

**COSMO BAZAAR**

**DOUBLE LAKE  
CONDOMINIUM**



**BANGKOK LAND**  
PUBLIC COMPANY LIMITED

# **ANNUAL REPORT 2018**

**BEEHIVE  
LIFESTYLE  
MALL**

**COSMO  
OFFICE PARK**

**OUTLET  
SQUARE**

**IBIS BANGKOK  
IMPACT**



# Contents

|   |    |
|---|----|
| Information for Investors                           | 2  |
| Highlights  | 3  |
| Report of the Chairman                              | 4  |
| Business Profile                                    | 6  |
| Management Discussion and Analysis                  |    |
| - Review of Operation                               | 9  |
| - Financial Review                                  | 13 |
| Corporate Governance                                | 16 |
| Responsibilities of the Board                       | 19 |
| Corporate Social Responsibility                     | 24 |
| Shareholders and Management                         | 25 |
| Directors' Profile                                  | 31 |
| Risk Factors  | 33 |
| Connected Parties Transactions                      | 34 |
| Information of Subsidiary Companies                 | 35 |
| Report of Directors' Duties on Financial Statements | 36 |
| Report of Audit Committee                           | 37 |
| Report of Independent Auditor                       | 40 |
| Financial Statements                                | 45 |

# INFORMATION FOR INVESTORS

|                     |  |                               |
|---------------------|--|-------------------------------|
| Company Name        | Bangkok Land Public Company Limited  |                               |
| Registration Number | 0107536001222  |                               |
| Registered Office   | 47/569-576 Moo 3, 10 <sup>th</sup> Floor, New Geneva Building, Popular 3 Road, Tambol Bannmai Amphur Pakkred, Nonthaburi 11120, Thailand<br>Telephone: 66-2-5044949 Facsimile: 66-2-5044986                            |                               |
| Website             | www.bangkokland.co.th<br>www.impact.co.th  |                               |
| Share Registrar     | Thailand Securities Depository Company Limited<br>The Stock Exchange of Thailand Building<br>93, 14 <sup>th</sup> Floor, Rachadapisek Road, Dindaeng, Bangkok 10400<br>Telephone: 66-2-0099000 Facsimile: 66-2-0099992 |                               |
| Auditors            | Karin Audit Company Limited<br>B1 6 <sup>th</sup> Floor, Boonmitr Building<br>138 Silom Road, Bangrak, Bangkok 10500<br>Telephone: 66-2-6342484 Facsimile: 66-2-6342668  |                               |
| Legal Advisors      | Siam Premier International Law Office Limited<br>26 <sup>th</sup> Floor, The Offices at Central World<br>999/9 Rama I Road, Pathumwan, Bangkok 10330<br>Telephone: 66-2-6461888 Facsimile: 66-2-6461919                |                               |
| Share Information   | Share Exchange :   | Stock Exchange of Thailand    |
|                     | Listing Date :   | 5 <sup>th</sup> February 1992 |
|                     | Par Value :  | Baht 1 per share              |
|                     | Lot Size :   | 100 shares                    |
|                     | Number of shares issued :  | * 18,596,218,240              |
|                     | Treasury stock   | * -                           |
|                     | Voting stock minus treasury stock :  | * 18,596,218,240              |
|                     | Stock Sector :   | Property                      |
|                     | Stock Symbol :   | BLAND                         |
| Financial Calendar  | Financial year-end :   | 31 March                      |
|                     | 2018 full-year results announced :   | 30 May 2018                   |
|                     | Right to AGM (Record Date)   | 5 July 2018                   |
|                     | Annual General Meeting to be held  | 26 July 2018                  |
|                     | Right to receive dividends (Record date)   | 7 August 2018                 |
|                     | 2019 results to be announced **  |                               |
|                     | June 2018 quarter  | 14 August 2018                |
|                     | September 2018 quarter   | 14 November 2018              |
|                     | December 2018 quarter  | 14 February 2019              |
|                     | March 2019 full year results   | 30 May 2019                   |

\* as at 31 March 2018

\*\* subject to change

## HIGHLIGHTS

|   | 2018        | 2017        | Change   |
|---|-------------|-------------|----------|
|   | Baht m      | Baht m      | %        |
| Total recurring revenue                                       | 8,474       | 6,565       | 29.1     |
| Other revenue   | 1,666       | 2,864       | (41.8)   |
| Net profit  |             |             |          |
| Owner of the Company  | 1,231       | 1,850       | (33.5)   |
| Minority interest   | 602         | 499         | 20.6     |
| Total assets  | 65,675      | 65,773      | (0.1)    |
| Total liabilities   | 9,178       | 9,367       | (2.0)    |
| Shareholders' equity  | 48,160      | 48,394      | (0.5)    |
|   |             |             |          |
|   | <b>Baht</b> | <b>Baht</b> | <b>%</b> |
| Earnings per share  | 0.066       | 0.097       | (32.0)   |
| Adjusted net asset value per share                            | 2.75        | 2.47        | 11.3     |
| Dividend per share *  | 0.09        | 0.08        | 12.5     |
| Market share price at last trading date of the financial year | 1.86        | 1.82        | 2.2      |

\* subject to AGM approval



## REPORT OF THE CHAIRMAN

### OVERVIEW

The year under review was still an encouraging one for the Company, despite the continuing worldwide economic weakness and the imminent slowdown in various sectors of the Thai economy.

The World economic contraction occurs as I have forecasted many years ago, and I persist that it would continue or happen in the near future.

Last year, the Company write off registered shares which have been repurchased and remained undisposed at the amount of 2,066,246,471 shares under share repurchase programs, book value per share increase of 10.7% or Baht 0.25 per share. The unit trust of IMPACT Growth Real Estate Investment Trust, was held by IMPACT Exhibition Management Co.,Ltd. for 741,250,000 units, with the cost of 10.60 baht per unit, a total value of 7,857 million baht. As of 31 March 2018, the unit price closed at 16.30 baht per unit, or increasing of 53.8 percent. Also the Company has entered into additional land sales with unrelated parties, totaling 14,262 million baht. The lands which were already transferred totaled 9,056 million baht, with the remaining to be transferred with a value of 5,206 million baht.

### RESULTS

In the year ended 31 March 2018, the Group reported a consolidated recurring operating profit of Baht 1,116 million and a net profit after non-recurring items and tax of Baht 1,231 million.

### DIVIDEND

The directors have declared a dividend of Baht 0.09 per share, an increase of 12.5% from last year. The recommended dividend will be proposed for shareholders' approval in the forthcoming Annual General Meeting no. 46 on 26<sup>th</sup> July 2018.

### OPERATIONS

In my report last year, I mentioned that the Company was developing the Cosmo Office Park in Muang Thong Thani with a leasable area of 58,530 sq.m. It is now fully completed and has successfully anchored many office tenants and retail shops.

In adjacent to the Cosmo Office Park, the phase one of the Cosmo Bazaar lifestyle shopping mall has also opened. It provides numerous eateries and retail shops catering to the office workers, residents and visitors nearby. Building on the success of the phase one development, the Company has now committed the phase two expansion, which will include a large scale supermarket, a 5-screenings cinema and numerous retail shops and restaurants. It is expected to be completed by the first quarter of 2019.

The Company has continued to explore opportunities to add more attractions to complement the MICE industry, which includes a large scale water park which caters to MICE tourists and local families alike.

## FINANCE

The Group's financial position has grown stronger.

Adjusted net asset value rose 0.1 percent to Baht 51,047 million (2017-Baht 50,979 million).

Adjusted net asset value per share rose 11.3 percent to Baht 2.75 per share (2017-Baht 2.47 per share).

Net profit to owners of the company decreased 33.5 percent to Baht 1,231 million (2017-Baht 1,850 million).

Earning per share decreased 32.0 percent to Baht 0.066 (2017-Baht 0.097).

Consolidated total asset decreased 0.1 percent to Baht 65,675 million (2017-Baht 65,773 million).

Shareholders' equity decreased 0.5 percent to Baht 48,160 million (2017-Baht 48,394 million).

## OUTLOOK

Under the current uncertain economic and political environment, I expect a difficult year ahead for the Thai economy. However, with our debt free and cash rich position, in addition to the strength of our ongoing businesses, Bangkok Land will withstand pressures and challenges that may be posed by the political turmoil and slowing economic activities.

In the year ahead, we will continue to further strengthen our existing positions and operations. We will also continue to complete our existing projects and monitor closely new developments on politics and market conditions so as to identify the best opportunities to launch our new projects.

## APPRECIATION

Finally, I would like to thank most sincerely for all the support and confidence extended to the Company during the year ended 31 March 2018. I look forward to reporting further developments and improvements in the coming year.



Anant Kanjanapas  
Chairman  
15 June 2018



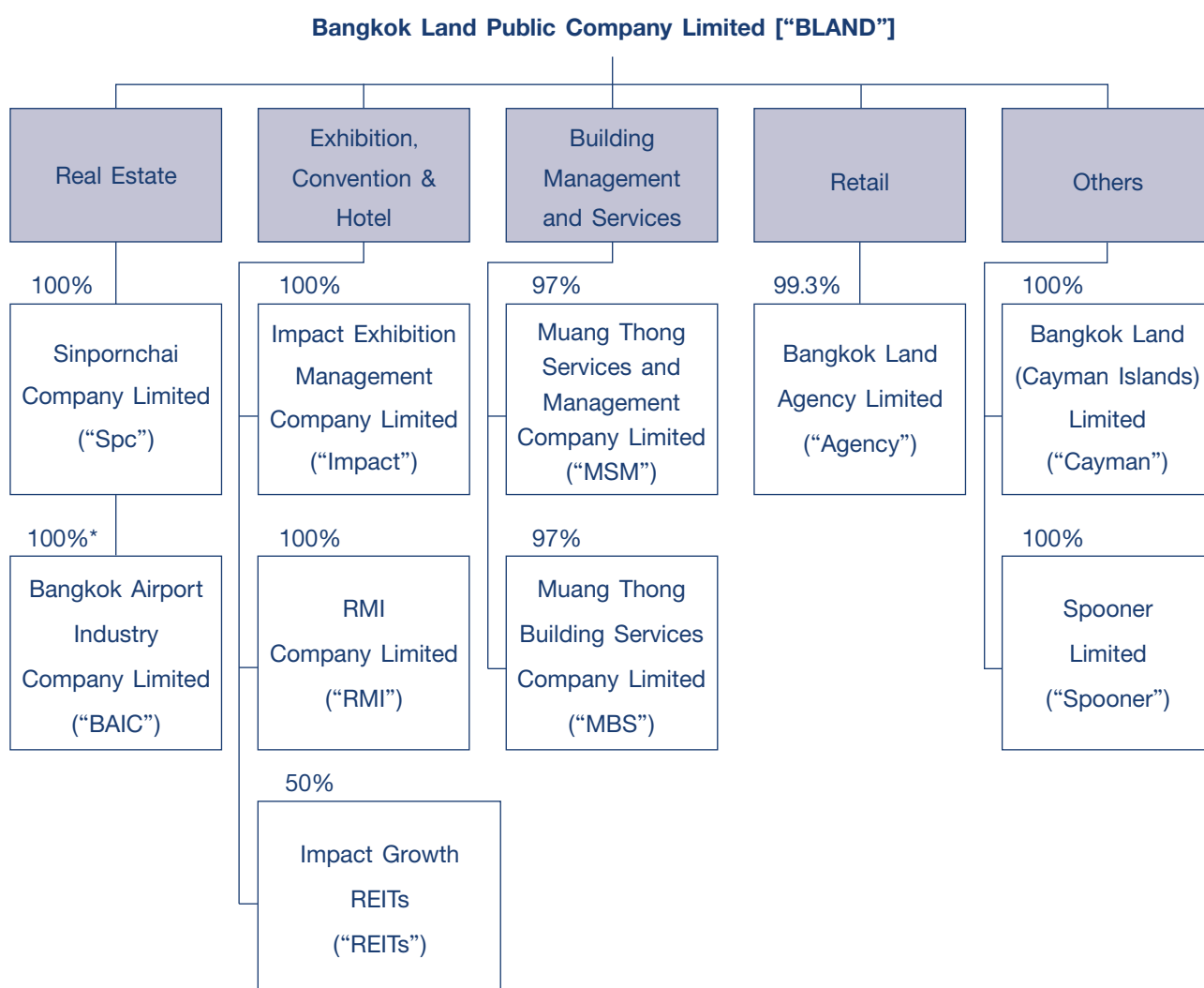
# BUSINESS PROFILE

## VISION AND GOALS OF THE COMPANY'S OPERATIONS

Recognised as the innovator and developer of a large satellite city, Muang Thong Thani, with an initial 28,933 condominiums, as well as Thailand's leading, all in one, Exhibitions, Meeting, Conference and Entertainment Centre - IMPACT, our vision is to continue to be regarded as both an innovator and leader in the property / real estate sectors as well as other areas where we become involved.

Bangkok Land is committed to offering the highest quality available in all its projects by embracing the latest technological advances and designs by implementing best practices to ensure maximum benefits to its shareholders' customer and employees. We provide value added residential, commercial and retail space providing real estate solutions passing expectations of all, so becoming the partner of choice.

## CORPORATE STRUCTURE



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



## REVENUE STRUCTURE

| Business                       | Operated by      | 2018         |              | 2017         |              | 2016         |              |
|--------------------------------|------------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                                |                  | Baht mn.     | %            | Baht mn.     | %            | Baht mn.     | %            |
| Real Estate                    | BLAND, BAIC, Spc | 4,721        | 50.8         | 3,360        | 44.9         | 1,469        | 24.9         |
| Exhibition, Convention & Hotel | Impact, REITs    | 4,153        | 44.7         | 3,657        | 48.9         | 3,852        | 65.4         |
| Retail                         | Agency           | 267          | 2.9          | 303          | 4.1          | 320          | 5.4          |
| Building Management            | MSM, MBS, RMI    | 158          | 1.7          | 158          | 2.1          | 250          | 4.2          |
| Others                         | Cayman, Spooner  |              |              |              |              |              |              |
| <b>Total Revenue</b>           |                  | <b>9,299</b> | <b>100.0</b> | <b>7,478</b> | <b>100.0</b> | <b>5,891</b> | <b>100.0</b> |

## NATURE OF BUSINESS

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

The Company has also diversified its interest into exhibition and convention business. Through its subsidiary, Impact Exhibition and Management Company Limited, Bangkok Land owns and manages more than 140,000 square meters of world class exhibition and convention space together with a convention hotel (Impact Novotel Hotel/IBIS Bangkok Impact Hotel) and other related supporting facilities. The Impact Exhibition Center is now the largest and most comprehensive exhibition and convention facility in South East Asia.

## BUSINESS SEGMENT

The Group's business can be classified into five major segments.

### 1) Real Estate

Real estate business mainly involves the development of residential housings and commercial properties for sale and rental. Products include single houses, townhouses, condominiums, shop-houses, high rise office buildings, shopping complex, community and retail malls. These projects vary from small sizes to very large self-contained communities. The Group's real estate business is primarily handled by Bangkok Land Public Company Limited, Bangkok Airport Industry Company and Sinpornchai Company Limited.

### 2) Exhibition, Convention & Hotel

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

The venue also operates Impact Novotel Hotel, IBIS Bangkok Impact Hotel and a wide variety of restaurants as well as catering facilities to support various kinds of activities and functions required by its customers. The Group's Exhibition, Convention & Hotel business is primarily handled by Impact Exhibition Management Company Limited, RMI Company Limited and Impact Growth Real Estate Investment Trust.

**3) Retail**

Retail business is operated only at Muang Thong Thani Chaengwattana. The Company runs small retail shops, food courts, fresh food market and car parks as to provide full community services to the residents of its property projects. These activities are operated by Bangkok Land Agency Company Limited.

**4) Infrastructure and Building Management**

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

**5) Others**

Bangkok Land (Cayman Islands) Limited is a Company incorporated in Cayman Islands. It was used to raise funds for the Company by issuing foreign currency bonds to investors.

Spooner Limited is a Hong Kong incorporated company. It remained inactive in the year ended 31 March 2018.

# MANAGEMENT DISCUSSION AND ANALYSIS - REVIEW OF OPERATION

## PROFIT AND LOSS SUMMARY

| Baht millions  | Revenue      |              | %           | Profit       |              | %            |
|--|--------------|--------------|-------------|--------------|--------------|--------------|
|  | 2018         | 2017         | Change      | 2018         | 2017         | Change       |
| <b>Business Segments</b>                               |              |              |             |              |              |              |
| - Real Estate  | 4,721        | 3,360        | 40.5        | 345          | 252          | 36.9         |
| - Exhibition, Convention & Hotel                       | 4,153        | 3,657        | 13.6        | 1,065        | 761          | 39.9         |
| - Retail   | 267          | 303          | -11.9       | 85           | 115          | -26.1        |
| - Others   | 158          | 158          | 0.0         | 97           | 5            | 1840.0       |
| - Inter-segment Elimination                            | (825)        | (913)        | -9.6        | (178)        | (318)        | -44.0        |
| <b>Total from Operation</b>                            | <b>8,474</b> | <b>6,565</b> | <b>29.1</b> | <b>1,414</b> | <b>815</b>   | <b>73.5</b>  |
| Corporate Expenses                                     |              |              |             | (298)        | (337)        | -11.6        |
| <b>Recurring Profit</b>                                |              |              |             | <b>1,116</b> | <b>478</b>   | <b>133.5</b> |
| Non-recurring Items                                    |              |              |             |              |              |              |
| - Net Borrowing Costs                                  |              |              |             | (140)        | (147)        | -4.8         |
| - Gain on Reversal of long outstanding account payable |              |              |             | 215          | -            | 100.0        |
| - Gain on Revaluation of Investment Properties         |              |              |             | 1,278        | 2,669        | -52.1        |
| <b>Profit before Tax</b>                               |              |              |             | <b>2,469</b> | <b>3,000</b> | <b>-17.7</b> |
| Income Tax   |              |              |             | (636)        | (651)        | -2.3         |
| <b>Profit for the Year</b>                             |              |              |             | <b>1,833</b> | <b>2,349</b> | <b>-22.0</b> |
| Minority Interest                                      |              |              |             | (602)        | (499)        | 20.6         |
| <b>Profit attributable to Shareholders</b>             |              |              |             | <b>1,231</b> | <b>1,850</b> | <b>-33.5</b> |

## OVERVIEW

For the year ended 31 March 2018, the Group recorded total recurring revenue in an amount of 8,474 million baht (2017 - 6,565 million baht), increasing of 1,909 million baht or 29.1%.

The group recorded recurring business operating profit before tax in an amount of 1,116 million baht (2017 - 478 million baht), increasing of 638 million baht or 133.5%.

The group recorded a profit on the owners of the Company in the amount of 1,231 million baht (2017 - 1,850 million baht), decreasing of 619 million baht or 33.5%.

## REAL ESTATE

| Baht millions                    | 2018    | 2017    | % change |
|----------------------------------|---------|---------|----------|
| Revenue                          | 4,721   | 3,360   | 40.5     |
| Cost of Sales                    | (3,997) | (2,830) | 41.2     |
| Gross Profit                     | 724     | 530     | 36.6     |
| Other Revenue                    | 31      | 35      | -11.4    |
|                                  | 755     | 565     | 33.6     |
| Selling & Admin. Expenses        | (410)   | (313)   | 31.0     |
| Contribution to Recurring Profit | 345     | 252     | 36.9     |
| Gross Profit Margin              | 15.3%   | 15.8%   | -0.4     |

The Company recorded sales income in an amount of 4,721 million baht (2017 - 3,360 million baht), increasing of 1,361 million baht or 40.5% from the increasing of right transferred land for 1,314 million baht, decreasing of right transfer condominium for 48 million baht, increasing of right transfer townhouse for 155 million baht and decreasing in rental and service income in the amount of 60 million baht.

The Company recorded sale income gross profit margin of 15.3% (2017 - 15.8%), decreasing of 0.4% from higher right transfer of lower gross profit margin of the Company's undeveloped land plot at Srinakarin road. As a foresaid plus condominium that has lower right transfer, the land plot at Pattanakarn and town house that has higher right transfer and decreasing in rental and service income thus increasing sale income gross profit in an amount of 194 million baht.

The Company recorded the selling and administrative expense in the amount of 410 million baht (2017 - 313 million baht), increasing of 97 million baht or 31.0%, the increasing of business tax expenses from the increasing of right transferred land for 43 million baht, decreasing of right transfer condominium for 2 million baht and increasing of right transfer townhouse for 5 million baht.

The Company recorded a contribution to recurring profit in the amount of 345 million baht (2017 - 252 million baht), increasing of 93 million baht or 36.9%.

## EXHIBITION, CONVENTION & HOTEL

| Baht millions                            | 2018    | 2017    | % change |
|--|---------|---------|----------|
| Revenue                                  | 4,153   | 3,657   | 13.6     |
| Cost of Sales                            | (1,921) | (1,820) | 5.5      |
| Gross Profit                             | 2,232   | 1,837   | 21.5     |
| Other Revenue                            | 388     | 291     | 33.3     |
|  | 2,620   | 2,128   | 23.1     |
| Selling & Admin. Expenses                | (1,555) | (1,367) | 13.8     |
| Contribution to Recurring Profit         | 1,065   | 761     | 39.9     |
| Gross Profit Margin                      | 53.7%   | 50.2%   | 3.5      |
| Occupancy Rate (Exhibition & Convention) | 49.7%   | 46.2%   | 3.5      |
| Occupancy Rate (Hotel)                   | 62.0%   | 77.0%   | -15.0    |

## COMPETITORS AND MARKET SHARE

| Top MICE Business              | Venue (sq.m.) | Characteristic   | Market Share (%) |
|--------------------------------|---------------|--|------------------|
| IMPACT<br>(Chaeng Wattana Rd.) | 120,000       | Largest indoor venue area with abundant parking space    | 67%              |
| BITEC (Bangna-Trad Rd.)        | 32,000        | Large hall area with an expansion plan                   | 20%              |
| QSNCC (Ratchadapisek Rd.)      | 18,000        | Comprise of 4 zones, each zone has 1-3 floor             | 11%              |
| Royal ParagonI<br>(Rama 1 Rd.) | 12,000        | Comprise of Royal Paragon Hall 1,2,3 and 5 meeting rooms | 2%               |

Source : RMI Co.,Ltd. (1 Jan - 31 Dec 2016)

IMPACT's revenue came from its three principal business areas - exhibition space & hall rental, 68.6% (2017 - 71.6%); food & beverages, 21.6% (2017 - 21.9%) and hotel business, 9.9% (2017 - 6.5%).

Exhibition space utilization increased by 3.5% to 49.7%. (2017 - 46.2%) In effect,

The IMPACT recorded exhibition space & hall rental income in an amount of 2,847 million baht (2017 - 2,620 million baht), increasing of 227 million baht or 8.7%.

IMPACT recorded food & beverages income in an amount of 895 million baht (2017 - 800 million baht), increasing of 95 million baht or 11.9%.

IMPACT recorded hotel business income in an amount of 411 million baht (2017 - 237 million baht), increasing of 174 million baht or 73.4%.

Overall, IMPACT recorded rental and service income in an amount of 4,153 million baht (2017 - 3,657 million baht), increasing of 496 million baht or 13.6%.

IMPACT recorded rental & service income gross profit margin of 53.7% (2017 - 50.2%), increasing of 3.5% from the decreasing in rental and service income gross profit in an amount of 395 million baht.

IMPACT recorded the selling and administrative expense in the amount of 1,555 million baht (2017 - 1,367 million baht), increasing of 188 million baht or 13.8%.

IMPACT recorded a contribution to recurring profit in the amount of 1,065 million baht (2017 - 761 million baht), increasing of 304 million baht or 39.9%.

## RETAIL AND BUILDING MANAGEMENT

| Baht millions                    | Retail |       |          | Infrastructure, Building Management & Others |       |          |
|----------------------------------|--------|-------|----------|--|-------|----------|
|                                  | 2018   | 2017  | % change | 2018   | 2017  | % change |
| Revenue                          | 267    | 303   | -11.9    | 158  | 158   | 0.0      |
| Cost of Sales                    | (153)  | (164) | -6.7     | (51)   | (72)  | -29.2    |
| Gross Profit                     | 114    | 139   | -18.0    | 107  | 86    | 24.4     |
| Other Revenue                    | 28     | 17    | 64.7     | 24   | 10    | 140.0    |
|                                  | 142    | 156   | -9.0     | 131  | 96    | 36.5     |
| Selling & Admin. Expenses        | (57)   | (41)  | 39.0     | (34)   | (91)  | -62.6    |
| Contribution to Recurring Profit | 85     | 115   | -26.1    | 97   | 5     | 1840.0   |
| Gross Profit Margin              | 42.7%  | 45.9% | -3.2     | 67.7%  | 54.4% | 13.3     |

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

Overall, the Group reported contributing profit in the amount of 85 million baht from its retail business and a profit in the amount of 97 million baht from its infrastructure, building management and others business for the year ended 31 March 2018.

## NON-RECURRING ITEMS

The Group recorded Baht 215 million gain on reversal of long outstanding account payable (2017- Baht - million), Baht 1,278 million gain on revalued its investment properties (2017 - Baht 2,669 million). Net borrowing cost for the year was Baht 140 million (2017 - Baht 147 million).

## INCOME TAX

The Group recorded the income tax expense in the amount of 636 million baht while the same period last year, the Group recorded the income tax expense in the amount of 651 million baht, decreasing of 15 million baht from revaluation of Investment Property and recurring business.

## MANAGEMENT DISCUSSION AND ANALYSIS - FINANCIAL REVIEW

### NET ASSET VALUE PER SHARE

One common benchmark to determine the underlying value of a company is by calculating its total net asset value. Using this approach, Bangkok Land's adjusted consolidated net assets value per share on 31 March 2018 stood at Baht 2.75 (2017 - Baht 2.47), representing a premium of 11.3% (2017 - premium of 4.2%) to its adjusted net asset value.

#### Adjusted net asset value per share

| Baht millions   | 2018    | 2017    |
|---|---------|---------|
| Total shareholders' equity  | 56,497  | 56,406  |
| Minority interest   | (8,337) | (8,011) |
| Deferred tax on revaluation surplus of property, plant & equipments | 951     | 880     |
| Deferred tax on revaluation surplus of investment properties        | 1,936   | 1,704   |
| Adjusted shareholders equity  | 51,047  | 50,979  |
| Number of shares in issue (millions)                                | 18,596  | 20,662  |
| Value per share (Baht)  | 2.75    | 2.47    |
| Value per share premium/(discount)                                  | 11.3    | 4.2     |
| Closing market price per share (Baht) - last trading day of March   | 1.86    | 1.82    |
| Share price premium/(discount)                                      | 2.2%    | 23.0%   |

### ASSETS

Total assets of the Group decreased 0.1% to Baht 65,675 million (2017 - Baht 65,773 million).

Key components of assets comprised "property, plant and equipment" (22.6%), "Inventory" (4.4%), "investment properties" (51.0%) as well as cash and cash equivalents, Short-term investments plus Account receivable and other receivable, net (15.3%), details of which are summarized next.

#### Inventory

Inventory remained broadly unchanged compared to last year. The decrease of 45.4% to Baht 2,910 million (2017 - Baht 5,329 million) from higher right transfer of Company's undeveloped land plot at Srinakarin road, Double Lake condominium and "Villa Albergo - Rama 9".

#### Property, plant and equipments

Cash out flow to purchase, building construction and equipment for the total year was Baht 300 million, most comes from the construction of IMPACT Speed Park, linking bridge from Ibis Bangkok Impact Hotel to ICC Hall including equipment and furniture.



After deducting the total amount of depreciation charges of Baht 448 million and adjusted for revaluation in amount of Baht 342 million, reported net book value of property, plant and equipments as at 31 March 2018 increased 0.9% to Baht 14,869 million (2017 - Baht 14,735 million).

### **Investment property**

Cash out flow to purchase, building construction for the total year was Baht 1,142 million, most comes from the construction of the Cosmo Office Park and the Cosmo Bazaar. Net book value of Baht 181 million of property, plant and equipment were reclassified as investment properties. A revaluation was done in the last quarter or the year resulting in a surplus of Baht 1,278 million and disposal of land at Srinakarin Road of Baht 536 million.

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

Taken together, total investment property increased by 6.6% to Baht 33,480 million (2017 - Baht 31,414 million) with a total revaluation surplus of Baht 1,278 million (2017 - Baht 2,669 million) recognized as other revenue in the consolidated financial statement of the Company.

### **LIQUIDITY**

Cash flow from operating activities plus of Baht 3,589 million primarily resulting from profit before income tax expense of Baht 2,469 million plus net adjustments to reconcile profit before income expense Baht 1,332 million and the effect of decreasing in the change in net working capital of Baht 212 million.

Cash flow from investing activities down of Baht 846 million primarily resulting from decreasing of short-term investment of Baht 106 million, capital expenditure of Baht 967 million and Baht 15 million from the others.

Cash flow from financing activities down of Baht 2,201 million primarily resulting from dividend payment of Baht 1,766 million, dividend payment to non-controlling interests of Baht 276 million and Baht 159 million from the interest payment.

In effect, Bangkok Land's consolidated statements of cash flows for the year ended 31 March 2018 recorded a net increase of Baht 542 million in cash and cash equivalent to Baht 3,739 million (2017 - Baht 3,179 million).

### **LIABILITIES**

Consolidated total liabilities as at 31 March 2018 decreased 2.0% to Baht 9,178 million compared to Baht 9,368 million in 2017. This decreased in the Group's total liabilities to equity ratio to 0.19 times from 0.19 times a year ago.

Consolidated net total liabilities (net of cash, cash equivalent and short term investments) as at 31 March 2018 was Baht 3,038 million compared to Baht plus 3,663 million in 2017. This decreased the Group's net total liabilities to equity ratio to 0.06 times from down 0.08 times a year ago.

The following table presents a summary of the Group's total liabilities as at 31 March 2018.

| Baht millions                | Total | Interest Bearing | Non-interest Bearing |
|------------------------------|-------|------------------|----------------------|
| Long Term Loans              | 3,891 | 3,891            | -                    |
| Deferred Tax                 | 2,983 | -                | 2,983                |
| Other Liabilities & Accruals | 2,304 | -                | 2,304                |
| Total Liabilities            | 9,178 | 3,891            | 5,287                |

## SHAREHOLDERS' EQUITY

Shareholders' equity decreased 0.5 percent to Baht 48,160 million (2017 - Baht 48,394 million) chiefly reflecting the consolidated net profit after tax of Baht 1,231 million and dividend payment for the year ended 31 March 2018.

## COMMITMENT AND CONTINGENT LIABILITIES

As at 31 March 2018, the Group had major pending lawsuits of Baht 118 million by property buyers claiming refund of deposits paid on uncompleted projects. Adequate provisions of all these pending cases were made and accounted for in the Group's financial statements.

There were no other major commitment and contingent liabilities as at 31 March 2018 which might materially affect the financial position of the Group.

# CORPORATE GOVERNANCE

## SUMMARY

Bangkok Land recognizes the importance of good corporate governance practices and procedures. The Board of Directors believes that by maintaining a high standard of business ethics and by following good corporate governance practices will provide a strong background for the long term success of the Group.

## CORPORATE GOVERNANCE PRACTICES

The Group is committed to a policy of good and adequate corporate governance. During the financial year ended 31 March 2018, Bangkok Land applied all guidelines set forth by the Stock Exchange of Thailand and the Securities and Exchange Commission with the following exception:-

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

The Company is of the view that it is in the best interest of Bangkok Land that Mr. Anant Kanjanapas, with his profound local and international expertise, shall continue in his dual capacity as the Chairman and Chief Executive of the Company. Although the Company's Chairman and Chief Executive is the same individual, authority is not concentrated, as responsibilities are also shared with other directors. In addition, all major decisions are made after consultation with other Directors and approved by meetings of the board. The Company considers that it functions effectively and efficiently with the current board structure.

## RIGHTS OF SHAREHOLDERS

The Board of Directors recognizes that it is its duty to protect the rights of all shareholders. The Company has a policy to make sure that all shareholders are entitled to the following rights:-

- (1) buy, sell, or transfer shares,
- (2) share in the profit of the Company,
- (3) obtain relevant and adequate information on the Company in a timely and regular basis, and
- (4) participate and vote in the shareholder meetings, as required under Thai listed company law and regulations, such as, to elect or remove members of the board, appoint external auditors, dividend payment, and change of company's article of association.

All processes and procedures for shareholders meetings are in accordance with the SET recommended best practice. To allow shareholders sufficient time and to facilitate equitable treatment of all shareholders, the Company provides shareholders, with at least 7 days in advance of the meeting, a notice on the meeting date, time and venue as well as an agenda with relevant supporting information and reports. Shareholders who were unable to attend a meeting in person can appoint any other person or independent director of the Company as their proxy. Voting procedures and method were explained to the shareholders during the meeting, and ballot cards are used to ensure transparency and provide evidence for any necessary future reference.

The Company's last Annual General Meeting of shareholders was held on 27 July 2017, at 11.00 a.m., at the Royal Jubilee Ballroom, Impact Challenger, Muang Thong Thani, Bannmai, Pakkred, Nonthaburi. Eight Directors, including the Chief Executive and four Independent Non-executive Directors, attended the meeting. Notice of the meeting with supplementary information was sent to the shareholders by mail more than 7 days prior to the date of the meeting. The same notice was also published on a daily newspaper for 3 consecutive days before the meeting. All documents were prepared in both Thai and English.

At the meeting, total shareholders attending in person or by proxy was 1,433, representing 8,867,177,731 shares or 47.6827% of the total issued shares of the Company, net 18,596,218,240 shares (deducted treasury stock). The Company's external auditor, Karin Audit Company Limited and the Company's legal advisor, Siam Premier, were invited to the meeting in order to render assistance to the Board in answering questions from the shareholders.

During the course of the meeting, all shareholders were given equal chance to express their opinion and to pose questions to the board of directors on the operations of the Company. All issues raised by the shareholders were properly clarified by the Directors, and questions and answers having material effects to the Company were recorded in the minute of the meeting.

## **EQUITABLE TREATMENT OF SHAREHOLDERS**

The Board of Directors acknowledges that it is its duty to maintain an equitable treatment to all groups of shareholders of the Company, individual or institutional. Basic rights of shareholders are outlined under the previous section - "Right of Shareholders".

To protect the equitable rights of all shareholders, the Group prohibits directors, and staff to use inside information acquired at work for personal benefits. Directors and all employees are not allowed to conduct a connected transaction that may have conflict of interest with the Company and its subsidiaries. If it is necessary, for the benefit of the Group, to conduct a connected transaction, it must comply with all the SET rules, procedures and disclosure of connected transaction by a listed company.

## **ROLE OF STAKEHOLDERS**

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

### **Shareholders**

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

### **Customers**

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

## **Employees**

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

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

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

## **Creditors**

Bangkok Land's policy is to equally and fairly treat its creditors and lenders, all creditors will be treated fairly and equally in accordance with agreed terms and conditions

## **Suppliers**

The Group adheres to the policy of equitable treatment to all suppliers and honors all commitments as stipulated in agreements with suppliers. Bangkok Land also uses its best efforts to avoid choosing suppliers with conflict of interest to connected persons of the Company and its subsidiaries.

## **Competitors**

Bangkok Land respects fair and ethical competition practices in treating its competitors. The Group does not use any unethical and fraudulent means in acquiring trade and related secrets as well as businesses from its competitors.

## **DISCLOSURE AND TRANSPARENCY**

It is the policy of Bangkok Land to make disclosure of all important information relevant to the Company, both financial and non-financial, correctly, accurately, on a timely basis and transparently through easy-to-access channels that are trustworthy.

Corporation information is disseminated on a timely basis through different channels including annual and quarterly reports, press releases and published announcements. The Group maintains 2 web sites, [www.bangkokland.co.th](http://www.bangkokland.co.th) and [www.impact.co.th](http://www.impact.co.th) offering investors and customer timely access to the Group's financial and business information. These web sites will be updated and improved on a continuing basis in this year and going forward.

Bangkok Land also maintains regular dialogue with investors and analysts to keep them informed on the Group's developments. Any party who is interested in the Company's information can contact investor relation at Tel. 66-2-5044949 (ext.1022) or Fax. 66-2-5044986.

# RESPONSIBILITIES OF THE BOARD

## Board Structure

### Summary

As at 31 March 2018, there were 8 directors including three Executive Directors, one Non-executive Directors and four Independent Non-executive Directors. The Board believes that the balance between Executive and Non-executive Directors is appropriate in providing adequate checks and balances to safeguard the interest of all groups of shareholders.

Non-executive Directors, come from a variety of different backgrounds, have a diverse range of business and professional experience. Their views and participation in board meetings provide independent opinions and judgments on strategic, business and management issues of the Company.

The Company has four Independent Non-executive Directors. Among these independent directors, at least one of whom has appropriate accounting and financial management expertise. Qualifications of all Independent Non-executive Directors comply with the guidelines for assessment of independence as stipulated by the SET and SEC.

### Director Appointment, Re-election and Removal

The Company's Article of Association provides that at each Annual General Meeting, one-third of the directors who have held office for the longest term shall retire. If the number is not a multiple of three, then the number nearest to one-third shall retire from office. Retiring directors shall be eligible for re-election at the Annual General Meeting of the Company.

The Board is empowered under the Article of Association to appoint qualified person as a Director to fill a casual vacancy.

In selection of new directors, the Company adopts a transparent approach with the following procedures:-

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

### Company Secretary

The Company Secretary of the Company is responsible to take and keep minutes of all Board meetings and ensure that all applicable meeting rules and regulations are followed. He also maintains a register of original minutes of meeting, which are open for inspection by all directors.

## Committees

As at 31 March 2018, the Company has two committees: the Audit Committee and the Executive Board.

### Audit Committee

The Audit Committee was established in 2001, and it consists of three Independent Directors. Mr. Prasan Hokchoon was the Chairman and the other members are Mr. Supavat Saicheua and Mr. Siriwat Likitnuruk.

The Audit Committee meets at least four times a year to consider the Company's financial reporting, effectiveness of the internal control system, compliance with SET as well as SEC and other relevant regulations. It is also responsible for the review and recommendation of appointment, reappointment, removal and remuneration of the external auditors.

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

The Audit Committee held 4 meetings during the year ended 31 March 2018. The attendance record of each member is set out below:-

| Directors              | Meetings attended / Total |
|------------------------|---------------------------|
| Mr. Prasan Hokchoon    | 4/4                       |
| Mr. Supavat Saicheua   | 4/4                       |
| Mr. Siriwat Likitnuruk | 4/4                       |

### Executive Board

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

The Executive Board held 27 meetings during the year ended 31 March 2018. The attendance record of each member is set out below:-

| Directors                | Meetings attended / Total |
|--------------------------|---------------------------|
| Mr. Anant Kanjanapas     | 27/27                     |
| Mr. Sui Hung Kanjanapas  | 27/27                     |
| Mr. Shui Pang Kanjanapas | 27/27                     |

### Remuneration and Nomination Committee

Bangkok Land has not established any Remuneration Committee and Nomination Committee. At present, matters related to remuneration and director nomination are managed by the Executive Directors with assistance from other members of the board. In the light of Bangkok Land's current operation and simple management structure, the Company considers it appropriate to maintain its existing arrangement.

### Remuneration of Auditor

The remuneration of auditors of the Group, for the year ended 31 March 2018 comprised the accounts 4.26 million baht, reviewed financial third quarter was 1.03 million baht, totaling 7.34 million baht which



related parties to the auditor and audit company, Karin Audit Company Limited is an individual or entity associated with the Company.

## **Role and Responsibilities of the Board**

### Overall Responsibilities

The Board has the responsibility for management of the Group, which includes formulating business strategies, reviewing and approving the Group's ongoing vision and mission, setting financial targets, ensuring proper risk management, and directing as well as supervising the Group's affairs and operations.

The Board makes broad policy decision and delegates the day-to-day management and operation to the management of the Group. The Executive Directors, lead by the Chief Executive, are closely involved in the daily operation of the Company and its subsidiaries. The Executive Directors regularly review and ensure that an effective system of internal control exists to safeguard all interest of the Group.

### Role on Corporate Governance

The Board is committed to good corporate governance and set out as a policy to follow and implement principles and recommendations as detailed in "The Principles of Good Governance for Listed Companies" published by the SET on 2017.

### Business Conduct

The Board requires all employees of the Group to conduct business in a professional, ethical and fair manner. Bangkok Land requires all group companies comply with all laws, and specific industry rules, regulations and practices. Employees must perform their duties with care and honesty, giving or receiving illicit payments is not allowed. General guidelines to employees on company rules, regulations, work conducts and disciplinary actions are set out in the staff handbooks of each individual company in the Group.

### Conflict of Interest

The Board of Directors understands that it is its duty to consider the issue of conflict of interest in all transactions of the Group. There is a clear guideline on the approval of transactions involving conflict of interest with connected persons.

In case of a potential conflict of interest involving a shareholder or a Director, Bangkok Land has a policy to arrange meetings in which Independent Non-Executive Directors with no conflict of interest will attend and discuss the matter. A Director who and/or person connected to him has potential conflict of interest in any transaction shall not vote or be counted in the quorum of the meeting. The Board also monitors proper compliance of all requirements regarding criteria, procedures and disclosure under the rules of the SET.

During the year ended 31 March 2018 there was no contract, arrangement or transaction that demands the Board's consideration on the issue of conflict of interest.

### Internal Control

The Board has responsibility for maintaining an effective and adequate internal control system to safeguard the Group's assets and shareholders' interest. The system includes a well-defined organizational structure, proper segregation of duties and effective check and balance procedures wherever appropriate.

Bangkok Land has an internal audit department; it reports directly to the Audit Committee and performs independent regular financial as well as operational reviews to monitor the effectiveness of the internal control system of the Group. Audit reports are prepared with analysis of weaknesses and recommendations for improvement, and these reports are reviewed by the Audit Committee. Recommended actions will be considered and implemented as and when considered appropriate.

### Risk Management Policy

The Board understands the importance of risk management and is constantly in alert of possible threats that may affect the business of the Company. Measures are in place to access and manage risk factors, internal and external, through the work of the Audit Committee and the internal audit department. The Executive Directors also involve closely in the day-to-day management of the Group and review regularly all risk factors affecting its performance and development.

## **Board Meetings**

The board meets from time to time and has a policy for holding at least 4 meetings per year.

There were 6 board meetings during the year under review. At the meetings the Directors discussed and formulated company strategies; the Directors also reviewed and approved quarter and annual results as well as other significant issues and general operation of the Group.

Other than regular meetings, the Chairman also meets with non-executive directors and independent non-executive directors to discuss particular corporate and business matters. Non-executive Directors are free to arrange meetings among themselves without involvement of the management team.

All Directors have unrestricted access to the Company Secretary who is in charge for ensuring that meeting procedures and regulations are properly followed. They also have access to relevant information in respect of the meetings. They can also ask for further information or request the Board to approve in retaining independent professional advisors, if necessary.

7 day advance notice of all board meetings are given to all directors, and all directors are free to include matters in the meeting agenda.

The attendance record of the Board meetings held in the year ended 31 March 2018 is set out below:-

| Directors                | Meetings attended / Total |
|--------------------------|---------------------------|
| Executive Directors      |                           |
| Mr. Anant Kanjanapas     | 6/6                       |
| Mr. Sui Hung Kanjanapas  | 6/6                       |
| Mr. Shui Pang Kanjanapas | 6/6                       |

#### Meetings attended / Total

##### Non-Executive Directors

|                       |     |
|-----------------------|-----|
| Mr. Burin Wongsanguan | 5/6 |
|-----------------------|-----|

#### Meetings attended / Total

##### Independent Non-Executive Directors

|                        |     |
|------------------------|-----|
| Mr. Prasan Hokchoon    | 6/6 |
| Mr. Supavat Saicheua   | 6/6 |
| Mr. Siriwat Likitnuruk | 6/6 |
| Mr. Panya Boonyapiwat  | 6/6 |

### Board Self Assessment

The Board of Directors has a policy to hold at least one meeting per year to review, discuss and assess the performance of its members. The last assessment meeting was held on 30 May 2018.

### Remuneration

The Board of Directors is responsible for the policy on remuneration of Directors and senior management. The Group's policy is to provide fair and competitive remunerations based on business needs and industry practice. For determining the amount of fees pay to Directors, market rates and factors such as contribution are also taken into consideration. No Director is allowed to involve in decisions relating to his own remuneration. Management remuneration is assessed by the Executive Directors and is based on individual employee's job responsible and performance.

### Board and Management Training

Bangkok Land has a policy to support skill and knowledge development of the Directors and senior management by encourage them to attend seminars and courses on topics which would improve quality and efficiency of their work.

### Professional Training by Thai Institute of Directors (Thai-IOD) and Federation of Accounting Professions

| Name                   | Program                                       | Class              |
|------------------------|---|--------------------|
| Mr. Prasan Hokchoon    | AC Hot Update for Modern CG                   | 2017               |
| Mr. Supavat Saicheua   | Advance Audit Committee Program               | Advance ACP 4/2010 |
|                        | Monitoring the Quality of Financial Reporting | MFR 11/2010        |
|                        | Monitoring Fraud Risk Management              | MFM 3/2010         |
|                        | Monitoring the Internal Audit Function        | MIA 8/2010         |
|                        | Audit Committee Program                       | ACP 31/2009        |
|                        | Directors Certification Program               | DCP 126/2009       |
| Mr. Siriwat Likitnuruk | Director Accrediation Program                 | DAP 40/2005        |
| Mr. Panya Boonyapiwat  | Directors Certification Program               | DCP 94/2007        |

# CORPORATE SOCIAL RESPONSIBILITY

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

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

As committed to be a good corporate citizen, the Group cares about the society and the environment. Bangkok Land promotes the conservation of energy within its operation, and all its project layout, construction and landscaping designs meets high standards of environmental protection. The Group installs effective waste management, sewerage systems and flooding controls in all its housing and investment property projects. The Muang Thong Thani housing estate and Impact exhibition facilities are good examples to display the high standard of practices adopted by Bangkok Land on its commitment to good environmental care and protection.

During the year, Bangkok Land and its subsidiaries also made a few donations to non-profit making and charitable organizations that help the less fortunate in the society.

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

# SHAREHOLDERS AND MANAGEMENT

## EQUITY

### Ordinary shares

As at 31 March 2018, the Company had authorized capital of Baht 29,584,073,225 divided into 29,584,073,225 shares with a par value of Baht 1 per shares. Paid-up capital was Baht 18,596,218,240 representing 18,596,218,240 ordinary shares fully paid up at a par value of 1 Baht each, treasury stock was - shares and voting stock minus treasury stock was 18,596,218,240 shares.

On 12 June, 2018 the Company closed its share register and its list of shareholders revealed the following major information.

- (a) Number of shareholders - 22,735
- (b) Investors holding Non-voting depository receipts ("NDVR") - 1,176,635,691 shares

Total NDVR represents 6.33% of all paid-up shares of the Company and is not entitled to vote (except in the case of delisting) in shareholders' meetings. NDVR shares information can be found at the web site of the Stock Exchange of Thailand, [www.set.or.th](http://www.set.or.th).

### Warrants

The Company has the following warrant listed on the Stock Exchange of Thailand as at the date of this report.

BLAND-W4

|                                  |                |
|----------------------------------|----------------|
| Security symbol                  | BLAND-W4       |
| Total units                      | 6,949,753,569  |
| Exercise ratio (warrant : share) | 1 : 1          |
| Exercise price (per share)       | Baht 2.0       |
| Exercise date                    | every 3 months |
| Expiry date                      | 2 July 2018    |
| Total units exercised            | 19,651,479     |
| Total units remaining            | 6,930,102,090  |

## MAJOR SHAREHOLDERS

Details of the 10 largest shareholders of the Company, according to the most up to date shareholder list as at 12 June 2018 are listed below.

| Rank         | Name                                      | Number of shares     | % to paid-up capital |
|--------------|---|----------------------|----------------------|
| 1            | Mr. Anant Kanjanapas                      | 4,565,442,260        | 24.55                |
| 2            | Thai NVDR Co. Ltd.                        | 1,176,635,691        | 6.33                 |
| 3            | Bangkok Land Public Company Limited       | 685,498,700          | 3.69                 |
| 4            | Mr. Jean-Marie Verbughe                   | 547,080,000          | 2.94                 |
| 5            | Mr. Chanya Mahadamrongkul                 | 429,345,680          | 2.31                 |
| 6            | South East Asia (Type C) Nominees Limited | 428,000,806          | 2.30                 |
| 7            | Mr. Veraphan Teepsuwan                    | 419,287,400          | 2.25                 |
| 8            | Mr. Smith Kanjanapas                      | 269,851,065          | 1.45                 |
| 9            | Ms. Zorana Yaowapongsiri                  | 240,452,810          | 1.29                 |
| 10           | Mr. Jirawud Kuvanan                       | 196,531,700          | 1.06                 |
| <b>Total</b> |   | <b>8,958,126,112</b> | <b>48.17</b>         |

Source: Thailand Securities Company Limited

## CHANGING THE HOLDING COMPANY'S DIRECTORS & SENIOR EXECUTIVES

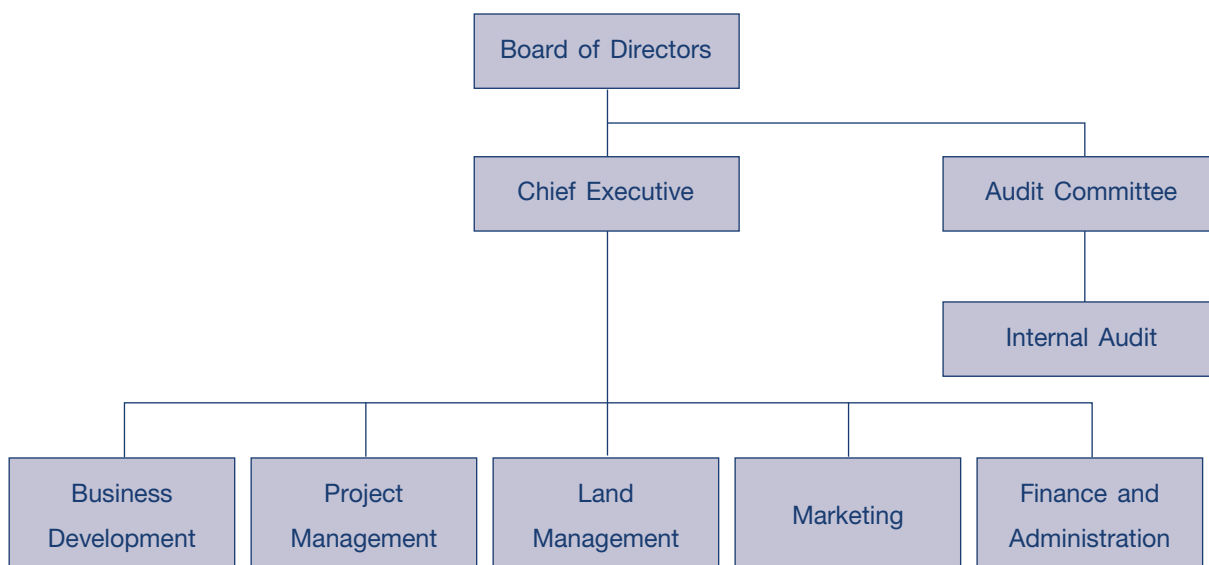
| Name                     | Position                | 2017<br>Number of<br>Shares | Change<br>Number of<br>Shares | 2018<br>Number of<br>Shares |
|--------------------------|-------------------------|-----------------------------|-------------------------------|-----------------------------|
| Mr. Anant Kanjanapas     | Chairman                | 4,424.29                    | 141.15                        | 4,565.44                    |
| Mr. Sui Hung Kanjanapas  | Managing Director       | 15.10                       | -                             | 15.10                       |
| Mr. Shui Pang Kanjanapas | Executive Director      | 9.90                        | 2.00                          | 11.90                       |
| Mr. Burin Wongsanguan    | Non-executive Director  | 1.00                        | (1.00)                        | -                           |
| Ms. Kunwadee Jintavorn   | Director (Project Mgt.) | 0.01                        | -                             | 0.01                        |
| Ms. Ausakoon Srisanyanon | Manager (Finance)       | 0.51                        | -                             | 0.51                        |

## DIVIDEND POLICY

The Company has a policy to pay an annual dividend of not more than 50% of its net profit after tax and legal reserves. In recommending dividend payments, the board of directors will take into consideration the Company and the Group's consolidated operating results, financial position, liquidity, future business plans and other management related factors.

Subsidiaries of the Company do not set dividend payment policies based on a percentage of net profit after tax. Dividend will be decided by each of the subsidiary's board of directors on a case by case basis, and in fixing the amount of payment, operating results, financial position, liquidity, future business plans and other management related factors will be taken into consideration.

## ORGANISATION STRUCTURE





## MANAGEMENT STRUCTURE

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

### Executive Directors

Mr. Anant Kanjanapas \*

Mr. Sui Hung Kanjanapas

Mr. Shui Pang Kanjanapas

### Non-executive Directors

Mr. Burin Wongsanhuan

\* Chairman of the Board and Chief Executive Officer

### Independent Directors

Mr. Prasan Hokchoon (Chairman)

Mr. Supavat Saicheua

Mr. Siriwat Likitnuruk

Mr. Panya Boonyapiwat

## AUTHORIZED SIGNATURE

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

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

## SCOPE OF DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

Duties and responsibilities of the directors are summarized next.

- 1) Perform duties in compliance with the law, the Company's objectives and article of association, and the resolutions of shareholders' meetings.
- 2) Determine and approve business policies, goals, operational plans and annual budgets of the Company.
- 3) Appoint directors, in accordance with the rules under the Public Company Act and the Securities and Exchange Act, to fill vacant positions occurred other than retirement by rotation.
- 4) Appoint independent directors and/or auditing directors under the requirement of law and guidelines of governing securities and exchange regulatory body.
- 5) Appoint another person as operator of the Company's business under the control of the Board of Directors or empower the person, within a period of time as the board thinks suitable, with the authority that the board may revoke, revise or modify.
- 6) Consider and approve transactions involving acquisitions or disposals of assets unless such transactions require approval from a meeting of shareholders. Such consideration for approval shall conform to the relevant rules, regulations and/or notifications of the securities exchange.
- 7) Consider and approve related transactions unless such transactions require approval from a meeting of shareholders. Such consideration for approval shall conform to the relevant rules, regulations and/or notifications of the securities exchange.

- 8) Consider and approve interim dividend payments to shareholders when the Company makes profits and gains liquidity that enables it to do so and report on such dividend payments to the next meeting of shareholders.
- 9) Conduct businesses that have been approved and/or assigned to the Board of Directors by a meeting of shareholders.
- 10) Implementation of an effective internal control and internal audit systems in the Company.
- 11) Schedule an annual general shareholders meeting to be organized at least once every year and a board meeting at least once every three months, and arrange to send out notices of meeting in advance according to the periods of time as required by law.
- 12) Consider and amend authorize signatures of the Company.

## SCOPE OF DUTIES AND RESPONSIBILITIES OF THE AUDIT COMMITTEE

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

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

## DIRECTORS' REMUNERATION

The Company compensated its directors in the form of an annual fee based on meeting attendance. Payment of fees is normally made in the following financial year after the annual general meeting ("AGM"). Total director remuneration for the year ended 31 March 2017 was set at 7.62 million Baht at the AGM of 29 July 2016. Actual remuneration paid in the year was Baht 7.47 million.

## SENIOR MANAGEMENT'S REMUNERATION

|                      | 2018                 |                          | 2017                 |                          |
|----------------------|----------------------|--------------------------|----------------------|--------------------------|
|                      | Number of<br>Persons | Amount<br>(Baht million) | Number of<br>Persons | Amount<br>(Baht million) |
| Salary and Allowance |                      |                          |                      |                          |
| - Directors          | 3                    | 15.61                    | 3                    | 15.12                    |
| - Senior Management  | 10                   | 17.47                    | 10                   | 13.37                    |
| <b>Total</b>         | <b>13</b>            | <b>33.08</b>             | <b>13</b>            | <b>28.49</b>             |

## DIRECTORS' PROFILE

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

**Chairman**

**Chief Executive Officer**

Age 77, Mr. Anant Kanjanapas has been the Chief Executive Officer of the Company since 1990. He was appointed Chairman of the Group in 2003. Mr. Kanjanapas was educated in Thailand and Switzerland. He has had wide international experience in real estate, manufacturing, banking and retail sectors. Mr. Kanjanapas previously owned and operated several public and private companies in Asia, Europe and North America over a career span of more than 50 years.

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

**Managing Director**

Age 45, Mr. Sui Hung Kanjanapas is a son of the Chairman. He was appointed director of the Company in 2001. Mr. Kanjanapas was educated in Hong Kong and the United Kingdom. He is also a Director of Impact Exhibition Management Company Limited.

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

**Executive Director**

Age 43, Mr. Sui Pang Kanjanapas is a son of the Chairman. He was appointed director of the Company in 2003. Mr. Kanjanapas was educated in Hong Kong and the United Kingdom. He is also the managing director of Impact Exhibition Management Company Limited.

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

**Non-Executive Director**

Age 82, Mr. Burin Wongsanguan was appointed director of the Company in 1993. He was educated in Thailand and the United States of America. Mr. Wongsanguan has had significant experience in real estate business. He is also a director of his privately owned investment, Muang Thong Seiko Company Limited and Thossapol Land Company Limited.

### **Prasan Hokchoon B.A.**

**Independent Non-executive Director**

**Chairman of Audit Committee**

Age 62, Mr. Prasan Hokchoon was appointed director of the Company on 27 January 2016. He was educated in Thailand, certified public accountant and has had significant experience in management and corporate finance. Mr. Prasan is an independent director and the chairman of the audit committee.

**Supavat Saicheua M.A.****Independent Non-executive Director**

Age 59, Mr. Supavat Saicheua was appointed director of the Company on 9 August 2010. He was educated in Thailand and the United States of America. Mr. Saicheua has had significant experience in capital markets, securities trading and company research. He is an independent director and a member of the audit committee.

**Siriwat Likitnuruk M.A.****Independent Non-executive Director**

Age 65, Mr. Likitnuruk was appointed director of the Company on 19 October 2010. He was educated in Thailand and the United Kingdom. Mr. Likitnuruk has had significant experience in finance, management and banking. He is an independent director and a member of the audit committee.

**Panya Boonyapiwat PhD****Independent Non-executive Director**

Age 55, Mr. Boonyapiwat was appointed director of the Company on 19 October 2010. He was educated in Thailand and the United States of America. Mr. Boonyapiwat has had significant experience in information technology and management. He is an independent director.

# RISK FACTORS

## Demand risk

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

## Operational risk

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

## Interest rate risk

The Group is exposed to interest rate risk due to the impact of rate changes on interest bearing debts with floating interest rates. The following analysis illustrates the effect on profit per year of a one per cent interest rate change.

| Baht millions   | Fixed<br>interest rate<br>borrowings | Floating<br>interest rate<br>borrowings | Profit effect<br>of 1%<br>change in<br>interest rate |
|-----------------|--------------------------------------|---|--|
| Long-term Loans | -                                    | 3,891                                   | 38.91  |

## Liquidity risk

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

## CONNECTED PARTIES TRANSACTIONS

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

For the year ended 31 March 2018, the Group disclosed details of transactions with related parties under note 5 of the Notes to Financial Statements. These transactions comprised those between the Company and its fully owned subsidiaries and those between fellow subsidiaries within Bangkok Land Group.

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

The external auditor of the Company has also reviewed all connected party transactions and has the opinion that these transactions were properly and fairly disclosed in the financial statements of the Company for the year ended 31 March 2018.

During the year, the Company did not conduct any connected party transactions which were subject to the procedural and disclosure requirements under the rules of SET.



## INFORMATION OF SUBSIDIARY COMPANIES

| Subsidiaries   | Equity Interest | Address   | Principal Activities           | Issued Capital |
|--|-----------------|---|--------------------------------|----------------|
| Impact Exhibition Management Company Limited                           | 100%            | 99 Popular Road, Bannmai Pakkred, Nonthaburi 11120<br>Tel. (02) 980 5500 Fax. (02) 504 4445   | Exhibition, convention & hotel | 12,952,714,100 |
| Bangkok Airport Industry Company Limited [Note (2)]                    | 100%            | 47/569-576 Moo 3, 10/F New Geneva Building Popular Road 3, Bannmai Pakkred, Nonthaburi 11120<br>Tel. (02) 504 4949 Fax. (02) 504 4982 | Property development           | 5,320,000,000  |
| Sinpornchai Company Limited  | 100%            | 47/569-576 Moo 3, 10/F New Geneva Building Popular Road 3, Bannmai Pakkred, Nonthaburi 11120<br>Tel. (02) 504 4949 Fax. (02) 504 4982 | Property development           | 1,180,000,000  |
| Bangkok Land Agency Company Limited                                    | 99.3%           | 47/563-574 Moo 3, 9/F New Geneva Building Popular Road 3, Bannmai Pakkred, Nonthaburi 11120<br>Tel. (02) 503 5040 Fax. (02) 503 5064  | Retail                         | 400,000,000    |
| Muang Thong Services and Management Company Limited                    | 97%             | 47/567-568, Moo 3, 9/F New Geneva Building Popular Road 3, Bannmai Pakkred, Nonthaburi 11120<br>Tel. (02) 980 5500 Fax. (02) 503 4784 | Infrastructure management      | 25,000,000     |
| Muang Thong Building Services Company Limited                          | 97%             | 47/567-568, Moo 3, 9/F New Geneva Building Popular Road 3, Bannmai Pakkred, Nonthaburi 11120<br>Tel. (02) 980 5500 Fax. (02) 503 4784 | Building management            | 12,500,000     |
| Bangkok Land (Cayman Islands) Limited [incorporated in Cayman Islands] | 100%            | G/F, Caledonian House Mary Street, P.O. Box 1043 Cayman Islands<br>Tel. (345) 949 0050  | Issuer of USD & CHF Bonds      | US\$ 10,000    |
| Spooner Limited [incorporated in Hong Kong]                            | 100%            | 27/F Stelux House 698 Prince Edward Road East San Po King, Hong Kong  | Dormant                        | HK\$ 2         |
| RMI Company Limited  | 100%            | 47/569-576 Moo 3, 10/F New Geneva Building Popular Road 3, Bannmai Pakkred, Nonthaburi 11120<br>Tel. (02) 833 5576                    | REIT management                | 10,000,000     |
| Impact Growth Real Estate Investment Trust                             | 50%             | 47/569-576 Moo 3, 10/F New Geneva Building Popular Road 3, Bannmai Pakkred, Nonthaburi 11120<br>Tel. (02) 833 4455                    | Real Estate Investment Trust   | 15,714,500,000 |

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

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

# REPORT OF DIRECTORS' DUTIES ON FINANCIAL STATEMENTS

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

The Directors also have responsibility for selecting suitable accounting policies and applying them consistently, and for taking such step as are reasonable open to them to safeguard assets of the Company and prevent and detect fraud and irregularities. In carrying out this duty, the Board entrusts the Audit Committee to undertake responsibility in ensuring credible financial reporting and proper internal control systems are in place.

The financial statements and other financial information, presented in this report, have been prepared in accordance with generally accepted accounting standards applied on a consistence basis and supported by prudent and reasonable judgments and estimates made by management.

The going concern basis is adopted to prepare the financial statements. The Directors have no reason to believe that the group will not be a going concern in the foreseeable future based on forecasts and available assets and cash resources in the Company.

The financial statements have been audited by Karin Audit Company Limited, an independent audit firm, which was given unrestricted access to all financial records and related information, including minutes of meetings of shareholders and the board of directors. A report by the independent auditor is presented as part of this Annual Report for the year ended 31 March 2018.



Anant Kanjanapas  
Chairman and Chief Executive

# REPORT OF AUDIT COMMITTEE

Dear Shareholders,

The Audit Committee of Bangkok Land Public Company Limited has three members. On 30 May 2018 as this report is being prepared, the Chairman is Mr. Prasan Hokchoon, and other members are Mr. Supavat Saicheua and Mr. Siriwat Likitnuruk.

The Audit Committee has duties assigned by the Board of Directors. These duties are set by the Directors in accordance with the guidelines recommended by the Stock Exchange of Thailand.

During the year ended 31 March 2018, the Audit Committee has met totally of 4 times. The attendance record of each member is set out below:-

| Committee member       | Meetings attended / Total |
|------------------------|---------------------------|
| Mr. Prasan Hokchoon    | 4/4                       |
| Mr. Supavat Saicheua   | 4/4                       |
| Mr. Siriwat Likitnuruk | 4/4                       |

Major works performed by the Audit Committee are summarized next.

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

- g. an opinion or overview comment on issues that have arisen as the audit committee performed its duties as defined in the committee's charter; and
  - h. any other matters which should be made available to shareholders and general investors within the scope of duties and responsibilities assigned by the Company's Board of Directors.
- 7) Together with other Board of Directors, members to set up the anti-corruption policy of the Company and its subsidiaries.
- 8) Perform other duties as assigned by the Board of Directors of the Company with the consent of the Audit Committee.

The Audit Committee also has selected, for re-appointment, Karin Audit Company Limited as the Company's external auditor for the year ending 31<sup>st</sup> March 2019. The proposed audit fee is not exceeding Baht 7,645,000 which is not exceeding Baht 310,000 higher than the previous year. Because of the transaction volume of the Company and some subsidiaries has increase from previous year. Nomination shall be submitted to the Board before seeking the approval of shareholders at the 2018 Annual General Meeting.

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



Prasan Hokchoon  
Chairman of Audit Committee  
30 May 2018

**BANGKOK PUBLIC COMPANY LIMITED**  
**FINANCIAL STATEMENTS**  
**March 31, 2018**  
**AND AUDITOR'S REPORT**

## **Independent Auditor's Report**

To The Shareholders of Bangkok Land Public Company Limited

### **Opinion**

I have audited the financial statements of Bangkok Land Public Company Limited and its subsidiaries, which comprise the consolidated and separate statements of financial position and as at March 31, 2018, and the related consolidated and separate statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial position of Bangkok Land Public Company Limited and its subsidiaries and Bangkok Land Public Company Limited as at March 31, 2018, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### **Basis for Opinion**

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the consolidated financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

### **Valuation of Investments Properties**

As discussed in Notes 10 to the financial statements, the Group had investments properties presented in the financial position as at 31 March 2018, at their fair value of Baht 33,479 million. The Group therefore determined the fair value of these investments based on the value appraised by an independent appraiser using the income approach. As the Group is required to exercise significant judgment with respect to the estimation of future operating results and the determination of a discount rate and key assumptions, I addressed the measurement of such investments properties as a key audit matter.

### **Risk Responses of Auditor**

I gain an understanding of the calculation of fair value of investments properties by making enquiry of responsible executives and gaining an understanding of the operation of controls designed by the Group. I considered the extent and objectives of the assessment of fair value by the independent appraiser and assessed the techniques and models used by the independent appraiser to measure the fair value, as specified in the appraisal report prepared by the appraiser, by comparing them to my knowledge and past experience regarding the valuation of the same or similar assets. I also considered the consistency of the application of such techniques and models, and assessed the competence and independence of the independent appraiser by checking publicly available data. In addition, I reviewed the data and key assumptions used in the measurement of fair value by comparing the estimated operating results with the Group's actual operating results to evaluate the judgement of the Group in terms of estimating operating results, and testing the calculation of fair value which was based on the above models and assumptions.

### **Pending Lawsuits**

As discussed in Notes 29 (d) to the financial statements, the Group had pending lawsuits in the Commercial Court in London, England, in order to the Group to pay the debts and other related debts amounting to USD 34.21 million.

### **Risk Responses of Auditor**

I request the confirmation replies from the Group's lawyers and the Group's lawyers have sent their opinions to me. In addition, I assessed the competence of the Group's lawyers. I also reviewed the disclosure of information in the notes to the financial statements.

### **Other Information**

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements**

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

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.



### **Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements**

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Jadesada Hungsapruerk



(Mr. Jadesada Hungsapruerk.)

Certified Public Accountant

Registration No. 3759

Karin Audit Company Limited

Bangkok, Thailand

May 30, 2018

**BANGKOK LAND PUBLIC COMPANY LIMITED AND SUBSIDIARIES**
**STATEMENTS OF FINANCIAL POSITION**
**AS AT MARCH 31, 2018**

| (Unit : Baht)                            |     |                      |                |                      |                |
|--|-----|----------------------|----------------|----------------------|----------------|
|  |     | Consolidated         |                | Separate             |                |
|  |     | financial statements |                | financial statements |                |
| Notes                                    |     | 2018                 | 2017           | 2018                 | 2017           |
| <b>ASSETS</b>                            |     |                      |                |                      |                |
| <b>Current assets</b>                    |     |                      |                |                      |                |
| Cash and cash equivalents                |     | 3,739,384,563        | 3,197,405,826  | 2,391,613,978        | 2,169,074,835  |
| Current investments                      | 6   | 2,400,870,146        | 2,506,531,394  | 570,624,416          | 163,040,861    |
| Trade and other current receivables, net | 7   | 3,845,224,908        | 3,283,168,798  | 6,836,313,755        | 6,073,582,348  |
| Inventories                              | 8   | 2,910,008,733        | 5,329,315,943  | 2,880,155,588        | 5,505,025,434  |
| Short-term loans to related parties, net | 5.4 | -                    | -              | 2,937,462,916        | 2,203,735,686  |
| Current tax assets                       |     | 22,614,859           | 24,140,667     | -                    | -              |
| Other current assets                     |     | 84,127,532           | 141,248,779    | 25,169,377           | 5,311,377      |
| Total current assets                     |     | 13,002,230,741       | 14,481,811,407 | 15,641,340,030       | 16,119,770,541 |
| <b>Non-current assets</b>                |     |                      |                |                      |                |
| Investments in subsidiaries              | 9   | -                    | -              | 11,255,486,908       | 11,176,886,908 |
| Investment property                      | 10  | 33,479,632,967       | 31,414,177,278 | 9,841,119,070        | 9,972,819,667  |
| Property, plant and equipment, net       | 11  | 14,869,213,616       | 14,735,311,569 | 46,195,350           | 15,217,046     |
| Deferred tax assets                      | 16  | 354,004,786          | 358,769,013    | -                    | -              |
| Other non-current assets                 | 12  | 3,969,885,400        | 4,783,166,215  | 3,790,001,647        | 4,696,698,050  |
| Total non-current assets                 |     | 52,672,736,769       | 51,291,424,075 | 24,932,802,975       | 25,861,621,671 |
| <b>TOTAL ASSETS</b>                      |     | 65,674,967,510       | 65,773,235,482 | 40,574,143,005       | 41,981,392,212 |

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

## BANGKOK LAND PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF FINANCIAL POSITION (CONT.)

AS AT MARCH 31, 2018

|  |        | (Unit : Baht)        |                 |                      |                 |
|--|--------|----------------------|-----------------|----------------------|-----------------|
|  |        | Consolidated         |                 | Separate             |                 |
|  |        | financial statements |                 | financial statements |                 |
| Notes  |        | 2018                 | 2017            | 2018                 | 2017            |
| LIABILITIES AND SHAREHOLDERS' EQUITY             |        |                      |                 |                      |                 |
| Current liabilities                              |        |                      |                 |                      |                 |
| Trade and other current payables                 | 13     | 1,674,694,376        | 2,344,998,666   | 929,814,003          | 1,466,326,914   |
| Current portion of long-term liabilities         | 5,6,15 | 4,750,000            | 4,750,000       | 12,250,000,000       | 13,650,000,000  |
| Current income tax payable                       |        | 253,964,033          | 48,762,835      | 239,683,703          | 35,073,403      |
| Other current liabilities                        | 14     | 324,924,734          | 347,135,296     | 124,118,648          | 403,068,863     |
| Total current liabilities                        |        | 2,258,333,143        | 2,745,646,797   | 13,543,616,354       | 15,554,469,180  |
| Non-current liabilities                          |        |                      |                 |                      |                 |
| Long-term loans                                  | 15     | 3,885,958,333        | 3,890,708,333   | -                    | -               |
| Deferred tax liabilities                         | 16     | 2,983,164,691        | 2,672,679,427   | 323,762,629          | 267,699,013     |
| Non-current provisions for employee benefit      | 17     | 50,686,266           | 58,460,975      | -                    | -               |
| Total non-current liabilities                    |        | 6,919,809,290        | 6,621,848,735   | 323,762,629          | 267,699,013     |
| Total liabilities                                |        | 9,178,142,433        | 9,367,495,532   | 13,867,378,983       | 15,822,168,193  |
| Shareholders' equity                             |        |                      |                 |                      |                 |
| Share capital                                    |        |                      |                 |                      |                 |
| Authorized share capital                         |        |                      |                 |                      |                 |
| 29,584,073,225 common shares of Baht 1 par value |        | 29,584,073,225       | 29,584,073,225  | 29,584,073,225       | 29,584,073,225  |
| Issued and fully paid - up share                 |        |                      |                 |                      |                 |
| 20,662,464,711 common shares of Baht 1 par value |        | -                    | 20,662,464,711  | -                    | 20,662,464,711  |
| 18,596,218,240 common shares of Baht 1 par value | 19     | 18,596,218,240       | -               | 18,596,218,240       | -               |
| Treasury stock                                   | 19     | -                    | (3,837,567,087) | -                    | (3,837,567,087) |
| Cash received in advance for share capital       |        | 331,566              | -               | 331,566              | -               |
| Premium on share capital                         |        | 1,995,163,811        | 1,995,163,811   | 1,995,163,811        | 1,995,163,811   |
| Retained earnings                                |        |                      |                 |                      |                 |
| - Appropriated for legal reserve                 |        | 714,993,327          | 613,370,137     | 714,993,327          | 613,370,137     |
| - Unappropriated                                 |        | 12,833,065,719       | 15,146,418,842  | 5,400,057,078        | 6,725,792,447   |
| Other components of shareholders' equity         |        | 14,019,781,372       | 13,814,525,702  | -                    | -               |
| Total shareholders' equity of the Company        |        | 48,159,554,035       | 48,394,376,116  | 26,706,764,022       | 26,159,224,019  |
| Non-controlling interests                        |        | 8,337,271,042        | 8,011,363,834   | -                    | -               |
| Total shareholders' equity                       |        | 56,496,825,077       | 56,405,739,950  | 26,706,764,022       | 26,159,224,019  |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY       |        |                      |                 |                      |                 |
|  |        | 65,674,967,510       | 65,773,235,482  | 40,574,143,005       | 41,981,392,212  |

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

**BANGKOK LAND PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED MARCH 31, 2018**

|  |     | (Unit : Baht)          |                        |                        |                        |
|--|-----|------------------------|------------------------|------------------------|------------------------|
|  |     | Consolidated           |                        | Separate               |                        |
|  |     | financial statements   |                        | financial statements   |                        |
| Notes                                      |     | 2018                   | 2017                   | 2018                   | 2017                   |
| Revenues from sales                        |     | 5,354,091,527          | 3,831,639,140          | 4,426,085,003          | 3,001,550,198          |
| Revenues from rental and service           |     | 3,119,555,164          | 2,733,779,269          | 93,843,157             | 98,990,157             |
| <b>Total revenues</b>                      |     | <b>8,473,646,691</b>   | <b>6,565,418,409</b>   | <b>4,519,928,160</b>   | <b>3,100,540,355</b>   |
| Costs of sales                             |     | (4,613,746,090)        | (3,511,040,842)        | (3,932,918,449)        | (2,744,258,558)        |
| Costs of rental and services               |     | (975,559,997)          | (891,971,848)          | (64,251,481)           | (82,419,803)           |
| <b>Total costs</b>                         |     | <b>(5,589,306,087)</b> | <b>(4,403,012,690)</b> | <b>(3,997,169,930)</b> | <b>(2,826,678,361)</b> |
| <b>Gross profit</b>                        |     | <b>2,884,340,604</b>   | <b>2,162,405,719</b>   | <b>522,758,230</b>     | <b>273,861,994</b>     |
| Dividend income                            | 5.1 | -                      | -                      | 610,040,000            | 1,808,950,000          |
| Gain on revaluation of investment property |     | 1,278,447,489          | 2,669,050,569          | 357,861,430            | 1,142,241,731          |
| Other revenues                             | 22  | 387,512,562            | 195,088,922            | 1,539,602,930          | 513,289,218            |
| <b>Profit before expenses</b>              |     | <b>4,550,300,655</b>   | <b>5,026,545,210</b>   | <b>3,030,262,590</b>   | <b>3,738,342,943</b>   |
| Selling expenses                           |     | (19,769,660)           | (17,734,536)           | (608,855)              | (3,743,914)            |
| Administrative expenses                    | 5.1 | (1,793,437,064)        | (1,748,946,578)        | (615,489,356)          | (573,237,850)          |
| Management benefit                         | 25  | (114,089,379)          | (101,140,242)          | (33,080,088)           | (33,308,713)           |
| Finance costs                              |     | (153,924,327)          | (159,644,470)          | -                      | -                      |
| <b>Total expenses</b>                      |     | <b>(2,081,220,430)</b> | <b>(2,027,465,826)</b> | <b>(649,178,299)</b>   | <b>(610,290,477)</b>   |
| <b>Profit before income tax expense</b>    |     | <b>2,469,080,225</b>   | <b>2,999,079,384</b>   | <b>2,381,084,291</b>   | <b>3,128,052,466</b>   |
| Income tax expense                         | 24  | (636,411,094)          | (651,194,757)          | (348,620,488)          | (269,987,058)          |
| <b>Profit for the year</b>                 |     | <b>1,832,669,131</b>   | <b>2,347,884,627</b>   | <b>2,032,463,803</b>   | <b>2,858,065,408</b>   |

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

BANGKOK LAND PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME (CONT.)

FOR THE YEAR ENDED MARCH 31, 2018

|       |   | (Unit : Baht)        |               |                      |               |
|-------|---|----------------------|---------------|----------------------|---------------|
|       |   | Consolidated         |               | Separate             |               |
|       |   | financial statements |               | financial statements |               |
| Notes |   | 2018                 | 2017          | 2018                 | 2017          |
|       | <b>Profit for the year</b>  | 1,832,669,131        | 2,347,884,627 | 2,032,463,803        | 2,858,065,408 |
|       | <b>Other comprehensive income (expense)</b>                         |                      |               |                      |               |
|       | <b>Components of other comprehensive income</b>                     |                      |               |                      |               |
|       | <b>that will be reclassified to profit or loss subsequently</b>     |                      |               |                      |               |
|       | Exchange differences on translating financial statement             | (206,113)            | 4,323         | -                    | -             |
|       | <b>Components of other comprehensive income</b>                     |                      |               |                      |               |
|       | <b>that will not be reclassified to profit or loss subsequently</b> |                      |               |                      |               |
|       | Gains on remeasurement of difined benefit plans                     | 16,093,575           |               | -                    | -             |
|       | Depreciation on gains on revaluation of assets                      | (79,239,759)         | (79,239,759)  | -                    | -             |
|       | Gains on revaluation of asset                                       | 284,701,542          | 2,012,627,130 | -                    | -             |
|       | <b>Other comprehensive income - net of income tax</b>               | 221,349,245          | 1,933,391,694 | -                    | -             |
|       | <b>Total comprehensive income for the year</b>                      | 2,054,018,376        | 4,281,276,321 | 2,032,463,803        | 2,858,065,408 |
|       | <b>Profit attributable to:</b>                                      |                      |               |                      |               |
|       | Owners of the Company   | 1,230,912,715        | 1,848,556,850 | 2,032,463,803        | 2,858,065,408 |
|       | Non-controlling interests   | 601,756,416          | 499,327,777   | -                    | -             |
|       |   | 1,832,669,131        | 2,347,884,627 | 2,032,463,803        | 2,858,065,408 |
|       | <b>Total comprehensive income for the year</b>                      |                      |               |                      |               |
|       | <b>attributable to:</b>   |                      |               |                      |               |
|       | Owners of the Company   | 1,452,261,960        | 3,781,948,544 | 2,032,463,803        | 2,858,065,408 |
|       | Non-controlling interests   | 601,756,416          | 499,327,777   | -                    | -             |
|       |   | 2,054,018,376        | 4,281,276,321 | 2,032,463,803        | 2,858,065,408 |
|       | <b>Earnings per share</b>   |                      |               |                      |               |
|       | <b>Basic earnings per share (Baht)</b>                              | 27                   | 0.066         | 0.097                | 0.109         |
|       | (2018 : 18,596 million shares)                                      |                      |               |                      |               |
|       | (2017 : 19,136 million shares)                                      |                      |               |                      |               |

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

**BANGKOK LAND PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEAR ENDED MARCH 31, 2018**

| Consolidated financial statements                                 |                                  |                 |                    |                          |                                |                 |   |  |                                       |  |  |   | (Unit : Baht)             |               |  |
|---|----------------------------------|-----------------|--------------------|--------------------------|--------------------------------|-----------------|---|--|---------------------------------------|--|--|---|---------------------------|---------------|--|
| Notes   | Issued and paid-up share capital | Treasury stock  | Share subscription | Premium on share capital | Retained earnings              |                 | Other components of shareholders' equity                |  |                                       |  |  | Total equity attributable to owner's of the Company | Non-controlling interests | Total         |  |
|   |                                  |                 |                    |                          | Appropriated for legal reserve | Unappropriated  | Exchange differences on translating financial statement | Gains (losses) on re-measurements of defined benefit plans | Gains (loss) on revaluation of assets | Net book value of subsidiaries exceed investment as of purchasing date | Change in shareholding in subsidiaries |   |                           |               | Total other components of shareholders' equity |
| <b>Balance as at March 31, 2016</b>                               | 20,662,464,711                   | (2,336,023,824) | -                  | 1,995,163,811            | 470,466,866                    | 14,727,047,236  | 1,111,688   | -  | 9,037,275,485                         | 28,184,195   | 2,814,562,640                          | 11,881,134,008                                      | 47,400,252,808            | 8,054,077,447 | 55,454,330,255                                 |
| Currency translation differences                                  | -                                | -               | -                  | -                        | -                              | -               | 4,323   | -  | -                                     | -  | -                                      | 4,323   | 4,323                     | -             | 4,323  |
| Treasury stock  | -                                | (1,501,543,263) | -                  | -                        | -                              | -               | -   | -  | -                                     | -  | -                                      | -   | (1,501,543,263)           | -             | (1,501,543,263)                                |
| Dividends payment   | -                                | -               | -                  | -                        | -                              | (1,365,521,732) | -   | -  | -                                     | -  | -                                      | -   | (1,365,521,732)           | (542,041,390) | (1,907,563,122)                                |
| Depreciation on gains on revaluation of assets                    | -                                | -               | -                  | -                        | -                              | 79,239,759      | -   | -  | (79,239,759)                          | -  | -                                      | (79,239,759)  | -                         | -             | -  |
| Gains on revaluation of asset                                     | -                                | -               | -                  | -                        | -                              | -               | -   | -  | 2,012,627,130                         | -  | -                                      | 2,012,627,130                                       | 2,012,627,130             | -             | 2,012,627,130                                  |
| Appropriated for legal reserve                                    | -                                | -               | -                  | -                        | 142,903,271                    | (142,903,271)   | -   | -  | -                                     | -  | -                                      | -   | -                         | -             | -  |
| Comprehensive income for the year                                 | -                                | -               | -                  | -                        | -                              | 1,848,556,850   | -   | -  | -                                     | -  | -                                      | -   | 1,848,556,850             | 499,327,777   | 2,347,884,627                                  |
| <b>Balance as at March 31, 2017</b>                               | 20,662,464,711                   | (3,837,567,087) | -                  | 1,995,163,811            | 613,370,137                    | 15,146,418,842  | 1,116,011   | -  | 10,970,662,856                        | 28,184,195   | 2,814,562,640                          | 13,814,525,702                                      | 48,394,376,116            | 8,011,363,834 | 56,405,739,950                                 |
| Cash received in advance for share capital                        | -                                | -               | 331,566            | -                        | -                              | -               | -   | -  | -                                     | -  | -                                      | -   | 331,566                   | -             | 331,566  |
| Exchange differences on translating financial statement           | -                                | -               | -                  | -                        | -                              | -               | (206,113)   | -  | -                                     | -  | -                                      | (206,113)   | (206,113)                 | -             | (206,113)                                      |
| Reduction of paid-up share capital by writing off Treasury shares | (2,066,246,471)                  | 3,837,567,087   | -                  | -                        | -                              | (1,771,320,616) | -   | -  | -                                     | -  | -                                      | -   | -                         | -             | -  |
| Dividends payment   | -                                | -               | -                  | -                        | -                              | (1,766,655,366) | -   | -  | -                                     | -  | -                                      | -   | (1,766,655,366)           | (275,849,208) | (2,042,504,574)                                |
| Depreciation on gains on revaluation of assets                    | -                                | -               | -                  | -                        | -                              | 79,239,759      | -   | -  | (79,239,759)                          | -  | -                                      | (79,239,759)  | -                         | -             | -  |
| Gains on revaluation of asset                                     | -                                | -               | -                  | -                        | -                              | -               | -   | -  | 284,701,542                           | -  | -                                      | 284,701,542   | 284,701,542               | -             | 284,701,542                                    |
| Transferred to retained earnings                                  | -                                | -               | -                  | -                        | -                              | 16,093,575      | -   | (16,093,575)   | -                                     | -  | -                                      | (16,093,575)  | -                         | -             | -  |
| Appropriated for legal reserve                                    | -                                | -               | -                  | -                        | 101,623,190                    | (101,623,190)   | -   | -  | -                                     | -  | -                                      | -   | -                         | -             | -  |
| Comprehensive income for the year                                 | -                                | -               | -                  | -                        | -                              | 1,230,912,715   | -   | 16,093,575   | -                                     | -  | -                                      | 16,093,575  | 1,247,006,290             | 601,756,416   | 1,848,762,706                                  |
| <b>Balance as at March 31, 2018</b>                               | 18,596,218,240                   | -               | 331,566            | 1,995,163,811            | 714,993,327                    | 12,833,065,719  | 909,898   | -  | 11,176,124,639                        | 28,184,195   | 2,814,562,640                          | 14,019,781,372                                      | 48,159,554,035            | 8,337,271,042 | 56,996,825,077                                 |

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

**BANGKOK LAND PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEAR ENDED MARCH 31, 2018**

|   |                                     | Separate financial statements |                       |                             |                  |               |                 | (Unit : Baht)   |
|---|-------------------------------------|-------------------------------|-----------------------|-----------------------------|------------------|---------------|-----------------|-----------------|
|   |                                     | Retained earning              |                       |                             |                  |               |                 |                 |
| Notes   | Issued and paid-up<br>share capital | Treasury stock                | Share<br>subscription | Premium on<br>share capital | Appropriated for |               | Unappropriated  | Total           |
|   |                                     |                               |                       |                             | legal reserve    | share capital |                 |                 |
| <b>Balance as at March 31, 2016</b>                               | 20,662,464,711                      | (2,336,023,824)               | -                     | 1,995,163,811               | 470,466,866      |               | 5,376,152,042   | 26,168,223,606  |
| Treasury stock  | -                                   | (1,501,543,263)               | -                     | -                           | -                | -             | -               | (1,501,543,263) |
| Dividend payment  | -                                   | -                             | -                     | -                           | -                | -             | (1,365,521,732) | (1,365,521,732) |
| Appropriated for legal reserve                                    | -                                   | -                             | -                     | -                           | 142,903,271      | -             | (142,903,271)   | -               |
| Comprehensive income for the year                                 | -                                   | -                             | -                     | -                           | -                | -             | 2,858,065,408   | 2,858,065,408   |
| <b>Balance as at March 31, 2017</b>                               | 20,662,464,711                      | (3,837,567,087)               | -                     | 1,995,163,811               | 613,370,137      |               | 6,725,792,447   | 26,159,224,019  |
| Cash received in advance for share capital                        | -                                   | -                             | 331,566               | -                           | -                | -             | -               | 331,566         |
| Reduction of paid-up share capital by writing off treasury shares | (2,066,246,471)                     | 3,837,567,087                 | -                     | -                           | -                | -             | (1,771,320,616) | -               |
| Dividend payment  | -                                   | -                             | -                     | -                           | -                | -             | (1,485,255,366) | (1,485,255,366) |
| Appropriated for legal reserve                                    | -                                   | -                             | -                     | -                           | 101,623,190      | -             | (101,623,190)   | -               |
| Comprehensive income for the year                                 | -                                   | -                             | -                     | -                           | -                | -             | 2,032,463,803   | 2,032,463,803   |
| <b>Balance as at March 31, 2018</b>                               | 18,596,218,240                      | -                             | 331,566               | 1,995,163,811               | 714,993,327      |               | 5,400,057,078   | 26,706,764,022  |

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



**BANGKOK LAND PUBLIC COMPANY LIMITED AND SUBSIDIARIES**
**STATEMENTS OF CASH FLOWS**
**FOR THE YEAR ENDED MARCH 31, 2018**

|  | (Unit : Baht)        |                      |                      |                    |
|--|----------------------|----------------------|----------------------|--------------------|
|  | Consolidated         |                      | Separate             |                    |
|  | financial statements |                      | financial statements |                    |
|  | 2018                 | 2017                 | 2018                 | 2017               |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                          |                      |                      |                      |                    |
| Profit before income tax expense                                     | 2,469,080,225        | 2,999,079,384        | 2,381,084,291        | 3,128,052,466      |
| Net adjustments to reconcile profit (loss) before income tax expense |                      |                      |                      |                    |
| to cash provided by (used in) operating activities:                  |                      |                      |                      |                    |
| Interest expense   | 153,924,327          | 159,644,470          | -                    | -                  |
| Interest income  | (14,529,417)         | (12,923,166)         | (178,256,827)        | (157,063,205)      |
| Trade and other current receivables increase                         | (546,015,647)        | (2,355,943,779)      | (594,219,479)        | (2,398,144,398)    |
| Inventories decrease   | 2,419,307,210        | 246,416,496          | 2,624,869,846        | 243,264,996        |
| Other current assets (increase) decrease                             | 57,121,247           | 16,647,174           | (19,858,000)         | (6,895,511)        |
| Other non-current assets decrease                                    | 540,061,418          | 2,294,988,474        | 783,454,541          | 2,369,816,340      |
| Trade and other current payables increase (decrease)                 | (670,304,291)        | 339,151,103          | (537,401,305)        | 7,629,130          |
| Other current liabilities increase (decrease)                        | 37,583,328           | 584,812,261          | (218,950,214)        | 495,938,932        |
| Depreciation and amortization  | 602,007,787          | 521,796,880          | 134,940,916          | 98,454,850         |
| Provisions for employee benefit                                      | 11,899,756           | 12,625,953           | -                    | -                  |
| Loss on write off of fixed assets                                    | 35,322,164           | 13,121,068           | -                    | -                  |
| Gains on revaluation of investment property                          | (1,278,447,489)      | (2,669,050,569)      | (357,861,430)        | (1,142,241,731)    |
| Reverse allowance for doubtful account                               | (16,040,463)         | 17,358,488           | -                    | -                  |
| Give on debt forgiveness from subsidiary                             | -                    | -                    | (1,340,000,000)      | (335,000,000)      |
| Total adjustments to reconcile profit before income tax              |                      |                      |                      |                    |
| to net cash provided by operating activities                         | 3,800,970,155        | 2,167,724,237        | 2,677,802,339        | 2,303,811,869      |
| <b>Net cash provided by (used in) operating activities</b>           |                      |                      |                      |                    |
| Dividend income  | -                    | -                    | (610,040,000)        | (1,808,950,000)    |
| Cash paid for employee benefit                                       | (3,580,890)          | (1,144,496)          | -                    | -                  |
| Income tax paid  | (208,395,462)        | (213,983,269)        | (87,946,571)         | (90,096,298)       |
| <b>Net cash provided by operating activities</b>                     | <b>3,588,993,803</b> | <b>1,952,596,472</b> | <b>1,979,815,768</b> | <b>404,765,571</b> |

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

**BANGKOK LAND PUBLIC COMPANY LIMITED AND SUBSIDIARIES**

**STATEMENTS OF CASH FLOWS (CONT.)**

**FOR THE YEAR ENDED MARCH 31, 2018**

|  | (Unit : Baht)          |                        |                        |                        |
|--|------------------------|------------------------|------------------------|------------------------|
|  | Consolidated           |                        | Separate               |                        |
|  | financial statements   |                        | financial statements   |                        |
|  | 2018                   | 2017                   | 2018                   | 2017                   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                        |                        |                        |                        |                        |
| Interest income received   | 14,529,417             | 8,381,499              | 5,853,652              | 4,594,960              |
| (Increase) decrease in current investments                         | 105,661,248            | 4,245,580,861          | (407,583,555)          | 393,915,868            |
| Proceeds from dividend income                                      | -                      | -                      | 610,040,000            | 3,058,950,000          |
| Increase in short-term loans to receivable from related parties    | -                      | -                      | (789,835,983)          | (428,555,517)          |
| Proceeds from sale of assets                                       | -                      | 2,982,438              | -                      | -                      |
| Cash paid to purchase investment in subsidiary                     | -                      | -                      | (78,600,000)           | -                      |
| Cash paid for purchase of fixed assets                             | (299,881,242)          | (1,003,072,268)        | (42,677,359)           | (1,991,039)            |
| Proceeds from sale of investment property                          | 475,731,250            | 650,487,500            | 475,731,250            | 650,487,500            |
| Cash paid for purchase of investment property                      | (1,142,208,404)        | (1,067,732,498)        | (46,169,223)           | (77,466,017)           |
| <b>Net cash provided by (used in) investing activities</b>         | <b>(846,167,731)</b>   | <b>2,836,627,532</b>   | <b>(273,241,218)</b>   | <b>3,599,935,755</b>   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                        |                        |                        |                        |                        |
| Interest expense   | (158,674,327)          | (159,644,470)          | -                      | -                      |
| Increase in short-term loans from and                              |                        |                        |                        |                        |
| amount due to related parties                                      | -                      | -                      | 888,393                | 116,941,157            |
| Cash paid for treasury stock                                       | -                      | (1,501,543,263)        | -                      | (1,501,543,263)        |
| Proceeds from increase in share capital                            | 331,566                | -                      | 331,566                | -                      |
| Dividend payment of subsidiaries                                   | (275,849,208)          | (542,041,390)          | -                      | -                      |
| Dividend payment   | (1,766,655,366)        | (1,365,521,732)        | (1,485,255,366)        | (1,365,521,732)        |
| <b>Net cash used in financing activities</b>                       | <b>(2,200,847,335)</b> | <b>(3,568,750,855)</b> | <b>(1,484,035,407)</b> | <b>(2,750,123,838)</b> |
| <b>Net increase in cash and cash equivalents</b>                   | <b>541,978,737</b>     | <b>1,220,473,149</b>   | <b>222,539,143</b>     | <b>1,254,577,488</b>   |
| <b>Cash and cash equivalents at beginning of the year</b>          | <b>3,197,405,826</b>   | <b>1,976,932,677</b>   | <b>2,169,074,835</b>   | <b>914,497,347</b>     |
| <b>Cash and cash equivalents at ending of the year</b>             | <b>3,739,384,563</b>   | <b>3,197,405,826</b>   | <b>2,391,613,978</b>   | <b>2,169,074,835</b>   |
| <b>Supplemental Disclosures of Cash Flows Information:</b>         |                        |                        |                        |                        |
| 1. Cash and cash equivalents comprised of :                        |                        |                        |                        |                        |
| Cash on hand   | 28,580,079             | 25,532,790             | 2,963,996              | 2,984,402              |
| Undeposited cheques  | 590,423                | 32,168                 | -                      | -                      |
| Saving accounts  | 3,630,851,879          | 3,091,203,546          | 2,332,242,151          | 2,101,046,784          |
| Current account  | 76,962,208             | 80,324,011             | 54,924,116             | 65,043,649             |
| Fixed deposits   | 2,399,974              | 313,311                | 1,483,715              | -                      |
| <b>Total</b>   | <b>3,739,384,563</b>   | <b>3,197,405,826</b>   | <b>2,391,613,978</b>   | <b>2,169,074,835</b>   |
| 2. Non-cash transactions   |                        |                        |                        |                        |
| 2.1 Realize dividend income and accrued dividend income            | -                      | -                      | -                      | 1,250,000,000          |
| 2.2 Transfer property, plants and equipment to investment property | 7,768,033              | 11,113,163,981         | -                      | -                      |
| 2.3 Transfer land held for future use to investment property       | -                      | 7,285,035,600          | -                      | 7,285,035,600          |
| 2.4 Transfer real estate development cost to investment property   | 172,763,013            | 156,389,569            | -                      | 156,389,569            |

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

# BANGKOK LAND PUBLIC COMPANY LIMITED AND SUBSIDIARY

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2018

### 1. General information

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

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

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

### 2. Basis for preparation of the consolidated financial statements

Subsidiary are companies in which significantly controlled by Bangkok Land Public Company Limited. The consolidated financial statements incorporate the financial statements of Bangkok Land Public Company Limited and its subsidiaries, by eliminating intercompany balances and unrealized gain and loss.

The Company’s subsidiaries included in consolidated financial statements as at March 31, 2018 and 2017 comprise the following:

|   | Principal business            | Percentage of holding by |        |
|---|-------------------------------|--------------------------|--------|
|   |                               | 2018                     | 2017   |
| <b>Direct investment :</b>                          |                               |                          |        |
| Sinporchai Company Limited                          | Property development          | 100.00                   | 100.00 |
| Bangkok Land (Cayman Islands) Company Limited       | Financing                     | 100.00                   | 100.00 |
| Muang Thong Services and Management Company Limited | Project management service    | 97.00                    | 97.00  |
| Muang Thong Building Services Company Limited       | Building maintenance service  | 97.00                    | 97.00  |
| Impact Exhibition Management Company Limited        | Exhibition convention & hotel | 100.00                   | 100.00 |
| Spooner Limited                                     | Dormant                       | 100.00                   | 100.00 |
| <b>Direct and indirect investment :</b>             |                               |                          |        |
| Bangkok Land Agency Company Limited                 | Property renting              | 99.30                    | 99.30  |
| Bangkok Airport Industry Company Limited            | Property development          | 100.00                   | 100.00 |
| RMI Company Limited                                 | REIT manager                  | 100.00                   | 100.00 |
| Impact Growth Real Estate Investment Trust          | Real estate investment trust  | 50.00                    | 50.00  |

Except for the Bangkok Land (Cayman Islands) Company Limited, which is incorporated in Cayman Islands, and Spooner Limited, which is incorporated in Hong Kong, all subsidiaries are incorporated in Thailand.

### 3. Basis for preparation of the financial statements and significant accounting policies

#### 3.1 Basis of preparation

The financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

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

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

An English version of the financial statements has been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

#### 3.2 Revised accounting standards and financial reporting standards

**3.2.1** Revised accounting standards and revised financial reporting standards are effective on 1 January 2017 which are relevant and have significant impact to the Company as follows:

|                       |                                      |
|-----------------------|--------------------------------------|
| TAS 1 (revised 2016)  | Presentation of financial statements |
| TAS 34 (revised 2016) | Interim financial reporting          |

TAS 1 (revised 2016), the amendments provide clarifications on a number of issues, including

- Materiality - an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance.
- Disaggregation and subtotals - line items specified in TAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals.
- Notes - confirmation that the notes do not need to be presented in a particular order.

## BANGKOK LAND PUBLIC COMPANY LIMITED AND SUBSIDIARY

### NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2018

---

- OCI arising from investments accounted for under the equity method - the share of OCI arising from equity-accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of other comprehensive income.

TAS 34 (revised 2016), the amendments clarify that what is meant by the reference in the standard to information disclosed elsewhere in the interim financial report'; entities taking advantage of the relief must provide a cross-reference from the interim financial statements to the location of that information and make the information available to users on the same terms and at the same time as the interim financial statements.

The above revised accounting standards and revised financial reporting standards have no significant impact to the Company.

- 3.2.2** Revised accounting standards are effective for annual periods beginning on or after 1 January 2018 which have significant changes and are relevant to the Company. The Company has not early adopted these revised standards as follows:

|                       |                         |
|-----------------------|-------------------------|
| TAS 7 (revised 2017)  | Statement of cash flows |
| TAS 12 (revised 2017) | Income taxes            |

TAS 7 (revised 2017), the amendments require additional disclosure of changes in liabilities arising from financing activities. This includes changes arising from cash and non-cash.

TAS 12 (revised 2017), the amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. Specifically, the amendments confirm that:

- A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.
- An entity can assume that it will recover an amount higher than the carrying amount of an asset to estimate its future taxable profits.
- Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.
- Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profits.

Management has assessed and considered that the above revised standards will not have a material impact on the Company.

### 3.3 Significant accounting policies

#### 3.3.1 Use of estimates

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses in the reported periods. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

Accounting estimation and assumptions have been regularly reviewed. The effect from such review will be recorded into the period effect occurred. If the estimates effect only that period and will be recorded in the period of the estimates or in the future. If the estimates effects current and future periods.

#### 3.3.2 Foreign currency transactions

Transactions in foreign currencies throughout the periods are recorded in Baht at rates prevailing at the dates of transactions. Outstanding assets and liabilities denominated in foreign currencies at the statements of financial position statements of financial position date are translated into Baht at the prevailing bank rates as of that date. Gains or losses arising from the translations are credited or charged to current operations.

#### 3.3.3 Revenue recognition

##### Property development business

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

##### Retail business

Sales of goods are principally on cash terms and are recognised as revenues upon delivery of products and customer acceptance.

##### Property rental business

Rental income is recognised as revenue over the period of the lease term.

Services are recognized as revenue when the service is completely rendered to customer.

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

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

**BANGKOK LAND PUBLIC COMPANY LIMITED AND SUBSIDIARY****NOTES TO FINANCIAL STATEMENTS****MARCH 31, 2018**

---

**3.3.4 Real estate development cost**

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

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

**3.3.5 Cash and cash equivalents**

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand and at banks and deposits at financial institutions with original maturity of three months or less.

Cash restricted in use is shown as other non-current assets.

**3.3.6 Trade receivables**

Trade receivables are carried at anticipated realisable value after allowance for doubtful receivables. An allowance is estimated on the basis of management's assessment of long overdue debts which may not be collectible. Bad debts are written off during the year in which they are identified.

**3.3.7 Investments in subsidiaries**

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

**3.3.8 Capitalisation of borrowing costs**

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

**3.3.9 Investment property**

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

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

**3.3.10 Property, plants and equipment**

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

Revaluations are performed by independent professional appraisers, which the Company has the policy for the independent professional appraisers will be requested to perform the appraisal for the said assets at sufficient regularity to ensure that the book value of these assets does not differ materially from their fair values at the balance sheet date. Increase from appraisal value will be recorded in the shareholders' equity under "Surplus on revaluation of assets", and decrease from cost recorded as loss from decrease in revaluation of assets in the statements of comprehensive income. Increase in revaluation of building and machines will be amortized in accordance to the remaining useful life of those assets.

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

|   |           |
|---|-----------|
| Exhibition Hall and Convention Centers - structure            | 50 years  |
| Exhibition Hall and Convention Centers - building improvement | 20 years  |
| Buildings and other constructions                             | 20 years  |
| Other fixed assets  | 3-5 years |

The depreciation as calculated above are recorded as follows:

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

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



**BANGKOK LAND PUBLIC COMPANY LIMITED AND SUBSIDIARY****NOTES TO FINANCIAL STATEMENTS****MARCH 31, 2018**

---

**3.3.11 Income tax**

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

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

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

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

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

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

**3.3.12 Foreign currency translation**

Foreign currency transactions are accounted for at the exchange rates prevailing at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date including assets and liabilities of a foreign subsidiary which is identified as a part of the Company's operation are translated into Baht at the exchange rates ruling at that date. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in the statement of comprehensive income.

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

**3.3.13 Financial instruments**

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and financial liability or an equity instrument of another enterprise.

Financial assets carried on the statement of financial position include cash on hand and at banks, short-term investments, trade receivables, unbilled completed works, loans to and amounts due from related parties and certain balance of other assets. Financial liabilities include trade creditors, borrowings and advances receipts from customers and certain balances of other liabilities. The accounting policy in respect of those items, where applicable, are stated in the related notes to financial statements.

**3.3.14 Provisions**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

## BANGKOK LAND PUBLIC COMPANY LIMITED AND SUBSIDIARY

### NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2018

---

#### 3.3.15 Employee benefits

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

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

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

#### 3.3.16 Impairment of assets

The Company has determined the impairment of asset if there is indicator that the carrying amount of asset exceeds its recoverable amount. An impairment loss on the assets carrying at cost is recorded as expense in statements of comprehensive income, while an impairment loss on revalued asset is recognized against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount held in the revaluation surplus for the same asset.

#### 3.3.17 Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability.

**4. Significant accounting judgments and estimates**

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

**Allowance for doubtful accounts**

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

**Impairment of investments**

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

**Depreciation**

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

**BANGKOK LAND PUBLIC COMPANY LIMITED AND SUBSIDIARY**
**NOTES TO FINANCIAL STATEMENTS**
**MARCH 31, 2018**
**5. Transactions with related parties**
**5.1 Significant transactions with related parties**

Portion of revenues and expenses arose from transactions with related parties for the years ended March 31, 2018 and 2017 are summarized as follows:

|  |                           | (Unit : Million Bath) |          |                      |              |
|--|---------------------------|-----------------------|----------|----------------------|--------------|
|  |                           | Consolidated          |          | Separate             |              |
|  |                           | financial statements  |          | financial statements |              |
| Pricing Policy                               |                           | 2018                  | 2017     | 2018                 | 2017         |
| <b>Interest income :</b>                     | MLR rate                  |                       |          |                      |              |
| Bangkok Airport Industry Company Limited     |                           | -                     | -        | 172                  | 127          |
| Sinpornchai Company Limited                  |                           | -                     | -        | -                    | 25           |
|  |                           | <u>-</u>              | <u>-</u> | <u>172</u>           | <u>152</u>   |
| <b>Dividend income :</b>                     | Right to receive dividend |                       |          |                      |              |
| Impact Exhibition Management Compant Limited |                           | -                     | -        | 500                  | 1,750        |
| Bangkok Land Agency Company Limited          |                           | -                     | -        | 110                  | 59           |
|  |                           | <u>-</u>              | <u>-</u> | <u>610</u>           | <u>1,809</u> |
| <b>Rental and Service expense :</b>          |                           |                       |          |                      |              |
| Bangkok Airport Industry Company Limited     | No.of area                | -                     | -        | 26                   | 102          |

**BANGKOK LAND PUBLIC COMPANY LIMITED AND SUBSIDIARY**

**NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2018**

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

The balances of advance and other receivables from related parties as at March 31, 2018 and 2017 are as follows:

|  | (Unit : Million Bath) |      |                      |       |
|--|-----------------------|------|----------------------|-------|
|  | Consolidated          |      | Separate             |       |
|  | financial statements  |      | financial statements |       |
|  | 2018                  | 2017 | 2018                 | 2017  |
| <b>Accrued income :</b>                        |                       |      |                      |       |
| Bangkok Airport Industry Company Limited       | -                     | -    | 26                   | 26    |
| Impact Exhibition Management Company Limited   | -                     | -    | 1                    | 3     |
|  | -                     | -    | 27                   | 29    |
| <b>Advance deposit and other receivables :</b> |                       |      |                      |       |
| Spooner Limited                                | -                     | -    | 9                    | 11    |
| Bangkok Airport Industry Company Limited       | -                     | -    | 225                  | 225   |
|  | -                     | -    | 234                  | 236   |
| <b>Interest receivables :</b>                  |                       |      |                      |       |
| Bangkok Airport Industry Company Limited       | -                     | -    | 2,422                | 2,250 |
| Sinpornchai Company Limited                    | -                     | -    | 203                  | 203   |
| Muang Thong Building Services Company Limited  | -                     | -    | 1                    | 1     |
|  | -                     | -    | 2,626                | 2,454 |
|  | -                     | -    | 2,887                | 2,719 |

**5.3 Investment in loans**

|  | (Unit : Million Baht) |      |                      |      |
|--|-----------------------|------|----------------------|------|
|  | Consolidated          |      | Separate             |      |
|  | financial statements  |      | financial statements |      |
|  | 2018                  | 2017 | 2018                 | 2017 |
| Bangkok Airport Industry Company Limited | -                     | -    | 475                  | 475  |

**BANGKOK LAND PUBLIC COMPANY LIMITED AND SUBSIDIARY**
**NOTES TO FINANCIAL STATEMENTS**
**MARCH 31, 2018**

Investment in loans comprised of:

|                                   | (Unit : Million Baht) |
|-----------------------------------|-----------------------|
| Receivable per original agreement | 965                   |
| Deferred income                   | (490)                 |
| Investment in loans               | 475                   |

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

**5.4 Short-term loans to related parties, net**

Short-term loans to related parties as at March 31, 2018 and 2017 are as follows:

|  | (Unit : Million Bath) |      |                      |       |
|--|-----------------------|------|----------------------|-------|
|  | Consolidated          |      | Separate             |       |
|  | financial statements  |      | financial statements |       |
|  | 2018                  | 2017 | 2018                 | 2017  |
| Bangkok Airport Industry Company Limited | -                     | -    | 2,612                | 1,819 |
| Sinpornchai Company Limited              | -                     | -    | 325                  | 385   |
|  | -                     | -    | 2,937                | 2,204 |

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

**BANGKOK LAND PUBLIC COMPANY LIMITED AND SUBSIDIARY**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2018**

**5.5 Payables to related parties**

The balances of payables to related parties as at March 31, 2018 and 2017 are as follows:

|   | (Unit : Million Bath) |      |                      |      |
|---|-----------------------|------|----------------------|------|
|   | Consolidated          |      | Separate             |      |
|   | financial statements  |      | financial statements |      |
|   | 2018                  | 2017 | 2018                 | 2017 |
| <b>Accrued management fee :</b>                     |                       |      |                      |      |
| Bangkok Airport Industry Company Limited            | -                     | -    | 167                  | 141  |
| Impact Exhibition Management Company Limited        | -                     | -    | 2                    | 2    |
|   | -                     | -    | 169                  | 143  |
| <b>Advance and payables :</b>                       |                       |      |                      |      |
| Impact Exhibition Management Company Limited        | -                     | -    | 28                   | 24   |
| Bangkok Land (Cayman Islands) Company Limited       | -                     | -    | 161                  | 190  |
| Muang Thong Services and Management Company Limited | -                     | -    | 4                    | 4    |
| Muang Thong Building Services Company Limited       | -                     | -    | 4                    | 4    |
|   | -                     | -    | 197                  | 222  |
|   | -                     | -    | 366                  | 365  |

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

Long-term loans from related parties as at March 31, 2018 and 2017 comprise of:

|                             | (Unit : Million Bath)         |        |
|-----------------------------|-------------------------------|--------|
|                             | Separate financial statements |        |
|                             | 2018                          | 2017   |
| <u>Loans from</u>           |                               |        |
| Sinpornchai Company Limited | 12,250                        | 13,650 |

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

The Company entered into a loan agreement with BL Cayman on October 13, 1993, whereas in the event that the Company should have failed to meet its payment obligation which would have caused BL Cayman not able to make its payment to the note holders, the Company agreed to pay BL Cayman a penalty interest of 1% above the normal interest rate per annum on the amount due by the Company. However, no claim has been made against the Company. The Company therefore has not accounted for the penalty interest in its financial statements.



**BANGKOK LAND PUBLIC COMPANY LIMITED AND SUBSIDIARY****NOTES TO FINANCIAL STATEMENTS****MARCH 31, 2018**

---

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

On March 28, 2016, the Company entered into agreement with BL Cayman that both parties agreed to acknowledge the debt and amend the terms and conditions. Outstanding debt as at December 31, 2015 was Baht 14,189 million (comprise of principal of Baht 4,619 million and accrued interest of Baht 9,570 million) which the BL Cayman agreed to waive accrued interest of Baht 189 million and the remaining amount of Bath 14,000 million was changed to be a principal with no interest charging since January 1, 2016 onwards. The Company recognized a gain on debt forgiveness as other income in the statement of comprehensive income for the year end March 31, 2016.

On March 30, 2016, the BL Cayman entered into agreement with Sinpornchai Company Limited that BL Cayman agreed to sell debt with BLAND amounting to Baht 14,000 million to Sinpornchai Company Limited at the price of Baht 200 million.

On March 31, 2017, the Company entered into a debt restructuring agreement with Sinopornchai Co., Ltd. The Company agreed to pay the unpaid amount of Baht 14,000 million to Sinpornchai Co., Ltd. by offsetting the total amount of Baht 600 million (consisting of a principal of Baht 400 million and accrued interest of Baht 200 million, the Company has ceased to charge interest on the outstanding principal of Baht 400 million since April 1, 2017). Subsequently, make a deduction from the outstanding interest. Details are as follows,

**BANGKOK LAND PUBLIC COMPANY LIMITED AND SUBSIDIARY**

**NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2018**

| (Unit : Million Bath) |            |            |            |                          |
|-----------------------|------------|------------|------------|--------------------------|
| Year                  | Principle  | Interest   | Total      | Debt that the subsidiary |
|                       |            |            |            | Company gave up          |
| 2017                  | 15         | -          | 15         | 335                      |
| 2018                  | 60         | -          | 60         | 1,340                    |
| 2019                  | 60         | -          | 60         | 1,340                    |
| 2020                  | 60         | -          | 60         | 1,340                    |
| 2021                  | 60         | -          | 60         | 1,340                    |
| 2022                  | 60         | -          | 60         | 1,340                    |
| 2023                  | 60         | -          | 60         | 1,340                    |
| 2024                  | 25         | 35         | 60         | 1,340                    |
| 2025                  | -          | 60         | 60         | 1,340                    |
| 2026                  | -          | 60         | 60         | 1,340                    |
| 2027                  | -          | 45         | 45         | 1,005                    |
|                       | <u>400</u> | <u>200</u> | <u>600</u> | <u>13,400</u>            |

The Company has recognized the gain from debt repayment of Baht 1,340 million to other income in the statement of income for the year ended March 31, 2018.

**6. Short-term investments**

As at March 31, 2018 and 2017 short-term investments comprise of:

|   | (Unit : Million Bath) |              |                      |            |
|---|-----------------------|--------------|----------------------|------------|
|   | Consolidated          |              | Separate             |            |
|   | financial statements  |              | financial statements |            |
|   | 2018                  | 2017         | 2018                 | 2017       |
| Fixed deposit                             | 125                   | 148          | -                    | -          |
| Investment in short-term debt instruments | 2,276                 | 2,359        | 571                  | 163        |
| Total                                     | <u>2,401</u>          | <u>2,507</u> | <u>571</u>           | <u>163</u> |

**BANGKOK LAND PUBLIC COMPANY LIMITED AND SUBSIDIARY**
**NOTES TO FINANCIAL STATEMENTS**
**MARCH 31, 2018**
**7. Trade receivable and other receivable, net**

Trade receivable and other current receivable as at March 31, 2018 and 2017 are as follows:

|  | (Unit : Million Baht) |       |                      |       |
|--|-----------------------|-------|----------------------|-------|
|  | Consolidated          |       | Separate             |       |
|  | financial statements  |       | financial statements |       |
|  | 2018                  | 2017  | 2018                 | 2017  |
| Promissory note  | 3,273                 | 2,690 | 3,273                | 2,690 |
| Trade receivables  | 259                   | 278   | 7                    | 8     |
| <u>Less</u> Allowance for doubtful account                     | (78)                  | (89)  | -                    | -     |
| Trade receivables, net   | 3,454                 | 2,879 | 3,280                | 2,698 |
| Advances and other receivables from related parties (Note 5.2) | -                     | -     | 2,887                | 2,719 |
| Investment in loans to related parties (Note 5.3)              | -                     | -     | 475                  | 475   |
| Prepaid expenses   | 173                   | 173   | 152                  | 150   |
| Revenue department receivables                                 | 63                    | 61    | -                    | -     |
| Accrued income   | 94                    | 94    | 30                   | 22    |
| Other receivables, net   | 61                    | 76    | 12                   | 10    |
| Total trade other current receivables, net                     | 3,845                 | 3,283 | 6,836                | 6,074 |

The aging of trade receivables are as follows :

|                |     |     |   |   |
|----------------|-----|-----|---|---|
| Up to 3 months | 151 | 157 | 3 | 5 |
| 3 - 6 months   | 13  | 16  | 1 | 2 |
| 6 - 12 months  | 16  | 15  | 1 | 1 |
| Over 12 months | 79  | 90  | 2 | - |
| Total          | 259 | 278 | 7 | 8 |

Promissory notes comprise a promissory note of Baht 643.96 million with maturity date on June 8, 2018, a promissory note of Baht 2,183 million with maturity date on October 3, 2018 and a promissory note of Baht 446 million with maturity date on February 27, 2020. Those promissory notes that the Company received from sale of land have been guaranteed (avaled) by commercial banks (Note 8).

**BANGKOK LAND PUBLIC COMPANY LIMITED AND SUBSIDIARY**

**NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2018**

**8. Inventories**

**Inventories as at March 31, 2018 and 2017 comprises:**

|   | (Unit : Million Bath) |          |                      |          |
|---|-----------------------|----------|----------------------|----------|
|   | Consolidated          |          | Separate             |          |
|   | financial statements  |          | financial statements |          |
|   | 2018                  | 2017     | 2018                 | 2017     |
| Land  | 14,558                | 13,946   | 13,898               | 13,339   |
| Construction in progress  | 19,020                | 18,805   | 8,711                | 8,711    |
| Infrastructure cost - areas for sale                            | 1,384                 | 1,432    | 1,281                | 1,354    |
| - public areas  | 2,067                 | 1,297    | 2,067                | 1,297    |
| Project management fee  | 993                   | 993      | 483                  | 483      |
| Borrowing costs   | 3,969                 | 3,831    | 1,346                | 1,346    |
| Other related costs   | 1,289                 | 1,278    | 867                  | 857      |
|   | 43,280                | 41,582   | 28,653               | 27,387   |
| Less: Transfer to cost of sales to date                         |                       |          |                      |          |
| - Cost of sales   | (33,535)              | (28,499) | (20,622)             | (15,812) |
| - Accumulated depreciation of public area infrastructure        | (1,347)               | (1,215)  | (1,347)              | (1,215)  |
| -Allowance for net realizable value discounts                   | (2,121)               | (2,121)  | (437)                | (437)    |
| Transfer to investment property                                 | -                     | (156)    | -                    | (156)    |
| Total   | 6,277                 | 9,591    | 6,247                | 9,767    |
| Less: Real estate development cost classified as current assets | (2,910)               | (5,329)  | (2,880)              | (5,505)  |
| Net (Note 12)   | 3,367                 | 4,262    | 3,367                | 4,262    |

Part of the land and condominium units have been mortgaged with banks as collateral for letter of guarantee for the Group and have been pledged as collateral with the Courts (Note 29). The mortgaged land and condominium units, as a percentage of the total land areas/total units, is as follows:

**BANGKOK LAND PUBLIC COMPANY LIMITED AND SUBSIDIARY**
**NOTES TO FINANCIAL STATEMENTS**
**MARCH 31, 2018**

|   | Consolidated         |      | Separate             |      |
|---|----------------------|------|----------------------|------|
|   | financial statements |      | financial statements |      |
|   | 2018                 | 2017 | 2018                 | 2017 |
| Percentage of land mortgaged              | 1                    | 1    | 1                    | 1    |
| Percentage of condominium units mortgaged | 2                    | 2    | 2                    | 2    |

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

On October 30, 2015, the Company amended the agreement by changing the transfer date of the 2<sup>nd</sup> 100 rai tranche from October 10, 2015 to October 10, 2016. The Company transferred the remaining land to the buyer on October 3, 2016 and also received a promissory note which guaranteed by a commercial bank for payment (Note 7).

In February and March 2016, the Company signed the contract on the undeveloped land plot with 3 unrelated companies for sale of land totaling 701 rai with contract value of Baht 8,411 million. On June 7, 2017, the Company has made additional memorandum of agreement to sell 7 rai of land at the price of Baht 70.75 million, and on December 18, 2017, the Company has entered into an additional agreement to sell 71 rai of land at a price of Baht 496.05 million as detail below:

| Year (Transfer) | Area (Rai) | Amount (In Million Baht)     |                     |
|-----------------|------------|------------------------------|---------------------|
|                 |            | Land for sell recorded in    |                     |
|                 |            | Real estate development cost | Investment property |
| 2016            | 43         | -                            | 542                 |
| 2017            | 221        | 2,169*                       | 659                 |
| 2018            | 125        | 2,058**                      | -                   |
| 2019            | 312        | 3,550                        | -                   |
|                 | 701        | 7,777                        | 1,201               |

**Investment property**

The Company transferred to buyer amounting to Baht 542 million on August 29, 2016, receives full payment. The Company transferred the remaining land to the buyer amounting to Baht 659 million on June 9, 2017 and the Company received a promissory note which guaranteed by a commercial bank for payment (Note 7).

**Real estate development cost**

\* On November 25, 2016 the Company transferred certain piece of land to the buyer in accordance with the notification of change in transferee dated November 22, 2016. And the Company received a promissory note which guaranteed by a commercial bank for payment (Note 7).

The Company transferred certain piece of land to the buyer on September, 2016 and received the payment in whole amount of agreement.

The Company transferred certain partial land to the buyer on December, 2017 and received a promissory note which guaranteed by a commercial bank for payment (Note 7).

\*\* On February 27, 2018 the Company transferred certain partial land to the buyer and the Company received a promissory note which guaranteed by a commercial bank for payment (Note 7).

**BANGKOK LAND PUBLIC COMPANY LIMITED AND SUBSIDIARY**
**NOTES TO FINANCIAL STATEMENTS**
**MARCH 31, 2018**
**9. Investment in subsidiaries**

As at March 31, 2018 and 2017, investment in subsidiaries comprise of:

|                                   | Separate financial statements |        |                       |      |                 |        |                 |       |
|-----------------------------------|-------------------------------|--------|-----------------------|------|-----------------|--------|-----------------|-------|
|                                   | In Million Baht               |        | Percentage of holding |      | In Million Baht |        | In Million Baht |       |
|                                   | Paid-up share capital         |        |                       |      | At cost         |        | Dividend        |       |
|                                   | 2018                          | 2017   | 2018                  | 2017 | 2018            | 2017   | 2018            | 2017  |
| <b>Investment in subsidiaries</b> |                               |        |                       |      |                 |        |                 |       |
| Impact Exhibition Management      |                               |        |                       |      |                 |        |                 |       |
| Company Limited                   | 12,953                        | 12,953 | 100                   | 100  | 9,848           | 9,848  | 500             | 1,750 |
| Sinpornchai Company Limited       | 1,180                         | 1,180  | 100                   | 100  | 1,180           | 1,180  | -               | -     |
| Muang Thong Building Services     |                               |        |                       |      |                 |        |                 |       |
| Company Limited                   | 12                            | 12     | 97                    | 97   | 15              | 15     | -               | -     |
| Muang Thong Services and          |                               |        |                       |      |                 |        |                 |       |
| Management Company Limited        | 25                            | 25     | 97                    | 97   | 10              | 10     | -               | -     |
| Bangkok Land Agency               |                               |        |                       |      |                 |        |                 |       |
| Company Limited                   | 400                           | 200    | 99                    | 99   | 199             | 120    | 110             | 59    |
| Bangkok Airport Industry          |                               |        |                       |      |                 |        |                 |       |
| Company Limited                   | 5,320                         | 5,320  | 60                    | 60   | 3               | 3      | -               | -     |
| Bangkok Land (Cayman Islands)     | USD                           | USD    |                       |      |                 |        |                 |       |
| Company Limited                   | 0.01                          | 0.01   | 100                   | 100  | -               | -      | -               | -     |
| Spooner Limited                   | -                             | -      | 100                   | 100  | -               | -      | -               | -     |
| Total                             |                               |        |                       |      | 11,255          | 11,176 | 610             | 1,809 |

In January 2018, the Board of Directors' Meeting No. 1/2018 of Bangkok Land Company Limited, a subsidiary, approved the payment of the remaining shares.

**BANGKOK LAND PUBLIC COMPANY LIMITED AND SUBSIDIARY**

**NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2018**

**10. Investment property**

During the years ended as at March 31, 2018 and 2017 the movements of investment property are as follows:

|   | (Unit : Million Bath) |        |                      |       |
|---|-----------------------|--------|----------------------|-------|
|   | Consolidated          |        | Separate             |       |
|   | financial statements  |        | financial statements |       |
|   | 2018                  | 2017   | 2018                 | 2017  |
| <b>Appraised Value</b>                      |                       |        |                      |       |
| Beginning balance                           | 31,414                | 9,813  | 9,972                | 2,002 |
| Increase                                    | 1,142                 | 1,068  | 47                   | 77    |
| Transfer from real estate development cost  | 173                   | 156    | -                    | 156   |
| Transfer from land held for future use      | -                     | 7,285  | -                    | 7,285 |
| Transfer from property, plant and equipment | 8                     | 11,113 | -                    | -     |
| Gain on revaluation                         | 1,278                 | 2,669  | 358                  | 1,142 |
| Disposal                                    | (536)                 | (690)  | (536)                | (690) |
| Ending balance                              | 33,479                | 31,414 | 9,841                | 9,972 |

Investment property is stated at fair value based on the latest appraised value (market approach) of independent valuers e.g. the land and buildings of the exhibition center (Hall 1-8) and IMPACT Convention Center and building for rent were valued by Income approach (level 3) and the land and land held for project for rent were valued by Market approach (level 2).



## BANGKOK LAND PUBLIC COMPANY LIMITED AND SUBSIDIARY

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2018

## 11. Property, plants and equipment – net

|  | Consolidated (In Million Baht) |  |                                    |                             |                           |                              |                   |                             |        |
|--|--------------------------------|--|------------------------------------|-----------------------------|---------------------------|------------------------------|-------------------|-----------------------------|--------|
|  | Land                           | Buildings<br>and other<br>construction | Impact Hall<br>interior<br>systems | Impact<br>Hall<br>structure | Buildings<br>improvements | Furniture<br>and<br>fixtures | Motor<br>vehicles | Construction<br>in progress | Total  |
| <u>At cost</u>   |                                |  |                                    |                             |                           |                              |                   |                             |        |
| As at March 31, 2017   | 1,000                          | 169                                    | 4,399                              | 3,173                       | 292                       | 1,462                        | 106               | 148                         | 10,749 |
| Increase   | -                              | -                                      | 90                                 | 30                          | 46                        | 84                           | 5                 | 121                         | 376    |
| Decrease   | -                              | -                                      | -                                  | (35)                        | (36)                      | (51)                         | -                 | -                           | (122)  |
| Transfer in (Transfer out)   | -                              | -                                      | (14)                               | 22                          | -                         | -                            | -                 | (22)                        | (14)   |
| As at March 31, 2018   | 1,000                          | 169                                    | 4,475                              | 3,190                       | 302                       | 1,495                        | 111               | 247                         | 10,989 |
| <u>Accumulated depreciation</u>  |                                |  |                                    |                             |                           |                              |                   |                             |        |
| As at March 31, 2017   | -                              | 96                                     | 2,024                              | 545                         | 190                       | 1,050                        | 79                | -                           | 3,984  |
| Increase   | -                              | 7                                      | 231                                | 101                         | 17                        | 114                          | 8                 | -                           | 478    |
| Decrease   | -                              | -                                      | -                                  | (18)                        | (19)                      | (50)                         | -                 | -                           | (87)   |
| Transfer in (Transfer out)   | -                              | -                                      | (11)                               | -                           | -                         | -                            | -                 | -                           | (11)   |
| As at March 31, 2018   | -                              | 103                                    | 2,244                              | 628                         | 188                       | 1,114                        | 87                | -                           | 4,364  |
| <u>Differences on revaluation of assets</u>                            |                                |  |                                    |                             |                           |                              |                   |                             |        |
| As at March 31, 2017   | 4,577                          | 43                                     | 1,519                              | 2,174                       | -                         | -                            | -                 | -                           | 8,313  |
| Increase   | 127                            | -                                      | 93                                 | 136                         | -                         | -                            | -                 | -                           | 356    |
| Decrease   | -                              | -                                      | -                                  | -                           | -                         | -                            | -                 | -                           | -      |
| Transfer in (Transfer out)   | -                              | -                                      | (14)                               | -                           | -                         | -                            | -                 | -                           | (14)   |
| As at March 31, 2018   | 4,704                          | 43                                     | 1,598                              | 2,310                       | -                         | -                            | -                 | -                           | 8,655  |
| <u>Accumulated depreciation – differences on revaluation of assets</u> |                                |  |                                    |                             |                           |                              |                   |                             |        |
| As at March 31, 2017   | -                              | 18                                     | 157                                | 168                         | -                         | -                            | -                 | -                           | 343    |
| Increase   | -                              | 4                                      | 35                                 | 39                          | -                         | -                            | -                 | -                           | 78     |
| Decrease   | -                              | -                                      | -                                  | -                           | -                         | -                            | -                 | -                           | -      |
| Transfer in (Transfer out)   | -                              | -                                      | (10)                               | -                           | -                         | -                            | -                 | -                           | (10)   |
| As at March 31, 2018   | -                              | 22                                     | 182                                | 207                         | -                         | -                            | -                 | -                           | 411    |
| <u>Net book value</u>  |                                |  |                                    |                             |                           |                              |                   |                             |        |
| As at March 31, 2017   | 5,577                          | 98                                     | 3,737                              | 4,634                       | 102                       | 412                          | 27                | 148                         | 14,735 |
| As at March 31, 2018   | 5,704                          | 87                                     | 3,647                              | 4,665                       | 114                       | 381                          | 24                | 247                         | 14,869 |

**BANGKOK LAND PUBLIC COMPANY LIMITED AND SUBSIDIARY**

**NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2018**

As at March 31, 2018 and 2017, a portion of property with historical costs of Baht 1,028 million and Baht 996 million, respectively, are in use but fully depreciated (Separate : Bath 51 million and Bath 44 million, respectively).

As at March 31, 2018 and 2017, a certain parcel of land and building with amount of Baht 17,959 million of a subsidiary have been mortgaged as collateral for long-term loan (Note 15).

|                                 | Separate (In Million Baht) |                           |                   |         |       |
|---------------------------------|----------------------------|---------------------------|-------------------|---------|-------|
|                                 | Building<br>Improvements   | Furniture and<br>fixtures | Motor<br>vehicles | Systems | Total |
| <u>Cost</u>                     |                            |                           |                   |         |       |
| As at March 31, 2017            | 40                         | 21                        | 13                | -       | 74    |
| Increase                        | -                          | -                         | 2                 | 40      | 42    |
| Decrease                        | -                          | -                         | -                 | -       | -     |
| As at March 31, 2018            | 40                         | 21                        | 15                | 40      | 116   |
| <u>Accumulated depreciation</u> |                            |                           |                   |         |       |
| As at March 31, 2017            | 32                         | 18                        | 9                 | -       | 59    |
| Increase                        | 1                          | 1                         | 1                 | 8       | 11    |
| Decrease                        | -                          | -                         | -                 | -       | -     |
| As at March 31, 2018            | 33                         | 19                        | 10                | 8       | 70    |
| <u>Net book value</u>           |                            |                           |                   |         |       |
| As at March 31, 2017            | 8                          | 3                         | 4                 | -       | 15    |
| As at March 31, 2018            | 7                          | 2                         | 5                 | 32      | 46    |

As at March 31, 2018 and 2017, a portion of property with historical costs of Baht 51 million and Bath 44 million, respectively are in use but fully depreciated.

At a meeting of the Executive Committee has approved reclassification of land and buildings of the exhibition center (Hall 1-8) and IMPACT Convention Center in the consolidated financial statements of the Company as investment property effective from April 1, 2016 onwards. At present, the Company has the rental income as important and the Company group has adjusted the value of property, plant and equipment to fair value is based on the appraised value of independent appraisers, according to revenue method. The fair value is based on level 3 of the fair value hierarchy and recorded the increased value in the surplus on revaluation of fixed assets of Baht 1,736 million and transfers of property, plant and equipment are taken into investment property account by the real estate appraisal value as of that date.

**BANGKOK LAND PUBLIC COMPANY LIMITED AND SUBSIDIARY**
**NOTES TO FINANCIAL STATEMENTS**
**MARCH 31, 2018**
**12. Other non-current assets**

The balances of other non-current assets as at March 31, 2018 and 2017, are as follows :

|                                       | (Unit : Million Baht) |       |                      |       |
|---------------------------------------|-----------------------|-------|----------------------|-------|
|                                       | Consolidated          |       | Separate             |       |
|                                       | financial statements  |       | financial statements |       |
|                                       | 2018                  | 2017  | 2018                 | 2017  |
| Real estate development cost (Note 5) | 3,367                 | 4,262 | 3,367                | 4,262 |
| Deposits pledged as collateral        | 102                   | 103   | 46                   | 47    |
| Non-current tax assets                | 79                    | 55    | -                    | -     |
| Others                                | 422                   | 363   | 377                  | 388   |
| Total                                 | 3,970                 | 4,783 | 3,790                | 4,697 |

**13. Trade and other current payables**

The balances of trade and other current payables as at March 31, 2018 and 2017, are as follows :

|  | (Unit : Million Baht) |       |                      |       |
|--|-----------------------|-------|----------------------|-------|
|  | Consolidated          |       | Separate             |       |
|  | financial statements  |       | financial statements |       |
|  | 2018                  | 2017  | 2018                 | 2017  |
| Payables to related parties (Note 5.5) | -                     | -     | 366                  | 365   |
| Trade payables                         | 290                   | 381   | 5                    | 10    |
| Advance received                       | 825                   | 1,068 | 515                  | 995   |
| Accrued expenses                       | 312                   | 393   | 13                   | 55    |
| Other payables                         | 248                   | 503   | 31                   | 41    |
| Total                                  | 1,675                 | 2,345 | 930                  | 1,466 |

**BANGKOK LAND PUBLIC COMPANY LIMITED AND SUBSIDIARY**

**NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2018**

**14. Other current liabilities**

The balances of other current liabilities as at March 31, 2018 and 2017 are as follows:

|  | (Unit : Million Baht) |      |                      |      |
|--|-----------------------|------|----------------------|------|
|  | Consolidated          |      | Separate             |      |
|  | financial statements  |      | financial statements |      |
|  | 2018                  | 2017 | 2018                 | 2017 |
| Provision for loss on pending lawsuits (Note 29) | 3                     | 3    | 3                    | 3    |
| Deposit  | 112                   | 152  | 82                   | 142  |
| Security deposit                                 | 89                    | 99   | 26                   | 241  |
| Retentions                                       | 90                    | 65   | 13                   | 16   |
| Others   | 31                    | 28   | -                    | 1    |
| Total  | 325                   | 347  | 124                  | 403  |

**15. Long-term loans**

|  | (Unit : Million Bath)             |       |
|--|-----------------------------------|-------|
|  | Consolidated financial statements |       |
|  | 2018                              | 2017  |
| 1. A long-term credit facility amounting to Baht 2,000 million carry interest at floating rates not exceeding MLR-1.50% per annum, with interest payable every month-end and principal to be paid in full within 2019  | 2,000                             | 2,000 |
| 2. A long-term credit facility amounting to Baht 1,900 million carry interest at floating rates not exceeding MLR-1.50% per annum, with interest payable every month-end and principal repayment for 72 monthly installments on monthly basis as from April 2016 | 1,891                             | 1,895 |
| Total  | 3,891                             | 3,895 |
| Less: current portion of long-term loans   | (5)                               | (5)   |
| Long-term loans - net of current portion   | 3,886                             | 3,890 |

All long-term loans are secured by mortgage of land and buildings, including utility systems and equipment of IMPACT Muang Thong Thani in which the subsidiary has invested, including the conditional assignment of rights under insurance policies, right under related contracts and rights over bank accounts of the subsidiary.

The loan agreements contain covenants, which, among other things, require the subsidiary to maintain certain financial ratios such as loan-to-total assets and interest coverage ratios.

**BANGKOK LAND PUBLIC COMPANY LIMITED AND SUBSIDIARY**
**NOTES TO FINANCIAL STATEMENTS**
**MARCH 31, 2018**

As at March 31, 2018, the subsidiary has unutilized credit facilities with one financial institution amounting to Baht 180 million (March 31, 2017: Baht 180 million).

Maturity of long-term borrowing from financial institution are as follows:

|                  |  | (Unit : Million Bath)             |       |
|------------------|--|-----------------------------------|-------|
|                  |  | Consolidated financial statements |       |
|                  |  | 2018                              | 2017  |
| Within in 1 year |  | 5                                 | 5     |
| Over 1 - 5 years |  | 3,886                             | 2,018 |
| Over 5 years     |  | -                                 | 1,872 |
| Total            |  | 3,891                             | 3,895 |

**16. Deferred tax**

Deferred tax as at March 31, 2018 and 2017 comprises:

|                          |  | (Unit : Million Bath) |         |                      |       |
|--------------------------|--|-----------------------|---------|----------------------|-------|
|                          |  | Consolidated          |         | Separate             |       |
|                          |  | financial statements  |         | financial statements |       |
|                          |  | 2018                  | 2017    | 2018                 | 2017  |
| Deferred tax assets      |  | 354                   | 359     | -                    | -     |
| Deferred tax liabilities |  | (2,983)               | (2,673) | (324)                | (268) |

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

|                                  |  | (Unit : Million Bath)             |           |               |        |           |
|----------------------------------|--|-----------------------------------|-----------|---------------|--------|-----------|
|                                  |  | Consolidated financial statements |           |               |        |           |
|                                  |  | (Charged) / credited to:          |           |               |        |           |
|                                  |  | Other                             |           |               |        |           |
|                                  |  | April 1,                          | Profit or | comprehensive | Equity | March 31, |
|                                  |  | 2017                              | loss      | income        |        | 2018      |
| <b>Deferred tax assets</b>       |  |                                   |           |               |        |           |
| Allowance for doubtful accounts  |  | 19                                | (4)       | -             | -      | 15        |
| Provision for employees benefits |  | 11                                | (1)       | -             | -      | 10        |
| Gain on sale of assets           |  | 329                               | -         | -             | -      | 329       |
| Total                            |  | 359                               | (5)       | -             | -      | 354       |

**BANGKOK LAND PUBLIC COMPANY LIMITED AND SUBSIDIARY**

**NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2018**

|  | (Unit : Million Bath)             |              |               |          |                |
|--|-----------------------------------|--------------|---------------|----------|----------------|
|  | Consolidated financial statements |              |               |          |                |
|  | (Charged) / credited to:          |              |               |          |                |
|  | Other                             |              |               |          |                |
|  | April 1,                          | Profit or    | comprehensive | Equity   | March 31,      |
|  | 2017                              | loss         | income        |          | 2018           |
| <b>Deferred tax liabilities</b>                  |                                   |              |               |          |                |
| Revaluation of property, plant and equipment     | (880)                             | -            | (71)          | -        | (951)          |
| Revaluation of investment property               | (1,704)                           | (232)        | -             | -        | (1,936)        |
| Unrealised gain on change in value of investment | (8)                               | -            | -             | -        | (8)            |
| Income recognition of real estate business       | 18                                | (7)          | -             | -        | 11             |
| Others   | (99)                              | -            | -             | -        | (99)           |
| <b>Total</b>                                     | <b>(2,673)</b>                    | <b>(239)</b> | <b>(71)</b>   | <b>-</b> | <b>(2,983)</b> |

|                                  | (Unit : Million Bath)             |           |               |          |            |
|----------------------------------|-----------------------------------|-----------|---------------|----------|------------|
|                                  | Consolidated financial statements |           |               |          |            |
|                                  | (Charged) / credited to:          |           |               |          |            |
|                                  | Other                             |           |               |          |            |
|                                  | April 1,                          | Profit or | comprehensive | Equity   | March 31,  |
|                                  | 2016                              | loss      | income        |          | 2017       |
| <b>Deferred tax assets</b>       |                                   |           |               |          |            |
| Allowance for doubtful accounts  | 13                                | 6         | -             | -        | 19         |
| Provision for employees benefits | 9                                 | 2         | -             | -        | 11         |
| Gain on sale of assets           | 329                               | -         | -             | -        | 329        |
| <b>Total</b>                     | <b>351</b>                        | <b>8</b>  | <b>-</b>      | <b>-</b> | <b>359</b> |

|  |                |              |              |          |                |
|--|----------------|--------------|--------------|----------|----------------|
| <b>Deferred tax liabilities</b>                  |                |              |              |          |                |
| Revaluation of property, plant and equipment     | (378)          | -            | (502)        | -        | (880)          |
| Revaluation of investment property               | (1,201)        | (503)        | -            | -        | (1,704)        |
| Unrealised gain on change in value of investment | (17)           | 9            | -            | -        | (8)            |
| Income recognition of real estate business       | 7              | 11           | -            | -        | 18             |
| Others   | (99)           | -            | -            | -        | (99)           |
| <b>Total</b>                                     | <b>(1,688)</b> | <b>(483)</b> | <b>(502)</b> | <b>-</b> | <b>(2,673)</b> |

**BANGKOK LAND PUBLIC COMPANY LIMITED AND SUBSIDIARY**
**NOTES TO FINANCIAL STATEMENTS**
**MARCH 31, 2018**

| (Unit : Million Bath)                      |                   |                           |        |                   |
|--|-------------------|---------------------------|--------|-------------------|
| Separate financial statements              |                   |                           |        |                   |
| (Charged) / credited to:                   |                   |                           |        |                   |
| Other                                      |                   |                           |        |                   |
| April 1,<br>2017                           | Profit or<br>loss | comprehen-<br>sive income | Equity | March 31,<br>2018 |
| <b>Deferred tax assets</b>                 |                   |                           |        |                   |
| Income recognition of real estate business | -                 | -                         | -      | -                 |
| Total                                      | -                 | -                         | -      | -                 |
| <b>Deferred tax liabilities</b>            |                   |                           |        |                   |
| Revaluation of investment property         | (286)             | (49)                      | -      | (335)             |
| Income recognition of real estate business | 18                | (7)                       | -      | 11                |
| Total                                      | (268)             | (56)                      | -      | (324)             |

| (Unit : Million Bath)                      |                   |                         |        |                   |
|--|-------------------|-------------------------|--------|-------------------|
| Separate financial statements              |                   |                         |        |                   |
| (Charged) / credited to:                   |                   |                         |        |                   |
| Other                                      |                   |                         |        |                   |
| April 1,<br>2016                           | Profit or<br>loss | comprehensive<br>income | Equity | March 31,<br>2017 |
| <b>Deferred tax assets</b>                 |                   |                         |        |                   |
| Income recognition of real estate business | -                 | -                       | -      | -                 |
| Total                                      | -                 | -                       | -      | -                 |
| <b>Deferred tax liabilities</b>            |                   |                         |        |                   |
| Revaluation of investment property         | (88)              | (198)                   | -      | (286)             |
| Income recognition of real estate business | 7                 | 11                      | -      | 18                |
| Total                                      | (81)              | (187)                   | -      | (268)             |

Deferred tax assets are recognised for tax loss carried forward only to the extent that realisation of the related tax benefit through the future taxable profits is probable.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right and the income taxes relate to the same fiscal authority.

**17. Non-current provisions for employee benefit**

An independent actuary carried out an evaluation of the Company's obligations for employees' long-term benefits using the projected unit credit method. The Company has provided the provision for employees' long-term benefits for the years ended March 31, 2018 and 2017, as follows:

|   | (Unit : Million Bath)             |                 |
|---|-----------------------------------|-----------------|
|   | Consolidated financial statements |                 |
|   | 2018                              | 2017            |
| Provision for employee benefits - beginning                             | 59                                | 47              |
| Expense recognised in profit or loss                                    |                                   |                 |
| Current service cost  | 11                                | 12              |
| Interest cost   | 1                                 | 1               |
| Loss from actuarial   | (16)                              | -               |
| <u>Less</u> liability decrease from actual paid                         | (4)                               | (1)             |
| Provision for employee benefits - ending                                | 51                                | 59              |
| Principal actuarial assumptions at the reporting date (Actuarial basis) |                                   |                 |
| Discount rate (%)   | 2.39-2.41                         | 3.3558 - 3.8885 |
| Future salary increase (%)  | 4.50-4.84                         | 3               |
| Retirement age (years old)  | 60                                | 55 - 60         |



## BANGKOK LAND PUBLIC COMPANY LIMITED AND SUBSIDIARY

### NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2018

---

#### 18. Warrants

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

|                     |   |
|---------------------|---|
| Type of Warrants:   | Named certificate and transferable  |
| Number of Warrants: | 6,949,753,569 units   |
| Underlying Shares:  | 6,949,753,569 shares  |
| Offering:           | Offered to existing shareholders whose name appeared on the record date on May 20, 2013. The Company will allocate and offer to the existing shareholders pro-rata to their shareholding at the rate of 2.97 existing shares to 1 unit of warrants. |
| Rights of Warrants: | The holder of warrant certificate has the right to purchase ordinary share of the Company of 1 warrant for 1 new share.   |
| Exercise Price:     | Baht 2 per share save for the adjustment of the exercise price  |
| Term of Warrants:   | 5 years from the issuance date of July 3, 2013. The first exercise date is September 30, 2013, and the last exercise date is July 2, 2018.  |

On March 31, 2018, the warrant holder of BLAND-W4 exercised 165,783 units and the Company received Baht 331,566 share proceeds from the issuance of 165,783 common shares to the warrant. This proceeds was recorded as “Share subscription” in the statement of financial position as at March 31, 2018. The change of paid-up share capital was officially registered with Ministry of Commerce on April 5, 2018.

As at March 31, 2018, the outstanding of unexercised warrants (BLAND-W4) was 6,930,102,090 units.

**19. Treasury stock**

The Board of Directors' meeting held on August 8, 2014 has passed the resolution to approve the share repurchase project for financial management purpose (treasury stock) in an amount not exceeding Baht 3,000 million or equal to the number of shares repurchased not exceeding 1,200,000,000 shares, at a par value of Baht 1 per share or equivalent to not exceeding 5.81% of the total paid-up shares, excluding the shares repurchased under the share repurchase project on February 24, 2018. The period to resale of the shares shall be made after 6 months from the completion date of share repurchase but not later than 3 years. The Company has 1,155,011,400 repurchased shares or equal to 5.59% of paid-up share capital which is Baht 2,336 million.

The Board of Directors' meeting held on August 15, 2016 has passed the resolution to approve the share repurchase project for financial management purpose (treasury stock) in an amount not exceeding Baht 2,278 million or equal to the number of shares repurchased not exceeding 911,235,071 shares, at a par value of Baht 1 per share or equivalent to not exceeding 4.41 % of the total paid-up shares, excluding the shares repurchased under the share repurchase project on February 28, 2018. The period to resale of the shares shall be made after 6 months from the completion date of share repurchase but not later than 1 years. The Company has 911,235,071 repurchased shares or equal to 4.41 % of paid-up share capital which is Baht 1,502 million.

On 2 March 2018, Board of Directors' meeting No. 2/2018, passed a resolution approving the reduction of the paid-up capital from Baht 2,066,246,471 to be Baht 18,596,218,240, by deduction of the share capital, the repurchase and non-distribution., of the two projects, totaling 2,066,246,471 shares. The Company registered the reduction of paid-up capital to the Ministry of Commerce on March 8, 2018.

The Board of Directors' meeting on March 14, 2018, the Board of Directors passed a resolution approving the share repurchase program for the third financial management in the amount not exceeding Baht 3,719 million, representing a repurchase not exceeding 1,859,621,824 shares with a par value of Baht 1, the share price to be repurchased is not more than 10% of the total paid-up shares and the repurchase period is 6 months from the date of share repurchase for a period not to exceed 1 year (ended September 28, 2018).

**20. Dividend payment**

The ordinary shareholders' meeting held on July 29, 2016 passed the resolution to approve the dividend payment at the rate of Baht 0.07 per share, totalling Baht 1,366 million. The Company has already paid the dividend in August 2016.

The ordinary shareholders' meeting held on July 27, 2017 passed the resolution to approve the dividend payment at the rate of Baht 0.08 per share, totalling Baht 1,485 million. The Company has already paid the dividend in August 2017.

**BANGKOK LAND PUBLIC COMPANY LIMITED AND SUBSIDIARY**
**NOTES TO FINANCIAL STATEMENTS**
**MARCH 31, 2018**
**21. Legal reserve**

According to the Public Companies Act, the Company has appropriated its reserve as a legal reserve in the sum of 5% of the annual net profit less the total accumulated deficit brought forward, until the legal reserve reaches of 10% of the registered authorized capital. Such the legal reserve is not available for dividend distribution.

**22. Other revenues**

Other revenues for the years ended March 31, 2018 and 2017 are as follows:

|   | (Unit : Million Bath) |            |                      |            |
|---|-----------------------|------------|----------------------|------------|
|   | Consolidated          |            | Separate             |            |
|   | financial statements  |            | financial statements |            |
|   | 2018                  | 2017       | 2018                 | 2017       |
| Interest income   | 15                    | 13         | 178                  | 157        |
| Gain on debt forgiveness from subsidiary (Note 5.6)                         | -                     | -          | 1,340                | 335        |
| Gain on reversal of long-term debt instruments and related accrued interest | 215                   | -          | -                    | -          |
| Unrealized gain on valuation of short-term investment                       | 37                    | 67         | 8                    | 6          |
| Others  | 121                   | 115        | 14                   | 15         |
| Total   | <u>388</u>            | <u>195</u> | <u>1,540</u>         | <u>513</u> |

**BANGKOK LAND PUBLIC COMPANY LIMITED AND SUBSIDIARY**

**NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2018**

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

Significant expenses by nature for the years ended March 31, 2018 and 2017 are as follows:

|  | (Unit : Million Bath) |      |                      |      |
|--|-----------------------|------|----------------------|------|
|  | Consolidated          |      | Separate             |      |
|  | financial statements  |      | financial statements |      |
|  | 2018                  | 2017 | 2018                 | 2017 |
| Salary and wages and other employee benefits | 846                   | 984  | 41                   | 38   |
| Depreciation and amortization                | 602                   | 522  | 135                  | 98   |
| Professional fee                             | 108                   | 69   | 87                   | 34   |
| Advertising expense                          | 14                    | 21   | 1                    | 4    |
| Other charges                                | 43                    | 89   | 10                   | 10   |
| Commission                                   | 71                    | 93   | 71                   | 93   |
| Rental and service expense                   | 14                    | 9    | 26                   | 102  |
| Tax expense                                  | 187                   | 133  | 170                  | 133  |

**24. Income tax**

Income tax recognized in profit or loss

For the years ended March 31, 2018 and 2017, income tax expenses are as follows:

|   | (Unit : Million Bath) |      |                      |      |
|---|-----------------------|------|----------------------|------|
|   | Consolidated          |      | Separate             |      |
|   | financial statements  |      | financial statements |      |
|   | 2018                  | 2017 | 2018                 | 2017 |
| <b>Corporate income tax:</b>                                  |                       |      |                      |      |
| Corporate income tax  | 391                   | 176  | 293                  | 83   |
| <b>Deferred income taxes:</b>                                 |                       |      |                      |      |
| Relating to origination and reversal of temporary differences | 245                   | 475  | 56                   | 187  |
| Income tax in statements of comprehensive income              | 636                   | 651  | 349                  | 270  |

**BANGKOK LAND PUBLIC COMPANY LIMITED AND SUBSIDIARY**
**NOTES TO FINANCIAL STATEMENTS**
**MARCH 31, 2018**
Reconciliation of effective tax rate

| (Unit : Million Bath)  |       |      |       |
|--|-------|------|-------|
| Consolidated   |       |      |       |
| financial statements   |       |      |       |
| Rate   |       | Rate |       |
| (%)  | 2018  | (%)  | 2017  |
| Profit before income tax expense   | 2,469 |      | 3,000 |
| Income tax using the Thai corporation tax rate   | 20    | 20   | 600   |
| Tax effect of income and expenses that are not taxable<br>income or not deductible in determining taxable profit-net | (103) |      | (424) |
| Total  | 391   |      | 176   |

| (Unit : Million Bath)  |       |      |       |
|--|-------|------|-------|
| Separate   |       |      |       |
| financial statements   |       |      |       |
| Rate   |       | Rate |       |
| (%)  | 2018  | (%)  | 2017  |
| Profit before income tax expense   | 2,381 |      | 3,128 |
| Income tax using the Thai corporation tax rate   | 20    | 20   | 626   |
| Tax effect of income and expenses that are not taxable<br>income or not deductible in determining taxable profit-net | (183) |      | (543) |
| Total  | 293   |      | 83    |

**25. Management benefit expenses**

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

**BANGKOK LAND PUBLIC COMPANY LIMITED AND SUBSIDIARY**

**NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2018**

Management benefit expenses for the years ended March 31, 2018 and 2017 are as follows:

|  | (Unit : Million Bath) |      |                      |      |
|--|-----------------------|------|----------------------|------|
|  | Consolidated          |      | Separate             |      |
|  | financial statements  |      | financial statements |      |
|  | 2018                  | 2017 | 2018                 | 2017 |
| Management benefit expenses presented in costs |                       |      |                      |      |
| of sales                                       | 19                    | 20   | -                    | -    |
| Management benefit expenses presented in       |                       |      |                      |      |
| administrative expense                         | 114                   | 101  | 33                   | 33   |
| Total  | 133                   | 121  | 33                   | 33   |

**26. Segment information**

|                           | Consolidated financial statements ( In Million Baht ) |          |                 |         |       |             |       |
|---------------------------|---|----------|-----------------|---------|-------|-------------|-------|
|                           | For the year ended March 31, 2018                     |          |                 |         |       |             |       |
|                           | Real estate   | Retail   | Exhibition      | Other   |       |             |       |
|                           | Business  | business | center business | service | Total | Elimination | Total |
| Segment revenue           | 4,721   | 267      | 4,153           | 158     | 9,299 | (825)       | 8,474 |
| Segment profit            | 345   | 85       | 1,065           | 97      | 1,592 | (178)       | 1,414 |
| Corporate expenses        |   |          |                 |         | (298) | -           | (298) |
| Interest income           |   |          |                 |         | 186   | (172)       | 14    |
| Dividend income           |   |          |                 |         | 1,614 | (1,614)     | -     |
| Gain on debt forgiveness  |   |          |                 |         |       |             |       |
| from subsidiary           |   |          |                 |         | 1,380 | (1,380)     | -     |
| Gain on revaluation of    |   |          |                 |         |       |             |       |
| investment property       |   |          |                 |         | 1,219 | 59          | 1,278 |
| Written-off payable       |   |          |                 |         | 215   | -           | 215   |
| Finance costs             |   |          |                 |         | (326) | 172         | (154) |
| Income tax expense        |   |          |                 |         | (621) | (15)        | (636) |
| Profit of non-controlling |   |          |                 |         |       |             |       |
| interests                 |   |          |                 |         | -     | (602)       | (602) |
| Net profit of year        |   |          |                 |         | 4,961 | (3,730)     | 1,231 |

**BANGKOK LAND PUBLIC COMPANY LIMITED AND SUBSIDIARY**
**NOTES TO FINANCIAL STATEMENTS**
**MARCH 31, 2018**

|                           | Consolidated financial statements ( In Million Baht ) |          |                 |         |       |             |       |
|---------------------------|---|----------|-----------------|---------|-------|-------------|-------|
|                           | For the year ended March 31, 2017                     |          |                 |         |       |             |       |
|                           | Real estate   | Retail   | Exhibition      | Other   |       |             |       |
|                           | Business  | business | center business | service | Total | Elimination | Total |
| Segment revenue           | 3,360   | 303      | 3,657           | 158     | 7,478 | (913)       | 6,565 |
| Segment profit            | 252   | 115      | 761             | 4       | 1,132 | (318)       | 814   |
| Corporate expenses        |   |          |                 |         | (337) | -           | (337) |
| Interest income           |   |          |                 |         | 165   | (152)       | 13    |
| Dividend income           |   |          |                 |         | 2,440 | (2,440)     | -     |
| Gain on debt forgiveness  |   |          |                 |         |       |             |       |
| from subsidiary           |   |          |                 |         | 345   | (345)       | -     |
| Gain on revaluation of    |   |          |                 |         |       |             |       |
| investment property       |   |          |                 |         | 2,669 | -           | 2,669 |
| Finance costs             |   |          |                 |         | (312) | 152         | (160) |
| Income tax expense        |   |          |                 |         | (656) | 5           | (651) |
| Profit of non-controlling |   |          |                 |         |       |             |       |
| interests                 |   |          |                 |         | (499) | -           | (499) |
| Net profit of year        |   |          |                 |         | 4,947 | (3,098)     | 1,849 |

**27. Earnings per share**

**Basic earnings per share**

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

**Diluted earnings per share**

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

The Company did not calculate diluted earnings per share for the years ended March 31, 2018 and 2017 because the fair value of an ordinary share is lower than the exercised price of warrants.

**28. Financial instruments**

As at March 31, 2018 and 2017 the Group has the following risks relating to significant financial instruments:

a) Interest rate risk

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

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

b) Currency risks

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

c) Liquidity risk

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

d) Fair value of financial assets and liabilities

The carrying amounts of all financial assets and liabilities of the Group as at March 31, 2016 and 2015, presented in the consolidated financial statements and separate financial statements approximate to their fair values except for the fair value of long-term debt instruments cannot be calculated, accordingly, no disclosure is made.



## BANGKOK LAND PUBLIC COMPANY LIMITED AND SUBSIDIARY

### NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2018

---

#### 29. Pending lawsuits

As at March 31, 2018, the Company has pending lawsuits as summarized below:

- a) A number of the Group's customers have filed civil lawsuits demanding that the Company to return deposits and installments funds, in the aggregate amount of approximately Baht 118 million alleging that the Company had breached the purchase and sales agreements (March 31, 2016 : Baht 118 million). As at December 31, 2016, Baht 3 million is recorded in the financial statements (March 31, 2016: Baht 3 million).
- b) On January 16, 2015, the Company was sue that the Company had breached the reciprocal agreement. The plaintiffs claimed that the Company sold certain piece of land without the approval and consent of the plaintiffs who were the sole agent. Then, the plaintiffs sued the Company to transfer the land to the plaintiffs. If not, the Company has to pay compensation to the plaintiffs. The Company had submitted a statement to the Court on May 15, 2015. The Court has judged to dismiss the case on August 25, 2016. The plaintiff has appialed to the Court on September 23, 2016, subsequently, the Company submitted documents to defend appeal on January 20, 2017.and The Court will be an appointment to acknowledge the judgment on July 27, 2017.
- c) On January 31, 2017, 7 holders of CHF debentures have jointly filed a petition for the divestiture of Bland Cayman Limited to the Grand Court of Cayman Island for claiming that Bland Cayman Co., Ltd. is insolvent and unable to pay principal and interest on the CHF debentures, and on May 3, 2017, the Cayman Islands Court Island has issued an order to dismiss the company's winding up petttition of the seven plaintiffs.
- d) On February 9, 2017, Deutsche Trustee Co., Ltd, a trustee of US \$ 150,000,000 exchangeable bond with a coupon rate of 4.5% per annum, due in 2003 ("exchangeable bonds"), has filed on behalf of itself and on behalf of the exchangeable bond holders to Bangkok Land (Cayman Islands) Company Limited as the issuer of exchangeable bonds and Bangkok Land Public Company Limited as a guarantor of the exchangeable bonds to the Commercial Court in London, England, in order to the Group to pay the debts and other related debts amounting to US \$ 34,208,463.12 and interest as calculated by daily of US \$ 2,328.22 per day.

Bangkok Land (Cayman Islands) Company Limited and Bangkok Land Public Company Limited have filed their defense and counterclaim on March 30, 2017, that require to force the plaintiff to return all the dividends that the trustee paid to the interest arrears and fees and expenses of the trustees. The amount of debt plaintiff claims inflated and also to force the plaintiff to deliver a total of 212,096,990 shares pledged approximately the return of Bangkok Land (Cayman Islands) Company Limited.

However, such case is between the plaintiffs have prepared and filed the defendant's counterclaim.

## BANGKOK LAND PUBLIC COMPANY LIMITED AND SUBSIDIARY

### NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2018

---

The Group's lawyers have the opinion that although the plaintiff win the case abroad. The plaintiff must file a lawsuit against Bangkok Land as a guarantor in Thailand as a new case, by the plaintiff cannot use the judgment of the court abroad in force in Thailand. According to the laws of the Kingdom of Thailand, the lawsuit will be terminated by the judgment of the Central Intellectual Property and International Trade Court and the Supreme Court of Thailand.

#### 30. Commitments and contingent liabilities

- a) As at March 31, 2018, the Company's and its subsidiaries had capital commitments to the principal building contractor for the construction of real estate and rental and service agreements amounting to approximately Baht 930 million (Separate : Baht 14 million).
- b) As at March 31, 2018, the Company's and its subsidiaries had contingent liabilities in respect of bank guarantees issued by the banks on behalf of the Company and its subsidiaries in the normal course of business amounting to approximately Baht 100 million (Separate : Baht 43 million).
- c) As at March 31, 2018 and 2017, the subsidiary has a commitment in respect of payments in accordance with the service agreement as follows:

|                             | (Unit : Million Bath) |      |
|-----------------------------|-----------------------|------|
|                             | 2018                  | 2017 |
| Payable:                    |                       |      |
| In up to 1 year             | 41                    | 58   |
| In over 1 and up to 5 years | 33                    | 20   |

**BANGKOK LAND PUBLIC COMPANY LIMITED AND SUBSIDIARY****NOTES TO FINANCIAL STATEMENTS****MARCH 31, 2018**

---

- d) The Company has a commitment in respect of payment in accordance with the agreement with BTS Group Holdings Public Company Limited (“BTS”) to support the Pink Line Extension to Muang Thong Thani, Chaengwattana Rd. In this regards, the Company shall be responsible not over Baht 1.25 billion, to cooperation on the construction cost of rail system of the Extension of the Pink Line and the 2 train stations at the Company’s land near IMPACT Challenger and Muang Thong Thani’s Lake, along with Baht 10 million per year for the operation and maintenance of the Extension throughout 30 years.

**31. Subsequent events**

At the Board of Directors Meeting 3/2018 of the REIT Manager held on 24 May 2018, the Board of Directors approved the appropriation of distribution of Baht 0.18 per unit, totaling amounting to Baht 266.80 million which are from the operation of the period start from 1 January 2018 to 31 March 2018. Such distribution will be paid to its unitholders in June 2018.

**32. Reclassification**

Certain transactions in the financial statements for period 2016 have been reclassified in accordance with the Notification of the Department of Business Development date October 11, 2016 regarding “The Brief Particulars in the Financial Statements B.E. 2559”.

**33. Approval of financial statements**

These financial statements have been approved by the Company's Board of Directors on May 30, 2018.