285,835	159,872
Interest receivable	243,849	9,387	18,240	2,473
Dividend receivable	2,445	-	2,445	-
Retention receivable	2,748	7,702	2,748	7,702
Other receivables - related parties	47,416	461	20,915	2,338
Other receivables	38,618	28,220	23,162	21,860
Total other receivables - net	339,271	88,433	354,132	194,489
Trade and other receivables - net	1,074,455	945,646	354,132	194,489

12. Spare parts

As at the statement of financial position date, the balances of spare parts were comprised as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	
	2014	2013
Consumable spare parts	31,003	97,257
Transfer to non-current assets classified as held for sale (Note 27)	-	(68,104)
Consumable spare parts - net	31,003	29,153
Reusable spare parts	27,066	94,614
Less: Accumulated amortisation on reusable spare parts	(5,148)	(13,036)
	21,918	81,578
Transfer to non-current assets classified as held for sale (Note 27)	-	(59,175)
Reusable spare parts - net	21,918	22,403

For the year ended 31 March 2014, BTSC consumed consumable spare parts and recorded amortisation of reusable spare parts totaling Baht 2 million. The amortisation was recorded as part of servicing expenses in the consolidated statement of comprehensive income (2013: Baht 2 million: part of costs of fare box and presented under profit from discontinued operation).

13. Real estate development costs

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Land and construction development	2,551,034	3,532,232	626,024	692,821
Less: Reduce cost to net realisable value	(1,272)	(21,925)	(1,272)	(21,925)
Real estate development costs - net	2,549,762	3,510,307	624,752	670,896
Borrowing costs	-	53,821	-	-
Interest rate (%)	-	3.0 - 6.5	-	-
Mortgaged as collateral for credit facilities	571,691	2,979,281	-	-

14. Cash deposited as collateral for debt settlement

As at 31 March 2014, 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 million and Baht 40.7 million, respectively (2013: 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 accounts and the secured creditors are provided guarantees by the mortgage of the Company's assets in full.

15. Assets awaiting transfer under rehabilitation plan

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Real estate development costs - net	39,921	39,921	39,921	39,921
Land and projects awaiting development - net	28,315	33,015	28,315	28,315
Property, plant and equipment - net	54	73	54	73
Total	68,290	73,009	68,290	68,309

In order to comply with the rehabilitation plan, the Company held an open auction of assets awaiting transfer under the rehabilitation plan (5 items) in 2009, and a company successfully bid to purchase all of the assets at a price of Baht 1,200 million (appraisal value of Baht 3,089 million).

The Company subsequently entered into an agreement to acquire the rights to purchase certain auctioned assets (Items No.1-3), at a price of Baht 500 million, from such company.

In addition, in October 2012, another subsidiary entered into an agreement to acquire the rights to purchase certain auctioned assets (item No.4) from the company that had lodged the successful bid, at a price of Baht 300 million. The subsidiary paid Baht 45 million to that company in accordance with an agreement between the Company and that company. The subsidiary recorded this transaction under the heading of "Deposit and advances for asset acquisitions" in the consolidated statement of financial position

However, in 2011, a meeting of the Company's Board of Directors passed a resolution to approve and/or ratify a subsidiary executing a contract to purchase rights of claim from a group of creditors for a total consideration not exceeding Baht 1,200 million. The subsidiary made payment of approximately Baht 816 million for these rights and recorded this transaction under the heading of "Rights of claim from acquisition of debts per rehabilitation plan" in the consolidated statement of financial position.

In October 2012, there was transfer of ownership and redemption from mortgage of the secured asset (item No. 5) and repayment to the creditors per rehabilitation plan. Subsequently in July 2013, there were transfers of ownership and redemption from mortgage of the secured assets (items No. 1-3). The Company recorded items No. 1 - 3 totaling Baht 500 million under the heading of "Investment properties" in the statement of financial position. Most of the cash received from the buyer was transferred to the creditors per the rehabilitation plan, while approximately Baht 182 million (2013: Baht 81 million) was reserved to be transferred to eligible creditors per the order of the Central Bankruptcy Court, as discussed in Note 8 to the financial statements. The Company recorded this transaction under the heading of "Liability awaiting final court order" in the statement of financial position. Moreover, in July 2013, the Company sold certain assets (items 1 and 2) to an unrelated individual and unrelated companies at a price of Baht 489 million (net of selling expenses of Baht 65 million) and recognised gains of Baht 379 million. The Company recorded these transactions as a part under the heading of "Gain on sales of assets" in the statement of comprehensive income for the year ended 31 March 2014.

A subsidiary, as a creditor to which rights of claim over debts and other rights under the rehabilitation plan had been transferred, received settlement of debt totaling Baht 612 million, leaving a balance of "Rights of claim from acquisition of debts per rehabilitation plan" of Baht 204 million in its consolidated statement of financial position as at 31 March 2014 (2013: Baht 545 million).

16. Investments in subsidiaries awaiting transfer under rehabilitation plan

The remaining balance consists of 72 million ordinary shares of BTSC which will be transferred to the creditors per rehabilitation. However, these shares are not yet transferred to the creditors since some of the Company's debts are pending final court judgment.

17. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

(Unit: Thousand Baht)

Company's name	Paid-up capital		Percentage owned by the Company		Cost		Dividend income	
	2014	2013	2014	2013	2014	2013	2014	2013
Bangkok Mass Transit System Public Co., Ltd. ("BTSC")	4,016,783	16,067,134	97.46	97.46	29,937,253	41,681,791	16,952,850	4,534,585
VGI Global Media Public Co., Ltd. (51% held by BTSC)	343,197	300,000	10.84	16.33	2,577,858	1,715,000	90,338	70,800
Dnal Co., Ltd.	50,000	50,000	100	100	680,609	680,609	-	-
Muangthong Assets Co., Ltd.	125,000	125,000	100	100	503,695	503,695	-	-
PrannaKiri Assets Co., Ltd.	311,000	311,000	100	100	310,010	310,010	-	-
Yong Su Co., Ltd.	234,000	234,000	100	100	236,570	236,570	-	-
Tanayong Food and Beverage Co., Ltd.	1,000	1,000	100	100	1,000	1,000	-	-
Thana City Golf & Sports Club Co., Ltd.	20,000	20,000	100	100	77,472	77,472	-	-
Siam Paging and Communication Co., Ltd.	5,000	5,000	100	100	5,000	5,000	-	-
Sampaopetch Co., Ltd.	-	1,000	-	100	-	1,000	-	-
Tanayong Property Management Co., Ltd.	1,000	1,000	100	100	1,000	1,000	3,000	-
Tanayong International Ltd.	25	25	100	100	25	25	-	-
HHT Construction Co., Ltd.	25,000	25,000	51	51	12,750	12,750	17,085	24,276
Tanayong Hong Kong Limited	42	42	100	100	42	42	-	-
Carrot Rewards Co. Ltd.	2,000	2,000	100	100	2,000	2,000	-	-
BTS Assets Co., Ltd.	800,000	800,000	100	100	1,424,078	1,424,078	-	-
BTS Land Co., Ltd.	10,000	10,000	100	100	10,000	10,000	-	-
Nuvo Line Agency Co., Ltd.	2,001,000	2,001,000	80	80	1,637,915	1,637,915	-	-
Kamkoong Property Co., Ltd.	375,000	375,000	100	100	375,000	375,000	-	-
Man Kitchen Co., Ltd.	50,000	-	70	-	35,000	-	-	-
Mak8 Co., Ltd.	240,000	-	87.5	-	210,000	-	-	-
Total					38,037,277	48,674,957		
Less: Surplus on business combination under common control					(3,790,493)	(4,812,208)		
					34,246,784	43,862,749		
Less: Provision for loss on diminution in value					(1,418,899)	(1,419,899)		
Net					32,827,885	42,442,850		

Bangkok Mass Transit System Public Co., Ltd. ("BTSC")

Transactions during the year ended 31 March 2013

The Company purchased 163,088,137 ordinary shares of BTSC from a company, at a price of Baht 2.8325 each and 1,133,188 ordinary shares of BTSC from an individual, at a price of Baht 2.85 each.

The Company recorded deficit from the changes in the ownership interests in a subsidiary amounting to Baht 182 million under the shareholders' equity in the consolidated statements of financial position.

The Annual General Meeting of the shareholders and the meeting of Board of Directors of BTSC passed resolutions to pay dividends totaling Baht 4,659 million (Baht 4,535 million paid to the Company).

Transactions during the year ended 31 March 2014

On 20 August 2013, the Extraordinary General Meeting of the shareholders No. 2/2013 of BTSC passed the following significant resolutions.

a) Decrease the registered share capital from Baht 20,867,133,653 (20,867,133,653 ordinary shares with a par value of Baht 1 each) to Baht 16,067,133,653 (16,067,133,653 ordinary shares with a par value of Baht 1 each) by cancellation of 4,800 million unissued ordinary shares with a par value of Baht 1 each.

b) Decrease the registered share and issued share capital by Baht 12,050,350,240 from Baht 16,067,133,653 to Baht 4,016,783,413 by decreasing the par value of the ordinary shares from Baht 1 to Baht 0.25 per share. BTSC registered the decrease in registered share and issued share capital with the Ministry of Commerce on 11 November 2013 (Baht 11,745 million paid to the Company).

The Annual General Meeting of the shareholders and the meeting of Board of Directors of BTSC passed resolutions to pay dividends totaling Baht 17,394 million (Baht 16,953 million paid to the Company).

All of BTSC's ordinary shares (excluding the ordinary shares of VGI Global Media Public Company Limited and Bangkok Smartcard System Company Limited held by BTSC, rights to provide operating service under the operating and maintenance service agreement for the extension to the core network and other assets stipulated in the agreement) have been pledged with BTS Rail Mass Transit Growth Infrastructure Fund to secure its obligations under the Sponsor Support and Guarantee Agreement, as discussed in Note 52 to the financial statements.

Sampaopetch Company Limited

On 29 November 2012, the Central Bankruptcy Court issued a receivership order for Sampaopetch Company Limited and the creditors lodged claims for settlement of debts with the Comptroller. Subsequently, on 27 May 2013, the Board of Directors of the Company approved the write off of the investment in this subsidiary. The Company has excluded the financial statements of Sampaopetch Company Limited from the consolidated financial statements since 27 May 2013.

Tanayong Property Management Company Limited

During the year ended 31 March 2014, the Annual General Meeting of the shareholders of a subsidiary passed a resolution to pay a dividend amounting to Baht 3 million (Baht 3 million paid to the Company).

HHT Construction Company Limited

During the year ended 31 March 2013, the Annual General Meeting of the shareholders of a subsidiary passed a resolution to pay a dividend amounting to Baht 48 million (Baht 24 million paid to the Company).

During the year ended 31 March 2014, the Annual General Meeting of the shareholders of a subsidiary passed a resolution to pay a dividend amounting to Baht 34 million (Baht 17 million paid to the Company).

Kampoo Property Company Limited

During the year ended 31 March 2013, the Company sold all of ordinary shares of a subsidiary to a company, at a price of Baht 1,849 million.

The Company recorded gain from sale of the investment in subsidiary amounting to Baht 711 million (Separate financial statements: Baht 604 million) in the statements of comprehensive income for the year ended 31 March 2013.

Man Kitchen Company Limited

On 16 October 2013, a meeting of Executive Committee of the Company passed a resolution to establish Man Kitchen Company Limited, to engage in the restaurant and related businesses, with a registered share capital of Baht 50 million (500,000 ordinary shares with a par value of Baht 100 each), in which a subsidiary company will hold a 70% interest. Man Kitchen Company Limited registered its incorporation on 17 October 2013. In addition, the meeting passed a resolution to establish Little Corner Company Limited to engage in the restaurant business, with a registered share capital of Baht 10 million (100,000 ordinary shares with a par value of Baht 100 each), in which Man Kitchen Company Limited will hold a 50% interest. Currently, this company has not been established. Subsequently, on 30 December 2013, the Company purchased all ordinary shares of Man Kitchen Company Limited held by a subsidiary, as discussed above, at a price of Baht 35 million, and as a result holds a 70% interest in this company.

Mak8 Company Limited

On 24 February 2014, a meeting of Executive Committee of the Company passed a resolution to establish Mak8 Company Limited, to engage in the property development business, with a registered share capital of Baht 240 million (2,400,000 ordinary shares with a par value of Baht 100 each). Mak8 Company Limited registered its incorporation on 25 February 2014. The Company holds a 87.5% interest in this company.

Subsidiaries indirectly owned by the Company

VGI Global Media Public Company Limited ("VGI")

Transactions during the year ended 31 March 2013

BTSC sold 62 million ordinary shares of VGI to the public and VGI issued 26 million additional ordinary shares to be offered by private placement to the existing shareholders of the Company and of BTSC at a price of Baht 35 per share.

The Company recorded surplus from the changes in the ownership interests in a subsidiary from sale of ordinary shares and issuance of the subsidiary's ordinary shares amounting to Baht 1,432 million and Baht 736 million, respectively under the shareholders' equity in the consolidated statements of financial position.

In addition, the Company purchased 59 million ordinary shares of VGI, at a price of Baht 35 each, from BTSC.

The Company recorded surplus on business combination under common control amounting to Baht 1,734 million under the shareholders' equity in the separate statements of financial position since the transaction was considered to be the restructuring of the companies under common control.

Subsequently, the Company sold 5 million ordinary shares of VGI, at a price of Baht 120 each and sold 5 million ordinary shares of VGI, at a price of Baht 121 each.

The Company recorded surplus from the changes in the ownership interests in a subsidiary from sale of ordinary shares amounting to Baht 948 million under the shareholders' equity in the consolidated statements of financial position and recorded gain on sales of investments in subsidiary amounting to Baht 850 million in the separate statement of comprehensive income.

As a result of sales of investments in VGI and issuance of additional ordinary shares of VGI above, the Company's shareholding in VGI remained 16.33% (51% held by BTSC).

The meeting of Board of Directors of a subsidiary passed resolutions to pay dividends totaling Baht 440 million (Baht 71 million paid to the Company and Baht 335 million paid to the Group).

Transactions during the year ended 31 March 2014

On 4 July 2013, the Annual General Meeting of a subsidiary (VGI Global Media Public Company Limited)'s shareholders passed the following significant resolutions.

a) Decrease the subsidiary's registered share capital from Baht 400 million (400 million ordinary shares with a par value of Baht 1 each) to Baht 300 million (300 million ordinary shares with a par value of Baht 1 each) by cancellation of 100 million unissued ordinary shares with a par value of Baht 1 each.

The subsidiary registered the corresponding decrease in its registered share capital with the Ministry of Commerce on 8 July 2013.

b) Increase the subsidiary's registered share capital from Baht 300 million (300 million ordinary shares with a par value of Baht 1 each) to Baht 330 million (330 million ordinary shares with a par value of Baht 1 each) by issuing 30 million ordinary shares with a par value of Baht 1 each to accommodate the stock dividend payment.

The subsidiary registered the corresponding increase in its registered share capital with the Ministry of Commerce on 9 July 2013.

c) Pay to the shareholders stock and cash dividends for 2013 of Baht 0.1 per share and Baht 1.4 per share, respectively, or a total of Baht 450 million, in respect of the profit for the year ended 31 March 2013, in addition to the interim dividend payment of Baht 1.2 per share made on 27 December 2012. Thus, the subsidiary is to pay a total annual dividend of Baht 2.7 per share in respect of its operating results for the year ended 31 March 2013.

The subsidiary paid a stock dividend of 29,998,923 ordinary shares, of which 4,400,000 ordinary shares were distributed to the Company (19,700,000 ordinary shares distributed to the Group), and the remainder of the dividend was paid in cash (Baht 62 million paid to the Company and Baht 276 million paid to the Group) on 17 July 2013. The subsidiary registered the issue of ordinary shares with the Ministry of Commerce on the same date.

Subsequently, on 19 September 2013, the Extraordinary General Meeting of the subsidiary No. 1/2013 passed a resolution to change the number and par value of the subsidiary's ordinary shares, by increasing the number of the ordinary shares by 2,970 million shares, from 330 million shares to 3,300 million shares, and changing the par value from Baht 1 to Baht 0.1 per share. The registered capital of the subsidiary represents Baht 330 million (3,300 million ordinary shares with a par value of Baht 0.1 each). The subsidiary registered the changes in the number and par value of its ordinary shares with the Ministry of Commerce on 23 September 2013.

In addition, on 9 December 2013, the Extraordinary General Meeting of the subsidiary's shareholders No. 2/2013 passed the following significant resolutions.

a) Decrease the subsidiary's registered share capital from Baht 330 million (3,300 million ordinary shares with a par value of Baht 0.1 each) to Baht 329,998,923 (3,299,989,230 ordinary shares with a par value of Baht 0.1 each) by cancellation of 10,770 unissued ordinary shares with a par value of Baht 0.1 each.

The subsidiary registered the corresponding decrease in its registered share capital with the Ministry of Commerce on 17 December 2013.

b) Increase the subsidiary's registered share capital from Baht 329,998,923 (3,299,989,230 ordinary shares with a par value of Baht 0.1 each) to Baht 343,198,880 (3,431,988,799 ordinary shares with a par value of Baht 0.1 each) by issuing 131,999,569 ordinary shares with a par value of Baht 0.1 each to accommodate the stock dividend payment.

The subsidiary registered the corresponding increase in its registered share capital with the Ministry of Commerce on 18 December 2013.

c) Pay to the shareholders stock and cash interim dividends for 2014 of Baht 0.004 per share and Baht 0.180 per share, respectively, or a total of Baht 607 million, in respect of the profit for the six-month period ended 30 September 2013.

The subsidiary paid a stock dividend of 131,984,395 ordinary shares, of which 6,386,196 ordinary shares were distributed to the Company (73,706,196 ordinary shares distributed to the Group), and the remainder of the dividend was paid in cash (Baht 28 million paid to the Company and Baht 331 million paid to the Group) on 27 December 2013. The subsidiary registered the issue of ordinary shares with the Ministry of Commerce on the same date.

Purchase transactions of investments in the subsidiary

The Company purchased 1 million ordinary shares of VGI at prices of Baht 94 - Baht 116 per share and 210 million ordinary shares of VGI at Baht 9 - Baht 13 per share (after change in par value). The purchase transactions are detailed below.

(Unit: Thousand Baht)

Purchase price	2,150,153
Less: Non-controlling interests of subsidiary adjusted	(115,043)
Deficit from the changes in the ownership interests in subsidiary	2,035,110

Sale transactions of investments in the subsidiary

The Company sold 5 million ordinary shares of VGI at prices of Baht 120 - Baht 130 per share and 330 million ordinary shares of VGI at prices of Baht 11 - Baht 13 per share (after change in par value). The sale transactions are detailed below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Selling price of investments in the subsidiary	4,625,088	4,625,088
Less: Selling expenses relating to the sales of investments in the subsidiary	(37,179)	(37,179)
Cash receipt from the sales of investments in the subsidiary	4,587,909	4,587,909
Less: Value of investments in the subsidiary		
- Investments in the subsidiary	-	(265,579)
- Surplus on business combination under common control	-	(1,021,716)
Cash receipt from the sales of investments in the subsidiary / Gain on sales of investments in subsidiary	4,587,909	3,300,614
Less: Related taxes on consolidated financial statements	(660,122)	-
Net cash receipt from the sales of investments in the subsidiary / Gain on sales of investments in subsidiary	3,927,787	3,300,614
Less: Non-controlling interests of subsidiary	(255,606)	-
Surplus from the changes in the ownership interests in a subsidiary/ Gain on sales of investments in subsidiary	3,672,181	3,300,614

As a result of the purchases and sales of ordinary shares of VGI, the Company's shareholding in VGI decreased from 16.33% to 10.84% (51% held by BTSC).

Kamala Beach Resort & Hotel Management Co., Ltd.

During the year ended 31 March 2013, BTSC sold all of ordinary shares of a subsidiary to a company at a price of Baht 1,600 million.

The Company recorded the gain on sale of investment in subsidiary amounting to Baht 289 million in the consolidated statement of comprehensive income for the year ended 31 March 2013.

18. Investment in a joint venture

18.1 Details of investment in a joint venture

Investment in a joint venture represents investment in an entity which is jointly controlled by a subsidiary (VGI Global Media Public Company Limited) and other company. Details of this investment are as follows:

(Unit: Thousand Baht)

Jointly controlled entity	Nature of business	Consolidated financial statements					
		Shareholding percentage		Cost		Carrying amounts based on equity method	
		2014	2013	2014	2013	2014	2013
		%	%				
Midas Global Media Co., Ltd. (Formerly known as "VGI Multi-Tech International Co., Ltd.")	Provision of services, rental and management of advertising media space, including electronic and new technology media	30	-	45,329	-	44,517	-

On 27 January 2014, the subsidiary's Board of Directors meeting No. 1/2014 passed a resolution to invest in a joint venture with a company, and on 5 February 2014, the subsidiary entered into the shareholders' agreement with that company.

As stipulated in the shareholders' agreement, on 20 February 2014, the subsidiary sold 70% of the share capital of Midas Global Media Company Limited to that company at a price of Baht 11.83 per share. As a result, the shareholding in the subsidiary reduced to 30%. However, since the agreement stipulates that the subsidiary and that company jointly control Midas Global Media Company Limited, the subsidiary changed the status of Midas Global Media Company Limited from a subsidiary to a jointly controlled entity.

Subsequently, on 24 February 2014, the subsidiary and that company increased the jointly controlled entity's share capital from Baht 6 million (600,000 ordinary shares with a par value of Baht 10 each) to Baht 150 million (15 million ordinary shares with a par value of Baht 10 each) in proportion to their interests of 30% and 70%, respectively, buying the shares at a price of Baht 10 per share, as stipulated in the shareholders' agreement. The jointly controlled entity registered the increase in its share capital with the Ministry of Commerce on the same date.

18.2 Share of loss

During the year, the Company recognised its share of loss from investment in the joint venture amounting to Baht 0.8 million in the consolidated financial statements.

18.3 Summarised financial information of a jointly controlled entity

The subsidiary's proportionate shares of the assets, liabilities, revenues and expenses of Midas Global Media Company Limited, according to the proportion under the joint venture agreement, are as follows:

(Unit: Thousand Baht)

	2014	2013
Current assets	15,679	-
Non-current assets	28,878	-
	44,557	-
Current liabilities	44	-
	44	-
Net assets	44,513	-

(Unit: Thousand Baht)

	For the period as from 20 February 2014 to 31 March 2014
Other income	1
Cost of services	(543)
Administrative expenses	(302)
Loss before income tax expenses	(844)
Income tax expenses	32
Loss for the period	(812)

19. Investments in associates

19.1 Details of associates

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			2014	2013	2014	2013	2014	2013
Absolute Hotel Services Co., Ltd.	Hotel management	Thai	50.00	50.00	4,000	4,000	16,875	10,026
Absolute Hotel Services Hong Kong Ltd.[1]	Hotel management	Hong Kong	50.00	50.00	3,049	3,049	-	-
Bayswater Co., Ltd.	Property development	Thai	50.00	-	5,000	-	5,042	-
BTS Rail Mass Transit Growth Infrastructure Fund	Investment in infrastructure businesses	Thai	33.33	-	20,833,200	-	13,877,048	-
Total					20,845,249	7,049	13,898,965	10,026

1 held by Tanayong Hong Kong Limited and Absolute Hotel Services Co., Ltd.

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Separate financial statements			
			Shareholding percentage		Cost	
			2014	2013	2014	2013
Absolute Hotel Services Co., Ltd.	Hotel management	Thai	50.00	50.00	4,000	4,000
Bayswater Co., Ltd.	Property development	Thai	50.00	-	5,000	-
BTS Rail Mass Transit Growth Infrastructure Fund	Investment in infrastructure businesses	Thai	33.33	-	20,833,200	-
Total					20,842,200	4,000

19.2 Share of income

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

(Unit: Thousand Baht)

Company's name	Consolidated financial statements	
	Share of income from investments in associates for the years ended 31 March	
	2014	2013
Absolute Hotel Services Co., Ltd.	7,548	2,993
Bayswater Co., Ltd.	42	-
BTS Rail Mass Transit Growth Infrastructure Fund	612,464	-
Total	620,054	2,993

19.3 Summarised financial information of associates

Financial information of the associates is summarised below.

Company's name	Issued and paid-up capital (including share premium) as at 31 March		Total assets as at 31 March		Total liabilities as at 31 March		Total revenues for the years ended 31 March		Profit (loss) for the years ended 31 March	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Absolute Hotel Services Co., Ltd. (Unit: Million Baht)	8.0	8.0	43.9	27.7	10.2	7.7	64.0	43.3	15.3	5.9
Absolute Hotel Services Hong Kong Ltd. (Unit: Million USD)	0.9	0.2	0.6	0.5	0.2	0.6	0.2	0.2	(0.2)	(0.2)
Bayswater Co., Ltd. (Unit: Million Baht)	10.0	-	10.0	-	-	-	0.1	-	0.1	-
BTS Rail Mass Transit Growth Infrastructure Fund (Unit: Million Baht)	62,510.4	-	65,184.4	-	79.9	-	3,808.6	-	3,353.0	-

19.4 Investment in associate with capital deficit

The Company recognised share of loss from investment in an associate, 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)

Company's name	Unrecognised share of loss	
	Share of loss for the year ended 31 March 2014	Cumulative share of loss up to 31 March 2014
	2014	2013
Absolute Hotel Services Hong Kong Ltd.	-	3

19.5 Supplemental information of associates

BTS Rail Mass Transit Growth Infrastructure Fund ("BTSGIF")

During the year ended 31 March 2014, the Company subscribed to 1,929 million investment units of BTSGIF at a price of Baht 10.80 per unit, totaling Baht 20,833 million, or equivalent to 33.33% of the number of units in issue. Under the equity method, the Company eliminated gain on sale of future net fare box revenues in proportion to its investment, as discussed in Note 52 to the financial statements. This gain is to be recognized over the remaining 17 years of the Core Bangkok Mass Transit System concession, whose net fare box revenues were sold to BTSGIF.

The Company received dividends of Baht 820 million from BTSGIF in respect of its operating results from 17 April 2013 to 31 December 2013.

Investment in BTSGIF under equity method was detailed below.

(Unit: Thousand Baht)

	Consolidated financial statements	
	2014	2013
Cost	20,833,200	-
Add: Share of income from investment	612,464	-
Less: Gain on sale of future net fare box revenues in proportion to the Company's investment	(6,748,791)	-
Less: Dividend income	(819,825)	-
Net	13,877,048	-

Absolute Hotel Services Company Limited

The Company received a dividend of Baht 0.7 million from BTSGIF in respect of its operating results for the year ended 31 March 2013.

Bayswater Company Limited

On 28 March 2014, the meeting of Board of Directors of the Company passed a resolution approving investment in and the provision of financial support to Bayswater Company Limited, an associated company, in order to engage in property development business. This company has a registered share capital of Baht 10 million (100,000 ordinary shares with a par value of Baht 100 each) with the Company holding a 50% interest.

20. Other long-term investments

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Fixed deposits with maturity date due more than 1 year	1,082,281	-	-	-
Held-to-maturity securities				
Private debt securities	3,137,522	200,000	108,408	100,000
Investments in available for sale				
Domestic marketable equity securities	878,815	25,138	878,815	25,138
Foreign marketable equity securities	641,047	-	641,047	-
	1,519,862	25,138	1,519,862	25,138
Add : Allowance for change in value	(93,815)	23,801	(93,815)	23,801
	1,426,047	48,939	1,426,047	48,939
Other investments				
Domestic non-marketable equity securities	118,583	118,583	118,583	118,583
Foreign non-marketable equity securities	473,751	-	473,751	-
	592,334	118,583	592,334	118,583
Total	6,238,184	367,522	2,126,789	267,522

The other long-term investments of Baht 2,999 million were pledged to secure a bank guarantee issued by a bank on behalf of the subsidiary as security for the long-term debentures.

21. Project costs - media

(Unit: Thousand Baht)

	Consolidated financial statements
Cost	
31 March 2013	-
Allocated from project costs - elevated train system	2,371,456
31 March 2014	2,371,456
Accumulated amortisation	
31 March 2013	-
Amortisation for the year	31,389
31 March 2014	31,389
Net book value	
31 March 2013	-
31 March 2014	2,340,067
Amortisation for the year	
2013	-
2014 (included in cost of services)	31,389

BTSC recorded allocations of costs of rights relating to media separately from project costs - elevated train system, classifying them as "Non-current assets classified as held for sale", as discussed in Note 27 to the financial statements. The costs were allocated in accordance with bases and assumptions set by BTSC's management, who has assessed the appropriateness of these entries.

22. Land and projects awaiting development

The subsidiaries made plans to develop land that had previously been classified as investment properties. As at 31 March 2014, the subsidiaries therefore classified Baht 264 million of investment properties as land and projects awaiting development.

23. Investment properties

The net book value of investment properties as at 31 March 2014 and 2013 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements			
	Land awaiting sales	Buildings and condominiums for rent	Total	Land awaiting sales	Buildings and condominiums for rent	Golf course and construction	Total
31 March 2014:							
Cost	3,479,285	374,097	3,853,382	1,689,183	400,723	1,235,933	3,325,839
Less: Accumulated depreciation	-	(125,633)	(125,633)	-	(124,680)	(653,847)	(778,527)
Less: Allowance for impairment	(547,009)	(79,279)	(626,288)	(566,281)	(69,049)	(220,830)	(856,160)
Net book value	2,932,276	169,185	3,101,461	1,122,902	206,994	361,256	1,691,152
31 March 2013:							
Cost	3,209,940	399,467	3,609,407	1,278,940	360,708	1,069,158	2,708,806
Less: Accumulated depreciation	-	(112,230)	(112,230)	-	(110,463)	(618,841)	(729,304)
Less: Allowance for impairment	(550,269)	(79,279)	(629,548)	(550,269)	(69,049)	(220,830)	(840,148)
Net book value	2,659,671	207,958	2,867,629	728,671	181,196	229,487	1,139,354

A reconciliation of the net book value of investment properties for the years 2014 and 2013 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Net book value at beginning of year	2,867,629	2,461,013	1,139,354	1,226,078
Acquisition of assets	652,707	71,588	619,376	21
Transfer from (to) other assets	(19,804)	1,440,406	103,215	-
Transfer to land and projects awaiting development	(263,913)	-	-	-
Disposals - net book value	(121,707)	(10,171)	(121,569)	(32,331)
Decrease from disposal of subsidiary	-	(1,079,314)	-	-
Depreciation charged	(13,451)	(15,893)	(49,224)	(54,414)
Net book value at end of year	3,101,461	2,867,629	1,691,152	1,139,354

The fair value of the investment properties as at 31 March 2014 stated below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Land awaiting sales	6,374,700	3,656,300
Buildings and condominiums for rent	243,997	217,000
Golf course and construction	-	2,671,446

The fair values of the above investment properties have been determined based on valuations performed by an accredited independent valuer. The basis of the appraisal was as follows:

- Land awaiting sales has been determined using market approach.
- Buildings and condominiums for rent have been determined using the income approach and depreciated replacement cost approach.
- Golf course and construction have been determined using the market approach and depreciated replacement cost approach.

The main assumptions used in the valuation are yield rate, inflation rate, long-term vacancy rate and long-term growth in real rental rates.

The Company and its subsidiaries have pledged investment properties amounting to approximately Baht 1,127 million (2013: Baht 1,072 million) (Separate financial statement: Baht 382 million (2013: Baht 229 million)) as collateral against credit and guarantee facilities and a creditor per rehabilitation plan.

24. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements								
	Land (revalued)	Rolling stock	Buildings and improvements	Golf course development costs	Machinery and equipment	Furniture and office equipment	Motor vehicles	Construction in progress and assets under installation	Total
Cost									
1 April 2012	192,796	-	826,144	610,036	510,566	730,430	294,687	2,526,344	5,691,003
Additions	-	-	20,053	2,390	48,040	159,459	7,160	1,185,858	1,422,960
Capitalised interest	-	-	-	-	-	-	-	33,510	33,510
Disposals	-	-	(253,029)	(33,626)	(1,086)	(92,083)	(12,732)	(701)	(393,257)
Transfer in (out)	-	1,818,537	2,330,816	-	417,086	17,394	(7)	(2,513,641)	2,070,185
31 March 2013	192,796	1,818,537	2,923,984	578,800	974,606	815,200	289,108	1,231,370	8,824,401
Additions	-	417	31,486	18,439	59,265	50,960	30,179	2,216,852	2,407,598
Capitalised interest	-	-	-	-	-	-	-	500	500
Disposals	-	-	-	-	(24,345)	(16,407)	(2,565)	(1,466)	(44,783)
Transfer in (out)	-	1,925,164	156,107	-	231,367	71,848	-	(2,380,207)	4,279
Decrease from change in status of investment	-	-	-	-	(138)	-	-	-	(138)
Translation adjustment	-	-	-	-	-	165	189	-	354
31 March 2014	192,796	3,744,118	3,111,577	597,239	1,240,755	921,766	316,911	1,067,049	11,192,211
Accumulated depreciation									
1 April 2012	-	-	591,075	327,055	353,367	581,249	178,944	-	2,031,690
Depreciation for the year	-	24,801	96,521	9,690	133,982	68,829	37,799	-	371,622
Depreciation on disposals	-	-	(230,868)	(33,626)	(125)	(84,556)	(12,490)	-	(361,665)
Depreciation on transfer out	-	-	-	-	(56,638)	(1,376)	(3)	-	(58,017)
31 March 2013	-	24,801	456,728	303,119	430,586	564,146	204,250	-	1,983,630
Depreciation for the year	-	95,091	100,230	9,666	118,456	79,090	42,779	-	445,312
Depreciation on disposals	-	-	-	-	(21,434)	(16,692)	(2,565)	-	(40,691)
Decrease from change in status of investment	-	-	-	-	(138)	-	-	-	(138)
Translation adjustment	-	-	-	-	-	7	91	-	98
31 March 2014	-	119,892	556,958	312,785	527,470	626,551	244,555	-	2,388,211
Revaluation surplus									
1 April 2012	2,600,711	-	-	-	-	-	-	-	2,600,711
Addition	370,150	-	-	-	-	-	-	-	370,150
31 March 2013	2,970,861	-	-	-	-	-	-	-	2,970,861
31 March 2014	2,970,861	-	-	-	-	-	-	-	2,970,861
Allowance for impairment									
1 April 2012	-	-	12,405	208,426	-	-	-	-	220,831
31 March 2013	-	-	12,405	208,426	-	-	-	-	220,831
31 March 2014	-	-	12,405	208,426	-	-	-	-	220,831
Net book value									
31 March 2013	3,163,657	1,793,736	2,454,851	67,255	544,020	251,054	84,858	1,231,370	9,590,801
31 March 2014	3,163,657	3,624,226	2,542,214	76,028	713,285	295,215	72,356	1,067,049	11,554,030
Depreciation for the years									
2013									371,622
2014									445,312

(Unit: Thousand Baht)

	Separate financial statements					
	Buildings and improvements	Golf course development costs	Furniture and office equipment	Motor vehicles	Construction in progress and assets under installation	Total
Cost						
1 April 2012	45,344	54,253	59,553	70,985	27,788	257,923
Additions	-	-	863	3,154	183,202	187,219
Transfer in (out)	-	-	-	-	3,091	3,091
Disposals	-	(14,087)	(21,673)	(136)	-	(35,896)
31 March 2013	45,344	40,166	38,743	74,003	214,081	412,337
Additions	-	-	2,900	28,900	304,624	336,424
Transfer in (out)	5,176	-	952	-	(84,499)	(78,371)
Disposals	-	-	(26)	(1,171)	-	(1,197)
31 March 2014	50,520	40,166	42,569	101,732	434,206	669,193
Accumulated depreciation						
1 April 2012	32,365	41,424	45,389	70,868	-	190,046
Depreciation for the year	3,855	4,044	5,372	325	-	13,596
Depreciation on disposals	-	(14,087)	(21,672)	(136)	-	(35,895)
31 March 2013	36,220	31,381	29,089	71,057	-	167,747
Depreciation for the year	3,306	4,020	4,480	6,000	-	17,806
Depreciation on disposals	-	-	(26)	(1,171)	-	(1,197)
31 March 2014	39,526	35,401	33,543	75,886	-	184,356
Net book value						
31 March 2013	9,124	8,785	9,654	2,946	214,081	244,590
31 March 2014	10,994	4,765	9,026	25,846	434,206	484,837
Depreciation for the years						
2013						13,596
2014						17,806

For the years ended 31 March 2014 and 2013, the Company and its subsidiaries recorded depreciation for the years as a part of costs and expenses in the statements of comprehensive income as details below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Costs of fare box	-	8	-	-
Costs of services	311	236	-	-
Administrative expenses	149	128	18	14
Total	460	372	18	14

The Company and a subsidiary (BTS Assets Co., Ltd.) have mortgaged land and construction thereon with net book value as at 31 March 2014 of Baht 5,179 million (2013: Baht 4,987 million) as collateral for credit and guarantee facilities from a financial institution.

As at 31 March 2014, 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 1,293 million (2013: Baht 1,186 million) (Separate financial statements: Baht 132 million (2013: Baht 126 million)).

During the year ended 31 March 2014, the subsidiary included borrowing costs of Baht 0.5 million as cost of equipment (2013: Baht 34 million). Interest is charged at rate of 4.75 - 6% per annum (2013: 5 - 6.125% per annum).

25. Leasehold rights

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Cost		
1 April 2012	119,552	21,274
31 March 2013	119,552	21,274
Additions	4,730	4,730
31 March 2014	124,282	26,004
Accumulated amortisation		
1 April 2012	29,527	10,474
Amortisation for the year	8,552	3,492
31 March 2013	38,079	13,966
Amortisation for the year	8,548	3,488
31 March 2014	46,627	17,454
Net book value		
31 March 2013	81,473	7,308
31 March 2014	77,655	8,550
Amortisation for the years as included in administrative expenses		
2013	8,552	3,492
2014	8,548	3,488

26. Intangible assets

(Unit: Thousand Baht)

	Consolidated financial statements		
	Computer software	under development	Total
Cost			
1 April 2012	96,627	2,914	99,541
Additions	17,819	-	17,819
Transfer-in (out)	24,829	(2,914)	21,915
31 March 2013	139,275	-	139,275
Additions	6,742	-	6,742
Disposal	(52)	-	(52)
Transfer-in	23,030	-	23,030
31 March 2014	168,995	-	168,995
Accumulated amortisation			
1 April 2012	72,844	-	72,844
Amortisation on disposals	16,216	-	16,216
31 March 2013	89,060	-	89,060
Amortisation for the year	14,112	-	14,112
31 March 2014	103,172	-	103,172
Net book value			
31 March 2013	50,215	-	50,215
31 March 2014	65,823	-	65,823
Amortisation for the years included in administrative expenses			
2013			16,216
2014			14,112

(Unit: Thousand Baht)

	Separate financial statements
	Computer software
Cost	
1 April 2012	7,511
Additions	14
31 March 2013	7,525
Additions	207
31 March 2014	7,732
Accumulated amortisation	
1 April 2012	6,059
Amortisation for the year	973
31 March 2013	7,032
Amortisation for the year	492
31 March 2014	7,524
Net book value	
31 March 2013	493
31 March 2014	208
Amortisation for the years included in the administrative expenses	
2013	973
2014	492

27. Non-current assets classified as held for sale

As discussed in Note 52 to the financial statements, the Extraordinary General Meeting of the Company's shareholders held on 18 December 2012 passed a resolution to sell the net fare box revenue that the subsidiary (BTSC) will receive from its operation of a core line of its skytrain business to BTS Rail Mass Transit Growth Infrastructure Fund ("BTSGIF"), and subsequently, on 17 April 2013, the subsidiary and BTSGIF entered into the Net Revenue Purchase and Transfer Agreement.

In accordance with TFRS 5 (revised 2009) "Non-current Assets Held for Sale and Discontinued Operations", an asset classified as held for sale, and the assets and liabilities included within a disposal group classified as held for sale, are presented separately in the statement of financial position. As a result, as at 31 March 2013, the subsidiary classified the assets derecognised from its accounts on 17 April 2013 as non-current assets classified as held for sale, and presented them as a separate item in the statement of financial position as at 31 March 2013.

The classification of the non-current assets classified as held for sale as at 31 March 2013 was detailed below.

(Unit: Thousand Baht)

	Consolidated financial statements
Consumable spare parts - elevated train system	68,104
Project costs - elevated train system	41,676,705
Reusable spare parts - elevated train system	59,175
Spare parts - maintenance contract	292,771
Property, plant and equipment	26,344
Total non-current assets classified as held for sale	42,123,099

The above assets were classified as non-current assets classified as held for sale in accordance with bases and assumptions determined by the subsidiary's management.

During the year ended 31 March 2014, the subsidiary derecognised non-current assets classified as held for sale in order to recognise the gain from the sale of future net fare box revenues as discussed in Note 52 to the financial statements.

Revenues and expenses relating to the assets for the years ended 31 March 2014 and 2013 were detailed below.

(Unit: Thousand Baht)

	Consolidated financial statements	
	2014	2013
Fare box revenues - net	207,676	4,895,758
Costs of fare box	(86,451)	(2,481,154)
Selling and servicing expenses	(5,748)	(26,723)
Administrative expenses	(85,101)	(493,210)
Profit from discontinued operation for the year	30,376[1]	1,894,671

(1) Revenues and expenses during 1 April 2013 and 16 April 2013

The revenues and expenses were allocated in accordance with bases and assumptions determined by the subsidiary's management.

The subsidiary did not present separate cash flows from the discontinued operation since the subsidiary was unable to clearly distinguish these cash flows.

28. Bank overdraft and short-term loans from financial institution

Details of the bank overdraft and short-term loans from financial institution are as follows:

BTSC
During the year, a subsidiary repaid the short-term loans in full amount (2013: Baht 1,117 million)

BTS Assets Company Limited
A facility of Baht 15 million is subject to interest at a rate tied to the Minimum Overdraft Rate (MOR) and is secured by the mortgage of a plot of property plant and equipment of a subsidiary. As at 31 March 2014, there is no outstanding balance of this bank overdraft (2013: Nil).

Nuvo Line Agency Company Limited
A facility of Baht 25 million is subject to interest at a rate tied to the Minimum Overdraft Rate (MOR) and is secured by the mortgage of a plot of land with construction included in real estate development cost of a subsidiary. As at 31 March 2014, there is no outstanding balance of this bank overdraft (2013: Nil).

29. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Trade payables - related parties	495	85	-	-
Trade payables	527,808	537,801	1,762	-
Other payables - related parties	3,765	788	45,624	22,457
Other payables	203,602	263,954	6,856	2,063
Accrued interest expenses	41,751	53,812	-	-
Retention payable	227,208	241,949	3,321	6,963
Deposit payable	161,288	107,437	30,000	55,000
Accrued expenses	817,889	537,518	29,583	21,222
Accrued expenses - related parties	-	-	444	239
Dividend payable	238,636	204,850	57,099	32,588
Total trade and other payables	2,222,442	1,948,194	174,689	140,532

30. Creditors per rehabilitation plan

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	2014	2013
Creditors per rehabilitation plan	794,927	797,209
Less: Current portion	(745,356)	(745,356)
Creditors per rehabilitation plan - net of current portion	49,571	51,853

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.

31. Long-term loans

(Unit: Thousand Baht)

	Consolidated financial statements	
	2014	2013
Long-term loans	240,000	2,363,968
Less: Current portion	(10,000)	(1,967,221)
Long-term loans - net of current portion	230,000	396,747

Details of the long-term loans are as follows:

BTS Assets Company Limited
A facility of Baht 1,800 million, a subsidiary repaid the loan in full in April 2013 (2013: Baht 1,000 million).

Nuvo Line Agency Company Limited
A facility of Baht 2,100 million, a subsidiary repaid the loan in full in July 2013 (2013: Baht 1,134 million).

A facility of Baht 900 million to construct the building of a real estate development project, is 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 included in real estate development cost. Interest is to be paid monthly and principal is to be repaid within 30 months from the drawdown date. As at 31 March 2014, the subsidiary has not drawn down such loan.

Bangkok Smartcard System company Limited
A facility of Baht 300 million is subject to interest at a rate tied to the Minimum Loan Rate (MLR) minus a curtained spread stipulated in the agreement. The principal is to be repaid in monthly installments, from November 2014 to October 2021. As at 31 March 2014, the outstanding balance of this loan was approximately Baht 240 million (2013: Baht 230 million).

Loan agreements contain covenants specified in the agreement pertaining to, among other things; the maintenance of a certain debt service coverage ratio, the incurrence of additional indebtedness, and the maintenance of direct shareholding by BTSC in the subsidiary of not less than 55% of its issued share capital or not less than 25% of its registered share capital in the case that the subsidiary has the other investor who has specific qualification as stipulated on the contract.

As at 31 March 2014, the long-term credit facilities which have not been drawn down amounted to Baht 960 million (2013: Baht 3,251 million).

32. Long-term debentures

As at the dates of the statements of financial position, details of the debentures were as follows:

(Unit: Thousand Baht)

			Consolidated financial statements	
	Maturity date	Interest rate p.a.%	2014	2013
Debenture - Tranche 2	21 August 2013	5.25	-	2,081,300
Debenture - Tranche 3	21 August 2014	5.75	3,611,300	3,611,300
Debenture - Tranche 4	21 August 2015	6.25	1,468,900	1,468,900
Debenture - Tranche 5	21 August 2016	6.75	1,348,450	1,348,450
Total			6,428,650	8,509,950
Less: Issuing costs			(13,564)	(30,314)
Total long-term debentures			6,415,086	8,479,636
Less: Current portion of long-term debentures*			(3,607,630)	(2,078,656)
Long-term debentures - net of current portion			2,807,456	6,400,980

* The subsidiary has presented the value of current portion by deducting its issuing costs.

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. Provision for long-term employee benefits

Provision for long-term employee benefits as at 31 March 2014 and 2013, which is compensations on employees' retirement, was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Balance at beginning of year	481,714	400,178	21,296	25,987
Current service cost	57,942	44,333	2,453	2,348
Interest cost	19,772	16,555	873	1,091
Benefits paid during the year	(1,804)	(18,438)	-	(6,930)
Actuarial losses (gains)	-	39,086	-	(1,200)
Balance at end of year	557,624	481,714	24,622	21,296

Long-term employee benefit expenses included in the profit or loss were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 March			
	2014	2013	2014	2013
Current service cost	57,942	44,333	2,453	2,348
Interest cost	19,772	16,555	873	1,091
Total expense recognised in profit or loss	77,714	60,888	3,326	3,439
Line items under which such expenses are included in profit or loss				
Cost of farebox	-	24,027	-	-
Cost of construction service	1,703	1,995	-	-
Cost of services	2,597	1,002	-	-
Selling and servicing expenses	-	22	-	-
Administrative expenses	73,414	33,842	3,326	3,439

Under the Net Revenue and Purchase Transfer Agreement discussed in Note 52 to the financial statements, the subsidiary can claim costs related to long-term employee benefit of employees who retire during the remaining period of Core Mass Transit System back from BTS Rail Mass Transit Growth Infrastructure Fund ("BTSGIF"). Therefore, the subsidiary recorded accrued income from BTSGIF in accordance with bases and assumptions that were determined by the subsidiary's management, who have assessed the appropriateness of these transactions.

During the year ended 31 March 2014, long-term employee benefits that can be claimed from BTSGIF in the future, in accordance with the bases and assumptions of the management, amounted to Baht 32 million.

Principal actuarial assumptions at the valuation date were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014 (% per annum)	2013 (% per annum)	2014 (% per annum)	2013 (% per annum)
Discount rate	4.1	4.1	4.1	4.1
Future salary increase rate	5.0	5.0	5.0	5.0
Staff turnover rate (depending on age)	2.0 - 9.0	2.0 - 9.0	2.0 - 9.0	2.0 - 9.0

Amounts of defined benefit obligation and experience adjustments on the obligation for the current and previous four years are as follows:

(Unit: Thousand Baht)

	Defined benefit obligation		Experience adjustments on the obligation	
	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements
For the years ended 31 March				
2014	557,624	24,622	-	-
2013	481,714	21,296	34,609	(2,133)
2012	400,178	25,987	-	-
2011	349,754	22,789	-	-
2010	314,658	19,855	-	-

34. Provision - related party

(Unit: Thousand Baht)

	Consolidated financial statements
Balance as at 1 April 2013	-
Record special tax of BTS Rail Mass Transit Growth Infrastructure Fund (“BTSGIF”)	1,043,610
Increase during the year	89,635
Decrease during the year	(49,761)
Balance as at 31 March 2014	1,083,484
As at 31 March 2014	
Current	45,819
Non-current	1,037,665
	1,083,484

The subsidiary (BTSC) recognised a provision for future special business tax liabilities of BTSGIF over the remaining years of the Core Bangkok Mass Transit System since, as stipulated in the Net Revenue Purchase and Transfer Agreement, the subsidiary is responsible for this tax. In calculating the provision for special business tax, the subsidiary referred to projections of future revenues prepared by an independent valuer and amortisation of BTSGIF’s investment in rights to receive fare box revenue of the Core Bangkok Mass Transit System of BTSGIF, discounted to present value.

35. Share capital / Share premium

As at 31 March 2013, the Company's issued and fully paid share capital has increased from Baht 36,600,495,792 (57,188,274,676 ordinary shares with a par value of Baht 0.64 each) to Baht 44,426,538,376 (11,106,634,594 ordinary shares with a par value of Baht 4 each) as a result of the conversion of convertible debentures to ordinary shares amounting to Baht 7,820,299,112 (1,955,074,778 ordinary shares with a par value of Baht 4 each), the exercise of the warrants (BTS-W2) to ordinary shares amounting to Baht 5,743,456 (1,435,864 ordinary shares with a par value of Baht 4 each), and the issuance of ordinary shares amounting to Baht 16 in order to prevent the occurrence of fractions of shares (4 ordinary shares with a par value of Baht 4 each), resulting in an increase in total share premium to Baht 1,486,058,428.

The Company registered the corresponding increases in its paid-up capital with the Ministry of Commerce during May 2012 and March 2013.

On 11 October 2013, the Extraordinary Meeting No. 1/2013 of the Company's shareholders passed the following resolutions:

a) Approved the reduction of the registered share capital from Baht 47,945,776,096 to Baht 47,766,075,208 by canceling Baht 179,700,888 unissued shares (44,925,222 ordinary shares with a par value of Baht 4 each).

b) Approved an increase in the registered share capital from Baht 47,766,075,208 to Baht 63,652,544,720 by issuing Baht 15,886,469,512 ordinary shares (3,971,617,378 ordinary shares with a par value of Baht 4 each) to reserve for the exercise of the warrants (BTS-W3).

c) Approved allocating 3,971,617,378 ordinary shares with a par value of Baht 4 each to accommodate the exercise of the warrants (BTS-W3).

The Company registered the decrease and increase in its registered share capital with the Ministry of Commerce on 14 October 2013 and 15 October 2013, respectively.

As at 31 March 2014, the Company's issued and fully paid share capital has increased from Baht 44,426,538,376 (11,106,634,594 ordinary shares with a par value of Baht 4 each) to Baht 47,656,922,100 (11,914,230,525 ordinary shares with a par value of Baht 4 each) as a result of the exercise of the warrants (BTS-W2) to ordinary shares amounting to Baht 3,210,636,460 (802,659,115 ordinary shares with a par value of Baht 4 each) and the exercise of the warrants (BTS-WA) to ordinary shares amounting to Baht 19,747,264 (4,936,817 ordinary shares with a par value of Baht 4 each), resulting in an increase in total share premium to Baht 1,797,237,616 (including adjustment to transfer amounting to Baht 8,330,877 of capital reserve for share-based payment transaction to share premium).

The Company registered the corresponding increases in its paid-up capital with the Ministry of Commerce during April and November 2013.

36. Warrants

The warrants are detailed as follows:

	BTS-W2 Units	BTS-W3 Units	BTS-WA Units	BTS-WB Units
Outstanding as at 31 March 2013	3,167,032,866	-	100,000,000	-
Issued during the year	-	3,944,626,464	-	16,000,000
Exercised during the year	(3,165,627,080)	-	(30,855,100)	-
Expired during the year	(1,405,786)	-	-	-
Outstanding as at 31 March 2014	-	3,944,626,464	69,144,900	16,000,000

Warrants to purchase new ordinary shares of the Company issued to the Company's existing shareholders (BTS-W2)

On 29 April 2010, the Extraordinary General Meeting No. 1/2010 of the Company's shareholders passed a resolution to issue the warrants to purchase new ordinary shares of the Company issued to the Company's existing shareholders (BTS-W2) in a ratio of 1 warrant for every 4 existing ordinary shares, without specifying the offer price. Details are as follows:

Date of grant	23 November 2010
Number granted (Units)	5,027,000,448
Contractual lives	3 years from the issued date
Exercisable	Last business day of each quarter, after completion of a 2-year period from the issued date
Exercise price per 1 ordinary share	4.375 Baht
Exercise ratio (warrant to ordinary share)	1:0.16

Warrants to purchase new ordinary shares of the Company issued to the Company's existing shareholders (BTS-W3)

On 11 October 2013, the Extraordinary Meeting No.1/2013 of the Company's shareholders passed a resolution to issue the warrants to purchase new ordinary shares of the Company issued to the Company's existing shareholders (BTS-W3) in a ratio of 1 warrant for every 3 existing ordinary shares, without specifying the offer price. Details are as follows:

Date of grant	1 November 2013
Number granted (Units)	3,944,626,464
Contractual lives	5 years from the issued date
Exercisable	Last business day of each quarter, after completion of a 3-year period from the issued date
Exercise price per 1 ordinary share	12 Baht
Exercise ratio (warrant to ordinary share)	1:1

Warrants to purchase new ordinary shares of the Company issued to the employees of the Company and its subsidiaries (BTS-WA)

On 26 July 2011, the Annual General Meeting of the Company's shareholders passed a resolution to approve the issue of registered and non-transferable warrants to purchase new ordinary shares of the Company issued to the employees of the Company and its subsidiaries (BTS-WA), at no cost. Details of the warrants are below:

Date of grant	18 August 2011
Number granted (Units)	100,000,000
Contractual lives	5 years from the issued date
Exercisable	Last business day of each quarter, after completion of a 2-year period from the issued date
Exercise price per 1 ordinary share	4.375 Baht
Exercise ratio (warrant to ordinary shares)	1:0.16

The estimated fair value of each warrant granted is Baht 0.27. This was calculated by applying the Black-Scholes-Merton formula. The model inputs were the share price at price determination date of Baht 0.68, exercise price of Baht 0.70, expected volatility of 60%, expected dividend yield of 3%, contractual life of five years, and a risk-free interest rate of 3.48%.

Warrants to purchase new ordinary shares of the Company issued to the employees of the Company and its subsidiaries (BTS-WB)
On 26 July 2012, the Annual General Meeting of the Company's shareholders passed a resolution to approve the issue of warrants to employees of the Company and its subsidiaries No. 2 under the BTS Group ESOP 2012 Scheme (BTS-WB), at no cost. Details of the warrants are below.

Date of grant	11 June 2013
Number granted (Units)	16,000,000
Contractual lives	5 years from the issued date
Exercisable	Last business day of each quarter, after completion of 2 to 4 year periods from the issued date
Exercise price per 1 ordinary share	5.01 Baht
Exercise ratio (warrant to ordinary shares)	1:1

The estimated fair value of each warrant granted is Baht 2.5568. This was calculated by applying the Black-Scholes-Merton formula. The model inputs were the share price at price determination date of Baht 7.90, exercise price of Baht 5.01, expected volatility of 27.348%, expected dividend yield of 5%, contractual life of five years, and a risk-free interest rate of 2.90 - 3.37%.

37. Deficit on business combination under common control

Deficit on business combination under common control represents differences between the cost of a business combination under common control and the equity interest of the Company in the net book value of subsidiaries (BTSC and its subsidiaries) on the acquisition date, differences between considerations paid or received from changes in the ownership interests in the subsidiaries of the Company and the equity interests of non-controlling interests of the subsidiaries in the net book value of the subsidiaries on the changing date, and differences between considerations paid or received from purchases or sales of investments and costs of investments under common control. The details are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Balance at beginning of year	3,371,978	3,371,978	4,812,208	3,371,978
Purchase of ordinary shares of subsidiary under common control	-	-	-	1,734,155
Sales of investments in subsidiary under common control	-	-	(1,021,715)	(293,925)
Balance at end of year	3,371,978	3,371,978	3,790,493	4,812,208

38. Surplus on swap of investment in subsidiary under common control

Surplus on swap of investment in subsidiary under common control represents difference of costs of investments in subsidiaries under common control at exchange date. This can neither be offset against deficit nor used for dividend payment.

39. Surplus (deficit) from the changes in the ownership interests in subsidiaries

The changes in the Company's ownership interests in subsidiaries do not result in a loss of control. The Company will record surplus (deficit) from the changes in the ownership interests in subsidiaries in the shareholders' equity in the consolidated statements of financial position.

Surplus from changes in ownership interests in a subsidiary was calculated based on the differences between the considerations paid or received as a result of changes in ownership interests in the subsidiaries of the Company and the equity interests of non-controlling interests of the subsidiaries at the net book value of the subsidiaries on the changing date. Non-controlling interests of subsidiaries are valued at the value of the identifiable net assets of the subsidiaries based on the percentage shareholdings of non-controlling interests. The details are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	
	2014	2013 (Restated)
Balance at beginning of year	2,811,213	(123,129)
Purchase of investment in the subsidiary	(2,035,110)	(181,708)
Sales of investment in the subsidiary	3,672,181	2,379,721
Issuance of additional ordinary shares of the subsidiary	-	736,329
Balance at end of year	4,448,284	2,811,213

40. Revaluation surplus on assets

This represents surplus arising from revaluation of land which can neither be offset against deficit nor used for dividend payment.

41. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5% of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution.

42. Service income

Details of service income are as follows:

(Unit: Thousand Baht)

	For the years ended 31 March			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Advertising income	2,627,504	2,353,530	-	-
Revenues from provision of operating services	1,589,582	1,146,150	-	-
Revenues from provision of spaces	327,883	246,283	-	-
Revenues from hotel operations	775,827	443,350	-	-
Other service income	735,608	598,298	131,989	108,931
Total	6,056,404	4,787,611	131,989	108,931

43. Expenses by nature

Significant expenses by nature are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Continued operation:				
Salaries, wages and other benefits	1,274,306	924,187	122,401	108,505
Consultation, project management and professional fee	215,955	114,741	57,374	40,332
Depreciation and amortisation	505,832	387,506	67,938	69,403
Premise tax and other taxes	106,000	38,220	22,387	24,204
Rental expenses from operating lease agreements	130,497	65,506	29,599	28,936
Repair and maintenance expenses	130,957	118,304	6,054	8,693
Utility expenses	192,307	115,299	20,265	14,033
Advertising and promotional expenses	158,788	106,201	7,797	15,438
Subcontractor expenses for train operating service	25,637	28,774	-	-
Concession fee	700,218	589,990	-	-
Costs of advertising services	156,400	137,475	-	-
Real estate development during the year	288,841	688,547	6,105	9,951
Change in real estate development costs	960,545	(161,239)	46,143	107,499
Finance cost	630,741	1,300,656	399,273	435,836
Discontinued operation:				
Salaries, wages and other benefits	70,212	606,707	-	-
Depreciation and amortisation	5,126	1,375,566	-	-
Consultation, project management and professional fee	5,196	66,285	-	-
Repair and maintenance expenses	19,014	406,044	-	-
Advertising and promotional expenses	693	27,563	-	-

44. Finance cost

Details of finance cost are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Interest expenses and other fees	613,991	914,326	399,273	129,085
Amortisation of deferred debenture issuing costs	16,750	26,758	-	-
Amortisation of liability component of convertible debentures	-	170,826	-	170,826
Amortisation of letter of credit fee for convertible debentures	-	135,925	-	135,925
Total	630,741	1,247,835	399,273	435,836

45. Income tax

Income tax expenses for the years ended 31 March 2014 and 2013 are made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013 (Restated)	2014	2013 (Restated)
Current income tax:				
Current income tax charge	1,489,187	439,178	713,274	-
Deferred tax:				
Relating to origination and reversal of temporary differences	2,317,207	808,892	253,049	282,885
Income tax expense reported in the statement of comprehensive income	3,806,394	1,248,070	966,323	282,885

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 March 2014 and 2013 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013 (Restated)	2014	2013 (Restated)
Deferred tax relating to:				
Increase (decrease) in gain on change in value of available-for-sale investments	23,523	(3,739)	23,523	(3,739)
Decrease in gain on revaluation of land	-	(69,638)	-	-
Decrease (increase) in actuarial losses	-	7,348	-	(240)
	23,523	(66,029)	23,523	(3,979)

Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the years ended 31 March 2014 and 2013.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2014	2013 (Restated)	2014	2013 (Restated)
Accounting profit before tax	17,391,424	3,175,632	21,159,882	5,469,795
Income tax at Thai corporate income tax rate of 20% (2012: 23%)	3,478,285	730,395	4,231,976	1,258,053
Effects of temporary differences	(89,469)	34,017	(89,469)	34,228
Tax effect of non-deductible expenses	56,109	76,177	13,931	40,094
Tax effect of deductible expenses	(2,875)	(4,066)	(470)	(2,873)
Tax effect of non-taxable income	(75,260)	(24,693)	(3,577,672)	(1,048,964)
Tax effect of taxable income	406,805	342,507	406,805	-
Tax effect of loss for the current year of subsidiaries	62,198	94,812	-	-
Difference of tax rates in group companies	(252)	(627)	-	-
Others	(29,147)	(452)	(18,777)	2,347
Income tax expenses reported in the statement of comprehensive income	3,806,394	1,248,070	966,324	282,885

The tax rate enacted at the end of the reporting period of the Company and its subsidiaries consists of 20% and 25% (2013: 23% and 25%).

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Statements of financial position					
	Consolidated financial statements			Separate financial statements		
	31 March 2014	31 March 2013 (Restated)	1 April 2012	31 March 2014	31 March 2013 (Restated)	1 April 2012
Deferred tax assets						
Allowance for doubtful accounts	6,444	246,082	428,168	232	240,378	426,227
Allowance for asset impairment	153,894	160,014	165,974	-	-	-
Allowance for investment impairment	9,071	-	-	-	-	-
Differences of tax and accounting from sale and cost recognition of real estate	-	-	1,034,746	-	-	7,982
Unrealised loss on change in investment value	18,763	-	-	18,763	-	-
Provision for long-term employee benefits	107,080	93,827	10,029	5,164	4,499	5,302
Unused tax loss	19,694	77,377	246,613	-	20,737	124,578
Others	15,375	40,546	75,792	1,573	4,960	24,718
Total	330,321	617,846	1,961,322	25,732	270,574	588,807
Deferred tax liabilities						
Revaluation surplus on land	594,172	598,932	524,534	-	-	-
Prepaid duty stamp	32,745	33,911	-	-	-	-
Gain on sale of net future farebox revenue	2,555,710	-	-	-	-	-
Guarantee fee	67,486	-	-	-	-	-
Differences of forward rate and closing rate	72,693	-	-	-	-	-
Differences of tax and accounting from issuance of convertible debentures	-	-	29,759	-	-	29,759
Differences of tax and accounting from depreciation calculation of assets	59,055	78,957	84,023	59,055	78,957	84,023
Others	3,265	7,044	2,800	10,731	6,145	2,689
Total	3,385,126	718,844	641,116	69,786	85,102	116,471
Net	(3,054,805)	(100,998)	1,320,206	(44,054)	185,472	472,336
Presented as						
Deferred tax assets - net	37,340	259,843	1,428,352	-	185,472	472,336
Deferred tax liabilities - net	(3,092,145)	(360,841)	(108,146)	(44,054)	-	-
Net	(3,054,805)	(100,998)	1,320,206	(44,054)	185,472	472,336

The Company and its subsidiaries calculated deferred tax assets based on a reduction in the corporate income tax rate from 30% to 23% in 2012, and then to 20% as from 2013 in compliance with Royal Decree B.E. 2554 in December 2011 governing corporate income tax reduction.

As at 31 March 2014, the Company and its subsidiaries has deductible temporary differences and unused tax losses totaling Baht 505 million (2013: Baht 560 million), on which deferred tax assets have not been recognised as the Company and its subsidiaries believe future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

46. Earnings per share

Basic earnings per share is calculated by dividing profit (loss) for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share is calculated by dividing profit (loss) for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year 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.

Details of calculation of earnings per share for the years ended 31 March 2014 and 2013 are as below.

(Unit: Thousand Baht)

	Consolidated financial statements					
	Profit		Weighted average number of ordinary shares		Earnings per share	
	2014 Thousand Baht	2013 Thousand Baht (Restated)	2014 Thousand shares	2013 Thousand shares	2014 Baht	2013 Baht (Restated)
Basic earnings per share						
Profit attributable to equity holders of the Company	12,644,864	1,718,583	11,687,607	9,991,489	1.082	0.172
Effect of dilutive potential ordinary shares						
Warrants (BTS-W2)	-	-	109,294	286,973		
Warrants (BTS-WA)	-	-	6,542	4,578		
Warrants (BTS-WB)	-	-	2,567	-		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	12,644,864	1,718,583	11,806,010	10,283,040	1.071	0.167

(Unit: Thousand Baht)

	Separate financial statements					
	Profit		Weighted average number of ordinary shares		Earnings per share	
	2014 Thousand Baht	2013 Thousand Baht (Restated)	2014 Thousand shares	2013 Thousand shares	2014 Baht	2013 Baht (Restated)
Basic earnings per share						
Profit attributable to equity holders of the Company	20,193,558	5,186,910	11,687,607	9,991,489	1.728	0.519
Effect of dilutive potential ordinary shares						
Warrants (BTS-W2)	-	-	109,294	286,973		
Warrants (BTS-WA)	-	-	6,542	4,578		
Warrants (BTS-WB)	-	-	2,567	-		
Convertible debentures	-	210,929	-	1,092,076		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	20,193,558	5,397,839	11,806,010	11,375,116	1.710	0.475

Details of calculation of earnings per share from continued operation for the years ended 31 March 2014 and 2013 are as below.

(Unit: Thousand Baht)

	Consolidated financial statements					
	Profit		Weighted average number of ordinary shares		Earnings per share	
	2014 Thousand Baht	2013 Thousand Baht (Restated)	2014 Thousand shares	2013 Thousand shares	2014 Baht	2013 Baht (Restated)
Basic earnings per share						
Profit (loss) attributable to equity holders of the Company	12,615,259	(144,785)	11,687,607	9,991,489	1.079	(0.014)
Effect of dilutive potential ordinary shares						
Warrants (BTS-W2)	-		109,294			
Warrants (BTS-WA)	-		6,542			
Warrants (BTS-WB)	-		2,567			
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	12,615,259		11,806,010		1.069	

(Unit: Thousand Baht)

	Separate financial statements					
	Profit		Weighted average number of ordinary shares		Earnings per share	
	2014 Thousand Baht	2013 Thousand Baht (Restated)	2014 Thousand shares	2013 Thousand shares	2014 Baht	2013 Baht (Restated)
Basic earnings per share						
Profit attributable to equity holders of the Company	20,193,558	5,186,910	11,687,607	9,991,489	1.728	0.519
Effect of dilutive potential ordinary shares						
Warrants (BTS-W2)	-	-	109,294	286,973		
Warrants (BTS-WA)	-	-	6,542	4,578		
Warrants (BTS-WB)	-	-	2,567	-		
Convertible debentures	-	210,929	-	1,092,076		
Diluted earnings per share						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	20,193,558	5,397,839	11,806,010	11,375,116	1.710	0.475

Earnings per share

The conversion to ordinary shares of warrants representing rights to purchase ordinary shares of the Company (BTS-W3) would increase earnings per share for the year ended 31 March 2014 in the consolidated and separate financial statements. Therefore, the Company has not assumed conversion of the warrants in the calculation of diluted earnings per share.

In addition, the conversion to ordinary shares of convertible debentures would increase earnings per share for the year ended 31 March 2013 in the consolidated financial statements. Therefore, the Company has not assumed conversion of the warrants in the calculation of diluted earnings per share.

Earnings per share from continued operation

The conversion to ordinary shares of warrants representing rights to purchase ordinary shares of the Company (BTS-W3) would increase earnings per share for the year ended 31 March 2014 in the consolidated and separate financial statements. Therefore, the Company has not assumed conversion of the warrants in the calculation of diluted earnings per share.

In addition, the conversion to ordinary shares of warrants and convertible debentures would decrease loss per share for the year ended 31 March 2013 in the consolidated financial statements. Therefore, the Company has not assumed conversion of the warrants and convertible debentures in the calculation of diluted earnings per share.

47. Dividends

Dividends	Approved by	Total dividends	Dividend per share
		(Million Baht)	(Baht)
Final dividends for 2011/12	Annual General Meeting of the shareholders on 26 July 2012	1,379	0.15
Interim dividends for 2012/13	Board of Directors' meeting on 11 January 2013	1,794	0.16
Total for the year ended 31 March 2013		3,173	
Interim dividends for 2012/13	Board of Directors' meeting on 19 April 2013	2,052	0.18
Final dividends for 2012/13	Annual General Meeting of the shareholders on 26 July 2013	513	0.045
Interim dividends for 2013/14	Board of Directors' meeting on 9 August 2013	2,190	0.19
Interim dividends for 2013/14	Board of Directors' meeting on 10 January 2014	2,382	0.20
Total for the year ended 31 March 2014		7,137	

The Annual General Meeting of its shareholders held on 26 July 2013 passed a resolution to amend dividend policy, whereby amounts of no less than Baht 6,000 million would be paid for the year ended 31 March 2014, no less than Baht 7,000 million for the year ending 31 March 2015 and no less than Baht 8,000 million for the year ending 31 March 2016.

48. Commitments and contingent liabilities

As at 31 March 2014, the Company and its subsidiaries had commitments and contingent liabilities as follows:

48.1 Capital commitments

a) The Company and its subsidiaries (HHT Construction Company Limited, Muangthong Assets Company Limited, Nuvo Line Agency Company Limited and Kamkoong Property Company Limited) had outstanding commitments of approximately Baht 380 million (2013: Baht 253 million) in respect of agreements of consultation, design and construction projects.

b) The Company and its subsidiaries (BTS Assets Company Limited and Nuvo Line Agency Company Limited) had outstanding commitments with a subsidiary (HHT Construction Company Limited) approximately Baht 406 million (2013: Baht 364 million) in respect of renovation and development of golf course and construction in progress.

c) The Company entered into agreements with the Ministry of Finance to lease land for building construction, which the Company must completed in no more than 3 years. During the construction, the Company is to pay rental of Baht 0.1 million per month for land usage, and after handing over the building, the Company is committed to pay an annual rental for 30 years. The rental charge is Baht 0.8 million per year and will be increased by 15% every 5 years of the lease period.

d) The Company had outstanding commitments of USD 40 million (2013: Nil) in respect of overseas investments.

e) A subsidiary (BTSC) had capital commitments of Baht 20 million (2013: Baht 27 million) in respect of a change and improvement of signaling system for elevated train operation.

f) A subsidiary (BTSC) had capital commitments of EUR 6 million, USD 1 million and Baht 3 million (2013: EUR 6 million, USD 1 million, RMB 110 million and Baht 38 million) in respect of the acquisition of 55 elevated train carriages under an operation and maintenance contract for a mass transit system in Bangkok and related transportation fees per the related agreements signed by the subsidiary. In addition, under the operation and maintenance contract for a mass transit system in Bangkok, the subsidiary had further capital commitments of Baht 8,627 million (2013: Baht 8,627 million) in respect of acquisitions of elevated train carriages required for future compliance with the contract.

g) A subsidiary (BTSC) had capital commitments of AUD 1 million and Bath 7 million (2013: AUD 1 million) in respect of the acquisition of equipment for Automatic Fare Collection System.

h) A subsidiary (BTS Assets Company Limited) had an outstanding commitment of Baht 15 million (2013: Baht 15 million) relating to building design services for the investment property.

i) A subsidiary (Bangkok Smartcard System Company Limited) had outstanding commitments of RMB 5 million (2013: RMB 5 million) relating to development costs for common ticketing system.

j) A subsidiary (Carrot Rewards Company Limited) entered into a contract for implementation and management the privileges card of the common ticketing system and installation of related equipment. Under the contract, the subsidiary is committed to pay a service fee in the future and comply with certain conditions as specified in the agreement.

k) A subsidiary (VGI Global Media Public Company Limited) had outstanding commitments of approximately SGD 10 million and Baht 46 million (2013: SGD 10 million and Baht 374 million), relating to the acquisition and installation of equipment.

l) A subsidiary (Dnal Company Limited) had an outstanding commitment of Baht 255 million (2013: Baht 255 million) relating to the agreement to purchase and to sell of a building as discussed in Note 15 to the financial statements.

Under the Net Revenue and Purchase Transfer Agreement discussed in Note 52 to the financial statements, BTS Rail Mass Transit Growth Infrastructure Fund will be responsible for the commitments as discussed in e) and g).

48.2 Lease and service commitments

a) The Company entered into leasehold agreements for the period of 30 years, as from 1 July 1997 and 1 December 1997. The monthly rental charges are Baht 200,000 and Baht 500,000, respectively and will be increased by 5% each year of the lease period.

b) A subsidiary (Muangthong Assets Company Limited) had an outstanding commitment of approximately Baht 5 million (2013: Baht 5 million) in respect of a 14 years land and building lease agreement.

c) A subsidiary (BTSC) had commitments of approximately Baht 194 million (2013: Baht 188 million) relating to its operations under the agreements of the Bus Rapid Transit (BRT) project - Chong Nonsi to Sa-pan Krung Thep Line (Chong Nonsi - Ratchaphruek).

d) A subsidiary (BTSC) had commitments of approximately Baht 6 million (2013: Nil) relating to service agreements with a subsidiary (VGI Global Media Public Company Limited) (Airtime on Plasma Screen on platform, LCD in the train, Platform Truss LED and Platform Screen Door LCD).

e) The subsidiaries had committed to pay fees of SGD 2 million, HKD 1 million and Baht 401 million (2013: HKD 1 million and Baht 407 million) relating to lease and service agreements.

Obligations as discussed in e) will be allocated for collection from BTS Rail Mass Transit Growth Infrastructure Fund in accordance with bases and assumptions determined by the subsidiary's management, who have assessed the appropriateness of these bases and assumptions.

48.3 Commitments under maintenance contract

On 30 December 2004, a subsidiary (BTSC) entered into a ten-year maintenance contract with a contractor. Under the contract, the subsidiary has capital commitments in respect of the cost of maintenance and spare supply service fees in relation to the project over a period of 10 years. The amount to be paid for the first year is approximately Baht 195.7 million and EUR 1.7 million and in the future years, the amount to be paid will be adjusted upwards with reference to the consumer price index. During the year ended 31 March 2014, the subsidiary paid the cost of maintenance and spare supply service fees amounting to Baht 197 million and EUR 2 million, respectively (2013: Baht 189 million and EUR 2 million, respectively).

Obligations will be allocated for collection from BTS Rail Mass Transit Growth Infrastructure Fund in accordance with bases and assumptions determined by the subsidiary's management, who have assessed the appropriateness of these bases and assumptions.

48.4 Long-term contract commitments

a) The Company entered into a service agreement with an associate (Absolute Hotel Services Company Limited), which is to furnish the Company and its subsidiary with consultation and hotel business management-related services. Under the conditions of the agreement, the Company is to pay service fees of Baht 1.4 million per month. The fees for the year ended 31 March 2014 amounted to approximately Baht 16 million (2013: Baht 16 million).

b) The Company entered into a management agreement with its subsidiaries (Tanayong Property Management Company Limited and BTS Assets Company Limited), which is to furnish the subsidiaries with systems management services. Under the conditions of the agreement, the Company is to pay service fees at the rate specified in the agreement. During the year ended 31 March 2014, the Company paid management fee amounted to Baht 22 million (2013: Baht 11 million).

c) The subsidiaries (Muangthong Assets Company Limited and BTS Assets Co., Ltd.) entered into service agreements with an associate (Absolute Hotel Services Company Limited), which is to furnish the subsidiaries with royalty and hotel business management - related services. The subsidiaries are to pay service fees at a rate as stipulated in the agreements. The fees for the year ended 31 March 2014 amounted to approximately Baht 23 million (2013: Baht 17 million).

d) The subsidiaries (VGI Global Media Public Company Limited) had outstanding commitments with respect to minimum guarantees under concession agreements for the management and provision of advertising space in department stores, and other related agreements. Fees are payable as follows.

(Unit: Million Baht)

	2014	2013
Fees payable:		
Up to 1 year	536	642
Over 1 and up to 5 years	86	583

These amounts will be adjusted in accordance with actual performance, based on certain rates stipulated in the agreements.

48.5 Other commitments

A subsidiary (Nuvo Line Agency Company Limited) had outstanding commitments with a subsidiary (BTSC) in respect of the train ticket for project. The subsidiary is to pay at a rate as specified in the agreement.

48.6 Guarantees

a) There were bank guarantees of Baht 44 million (2013: Baht 44 million) issued by a bank on behalf of the Company to the National Housing Authority in respect of low-cost residential housing projects, Baht 17 million (2013: Baht 17 million) issued by a bank on behalf of the Company to the Ministry of Finance for construction of a building on stateowned land, and RMB 100 million (2013: Nil) issued by a bank on behalf of the Company as security for a project bidding guarantee.

b) A subsidiary (BTSC) had outstanding bank guarantees issued by a bank on behalf of the subsidiary amounting to Baht 42 million to the Metropolitan Electricity Authority to guarantee electricity use (2013: Baht 42 million to the Metropolitan Electricity Authority to guarantee electricity use, Baht 200 million to Mass Rapid Transit Authority of Thailand in respect of bidding and Baht 200 million to Krungthep Thanakom Company Limited to guarantee a deposit received under the operation and maintenance contract for a mass transit system in Bangkok), and Baht 6,896 million (2013: Nil) to guarantee the long-term debentures.

   In addition, the subsidiary had Letter of Credit facilities from a local commercial bank amounting to EUR 3 million and RMB 22 million (2013: EUR 10 million and RMB 110 million) in respect of acquisitions of elevated trains and elevated train carriages for the subsidiary's operation.

   Under the Net Revenue and Purchase Transfer Agreement discussed in Note 52 to the financial statements, BTS Rail Mass Transit Growth Infrastructure Fund will be responsible for the bank guarantees amounting to Baht 42 million issued by a bank on behalf of the subsidiary to the Metropolitan Electricity Authority to guarantee electricity use.

c) The subsidiaries had additional bank guarantees issued by banks as required in their normal operations of SGD 9 million and Baht 187 million (2013: SGD 9 million and Baht 187 million).

d) The Company provided a guarantee on BTSC's compliance to BTS Rail Mass Transit Growth Infrastructure Fund as discussed under "Guarantee Transactions" in Note 52 to the financial statements.

48.7 Litigations

a) The Company and two subsidiaries (Yong Su Company Limited and Dnal Company Limited), as mortgagors of the assets placed as security for the Company's bonds, were sued by a local bank, for payment of the secured bonds, together with interest charges and other related expenses, totaling approximately Baht 4,251 million. The Court of First Instance ordered the two subsidiaries to make payment of such amount. The two subsidiaries appealed the decision and the Appeals Court found in accordance with the Court of First Instance. However, the bank has submitted settlement claims under the Company's rehabilitation plan and the Company held an open auction of such assets in order to make payment to the bank, as discussed in Note 15 to the financial statements. Therefore, the subsidiaries have not set aside provision for the contingent liability in their accounts.

b) A subsidiary (Muangthong Assets Company Limited) has been sued by an individual for payment for loss of property amounting to approximately Baht 6 million. Currently, the lawsuit is being in the Supreme Court process. However, the subsidiary believes that it will suffer no significant loss as a result of this litigation.

c) 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.

d) A creditor under the rehabilitation plan of a subsidiary (BTSC) has filed a petition with the Central Bankruptcy Court with respect to its claim of Baht 307 million, of which the Official Receiver ordered the subsidiary to pay Baht 21 million. However, the Court dismissed the petition and currently, the case is being considered by the Supreme Court. The subsidiary believes that it will have no significant impact on the subsidiary.

49. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as Executive Chairman.

For management purposes, the Company and its subsidiaries are organised into business units based on its products and services and have four reportable segments as follows:

1) Mass transit segment, which is BTS for the core network segment which was derecognised during the year ended 31 March 2014 and classified as non-current assets classified as held for sale for the financial statements as at 31 March 2013, as discussed in Note 27 to the financial statements

2) Media segment, which provide advertising services on Bangkok Mass Transit System (BTS), in modern trade locations (Big C and Tesco Lotus), in office buildings and other locations

3) Property segment, which development properties consisting of hotel and condominium

4) Service segment, which is the provision of operating services under the operating and maintenance service agreement of extension to the core network, Rabbit Card and other services not included in the other major segments

No operating segments have been aggregated to form the above reportable operating segments.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

Geographic information

The Company and its subsidiaries mainly operate in Thailand only. As a result, all of the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

The following table presents revenue and profit information regarding the Company and its subsidiaries' operating segments for the years ended 31 March 2014 and 2013.

(Unit: Million Baht)

	For the years ended 31 March											
	Mass transit segment		Media segment		Property segment		Service segment		Elimination		Consolidated financial statements	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Revenues from external customers	-	-	3,133	2,809	2,059	797	2,923	1,980	-	-	8,115	5,586
Inter-segment revenues	-	-	16	30	384	154	296	316	(696)	(500)	-	-
Total revenues	-	-	3,149	2,839	2,443	951	3,219	2,296	(696)	(500)	8,115	5,586
Segment profit	-	-	1,902	1,666	798	261	1,326	775			4,026	2,702
Unallocated revenues and expenses:												
Dividend income											6	2
Interest income											1,213	59
Gain from sales of investments in subsidiaries											-	1,000
Gain on sale of net future fare box revenues											13,498	-
Gain on sales of assets											380	-
Other income											89	64

	For the years ended 31 March											
	Mass transit segment		Media segment		Property segment		Service segment		Elimination		Consolidated financial statements	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Servicing and selling expenses											(342)	(223)
Administrative expenses											(1,497)	(1,078)
Share of income from investments in associates and joint venture											619	3
Finance cost											(631)	(1,248)
Income tax expenses											(3,806)	(1,248)
Profit from discontinued operation											30	1,895
Profit for the year											13,585	1,928
Non-controlling interests of the subsidiaries											(940)	(209)
Profit attributable to equity holders of the Company											12,645	1,719

The following table presents segment assets of the Company's and its subsidiaries' operating segments as at 31 March 2014 and 2013.

(Unit: Million Baht)

	Mass transit segment	Media segment	Property segment	Service segment	Unallocated assets	Consolidated financial statements
At 31 March 2014	-	3,965	7,069	10,183	55,540	76,757
At 31 March 2013	42,123	2,562	10,584	4,501	7,521	67,291

50. 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 2014, the Company and its subsidiaries contributed to the fund Baht 30.7 million (2013: Baht 41.5 million) (Separate financial statements: Baht 2.1 million (2013: Baht 1.9 million)).

51. Financial instruments

51.1 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
- Current investments
- Bank account for advances from cardholders
- Trade and other receivables
- Short-term loans to related parties
- Restricted deposits
- Cash deposited as collateral for debt settlement
- Long-term loans to related parties
- Other long-term investments
- Retention receivable
- Deposits and advances for asset acquisitions

Financial liabilities
- Bank overdraft and short-term loans from financial institutions
- Trade and other payables
- Advance received from cardholders
- Short-term loan from related individual
- Retention payable
- Creditors per rehabilitation plan
- Long-term loans
- Long-term debentures

The financial risks associated with these financial instruments and how they are managed are described as follows:

Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to accounts receivable 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 accounts receivable and loans as stated in the statement of financial position.

Interest rate risk

The Company's and its subsidiaries' exposure to interest rate risk relates primarily to their cash at bank, investments in debt securities, loans and 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.

Significant financial assets and liabilities as at 31 March 2014 and 2013 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.

(Unit: Million Baht)

	As at 31 March 2014						
	Consolidated financial statements						
	Fixed interest rates						
	Within 1 year	1 - 5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Interest rate
							(% p.a.)
Financial assets							
Cash and cash equivalents	1,153.4	-	-	6,658.8	50.6	7,862.8	0.37 - 3.25
Current investments	24,112.1	-	-	-	190.0	24,302.1	1.65 - 3.70
Bank account for advances from cardholders	-	-	-	152.7	-	152.7	0.63 - 3.25
Trade and other receivables	-	-	-	-	1,074.5	1,074.5	-
Restricted deposits	579.2	-	-	1.9	30.0	611.1	1.85
Cash deposited as collateral for debt settlement	-	-	-	-	232.7	232.7	-
Other long-term investments	-	4,019.8	200.0	-	2,018.4	6,238.2	3.35 - 10.26
Retention receivable	-	-	-	-	2.4	2.4	-
Deposits and advances for asset acquisitions	-	-	-	-	45.0	45.0	-
	25,844.7	4,019.8	200.0	6,813.4	3,643.6	40,521.5	

(Unit: Million Baht)

	As at 31 March 2014						
	Consolidated financial statements						
	Fixed interest rates						
	Within 1 year	1 - 5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Interest rate
							(% p.a.)
Financial liabilities							
Trade and other payables	-	-	-	-	2,222.4	2,222.4	-
Advance received from cardholders	-	-	-	-	151.1	151.1	-
Short-term loan from related individual	20.0	-	-	-	-	20.0	1.50
Retention payable	-	-	-	-	40.6	40.6	-
Creditors per rehabilitation plan	-	-	-	-	794.9	794.9	-
Long-term loans	-	-	-	240.0	-	240.0	MLR - 2
Long-term debentures	3,607.6	2,807.5	-	-	-	6,415.1	5.25 - 6.75
	3,607.6	2,807.5	-	240.0	3,209.0	9,884.1	

(Unit: Million Baht)

	As at 31 March 2013						
	Consolidated financial statements						
	Fixed interest rates						
	Within 1 year	1 - 5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Interest rate
							(% p.a.)
Financial assets							
Cash and cash equivalents	2,584.2	-	-	859.6	69.5	3,513.3	0.10 - 3.40
Current investments	993.8	-	-	-	-	993.8	2.9
Bank account for advances from cardholders	-	-	-	78.9	-	78.9	0.75
Trade and other receivables	-	-	-	-	945.6	945.6	-
Restricted deposits	-	5.1	-	3.4	80.0	88.5	0.75 - 2.05
Cash deposited as collateral for debt settlement	-	-	-	-	232.7	232.7	-
Other long-term investments	-	-	200.0	-	167.5	367.5	4.375
Retention receivable	-	-	-	-	2.0	2.0	-
Deposits and advances for asset acquisitions	-	-	-	-	481.7	481.7	-
	3,578.0	5.1	200.0	941.9	1,979.0	6,704.0	

(Unit: Million Baht)

	As at 31 March 2013						
	Consolidated financial statements						
	Fixed interest rates						
	Within 1 year	1 - 5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Interest rate
							(% p.a.)
Financial liabilities							
Bank overdraft and short-term loans from financial institution	200.0	-	-	917.0	-	1,117.0	3.90 and MLR - 3.30
Trade and other payables	-	-	-	-	1,948.2	1,948.2	-
Advance received from cardholders	-	-	-	-	77.7	77.7	-
Retention payable	-	-	-	-	68.0	68.0	-
Creditors per rehabilitation plan	-	-	-	-	797.2	797.2	-
Long-term loans	-	-	-	2,364.0	-	2,364.0	MLR -1 to -2
Long-term debentures	2,078.6	6,401.0	-	-	-	8,479.6	4.75 - 6.75
	2,278.6	6,401.0	-	3,281.0	2,891.1	14,851.7	

(Unit: Million Baht)

	As at 31 March 2014						
	Separate financial statements						
	Fixed interest rates						
	Within 1 year	1 - 5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Interest rate
							(% p.a.)
Financial assets							
Cash and cash equivalents	684.5	-	-	1,585.1	-	2,269.6	0.50-2.75
Current investments	2,314.1	-	-	-	-	2,314.1	1.65-3.10
Trade and other receivables	-	-	-	-	354.1	354.1	-
Short-term loans to related parties	176.5	-	-	-	-	176.5	2.75-4.25
Restricted deposits	579.2	-	-	-	30.0	609.2	1.85
Cash deposited as collateral for debt settlement	-	-	-	-	232.7	232.7	-
Long-term loans to related parties	-	-	-	3,823.7	-	3,823.7	2.75-4.25
Other long-term investments	-	8.4	100.0	-	2,018.4	2,126.8	4.375-10.26
Retention receivable	-	-	-	-	3.2	3.2	-
	3,754.3	8.4	100.0	5,408.8	2,638.4	11,909.9	
Financial liabilities							
Trade and other payables	-	-	-	-	174.7	174.7	-
Retention payable	-	-	-	-	26.8	26.8	-
Creditors per rehabilitation plan	-	-	-	-	794.9	794.9	-
	-	-	-	-	996.4	996.4	

(Unit: Million Baht)

	As at 31 March 2013						
	Separate financial statements						
	Fixed interest rates						
	Within 1 year	1 - 5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Interest rate
							(% p.a.)
Financial assets							
Cash and cash equivalents	1,059.7	-	-	569.2	-	1,628.9	0.375 - 3.15
Current investments	993.8	-	-	-	-	993.8	2.9
Trade and other receivables	-	-	-	-	194.5	194.5	-
Short-term loans to related parties	111.5	-	-	-	-	111.5	3.00 - 6.50
Restricted deposits	-	-	-	1.6	80.0	81.6	0.75 - 2.00
Cash deposited as collateral for debt settlement	-	-	-	-	232.7	232.7	-
Long-term loans to related parties	-	-	-	2,986.8	-	2,986.8	3.375
Other long-term investments	-	-	100.0	-	167.5	267.5	4.375
Retention receivable	-	-	-	-	107.6	107.6	-
	2,165.0	-	100.0	3,557.6	782.3	6,604.9	
Financial liabilities							
Trade and other payables	-	-	-	-	140.5	140.5	-
Retention payable	-	-	-	-	57.6	57.6	-
Creditors per rehabilitation plan	-	-	-	-	797.2	797.2	-
	-	-	-	-	995.3	995.3	

Foreign currency risk

The Company's and subsidiaries' exposure to foreign currency risk arises mainly from cash at banks, investments in debt securities and purchase transactions of spare parts and elevated trains and equipment that are denominated in foreign currencies.

As at 31 March 2014 and 2013, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currencies	Consolidated financial statements				Separate financial statements				Average exchange rate	
	Financial assets		Financial liabilities		Financial assets		Financial liabilities			
	2014 (Million)	2013 (Million)	2014 (Million)	2013 (Million)	2014 (Million)	2013 (Million)	2014 (Million)	2013 (Million)	2014 (Baht per 1 foreign currency unit)	2013
USD	77	-	4	1	76	-	-	-	32.4432	29.3085
EUR	-	11	4	5	-	-	-	-	44.6075	37.5712
SGD	-	-	2	2	-	-	-	-	25.7764	23.5880
HKD	-	-	5	-	-	-	-	-	4.1821	-
RMB	1,713	1	22	22	188	-	-	-	5.2245	4.7284

As at 31 March 2014, the Company and its subsidiary have entered into foreign exchange forward contracts amounting to USD 63 million and RMB 1,712 million (Separate financial statement: USD 63 million and RMB 188 million), under which the contractual rates are Baht 31.25 - 33.10 per USD and Baht 5.1686 - 5.4500 per RMB, respectively (Separate financial statement: Baht 31.25 - 33.10 per USD and Baht 5.1686 per RMB, respectively).

51.2 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 statements of financial position.

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.

52. Infrastructure Fund Transaction

On 18 December 2012, an Extraordinary General Meeting of the Company's shareholders passed a resolution approving the sale by BTSC to BTS Rail Mass Transit Growth Infrastructure Fund ("BTSGIF") of future fare box revenues of BTSC from operation of the Core BTS Skytrain System, which covers a distance of 23.5 km, comprising the 17 km of the Sukhumvit line from Mo-Chit to On-Nut stations, and the 6.5 km of the Silom line from National Stadium to Taksin Bridge stations, under the concession agreement dated 9 April 1992 and the amendment to the concession agreement between the Bangkok Metropolitan Authority and BTSC, for the remainder of the concession.

On 17 April 2013, the Securities and Exchange Commission approved the registration of the assets of BTSGIF as an Infrastructure Fund, with 5,788 million investment units and an offer price and par value of Baht 10.80 per unit, or a total of Baht 62,510 million. On 17 April 2013, BTSC and BTSGIF entered into an agreement to buy and to transfer the rights to net fare box revenues of the Core BTS Skytrain System.

In addition, a resolution of the Extraordinary General Meeting of the Company's of shareholders held on 18 December 2012 approved the Company's execution of the Infrastructure Fund Transactions, and these are now complete, as detailed below.

Net Sales Revenue Transaction

On 17 April 2013, BTSC and BTSGIF entered into an agreement to sell and transfer the rights to net fare box revenues, whereby BTSC sold to BTSGIF net fare box revenues from the operation of the Core BTS Skytrain System, covering 23.5 km of the Sukhumvit and Silom lines, under the concession agreement dated 9 April 1992 and the amendment concession agreement between the Bangkok Metropolitan Authority and BTSC, for the remainder of the concession. The price was set at Baht 61,399 million (net of the expense of establishing BTSGIF, totaling Baht 1,111 million). The key details relating to the agreement are as follows:

Net Revenue Purchase and Transfer Agreement

a) *Key Obligations of BTSC*
BTSC is to procure and deliver net fare box revenues to BTSGIF, and agrees to grant BTSGIF rights to participate in the management of BTSC's business, which BTSGIF entitled to nominate one-third of the directors appointed to BTSC's Board. BTSC is also required to comply with other obligations specified in the agreement.

b) *Right to Purchase and Right of First Refusal*
BTSGIF has the right to purchase BTSC's or any of its subsidiaries' revenues, rights, benefits, title, interests and/or investment in relation to the identified skytrain projects. In cases where BTSC or any of its subsidiaries receive a third party offer, BTSGIF has the right of first refusal to purchase revenues, rights, benefits, title, interests and/or any investments in relation to the the identified skytrain projects, the greenfield projects for any Bangkok and Vicinity Mass Transit Systems, and brownfield projects for any Bangkok and Vicinity Mass Transit Systems in respect of which BTSC or any of its subsidiaries have entered into or will enter into relevant agreements, or have operated or will operate relevant projects, including the identified skytrain projects. The brownfield projects of the Bangkok and Vicinity Mass Transit Systems include the long-term operation and maintenance agreement and any agreements extending the concession (if any).

c) *Key Obligations of BTSGIF*
As long as there is no event of default under the agreement affecting BTSC's ability to deliver the net fare box revenues to BTSGIF, BTSGIF agrees to pay BTSC incentive fees at the following rates:

1) If the net fare box revenues for any year exceed 100 percent but not 125 percent of the annual net fare box revenues target for

that year, BTSC is entitled to incentive fees at the rate of 10 percent of the net fare box revenue amount exceeding 100 percent but not 125 percent of the annual net fare box revenue target.

2) If the net fare box revenues for any year exceed 125 percent of the annual net fare box revenue target for that year, BTSC is entitled to incentive fees at the rate of 15 percent of the net fare box revenue amount exceeding 125 percent of the annual net fare box revenue target.

d) Insurance

BTSC agrees to procure and maintain at all times its normal insurance policies, including directors' liability insurance, and to be responsible for payment of any damages in excess of the insurance coverage that are the result of gross negligence or willful misconduct by BTSC. BTSGIF agrees to be responsible for payment of damages and losses incurred by the Core BTS SkyTrain System which (a) exceed the insured sum under the relevant insurance policies, (b) relate to uninsured events and (c) are not covered by the insurance, to the extent that such damages or losses are not the result of gross negligence or willful misconduct by BTSC, subject to the terms and conditions of this agreement. Regardless, in any case, the obligation of BTSGIF to pay for such damages and losses incurred by the Core BTS SkyTrain System shall cease on the concession expiry date.

This agreement provides details of the matters described above, reserved matters and negative undertakings of BTSC, as well as events of default and consequences, with which BTSC and BTSGIF must comply.

Guarantee Transaction

The performance of BTSC under the Net Revenue Purchase and Transfer Agreement between BTSC and BTSGIF dated 17 April 2013 is secured by a limited guarantee under the Sponsor Support and Guarantee Agreement between the Company and BTSGIF dated 17 April 2013, and the Share Pledge Agreement dated 17 April 2013. Under the Sponsor Support and Guarantee Agreement, the Company also grants BTSGIF the right to purchase shares in BTSC by entering into an Agreement to Purchase and to Sell Shares. The key terms and conditions of the Sponsor Support and Guarantee Agreement are as follows:

<u>Sponsor Support and Guarantee Agreement</u>

a) Key Obligations of the Company

1) The Company agrees to maintain its shareholding in BTSC at all times while obligations under this agreement are outstanding and not to transfer or create any encumbrance over such shares.

2) The Company agrees to grant BTSGIF participation in BTSC's Board of Directors by (a) appointing one-third of the directors of BTSC from the persons nominated by BTSGIF and (b) appointing another one-third of the directors of BTSC from those with the specified qualifications for independent directors of BTSC's Board.

3) The Company agrees not to permit BTSC to enter into any transactions that are which is the subject of any Reserved Matters, unless such Reserved Matter has been approved by the Board of Directors of BTSC with at least two affirmative votes from BTSC directors nominated by BTSGIF.

4) The Company agrees to the terms and conditions of the Transaction Documents and agrees to take all actions necessary to procure that BTSC complies with all its obligations under the Transaction Documents, subject to the terms and conditions of this agreement.

5) The Company agrees to pledge its shares in BTSC to secure its obligations under this agreement.

6) The Company agrees to provide a guarantee to secure BTSC's performance of its obligations under the Net Revenue Purchase and Transfer Agreement. BTSGIF cannot enforce the Company's settlement of its obligations under the Sponsor Support and Guarantee Agreement by any method other than enforcement upon BTSC shares under the Agreement to Purchase and to Sell Shares. Upon transfer of BTSC shares under the Agreement to Purchase and to Sell Shares or the Share Pledge Agreement, the Company shall be immediately released from its obligations related to its guarantee and the obligations imposed upon it as a holder of BTSC shares under the Sponsor Support and Guarantee Agreement, but BTSGIF shall retain certain rights (such as the right to purchase and the right of first refusal in accordance with the relevant terms of the Sponsor Support and Guarantee

Agreement), and certain obligations of the Company as specified under the Sponsor Support and Guarantee Agreement shall remain until all obligations of BTSC and the Company under the relevant Transaction Documents to which it is a party have been fully satisfied or until such other time as agreed under the Sponsor Support and Guarantee Agreement.

7) If the Company has any claim against BTSC, under the Transaction Documents or otherwise, the Company agrees to defer its rights to make such claim until all obligations of the Company and BTSC under the Transaction Documents have been fully discharged, except in the cases specifically exempted under the Sponsor Support and Guarantee Agreement.

8) In the event that BTSGIF allows BTSC to implement a plan to remedy an event of default pursuant to the Net Revenue Purchase and Transfer Agreement, from the commencement of the consultation to consider such remedy plan until such event of default is remedied in accordance with the approved remedy plan to the satisfaction of BTSGIF or waived by BTSGIF, the Company and BTSGIF agree to take or not to take certain actions as specified in the Sponsor Support and Guarantee Agreement. These include (a) the Company's agreement to remit all dividends received on the BTSC shares it holds to BTSGIF in settlement of any amounts due and payable by BTSC under the Transaction Documents which has not been paid to BTSGIF, (b) BTSGIF being granted voting rights on the BTSC shares held by the Sponsor pursuant to the conditions prescribed in the Sponsor Support and Guarantee Agreement, and (c) BTSGIF's agreement not to exercise its right to demand BTSC make payment of debt in the amount and under the conditions set out under the Net Revenue Purchase and Transfer Agreement or demand the Sponsor perform its obligations under the Sponsor Support and Guarantee Agreement, or exercise or enforce any other rights it has upon such event of default.

   BTSC or the Sponsor's failure to comply with their specified obligations required to be undertaken after BTSGIF approves the implementation of the remedy plan shall constitute an event of default under the Net Revenue Purchase and Transfer Agreement, whereupon BTSGIF shall have the right to exercise any of its rights under the Transaction Documents.

9) If BTSGIF either purchases BTSC shares from the Company in accordance with the Agreement to Purchase and to Sell Shares or becomes the owner of BTSC shares as a result of the enforcement of the Share Pledge Agreement, BTSGIF agrees to take certain actions as stipulated in the agreement.

b) *Right to Purchase and Right of First Refusal*

The Company irrevocably grants BTSGIF (a) the right to purchase the revenues, rights, benefits, titles, interest and/or investments of the Company and its affiliates in relation to the identified skytrain projects, and (b) where the Company or any of its affiliates receive a third party offer, the right of first refusal to purchase revenues, rights, benefits, titles, interest and/or any investments in relation to the identified skytrain projects, the greenfield projects for any Bangkok and Vicinity Mass Transit Systems, and brownfield projects for any Bangkok and Vicinity Mass Transit Systems in respect of which the Company and/or any of its affiliates has entered or will enter into relevant agreements, or have operated or will operate the relevant projects, including the identified skytrain projects.

The terms and conditions of the right to purchase and the right of first refusal the Company granted to BTSGIF are similar to those specified in the Net Revenue Purchase and Transfer Agreement.

c) *The Company's Right to Purchase BTSC Shares*

BTSGIF agrees that:

a. After BTSGIF exercises its right to purchase BTSC shares held by the Company in accordance with the Agreement to Purchase and to Sell Shares and it wishes to sell such shares to any person who provides an offer to purchase such shares from it, or

b. If BTSGIF does not purchase BTSC shares held by the Company in accordance with the Agreement to Purchase and to Sell Shares itself, but wishes to sell such shares to an independent third party (other than BTSGIF's affiliate) and designate such third party to take the transfer of the shares from the Company pursuant to the Agreement to Purchase and to Sell Shares.

   In these cases, BTSGIF grants the Company the right of first refusal to buy such shares at a price equal to the third party offer (in respect of (a)) or to pay BTSGIF an amount equal to the purchase price of the shares offered to BTSGIF by the independent third party (in respect of (b)) on terms and conditions not less favourable than those offered by the relevant third party. BTSGIF is to issue a written notice to BTSG containing the name of the offeror, the price offered for the purchase of the shares and all material terms and conditions of the third party offer. In exercising its right to purchase the shares from BTSGIF (in respect of

(a)) or to pay the purchase price to BTSGIF (in respect of (b)), the Company is required to comply with the procedures and to act within the timeframe as agreed under the Sponsor Support and Guarantee Agreement. If the Company fails to confirm BTSGIF in writing that it wishes to purchase such shares or pay the purchase price (as the case may be) within the agreed period, or if the Company fails to complete the purchase of the shares or pay the purchase price within the agreed period, BTSGIF will be entitled to sell the shares to the third party who made the offer or another third party in accordance with such third party offer that was proposed to the Company at the offered purchase price or higher; or transfer the shares to the independent third party that BTSGIF designated as the person to take the transfer of the shares from the Company in accordance with the Agreement to Purchase and to Sell Shares, subject to all material terms and conditions being not more favourable than those under the third party offer that BTSGIF proposed to the Company.

BTSGIF and the Company agree that if BTSGIF designates its affiliate to receive the transfer of the shares pursuant to the Agreement to Purchase and to Sell Shares, the transfer of the shares to BTSGIF's affiliate is not subject to the Company's right of first refusal set out above, provided that upon BTSGIF's affiliate becoming the owner of the shares pursuant to the Agreement to Purchase and to Sell Shares, BTSGIF shall procure that such affiliate confirms to the Company in writing that it agrees to comply with the provisions and procedures in relation to the Company's right of first refusal under the Sponsor Support and Guarantee Agreement.

d) *Units Lock-up Undertaking*
For a period of ten years from the Closing Date, the Company may not, without prior written consent of BTSGIF, sell, transfer or dispose of the Units to which it is to subscribe in the amount of not less than one-third of the total number of Units.

e) *Negative Undertakings*
Restrictions on the Company relate to, among others, undertaking amalgamations or mergers, allowing an issue of shares or convertible securities by BTSC to any person that results in a reduction of the Company's percentage shareholding in BTSC, allowing BTSC to reduce its capital (except for the purpose of returning capital to BTSC's shareholders and provided that such capital reduction does not reduce the Company's percentage shareholding in BTSC or cause BTSC's paid up capital to fall below Baht 3,000,000,000) and allowing BTSC to remove or appoint its Chief Executive Officer, Chief Financial Officer or Chief Operating Officer.

Share Pledge Agreement

a) *Key Obligations of the Company*

1) The Company agrees to pledge its shares in BTSC to BTSGIF to secure its obligations under the Sponsor Support and Guarantee Agreement.

2) The Company shall procure that BTSC shall record such pledge in the share registrar book.

3) The Company undertakes that if it acquires additional shares in BTSC as a result of a change in the registered capital of BTSC, it will pledge these additional shares with BTSGIF such that the shares in BTSC held by the Company are pledged and delivered to BTSGIF.

4) Before the enforcement of the share pledge by BTSGIF upon the acceleration of the event of default under the Net Revenue Purchase and Transfer Agreement, the rights to vote and receive dividends derived from such shares shall remain with the Company.

b) *Key Obligations and Rights of BTSGIF*
BTSGIF may set off any obligations due from the Company under the Sponsor Support and Guarantee Agreement and other Transaction Documents to which the Company is a party against any obligation owed by BTSGIF to the Company,regardless of the place of payment.

c) *Enforcement of Pledge*
The Company and BTSGIF agree to prescribe conditions of the public auction sale of the pledged shares such that a third party winning bidder is required to enter into an agreement with form and content similar to that of the Sponsor Support and Guarantee Agreement.

Agreement to Purchase and to Sell Shares

a) *Key Obligations of the Company*

1) The Company agrees to sell BTSC's shares it holds to BTSGIF, and BTSGIF agrees to purchase shares from the Company when an event of default under the Net Revenue Purchase and Transfer Agreement has occurred and an exercise notice for the purchase of the shares has been delivered by BTSGIF to the Company.

2) The Company irrevocably appoints and authorises BTSGIF Supervisor and/or its permitted assignees to transfer the shares to BTSGIF.

3) The Company agrees that BTSGIF can offset the purchase price against the Company's obligations under the Sponsor Support and Guarantee Agreement. The Company also agrees not to call for BTSGIF to make payment of the share purchase price in cash.

4) BTSC agrees to perform all acts in order to transfer the shares to BTSGIF, including an undertaking to arrange for BTSC to record the transfer in the share register book.

b) *Key Obligations and Rights of BTSGIF*

1) BTSGIF has the right to purchase shares from the Company upon the occurrence of an event of default under the Net Revenue Purchase and Transfer Agreement.

2) The purchase price will be determined in accordance with the procedures set out in the Agreement to Purchase and to Sell Shares.

3) BTSGIF has the right to offset any debt obligations of the Company to BTSGIF under the Sponsor Support and Guarantee Agreement and other Transaction Documents to which the Company is a party against any debt obligations of BTSGIF to the Company, regardless of the place of payment. The Company agrees not to call for BTSGIF to make payment of the share purchase price in cash.

Investment Unit Subscription Transaction

The Company subscribed to 1,929 million investment units in BTSGIF at a price of Baht 10.80 per unit, totaling Baht 20,833 million, equivalent to 33.33% of the number of units in issue.

In addition, the Company and BTSC entered into other agreements with respect to or as a consequence of the execution of the infrastructure fund transactions, in conformity with the agreements and memorandums relating to the infrastructure fund transactions mentioned above.

As detailed above, on 31 January 2013, BTSC wrote to the relevant accounting body, enquiring about accounting for the transactions involved in the establishment of an infrastructure fund, which included details relevant to the recording of the sale of future fare box revenues by derecognizing project costs in the accounts of BTSC and the Company in the consolidated financial statements, and the immediate recognition of gains on the sale.

On 22 May 2013, BTSC sent another letter providing the accounting body with additional details regarding the name of the agreement to transfer the net fare box revenue.

On 8 July 2013, the accounting body wrote to BTSC regarding the method of accounting for the transactions involved in the establishment of an infrastructure fund, providing details of the issues that should be considered but not providing a conclusion as to how to record the transactions. However, the accounting body believes that the Company and BTSC need to consider the effect of their legal obligations under these agreements, among other facts, while taking into account the overall nature of the transactions, and that both BTSC and the Company should refer to the judgment of their accountants in carefully and thoroughly reviewing the transactions.

After careful and thorough consideration of the details of the transactions by the Company and BTSC, their conclusions are as follow:

a) BTSC sold its rights to collect future net fare box revenues from the core BTS train system for the remainder of the concession period (about 17 years) to BTSGIF.

b) The Company and BTSC have not provided any guarantee of the future net fare box revenues to be received by BTSGIF.

c) BTSGIF is the party exposed to the risk related to fluctuations in fare box revenues or costs and expenses of capital assets.

d) Even though the sale of future net fare box revenues will not involve the legal transfer of rights under the concession agreement to BTSGIF, in substance this transaction already represents the transfer of all of BTSC's benefits in the fare box revenues to BTSGIF.

e) BTSC will continue to be the operator of the train services, overseen by BTSGIF, and to exercise decision-making authority as the owner of BTSGIF (BTSC is not involved with the day-to-day management of these assets at the owner level, and does not either directly or indirectly control the assets sold).

f) BTSC is to submit cash receipts of fare box revenues to BTSGIF, acting as a middleman responsible only for the collection of fare box revenue and their submission to BTSGIF each day. Because the cash belongs to BTSGIF, BTSC has no debtor/creditor obligations with BTSGIF. Given this, BTSC does not believe that these transactions are financial liabilities.

On the basis of the above summary, the Company and BTSC treat the sale of the rights to collect future fare box revenues as a true sale of an intangible asset, and BTSC therefore recognised the write off of project costs and related accounts from the statement of financial position, and recorded its estimates of the liabilities related to this transaction in the statement of financial position, net of cash receipts of Baht 61,399 million from the sale of the rights to collect these net fare box revenues. The Group recorded a gain on the sale amounting to Baht 13,498 million (after eliminating one third of the transactions, in proportion to the Company's unit holding in BTSGIF) and presented this as a separate item in the consolidated statement of comprehensive income for the year ended 31 March 2014.

53. Investment in Indonesia and The People's Republic of China

Indonesia

On 29 June 2013, the Company and PT Jakarta Monorail has entered into the Participating Agreement concerning Development and Operations of Monorail Project in Jakarta, Indonesia ("Participating Agreement Framework"). This Participating Agreement Framework is a framework for the negotiation and conclusion on the terms and conditions of the final agreement to be entered into by the parties in the future. The Company will act as the project consultant to support PT Jakarta Monorail to achieve the development of this project. The Company will also study the details for providing the operation and maintenance (O&M) of this project. If the study shows satisfactory results, project worthiness and attractive yield, the Company will negotiate and agree on the service fee and terms of the operation and maintenance agreement with PT Jakarta Monorail, and proceed with the corporate approval for the entry into the Operation and Maintenance Agreement with PT Jakarta Monorail. In addition, under the Participating Agreement Framework with PT Jakarta Monorail, the Company has an option to invest in the equity of this project, i.e. an option to purchase certain percentage of shares in PT Jakarta Monorail. However, this is depend on and subject to the project worthiness, investment yield, result of the negotiation, terms and conditions, corporate approval, legal requirements and the entry into the final agreement between the parties.

The People's Republic of China

The Company and CITIC Construction Co., Ltd. (an affiliate of CITIC Group Corporation) ("CITIC") have jointly formed a consortium ("BTS-CITIC Consortium") to bid for the concession to operate the Beijing Subway Line 16 Franchise Project for a 30-year period. On 7 February 2014 BTS-CITIC Consortium submitted a tender proposal and bidding documents, and the Company has pledged a fixed deposit of USD 17.5 million as collateral for the project bid guarantee. Currently, the Company is awaiting the bidding results.

54. 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 statement of financial position as at 31 March 2014, the Group's debt-to-equity ratio was 0.28:1 (2013: 0.33:1) and the Company's was 0.03:1 (2013: 0.02:1).

55. Events after the reporting period

Significant subsequent events are detailed below.

55.1 On 3 April 2014, a meeting of the Company's Executive Committee Meeting passed a resolution to let BTS Land Company Limited which is a 100% interest subsidiary jointly investing in Bangkok Payment Solutions Company Limited, engaged in developing software and providing technology services, including technology associated with Thailand's mass transit and payment systems, with a registered share capital of Baht 25 million (5 million ordinary shares with a par value of Baht 5 each). The subsidiary will hold a 60% interest in this company.

55.2 On 9 May 2014, the Board of Directors of a subsidiary (VGI Global Media Public Company Limited) passed significant resolutions to propose to the 2014 Annual General Meeting of Shareholders to consider and approve as follows:

a) Payment of dividends of Baht 1,053 million in respect of its operating results for the year ended 31 March 2014. The subsidiary has paid interim dividends totaling approximately Baht 607 million. The outstanding dividend of Baht 446 million (at a rate of Baht 0.13 per share) will be paid to the shareholders.

b) Issuance and allocation of the warrants to purchase the newly issued ordinary shares of the subsidiary No. 1 (VGI-W1) in the number of up to 857,993,407 units, to be allocated to the existing shareholders of the subsidiary on a pro rata basis to their respective shareholdings (Rights Offering), at no cost, at the allocation ratio of 4 existing ordinary shares for 1 unit of Warrants. The term of the VGI-W1 Warrants shall be 4 years from the issuance date. The warrant holders shall be entitled to exercise the Warrants for the first time on the last business day of the first quarter after the issuance date. The exercise ratio is 1 unit of Warrants for 1 ordinary share at the exercise price of Baht 14 per share. However, the management is authorised to stipulate, amend and add details and conditions of the issue of the Warrants.

c) Reduction of the registered capital of the subsidiary by Baht 1,517.40 from the existing registered capital of Baht 343,198,879.90 to Baht 343,197,362.50, by cancelling 15,174 unissued registered shares with a par value of Baht 0.10 per share.

d) Increase of the registered capital of the subsidiary by Baht 85,799,340.70, from the existing registered capital of Baht 343,197,362.50 to Baht 428,996,703.20, by issuing 857,993,407 new ordinary shares with a par value of Baht 0.10 per share to accommodate the exercise the VGI-W1 Warrants.

e) Allocation of up to 857,993,407 newly issued ordinary shares, with a par value of Baht 0.10 per share, to accommodate the exercises of the VGI-W1 Warrants.

55.3 On 9 May 2014, the Board of Directors of a subsidiary (VGI Global Media Public Company Limited) passed a resolution to acquire 73.5 million ordinary shares of Master Ad Public Company Limited ("MACO"), engaged in advertising service, at a price of Baht 9 each, totaling Baht 661.5 million. The subsidiary will hold a 24.43% interest in this company.

55.4 On 16 May 2014, the Board of Directors of a subsidiary (BTSC) passed a resolution to approve payment of dividends of Baht 18,198 million in respect of its operating results in the past. The subsidiary has paid interim dividends totaling approximately Baht 17,234 million. The outstanding dividend of Baht 964 million (at a rate of Baht 0.06 per share) will be paid to the shareholders.

55.5 On 23 May 2014, the Board of Directors of the Company passed a resolution to approve payment of dividends of Baht 7,073 million in respect of its operating results for the year ended 31 March 2014. The Company has paid interim dividends totaling approximately Baht 4,571 million. The outstanding dividend of Baht 2,502 million (at a rate of Baht 0.21 per share) will be paid to the shareholders.

56. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 23 May 2014.

GLOSSARY OF TERMS

Unless the context otherwise requires, terms defined shall have the following meanings:

Terms	Definitions
"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
"2012/13"	The fiscal year from 1 April 2012 to 31 March 2013
"2013/14"	The fiscal year from 1 April 2013 to 31 March 2014
"2014/15"	The fiscal year from 1 April 2014 to 31 March 2015
"1Q 13/14"	The first quarter of fiscal year 2013/14
"2Q 13/14"	The second quarter of fiscal year 2013/14
"3Q 13/14"	The third quarter of fiscal year 2013/14
"4Q 13/14"	The fourth quarter of fiscal year 2013/14
"AHS"	Absolute Hotel Services Co., Ltd.
"BMA"	Bangkok Metropolitan Administration
"BMCL"	Bangkok Metro Public Company Limited
"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 Company Limited
"BTSGIF" or "the Fund"	BTS Rail Mass Transit Growth Infrastructure Fund
"BTS Group" or "Group"	The Company, subsidiaries, and associated companies
"BTS SkyTrain"	The Sukhumvit and the Silom Line, including the Sukhumvit Line Extension and the Silom Line Extension
"Carrot Rewards"	Carrot Rewards Co., Ltd.
"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"	Bangkok Mass Transit System Concession Agreement between BMA and BTSC for the operation of the Core Network
"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
"Form 56-1"	2013/14 Annual Registration Statement Disclosure Form
"HHT"	HHT Construction Co., Ltd.
"IF"	Infrastructure Fund
"IOD"	Thai Institute of Directors

Terms	Definitions
"Krungthep Thanakom"	Krungthep Thanakom Co., Ltd., which is a company established by the BMA
"M-Map"	Mass Rapid Transit Master Plan of the Bangkok Metropolitan Region prepared by OTP
"MRT" or "MRT Subway"	M.R.T. Chaloem Ratchamongkhon Subway Line
"MRTA"	Mass Rapid Transit Authority of Thailand
"O&M"	Operation and maintenance
"OTP"	Office of Transport and Traffic Policy and Planning under the Ministry of Transport
"QoQ"	Quarter-over-quarter
"SARL"	Suvarnabhumi Airport Rail Link
"SEC"	The Office of the Securities and Exchange Commission
"SET"	Stock Exchange of Thailand
"Silom Line"	Consists of 7 stations (including Siam station) and runs westwards and southwards for 6.5 km, connecting National Stadium and Taksin Bridge
"Silom Line Extension"	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 which commenced operations on 5 December 2013.
"SRT"	State Railway of Thailand
"Sukhumvit Line"	Consists of 17 stations (including Siam station) and traverses Bangkok running northwards and eastwards for 17 km, connecting Mo Chit and On Nut
"Sukhumvit Line Extension"	The 5.25 km. extension of the Sukhumvit line, comprising 5 BTS stations (from Bang Chak station to Bearing Station)
Tanayong	Tanayong Public Company Limited (former name of BTS Group Holdings Public Company Limited)
"VGI"	VGI Global Media Public Company Limited
"VGI Group"	VGI and its subsidiaries
"YoY"	Year-over-year

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