

Bangkok Airways Public Company Limited  
and its subsidiaries  
Report and consolidated financial statements  
31 December 2013

## **Independent Auditor's Report**

To the Shareholders of Bangkok Airways Public Company Limited

I have audited the accompanying consolidated financial statements of Bangkok Airways Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2013, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Bangkok Airways Public Company Limited for the same period.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

### **Opinion**

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

### **Emphasis of matter**

I draw attention to Note 4 to the financial statements regarding the change in accounting policy due to the adoption of Thai Accounting Standard 12 *Income Taxes*, the early adoption of Thai Accounting Standard Interpretation 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease* and Note 5 to the financial statements relating to property taxes and operating leases. The Company has therefore restated the consolidated and separate financial statements for the years ended 31 December 2012 and 2011, presented herein as comparative information, to reflect the adjustments resulting from the changes in accounting policy, property tax and operating leases. The Company has also presented consolidated and separate statements of financial position as at 1 January 2011 as comparative information. My opinion is not qualified in respect of this matter.

Rungnapa Lertsuwankul

Certified Public Accountant (Thailand) No. 3516

EY Office Limited

(Formerly known as "Ernst & Young Office Limited")

Bangkok: 28 March 2014

**Bangkok Airways Public Company Limited and its subsidiaries**  
(Formerly known as "Bangkok Airways Company Limited")

**Statement of financial position**

As at 31 December 2013

(Unit: Baht)

	Consolidated financial statements				Separate financial statements				
	As at	As at	As at	As at	As at	As at	As at		
	31 December	31 December	31 December	1 January	31 December	31 December	31 December		
Note	2013	2012	2011	2011	2013	2012	2011		
		(Restated)	(Restated)			(Restated)	(Restated)		
<b>Assets</b>									
<b>Current assets</b>									
Cash and cash equivalents	9	2,552,859,149	3,665,652,257	1,359,046,249	711,735,178	2,234,505,879	3,533,451,609	1,176,557,049	498,798,773
Current investments	10	511,039,500	59,727,500	26,315,403	-	881,250,000	-	-	-
Trade and other receivables	8, 11	1,679,158,574	2,991,925,425	1,255,503,921	1,156,455,894	1,258,289,968	2,652,033,923	889,190,970	883,796,669
Prepaid expenses		334,249,252	256,850,733	274,150,622	272,972,198	321,114,686	246,345,461	262,873,733	271,712,745
Short-term loans to related parties	8	-	289,024,854	557,550,307	1,026,050,666	-	289,024,854	557,550,308	1,026,050,666
Inventories	12	228,417,873	230,640,768	187,017,465	137,254,622	152,262,876	162,600,249	125,902,825	111,952,723
Other current assets		408,820,481	350,036,036	295,298,398	262,060,000	336,109,680	244,075,413	185,434,938	131,784,560
<b>Total current assets</b>		<b>5,714,544,829</b>	<b>7,843,857,573</b>	<b>3,954,882,365</b>	<b>3,566,528,558</b>	<b>5,183,533,089</b>	<b>7,127,531,509</b>	<b>3,197,509,823</b>	<b>2,924,096,136</b>
<b>Non-current assets</b>									
Restricted bank deposits	13	189,095,323	170,097,063	19,842,378	-	168,132,779	149,763,586	-	-
Investments in associates	15	1,925,730,032	1,957,381,542	1,953,799,401	1,919,474,959	2,405,570,907	2,405,570,907	2,405,570,907	2,402,570,907
Investments in subsidiaries	14	-	-	-	-	2,184,233,179	1,460,749,252	1,992,857,043	2,002,856,973
Other long-term investments	17	14,321,922,508	13,836,404,669	9,918,659,481	5,298,043,209	11,913,172,508	11,906,904,669	8,537,409,481	4,507,543,209
Long-term loans to related parties	8	56,223,301	200,008,278	212,123,029	247,141,519	98,988,953	247,531,400	368,252,253	414,156,886
Investment properties	16	312,316,484	317,707,932	1,010,350,497	649,554,141	312,316,484	317,707,932	1,108,749,978	753,345,070
Property, plant and equipment	18	6,338,846,792	6,379,411,793	7,148,146,814	6,999,845,903	5,669,441,707	5,725,965,420	5,827,888,076	5,624,073,405
Intangible assets	19	717,085,657	699,584,649	696,854,124	743,565,798	128,294,363	64,563,666	14,152,294	12,401,856
Leasehold rights		58,651,375	60,963,478	63,275,209	474,209,043	58,651,375	60,963,478	63,275,209	474,209,043
Deferred tax assets	4.2, 32.1	23,512,760	52,408,139	104,521,816	227,310,984	-	-	-	-
Other non-current assets	8, 20	735,120,939	490,299,315	2,368,409,960	2,864,414,943	672,739,140	485,034,859	2,361,544,375	2,857,849,328
<b>Total non-current assets</b>		<b>24,678,505,171</b>	<b>24,164,266,858</b>	<b>23,495,982,709</b>	<b>19,423,560,499</b>	<b>23,611,541,395</b>	<b>22,824,755,169</b>	<b>22,679,699,616</b>	<b>19,049,006,677</b>
<b>Total assets</b>		<b>30,393,050,000</b>	<b>32,008,124,431</b>	<b>27,450,865,074</b>	<b>22,990,089,057</b>	<b>28,795,074,484</b>	<b>29,952,286,678</b>	<b>25,877,209,439</b>	<b>21,973,102,813</b>

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

**Bangkok Airways Public Company Limited and its subsidiaries**  
**(Formerly known as "Bangkok Airways Company Limited")**  
**Statement of financial position (continued)**  
**As at 31 December 2013**

(Unit: Baht)

	Consolidated financial statements				Separate financial statements				
	As at	As at	As at	As at	As at	As at	As at		
	31 December	31 December	31 December	1 January	31 December	31 December	31 December		
Note	2013	2012	2011	2011	2013	2012	2011		
		(Restated)	(Restated)			(Restated)	(Restated)		
<b>Liabilities and shareholders' equity</b>									
<b>Current liabilities</b>									
Bank overdrafts and short-term loans from banks	21	671,364,998	1,670,000,000	1,198,565,454	1,331,009,861	650,000,000	1,670,000,000	1,140,000,000	1,260,000,000
Trade and other payables	8, 22	2,356,994,015	1,829,019,116	1,752,316,935	1,554,439,711	2,217,095,999	1,708,622,759	1,590,677,739	1,477,185,810
Current portion of long-term loans	23	986,138,448	896,174,224	788,866,541	429,945,050	628,838,448	595,824,224	534,871,126	279,545,050
Income tax payable		34,512,345	126,672,985	6,838,711	2,792,401	-	105,907,253	-	-
Current portion of liabilities arising from finance lease of aircrafts	24	423,827,275	340,418,713	238,841,643	212,027,965	423,827,275	340,418,713	238,841,643	212,027,965
Current portion of finance lease liabilities	25	26,541,358	25,162,150	15,579,246	40,639,172	22,693,782	21,845,133	12,289,920	35,955,562
Short-term loans from related parties	8	-	-	-	-	-	27,756,370	9,887,567	14,976,448
Current portion of loans from related party		-	-	-	970,682	-	-	-	-
Unearned income		2,035,941,218	1,740,737,555	1,427,086,207	1,115,960,444	2,032,627,081	1,737,234,958	1,427,040,936	1,115,960,444
Other current liabilities	8, 10	1,058,759,545	869,119,465	920,768,819	769,281,419	1,152,376,699	640,584,273	673,552,824	447,084,631
<b>Total current liabilities</b>		<b>7,594,079,202</b>	<b>7,497,304,208</b>	<b>6,348,863,556</b>	<b>5,457,066,705</b>	<b>7,127,459,284</b>	<b>6,848,193,683</b>	<b>5,627,161,755</b>	<b>4,842,735,910</b>
<b>Non-current liabilities</b>									
Long-term loans - net of current portion	23	1,121,004,274	2,248,667,520	3,306,474,371	3,295,727,371	951,404,274	1,721,767,520	2,284,177,222	2,021,734,807
Liabilities arising from finance lease of aircrafts - net of current portion	24	408,658,422	782,068,090	1,151,541,124	1,323,314,157	408,658,422	782,068,090	1,151,541,124	1,323,314,157
Finance lease liabilities - net of current portion	25	33,253,210	38,918,530	22,254,049	10,363,327	28,698,998	33,773,463	16,907,322	7,278,861
Long-term loans from related party - net of current portion	26	11,207,489,404	11,097,391,370	10,910,635,606	10,600,746,546	11,207,489,404	11,097,391,370	10,910,635,606	10,600,746,546
Provision for long-term employee benefits	27	286,485,158	160,918,694	115,340,247	88,385,505	236,693,619	121,243,014	82,603,594	64,969,000
Deferred tax liabilities	4.2, 32.1	2,486,066,070	2,404,509,327	1,540,751,392	1,011,821,877	2,200,466,070	2,132,509,326	1,378,401,391	945,521,877
Other non-current liabilities		64,302,532	58,841,575	65,533,312	41,618,012	5,000,000	5,211,203	5,000,000	5,000,000
<b>Total non-current liabilities</b>		<b>15,607,259,070</b>	<b>16,791,315,106</b>	<b>17,112,530,101</b>	<b>16,371,976,795</b>	<b>15,038,410,787</b>	<b>15,893,963,986</b>	<b>15,829,266,259</b>	<b>14,968,565,248</b>
<b>Total liabilities</b>		<b>23,201,338,272</b>	<b>24,288,619,314</b>	<b>23,461,393,657</b>	<b>21,829,043,500</b>	<b>22,165,870,071</b>	<b>22,742,157,669</b>	<b>21,456,428,014</b>	<b>19,811,301,158</b>

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

**Bangkok Airways Public Company Limited and its subsidiaries**  
**(Formerly known as "Bangkok Airways Company Limited")**  
**Statement of financial position (continued)**  
**As at 31 December 2013**

(Unit: Baht)

	Consolidated financial statements				Separate financial statements			
	As at	As at	As at	As at	As at	As at	As at	
	31 December	31 December	31 December	1 January	31 December	31 December	31 December	
Note	2013	2012	2011	2011	2013	2012	2011	
		(Restated)	(Restated)			(Restated)	(Restated)	
<b>Shareholders' equity</b>								
Share capital	28							
Registered								
2,100,000,000 ordinary shares of Baht 1 each								
(31 December 2012: 125,000,000 ordinary shares of Baht 10 each, 31 December 2011: 120,000,000 ordinary shares of Baht 10 each and 1 January 2011: 120,000,000 ordinary shares of Baht 10 each)								
		2,100,000,000	1,250,000,000	1,200,000,000	1,200,000,000	2,100,000,000	1,250,000,000	1,200,000,000
Issued and fully paid up								
1,580,000,000 ordinary shares of Baht 1 each								
(31 December 2012: 120,000,000 ordinary shares of Baht 10 each and 5,000,000 ordinary shares of Baht 2.50 each, 31 December 2011: 120,000,000 ordinary shares of Baht 10 each and 1 January 2011: 120,000,000 ordinary shares of Baht 10 each)								
		1,580,000,000	1,212,500,000	1,200,000,000	1,200,000,000	1,580,000,000	1,212,500,000	1,200,000,000
Premium on ordinary shares		270,000,000	-	-	-	270,000,000	-	-
Capital reserve for share-based payment transactions	29	207,300,000	-	-	-	207,300,000	-	-
Retained earnings								
Appropriated - statutory reserve	30	210,000,000	121,250,000	120,000,000	120,000,000	210,000,000	121,250,000	120,000,000
Unappropriated		(4,148,031,875)	(2,565,342,809)	(3,679,542,483)	(3,061,232,323)	(3,344,134,226)	(1,791,042,844)	(2,469,715,732)
Other components of shareholders' equity		8,960,952,858	8,753,392,150	6,216,922,150	2,779,135,050	7,706,038,639	7,667,421,853	5,570,497,157
Equity attributable to owners of the Company		7,080,220,983	7,521,799,341	3,857,379,667	1,037,902,727	6,629,204,413	7,210,129,009	4,420,781,425
Non-controlling interests of the subsidiaries		111,490,745	197,705,776	132,091,750	123,142,830	-	-	-
<b>Total shareholders' equity</b>		<b>7,191,711,728</b>	<b>7,719,505,117</b>	<b>3,989,471,417</b>	<b>1,161,045,557</b>	<b>6,629,204,413</b>	<b>7,210,129,009</b>	<b>4,420,781,425</b>
<b>Total liabilities and shareholders' equity</b>		<b>30,393,050,000</b>	<b>32,008,124,431</b>	<b>27,450,865,074</b>	<b>22,990,089,057</b>	<b>28,795,074,484</b>	<b>29,952,286,678</b>	<b>25,877,209,439</b>
		-	-	-	-	-	-	-

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

Directors

**Bangkok Airways Public Company Limited and its subsidiaries**  
**(Formerly known as "Bangkok Airways Company Limited")**  
**Statement of comprehensive income**  
**For the year ended 31 December 2013**

(Unit: Baht)

Note	Consolidated financial statements			Separate financial statements			
	2013	2012 (Restated)	2011 (Restated)	2013	2012 (Restated)	2011 (Restated)	
<b>Profit or loss:</b>							
<b>Revenues</b>							
Passenger	8	16,484,297,076	14,598,603,417	11,408,960,424	16,484,432,886	14,601,031,604	11,410,095,949
Sales and service income	8	2,656,106,362	2,361,500,477	2,130,931,527	-	-	-
Freight	8	250,428,539	265,253,991	190,161,737	250,428,539	265,274,157	190,162,931
Passenger service charge		485,531,646	446,969,971	368,792,262	485,531,646	446,969,971	368,792,262
Dividend income	8	219,645,865	135,330,146	91,551,335	728,606,221	470,932,604	303,165,215
Gain on sales of investments		41,562,336	818,882,851	325,311,108	36,590,986	812,769,049	320,652,508
Gain on transfer of investments in securities	10	-	-	-	341,250,000	-	-
Gain on sales of investments in subsidiaries	14	3,027,565	226,794,123	-	-	-	-
Reversal of allowance for diminution in value of investments in subsidiary	14	-	-	-	9,478,368	27,999,860	-
Other income	8	580,794,926	666,519,639	1,007,328,035	704,544,728	781,654,833	1,121,087,209
<b>Total revenues</b>		<b>20,721,394,315</b>	<b>19,519,854,615</b>	<b>15,523,036,428</b>	<b>19,040,863,374</b>	<b>17,406,632,078</b>	<b>13,713,956,074</b>
<b>Expenses</b>							
Cost of sales and services	8	15,034,053,800	13,164,502,009	10,796,172,249	13,515,020,802	11,735,325,651	9,437,902,300
Selling expenses	8	1,425,214,354	1,089,510,388	957,907,871	1,409,376,381	1,072,939,038	940,530,894
Administrative expenses	8	1,689,951,753	1,431,911,048	1,160,242,737	1,282,492,696	1,032,914,469	771,701,342
Loss on sales of investments in subsidiaries		-	-	-	2,493,696	55,969,942	-
Loss on sales from leasehold rights		-	-	369,272,360	-	-	369,272,360
Other expenses		70,598,252	34,358,089	61,396,871	54,009,347	38,392,690	65,321,422
<b>Total expenses</b>		<b>18,219,818,159</b>	<b>15,720,281,534</b>	<b>13,344,992,088</b>	<b>16,263,392,922</b>	<b>13,935,541,790</b>	<b>11,584,728,318</b>
<b>Profit before share of income from investments in associates, finance cost and income tax expenses</b>							
		2,501,576,156	3,799,573,081	2,178,044,340	2,777,470,452	3,471,090,288	2,129,227,756
Share of income from investments in associates	15.2	393,960,927	358,969,598	256,949,442	-	-	-
<b>Profit before finance cost and income tax expenses</b>		<b>2,895,537,083</b>	<b>4,158,542,679</b>	<b>2,434,993,782</b>	<b>2,777,470,452</b>	<b>3,471,090,288</b>	<b>2,129,227,756</b>
Finance cost		(1,765,611,818)	(1,867,756,823)	(1,846,268,009)	(1,709,494,108)	(1,783,307,135)	(1,746,230,138)
<b>Profit before income tax expenses</b>		<b>1,129,925,265</b>	<b>2,290,785,856</b>	<b>588,725,773</b>	<b>1,067,976,344</b>	<b>1,687,783,153</b>	<b>382,997,618</b>
Income tax expenses	32.2	(139,906,210)	(458,398,325)	(298,096,279)	(108,163,726)	(353,110,265)	(166,533,159)
<b>Profit for the year</b>		<b>990,019,055</b>	<b>1,832,387,531</b>	<b>290,629,494</b>	<b>959,812,618</b>	<b>1,334,672,888</b>	<b>216,464,459</b>
<b>Other comprehensive income:</b>							
Exchange differences on translation of financial statements in foreign currency		(227,143)	(149,918)	581,054	-	-	-
Gain on changes in value of available-for-sale investments		450,520,983	3,169,405,871	3,799,611,665	48,270,983	2,621,155,870	3,208,861,666
Income tax effect	4.2, 32.3	(90,104,197)	(633,881,176)	(362,396,353)	(9,654,197)	(524,231,174)	(266,346,355)
<b>Other comprehensive income for the year</b>		<b>360,189,643</b>	<b>2,535,374,777</b>	<b>3,437,796,366</b>	<b>38,616,786</b>	<b>2,096,924,696</b>	<b>2,942,515,311</b>
<b>Total comprehensive income for the year</b>		<b>1,350,208,698</b>	<b>4,367,762,308</b>	<b>3,728,425,860</b>	<b>998,429,404</b>	<b>3,431,597,584</b>	<b>3,158,979,770</b>

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

**Bangkok Airways Public Company Limited and its subsidiaries**  
**(Formerly known as "Bangkok Airways Company Limited")**  
**Statement of comprehensive income (continued)**  
**For the year ended 31 December 2013**

(Unit: Baht)

Note	Consolidated financial statements			Separate financial statements		
	2013	2012 (Restated)	2011 (Restated)	2013	2012 (Restated)	2011 (Restated)
<b>Profit attributable to:</b>						
Equity holders of the Company	932,461,551	1,771,289,838	281,689,840	959,812,618	1,334,672,888	216,464,459
Non-controlling interests of the subsidiaries	57,557,504	61,097,693	8,939,654			
	<u>990,019,055</u>	<u>1,832,387,531</u>	<u>290,629,494</u>			
<b>Total comprehensive income attributable to:</b>						
Equity holders of the Company	1,292,660,222	4,306,669,674	3,719,476,940	998,429,404	3,431,597,584	3,158,979,770
Non-controlling interests of the subsidiaries	57,548,476	61,092,634	8,948,920			
	<u>1,350,208,698</u>	<u>4,367,762,308</u>	<u>3,728,425,860</u>			
<b>Earnings per share</b>						
34						
Basic earnings per share						
Profit attributable to equity holders of the Company	0.62	1.46	0.23	0.64	1.10	0.18
Weighted average number of ordinary shares of Baht 1 each	<u>1,511,194,043</u>	<u>1,209,520,000</u>	<u>1,200,000,000</u>	<u>1,511,194,043</u>	<u>1,209,520,000</u>	<u>1,200,000,000</u>

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



Bangkok Airways Public Company Limited and its subsidiaries  
(Formerly known as "Bangkok Airways Company Limited")  
Statement of changes in shareholders' equity  
For the year ended 31 December 2013

(Unit: Baht)

Consolidated financial statements														
Equity attributable to owners of the Company														
	Note	Other components of equity												
		Issued and paid-up share capital	Premium on ordinary shares	Capital reserve for share-based payment transactions	Retained earnings		Exchange differences on translation of financial statements in foreign currency		Surplus on changes in value of available-for-sale investments	Discount on changes in shareholding in subsidiaries	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
					Appropriated	Unappropriated	foreign currency							
<b>Balance as at 31 December 2010 - as previously reported</b>		1,200,000,000	-	-	120,000,000	(1,325,685,994)	(3,546,634)	3,975,259,548	-	3,971,712,914	3,966,026,920	82,313,743	4,048,340,663	
Cumulative effect of changes in accounting policy for long-term loans	4.1	-	-	-	-	(1,954,354,809)	-	-	-	-	(1,954,354,809)	-	(1,954,354,809)	
Cumulative effect of changes in recording	5	-	-	-	-	(148,851,933)	-	-	-	-	(148,851,933)	(6,074,930)	(154,926,863)	
Cumulative effect of changes in accounting policy for income taxes	4.2	-	-	-	-	367,660,413	-	(1,192,577,864)	-	(1,192,577,864)	(824,917,451)	46,904,017	(778,013,434)	
<b>Balance as at 31 December 2010 - as restated</b>		1,200,000,000	-	-	120,000,000	(3,061,232,323)	(3,546,634)	2,782,681,684	-	2,779,135,050	1,037,902,727	123,142,830	1,161,045,557	
Dividend paid	37	-	-	-	-	(900,000,000)	-	-	-	-	(900,000,000)	-	(900,000,000)	
Total comprehensive income for the year (restated)		-	-	-	-	281,689,840	572,310	3,437,214,790	-	3,437,787,100	3,719,476,940	8,948,920	3,728,425,860	
<b>Balance as at 31 December 2011 - as restated</b>		1,200,000,000	-	-	120,000,000	(3,679,542,483)	(2,974,324)	6,219,896,474	-	6,216,922,150	3,857,379,667	132,091,750	3,989,471,417	
<b>Balance as at 31 December 2011 - as previously reported</b>		1,200,000,000	-	-	120,000,000	(1,136,417,578)	(2,974,324)	7,774,870,593	-	7,771,896,269	7,955,478,691	126,053,015	8,081,531,706	
Cumulative effect of changes in accounting policy for long-term loans	4.1	-	-	-	-	(2,442,960,377)	-	-	-	-	(2,442,960,377)	-	(2,442,960,377)	
Cumulative effect of changes in recording	5	-	-	-	-	(208,704,689)	-	-	-	-	(208,704,689)	(9,372,060)	(218,076,749)	
Cumulative effect of changes in accounting policy for income taxes	4.2	-	-	-	-	108,540,161	-	(1,554,974,119)	-	(1,554,974,119)	(1,446,433,958)	15,410,795	(1,431,023,163)	
<b>Balance as at 31 December 2011 - as restated</b>		1,200,000,000	-	-	120,000,000	(3,679,542,483)	(2,974,324)	6,219,896,474	-	6,216,922,150	3,857,379,667	132,091,750	3,989,471,417	
Increase share capital	28	12,500,000	-	-	-	-	-	-	-	-	12,500,000	-	12,500,000	
Dividend paid	37	-	-	-	-	(654,750,000)	-	-	-	-	(654,750,000)	-	(654,750,000)	
Decrease from sales of investments in subsidiaries	14	-	-	-	-	(1,090,164)	1,090,164	-	-	1,090,164	-	(7,803,643)	(7,803,643)	
Total comprehensive income for the year (restated)		-	-	-	-	1,771,289,838	(144,399)	2,535,524,235	-	2,535,379,836	4,306,669,674	61,092,634	4,367,762,308	
Transferred to statutory reserve	30	-	-	-	1,250,000	(1,250,000)	-	-	-	-	-	-	-	
Settle Subsidiary during the year		-	-	-	-	-	-	-	-	-	-	12,325,035	12,325,035	
<b>Balance as at 31 December 2012 - as restated</b>		1,212,500,000	-	-	121,250,000	(2,565,342,809)	(2,028,559)	8,755,420,709	-	8,753,392,150	7,521,799,341	197,705,776	7,719,505,117	

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

Bangkok Airways Public Company Limited and its subsidiaries  
(Formerly known as "Bangkok Airways Company Limited")  
Statement of changes in shareholders' equity (continued)  
For the year ended 31 December 2013

(Unit: Baht)

Consolidated financial statements

Equity attributable to owners of the Company

Note	Equity attributable to owners of the Company						Other components of equity						
	Issued and paid-up share capital	Premium on ordinary shares	Capital reserve for share-based payment transactions	Retained earnings		Exchange differences on translation of financial statements in foreign currency	Other comprehensive income		Discount on changes in shareholding in subsidiaries	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
				Appropriated	Unappropriated		Surplus in value of available-for-sale investments	Total other components of shareholders' equity					
<b>Balance as at 31 December 2012 - as previously reported</b>	1,212,500,000	-	-	121,250,000	670,712,565	(2,028,559)	10,944,275,887	-	10,942,247,328	12,946,709,893	200,055,388	13,146,765,281	
Cumulative effect of changes in accounting policy for long-term loans	4.1	-	-	-	(2,816,770,122)	-	-	-	-	(2,816,770,122)	-	(2,816,770,122)	
Cumulative effect of changes in recording	5	-	-	-	(253,219,389)	-	-	-	-	(253,219,389)	(10,319,694)	(263,539,083)	
Cumulative effect of changes in accounting policy for income taxes	4.2	-	-	-	(166,065,863)	-	(2,188,855,178)	-	(2,188,855,178)	(2,354,921,041)	7,970,082	(2,346,950,959)	
<b>Balance as at 31 December 2012 - as restated</b>		1,212,500,000	-	-	121,250,000	(2,565,342,809)	(2,028,559)	8,755,420,709	-	8,753,392,150	7,521,799,341	197,705,776	7,719,505,117
Increase share capital	28	367,500,000	270,000,000	-	-	-	-	-	-	637,500,000	-	637,500,000	
Share-based payment transactions	29	-	-	207,300,000	-	-	-	-	-	207,300,000	-	207,300,000	
Dividend paid	37	-	-	-	(2,424,154,000)	-	-	-	-	(2,424,154,000)	-	(2,424,154,000)	
Decrease from sales of investments in subsidiaries	14	-	-	-	-	(2,246,617)	2,246,617	-	2,246,617	-	(164,079)	(164,079)	
Total comprehensive income for the year		-	-	-	-	932,461,551	(218,058)	360,416,729	-	360,198,671	1,292,660,222	57,548,476	1,350,208,698
Transferred to statutory reserve	30	-	-	-	88,750,000	(88,750,000)	-	-	-	-	-	-	
Discount on changes in shareholding in subsidiaries		-	-	-	-	-	-	(154,884,580)	(154,884,580)	(154,884,580)	-	(154,884,580)	
Dividend paid for non-controlling interest of the subsidiaries		-	-	-	-	-	-	-	-	-	(5,000,081)	(5,000,081)	
Decrease in non-controlling interest in subsidiaries		-	-	-	-	-	-	-	-	-	(138,599,347)	(138,599,347)	
<b>Balance as at 31 December 2013</b>		1,580,000,000	270,000,000	207,300,000	210,000,000	(4,148,031,875)	-	9,115,837,438	(154,884,580)	8,960,952,858	7,080,220,983	111,490,745	7,191,711,728

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

**Bangkok Airways Public Company Limited and its subsidiaries**  
**(Formerly known as "Bangkok Airways Company Limited")**  
**Statement of changes in shareholders' equity (continued)**  
**For the year ended 31 December 2013**

(Unit: Baht)

<b>Separate financial statements</b>									
	Note	Issued and paid-up share capital	Premium on ordinary shares	Capital reserve for share-based payment transactions	Retained earnings		Other components of equity		
					Appropriated	Unappropriated	Other comprehensive income	Total	
							Surplus on changes in value of available-for-sale investments	Total other components of shareholders' equity	Total shareholders' equity
<b>Balance as at 31 December 2010 - as previously reported</b>		1,200,000,000	-	-	120,000,000	99,179,543	3,754,259,780	3,754,259,780	5,173,439,323
Cumulative effect of changes in accounting policy for long-term loans	4.1	-	-	-	-	(1,954,354,809)	-	-	(1,954,354,809)
Cumulative effect of changes in recording	5	-	-	-	-	(111,760,982)	-	-	(111,760,982)
Cumulative effect of changes in accounting policy for income taxes	4.2	-	-	-	-	180,756,057	(1,126,277,934)	(1,126,277,934)	(945,521,877)
<b>Balance as at 31 December 2010 - as restated</b>		1,200,000,000	-	-	120,000,000	(1,786,180,191)	2,627,981,846	2,627,981,846	2,161,801,655
Dividend paid	37	-	-	-	-	(900,000,000)	-	-	(900,000,000)
Total comprehensive income for the year (restated)		-	-	-	-	216,464,459	2,942,515,311	2,942,515,311	3,158,979,770
<b>Balance as at 31 December 2011 - as restated</b>		1,200,000,000	-	-	120,000,000	(2,469,715,732)	5,570,497,157	5,570,497,157	4,420,781,425
<b>Balance as at 31 December 2011 - as previously reported</b>		1,200,000,000	-	-	120,000,000	107,482,729	6,963,121,446	6,963,121,446	8,390,604,175
Cumulative effect of changes in accounting policy for long-term loans	4.1	-	-	-	-	(2,442,960,377)	-	-	(2,442,960,377)
Cumulative effect of changes in recording	5	-	-	-	-	(148,460,982)	-	-	(148,460,982)
Cumulative effect of changes in accounting policy for income taxes	4.2	-	-	-	-	14,222,898	(1,392,624,289)	(1,392,624,289)	(1,378,401,391)
<b>Balance as at 31 December 2011 - as restated</b>		1,200,000,000	-	-	120,000,000	(2,469,715,732)	5,570,497,157	5,570,497,157	4,420,781,425
Increase share capital	28	12,500,000	-	-	-	-	-	-	12,500,000
Dividend paid	37	-	-	-	-	(654,750,000)	-	-	(654,750,000)
Total comprehensive income for the year (restated)		-	-	-	-	1,334,672,888	2,096,924,696	2,096,924,696	3,431,597,584
Transferred to statutory reserve	30	-	-	-	1,250,000	(1,250,000)	-	-	-
<b>Balance as at 31 December 2012 - as restated</b>		1,212,500,000	-	-	121,250,000	(1,791,042,844)	7,667,421,853	7,667,421,853	7,210,129,009

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

**Bangkok Airways Public Company Limited and its subsidiaries**  
**(Formerly known as "Bangkok Airways Company Limited")**  
**Statement of changes in shareholders' equity (continued)**  
**For the year ended 31 December 2013**

(Unit: Baht)

<b>Separate financial statements</b>													
						Other components of equity							
						Other							
						comprehensive income							
						Surplus							
						on changes		Total other					
						in value of	components of	Total					
						available-for-sale	shareholders'	shareholders'					
						investments	equity	equity					
						Retained earnings							
						Appropriated	Unappropriated						
						Capital reserve	for share-based	payment transactions					
						Issued and	Premium on	Capital reserve					
						paid-up	ordinary shares	for share-based					
						share capital	ordinary shares	payment transactions					
						Note	share capital	ordinary shares					
						share capital	ordinary shares	payment transactions					
<b>Balance as at 31 December 2012 - as previously reported</b>						1,212,500,000	-	-	121,250,000	1,428,592,123	9,584,277,316	9,584,277,316	12,346,619,439
Cumulative effect of changes in accounting policy													
for long-term loans	4.1					-	-	-	-	(2,816,770,122)	-	-	(2,816,770,122)
Cumulative effect of changes in recording	5					-	-	-	-	(187,210,982)	-	-	(187,210,982)
Cumulative effect of changes in accounting policy													
for income taxes	4.2					-	-	-	-	(215,653,863)	(1,916,855,463)	(1,916,855,463)	(2,132,509,326)
<b>Balance as at 31 December 2012 - as restated</b>						1,212,500,000	-	-	121,250,000	(1,791,042,844)	7,667,421,853	7,667,421,853	7,210,129,009
Increase share capital	28					367,500,000	270,000,000	-	-	-	-	-	637,500,000
Share-based payment transactions	29					-	-	207,300,000	-	-	-	-	207,300,000
Dividend paid	37					-	-	-	-	(2,424,154,000)	-	-	(2,424,154,000)
Total comprehensive income for the year						-	-	-	-	959,812,618	38,616,786	38,616,786	998,429,404
Transferred to statutory reserve	30					-	-	-	88,750,000	(88,750,000)	-	-	-
<b>Balance as at 31 December 2013</b>						<u>1,580,000,000</u>	<u>270,000,000</u>	<u>207,300,000</u>	<u>210,000,000</u>	<u>(3,344,134,226)</u>	<u>7,706,038,639</u>	<u>7,706,038,639</u>	<u>6,629,204,413</u>

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

**Bangkok Airways Public Company Limited and its subsidiaries**  
**(Formerly known as "Bangkok Airways Company Limited")**  
**Cash flow statement**  
**For the year ended 31 December 2013**

(Unit: Baht)

	Consolidated financial statements			Separate financial statements		
	2013	2012 (Restated)	2011 (Restated)	2013	2012 (Restated)	2011 (Restated)
<b>Cash flows from operating activities</b>						
Profit before tax	1,129,925,265	2,290,785,856	588,725,773	1,067,976,344	1,687,783,153	382,997,618
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:						
Depreciation and amortisation	572,891,620	592,603,638	623,917,945	406,028,058	408,011,424	421,477,639
Allowance for doubtful accounts	50,194,420	192,339,843	12,876,906	52,219,100	181,023,538	36,833,816
Provision for obsolete inventory	1,127,178	23,274,655	416,962	997,178	23,274,655	416,962
Gain on sales of property, plant and equipment	(2,395,508)	(212,738,873)	(807,052)	(5,597,521)	(218,436,463)	(2,399,172)
Loss on sales of investment properties	-	113,016,387	-	-	113,016,387	-
Gain on sales of long-term investments	(36,590,986)	(812,769,049)	(320,652,508)	(36,590,986)	(812,769,049)	(320,652,508)
Gain on sales of short-term investments	(4,971,350)	(6,113,802)	(4,658,600)	-	-	-
Loss from revaluation of short-term investments	19,178,000	4,010,000	4,879,414	7,000,000	-	-
Loss on sales of leasehold rights	-	-	369,272,360	-	-	369,272,360
Gain on transfer of investment in securities	-	-	-	(341,250,000)	-	-
Written-off fixed assets	72,183,950	-	-	72,183,950	-	-
Written-off intangible assets	-	-	96,813	-	-	-
Share of profit from investments in associates	(393,960,927)	(358,969,598)	(256,949,442)	-	-	-
Provision for long-term employee benefits	35,830,314	33,781,113	27,065,579	23,095,302	22,238,462	17,634,594
Loss on changes in provision for long-term employee benefits	110,926,321	16,400,958	-	112,819,912	16,400,958	-
(Gain) loss on sales of investments in subsidiaries	(3,027,565)	(226,794,123)	-	2,493,696	55,969,942	-
Impairment in investments in subsidiary (reversal)	-	-	-	(9,478,368)	(27,999,860)	9,999,930
Unrealised loss on exchange	126,495,946	47,343,244	158,482,297	126,163,178	47,473,232	157,788,612
Share-based payment transactions	207,300,000	-	-	207,300,000	-	-
Dividend income	(219,645,865)	(135,330,146)	(91,551,335)	(728,606,221)	(470,932,604)	(303,165,215)
Interest income	(24,734,651)	(69,254,739)	(63,541,926)	(17,712,489)	(69,569,359)	(66,456,754)
Interest expenses	1,765,611,818	1,867,756,823	1,846,268,009	1,709,494,108	1,783,307,135	1,746,230,138
Profit from operating activities before changes in operating assets and liabilities	3,406,337,980	3,359,342,187	2,893,841,195	2,648,535,241	2,738,791,551	2,449,978,020
Operating assets (increase) decrease						
Trade and other receivables	(32,454,070)	(748,272,611)	(80,150,695)	46,479,857	(601,190,110)	(10,394,332)
Loans to director	96,657,558	284,316,072	514,632,799	96,657,558	315,940,622	514,632,799
Loans to related parties	142,326,326	10,784,080	(34,378,710)	147,850,000	92,359,151	(41,876,696)
Inventories	1,095,717	(71,243,828)	(50,179,805)	9,340,195	(59,972,079)	(14,367,064)
Share deposits	-	1,898,500,000	-	-	1,898,500,000	-
Other current assets	(131,932,784)	(47,687,954)	44,026,737	(117,810,536)	(29,207,359)	41,768,504
Other assets	(112,251,723)	(42,444,753)	517,362,031	(102,759,861)	(33,714,704)	537,495,013
Operating liabilities increase (decrease)						
Trade and other payables	294,340,172	105,769,856	(59,129,017)	286,094,338	7,261,206	(131,904,454)
Other current liabilities	474,608,217	306,677,382	444,876,592	803,620,696	286,688,600	517,838,289
Liabilities under finance lease payable	(315,154,574)	(287,136,885)	(189,896,877)	(311,266,362)	(284,400,698)	(184,593,948)
Long-term employee benefits paid	(21,190,171)	(4,603,722)	(110,837)	(20,464,609)	-	-
Other non-current liabilities	5,460,957	3,274,213	19,620,755	(211,203)	211,203	-
Cash flows from operating activities	3,807,843,605	4,767,274,037	4,020,514,168	3,486,065,314	4,331,267,383	3,678,576,131
Cash paid for interest expenses	(1,641,017,135)	(1,669,292,143)	(1,525,181,282)	(1,593,297,468)	(1,582,223,725)	(1,432,228,483)
Cash paid for income tax expenses	(267,883,786)	(58,260,744)	(28,907,085)	(206,392,941)	(17,325,187)	(12,897,720)
<b>Net cash flows from operating activities</b>	<b>1,898,942,684</b>	<b>3,039,721,150</b>	<b>2,466,425,801</b>	<b>1,686,374,905</b>	<b>2,731,718,471</b>	<b>2,233,449,928</b>

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

**Bangkok Airways Public Company Limited and its subsidiaries**  
(Formerly known as "Bangkok Airways Company Limited")

**Cash flow statement (continued)**

For the year ended 31 December 2013

(Unit: Baht)

	Consolidated financial statements			Separate financial statements		
	2013	2012 (Restated)	2011 (Restated)	2013	2012 (Restated)	2011 (Restated)
<b>Cash flows from investing activities</b>						
(Increase) decrease in restricted bank deposits	(18,998,260)	(150,254,685)	19,842,378	(18,369,193)	(149,763,586)	-
Increase in current investments	(470,000,000)	-	-	(470,000,000)	-	-
Acquisition of investments in associates	-	-	(3,000,000)	-	-	(3,000,000)
Acquisition of short-term investments	(112,237,500)	(176,300,580)	(104,403,617)	-	-	-
Acquisition of long-term investments	(43,909,196)	(946,915,335)	(919,261,209)	(43,909,196)	(946,915,335)	(919,260,588)
Acquisition of property, plant and equipment	(528,950,186)	(437,095,811)	(686,772,898)	(404,290,971)	(273,463,378)	(593,291,561)
Acquisition of intangible assets	(123,065,074)	(6,906,027)	(3,720,051)	(122,562,168)	(6,734,590)	(3,608,347)
Acquisition of leasehold rights	-	-	(18,028,506)	-	-	(18,028,506)
Acquisition of investment properties	-	(1,384,163)	(362,105,491)	-	(1,384,163)	(362,105,491)
Interest income	217,159,338	26,181,854	58,979,989	210,622,402	50,345,112	80,278,946
Dividend income from investment in subsidiaries	-	-	-	114,999,919	-	-
Dividend income from investment in associates	425,612,437	355,387,458	225,625,000	425,612,437	355,387,458	225,625,000
Dividend income from long-term investments	219,645,865	135,330,146	91,551,335	187,993,865	115,545,146	77,540,215
Proceeds from sales of leasehold rights	-	-	44,131,887	-	-	44,131,887
Proceeds from sales of property, plant and equipment	248,641,160	16,923,113	4,444,852	248,541,160	16,514,396	4,438,693
Proceeds from sales of investment properties	672,820,122	-	-	672,820,122	-	-
Cash received from sales of short-term investments	116,718,850	144,992,285	77,867,400	-	-	-
Cash received from sales of long-term investments	45,503,326	1,011,345,067	418,908,490	45,503,326	1,011,345,067	418,908,490
Cash paid for investment in subsidiaries	(293,483,926)	-	-	(293,483,926)	-	-
Cash paid up for the shares of common stock of subsidiary	-	-	-	(430,000,000)	-	-
Cash received from sales of investment in subsidiaries	461,234,610	50,137,763	-	461,234,610	50,137,763	-
Increase in cash and cash equivalents from sales of subsidiaries	(57,116)	(43,561,050)	-	-	-	-
<b>Net cash flows from (used in) investing activities</b>	<b>816,634,450</b>	<b>(22,119,965)</b>	<b>(1,155,940,441)</b>	<b>584,712,387</b>	<b>221,013,890</b>	<b>(1,048,371,262)</b>
<b>Cash flows from financing activities</b>						
Increase (decrease) in bank overdrafts and short-term loans						
from financial institutions	(998,635,002)	492,115,880	(132,444,407)	(1,020,000,000)	530,000,000	(120,000,000)
Cash received from short-term loans	-	20,753,801	-	27,540,000	17,868,803	-
Repayment of short-term loans	-	-	-	(53,570,000)	-	(5,088,881)
Cash received from long-term loans	14,650,000	483,532,352	801,329,317	14,650,000	71,700,000	800,000,000
Repayment of long-term loans	(1,052,349,022)	(1,057,199,168)	(432,631,509)	(751,999,022)	(573,156,604)	(282,231,509)
Proceeds from increase in share capital	637,500,000	12,500,000	-	637,500,000	12,500,000	-
Dividend paid	(2,424,154,000)	(654,750,000)	(900,000,000)	(2,424,154,000)	(654,750,000)	(900,000,000)
Dividend paid for non-controlling interest of the subsidiaries	(5,000,081)	-	-	-	-	-
Decrease in non-controlling interest from sale of subsidiaries	(164,079)	(7,803,643)	-	-	-	-
<b>Net cash flows used in financing activities</b>	<b>(3,828,152,184)</b>	<b>(710,850,778)</b>	<b>(663,746,599)</b>	<b>(3,570,033,022)</b>	<b>(595,837,801)</b>	<b>(507,320,390)</b>
<b>Increase (decrease) in translation adjustments</b>	<b>(218,058)</b>	<b>(144,399)</b>	<b>572,310</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(1,112,793,108)</b>	<b>2,306,606,008</b>	<b>647,311,071</b>	<b>(1,298,945,730)</b>	<b>2,356,894,560</b>	<b>677,758,276</b>
Cash and cash equivalents at beginning of the year	3,665,652,257	1,359,046,249	711,735,178	3,533,451,609	1,176,557,049	498,798,773
<b>Cash and cash equivalents at end of the year (Note 9)</b>	<b>2,552,859,149</b>	<b>3,665,652,257</b>	<b>1,359,046,249</b>	<b>2,234,505,879</b>	<b>3,533,451,609</b>	<b>1,176,557,049</b>
	-	-	-	-	-	-
<b>Supplemental cash flows information:</b>						
Non-cash items						
Increase (decrease) in receivable from disposal of property, plants, and equipments	(226,373,174)	226,373,174	-	(226,373,174)	226,373,174	-
Increase (decrease) in receivable from disposal of investment properties	(672,820,122)	672,820,122	-	(672,820,122)	672,820,122	-
Increase (decrease) in payable from purchase of assets	(38,702,111)	57,647,986	10,074,088	(49,606,671)	48,925,759	4,279,903
Purchase vehicles under finance lease	20,867,357	45,926,088	31,768,318	17,039,440	42,926,088	25,597,412
Increase (decrease) in receivable from sales of investments in subsidiaries	(454,249,938)	454,249,938	-	(454,249,938)	454,249,938	-
Gain on changes in value of available-for-sale investments	360,416,729	2,535,524,235	3,437,214,790	38,616,786	2,096,924,696	2,942,515,311

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

**Bangkok Airways Public Company Limited and its subsidiaries**  
**(Formerly known as “Bangkok Airways Company Limited”)**  
**Notes to consolidated financial statements**  
**For the year ended 31 December 2013**

**1. General information**

Bangkok Airways Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand with three major shareholders hold more than 20 percent each. The Company is principally engaged in the provision of air transportation and airport services. Its registered address is located at 99 Mu 14, Vibhavadirangsit Road, Chom Phon, Chatuchak, Bangkok.

On 27 February 2013, the Company registered as a Public Company Limited with the Ministry of Commerce.

**2. Basis of preparation**

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

The Company present the statement of comprehensive income for the year ended 31 December 2011 for comparative purpose.

**2.2 Basis of consolidation**

a) The consolidated financial statements include the financial statements of Bangkok Airways Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding		
			2013 Percent	2012 Percent	2011 Percent
<u>Held by the Company</u>					
Bangkok Airways (Cambodia) Co., Ltd.	Air transportation	Cambodia	-	96.00	96.00
Bangkok Airways Holding Co., Ltd	Holding	Thailand	99.99	99.99	99.99

Company's name	Nature of business	Country of incorporation	Percentage of shareholding		
			2013 Percent	2012 Percent	2011 Percent
Bangkok Airways Ground Services Co., Ltd.	Ground Services	Thailand	99.99	99.99	-
Worldwide Flight Services Bangkok Air Ground Handling Co., Ltd.	Ground Services	Thailand	90.00	88.13	88.13
Bangkok Air Catering Co., Ltd.	Catering	Thailand	90.00	59.80	59.80
Samui Palm Beach Resort Co., Ltd.	Hotel	Thailand	-	-	95.00
Sukothai Property Co., Ltd.	Hotel	Thailand	-	-	99.99
Samui Park Avenue Co., Ltd.	Space rental	Thailand	-	-	99.99
BAGs Ground Services Co., Ltd.	Ground Services	Thailand	-	-	99.99
Bangkok Flight Training Center Co., Ltd.	Training Air Crews	Thailand	-	-	69.99
Universal Catering & Services (Mauritius) Co., Ltd.	Catering	Mauritius	-	-	100.00
<u>Held by subsidiary companies</u>					
SA Services Co.,Ltd. (99.99 percent held by Worldwide Flight Services Bangkok Air Ground Handling Co., Ltd.)	Ground Services	Thailand	89.99	88.12	88.12
BFS Cargo DMK Co., Ltd. (51.00 percent held by Worldwide Flight Services Bangkok Air Ground Handling Co., Ltd.)	Cargo	Thailand	45.90	44.95	-
BAC Gourmets House Co., Ltd. (99.99 percent held by Bangkok Air Catering Co., Ltd.)	Restaurant	Thailand	89.99	59.79	59.79
Bangkok Air Catering Phuket Co., Ltd. (70.00 percent held by Bangkok Air Catering Co., Ltd.)	Catering	Thailand	63.00	41.86	-
Samui Palm Beach Royal Wings Co., Ltd. (99.99 percent held by Samui Palm Beach Resort Co., Ltd.)	Hotel	Thailand	-	-	94.99

- b) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- c) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- d) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statements of changes in shareholders' equity.



- e) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.
  - f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
- 2.3 The separate financial statements, which present investments in subsidiaries and associates under the cost method, have been prepared solely for the benefit of the public.

### 3. **New accounting standards**

Below is a summary of accounting standards that became effective in the current accounting year and those that will become effective in the future.

#### **(a) Accounting standards that became effective in the current accounting year**

Accounting standards:

TAS 12                      Income Taxes

TAS 20 (revised 2009)   Accounting for Government Grants and Disclosure of  
Government Assistance

TAS 21 (revised 2009)   The Effects of Changes in Foreign Exchange Rates

Financial Reporting Standard:

TFRS 8                      Operating Segments

Accounting Standard Interpretations:

TSIC 10                      Government Assistance - No Specific Relation to  
Operating Activities

TSIC 21                      Income Taxes - Recovery of Revalued Non-Depreciable  
Assets

TSIC 25                      Income Taxes - Changes in the Tax Status of an Entity  
or its Shareholders

Accounting Treatment Guidance for Transfers of Financial Assets

These accounting standards, financial reporting standard, accounting standard interpretations and accounting treatment guidance do not have any significant impact on the financial statements, except for TAS 12 *Income taxes*, as discussed in Note 4.2

**(b) Accounting standards that will become effective in the future**

	<u>Effective date</u>
Accounting Standards:	
TAS 1 (revised 2012) Presentation of Financial Statements	1 January 2014
TAS 7 (revised 2012) Statement of Cash Flows	1 January 2014
TAS 12 (revised 2012) Income Taxes	1 January 2014
TAS 17 (revised 2012) Leases	1 January 2014
TAS 18 (revised 2012) Revenue	1 January 2014
TAS 19 (revised 2012) Employee Benefits	1 January 2014
TAS 21 (revised 2012) The Effects of Changes in Foreign Exchange Rates	1 January 2014
TAS 24 (revised 2012) Related Party Disclosures	1 January 2014
TAS 28 (revised 2012) Investments in Associates	1 January 2014
TAS 31 (revised 2012) Interests in Joint Ventures	1 January 2014
TAS 34 (revised 2012) Interim Financial Reporting	1 January 2014
TAS 36 (revised 2012) Impairment of Assets	1 January 2014
TAS 38 (revised 2012) Intangible Assets	1 January 2014
Financial Reporting Standards:	
TFRS 2 (revised 2012) Share-based Payment	1 January 2014
TFRS 3 (revised 2012) Business Combinations	1 January 2014
TFRS 4 Insurance Contracts	1 January 2016
TFRS 5 (revised 2012) Non-current Assets Held for Sale and Discontinued Operations	1 January 2014
TFRS 8 (revised 2012) Operating Segments	1 January 2014
Accounting Standard Interpretations:	
TSIC 15 Operating Leases - Incentives	1 January 2014
TSIC 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease	1 January 2014
TSIC 29 Service Concession Arrangements: Disclosures	1 January 2014
TSIC 32 Intangible Assets - Web Site Costs	1 January 2014
Financial Reporting Standard Interpretations:	
TFRIC 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 January 2014

		<u>Effective date</u>
TFRIC 4	Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 January 2014
TFRIC 7	Applying the Restatement Approach under TAS 29 <i>Financial Reporting in Hyperinflationary Economies</i>	1 January 2014
TFRIC 10	Interim Financial Reporting and Impairment	1 January 2014
TFRIC 12	Service Concession Arrangements	1 January 2014
TFRIC 13	Customer Loyalty Programmes	1 January 2014
TFRIC 17	Distributions of Non-cash Assets to Owners	1 January 2014
TFRIC 18	Transfers of Assets from Customers	1 January 2014

The Company's management believes that these accounting standards, financial reporting standard, accounting standard interpretations and financial reporting standards interpretations will not have any significant impact on the financial statements for the year when they are initially applied, except for TRFIC 12 Service Concession Arrangements.

TSIC 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease which the Company adopted during the year.

### **TFRIC 12 Service Concession Arrangements**

This TFRIC gives guidance on the accounting by operators for recognising and measuring the obligations and related rights in public-to-private service concession arrangement. The operators shall recognise the consideration received or receivable at its fair value to be rights to a financial asset or to an intangible asset, depending on the conditions of service concession arrangement. The management of the subsidiary companies is evaluating the first-year impact to the financial statements of the financial reporting standards interpretations and has yet to reach a conclusion.

#### 4. Cumulative effect of changes in accounting policies

##### 4.1 Cumulative effect of change in accounting policy due to adoption before effective date

As at 31 December 2013, the Company changed its accounting policy by early adopting Thai Accounting Standard Interpretations 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*, whereby it includes variable lease expenses in the calculation of the effective interest rate, so that the financial statements provide more relevant information.

The cumulative effect of the changes in the accounting policy has been presented in the statements of changes in shareholders' equity.

The amounts of adjustments affecting the statements of financial position and the statements of comprehensive income are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements and Separate financial statements			
	As at 31	As at 31	As at 31	As at 1
	December 2013	December 2012	December 2011	January 2011
<b>Statement of financial position</b>				
Decrease in current portion of long-term loans from related party	(204,914)	(195,780)	(187,054)	(178,717)
Increase in long-term loans from related party - net of current portion	3,327,563	3,012,550	2,630,014	2,133,072
Decrease in unappropriated retained earnings	(3,122,649)	(2,816,770)	(2,442,960)	(1,954,355)

(Unit: Thousand Baht)

	Consolidated financial statements and Separate financial statements		
	For the years ended 31 December		
	2013	2012	2011
<b>Statement of comprehensive income</b>			
<b>Profit or loss:</b>			
Increase in finance cost	305,879	373,810	488,605
Decrease in profit attributable to equity holders of the Company	(305,879)	(373,810)	(488,605)
Decrease in basic earnings per share (Baht)	(0.202)	(0.309)	(0.407)

The Company treated the full amount of the above adjustment to finance cost as a non-deductible expense for tax computation purposes.

## 4.2 Cumulative effect of change in accounting policy due to the adoption of accounting standard

During the current year, the Company and its subsidiaries changed their accounting policy regarding income taxes. As a result of the adoption of this accounting standard, temporary differences between the carrying amount of an asset or liability in the statement of financial position and its tax base are identified and the tax effects recognised as deferred tax assets or liabilities, subject to certain recognition criteria. The Company and its subsidiaries have changed this accounting policy in the current period and restated the prior year's financial statements, as presented as comparative information, as through the Company and its subsidiaries had always recognised the tax effects as deferred tax assets or liabilities.

The cumulative effect of the changes in the accounting policy has been presented in the statements of changes in shareholders' equity.

The amounts of adjustments affecting the statements of financial position and the statements of comprehensive income are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements				Separate financial statements			
	As at 31	As at 31	As at 31	As at 1	As at 31	As at 31	As at 31	As at 1
	December	December	December	January	December	December	December	January
	2013	2012	2011	2011	2013	2012	2011	2011
<b>Statements of financial position</b>								
Increase in investments in associates	7,142	5,150	5,206	6,497	-	-	-	-
Increase in deferred tax assets	23,513	52,408	104,522	227,311	-	-	-	-
Increase in deferred tax liabilities	2,486,066	2,404,509	1,540,751	1,011,822	2,200,466	2,132,509	1,378,401	945,522
Decrease in other components of shareholders' equity	(2,278,959)	(2,188,855)	(1,554,974)	(1,192,578)	(1,926,509)	(1,916,855)	(1,392,624)	(1,126,278)
Increase in non-controlling interests of the subsidiaries	4,866	7,970	15,411	46,904	-	-	-	-
Increase (decrease) in unappropriated retained earnings	(181,318)	(166,066)	108,540	367,660	(273,957)	(215,654)	14,223	180,756

(Unit: Thousand Baht)

	Consolidated			Separate		
	financial statements			financial statements		
	For the years ended 31 December			For the years ended 31 December		
	2013	2012	2011	2013	2012	2011
<b>Statement of comprehensive income</b>						
<b>Profit or loss:</b>						
Increase (decrease) in share of income from						
investments in associates	1,992	(56)	(1,291)	-	-	-
Increase in income tax expenses	20,348	281,991	289,322	58,303	229,877	166,533
Decrease in profit attributable to non-controlling						
interest of the subsidiaries	(3,104)	(7,441)	(31,493)	-	-	-
Decrease in profit attributable to equity holders of						
the Company	(15,252)	(274,606)	(259,120)	(58,303)	(229,877)	(166,533)
Decrease in basic earnings per share (Baht)	(0.010)	(0.227)	(0.216)	(0.039)	(0.190)	(0.139)
<b>Other comprehensive income:</b>						
Decrease in gain on changes in value of available-						
for-sale investments	(90,104)	(633,881)	(362,396)	(9,654)	(524,231)	(266,346)

## 5. Prior year adjustments

During the year 2013, the Office of the Securities and Exchange Commission (the Office of the SEC) issued a letter to the Company, requesting the Company to consider adjusting an accounting item in relation to the House and Land tax, for the purpose of the SEC's consideration of the application for the issue and offering of securities, submitted to the Office of the SEC by the Company. Therefore, for such purpose, the Company had considered to retroactively restate the comparative financial statements herein to reflect such adjustment as per request from the Office of the SEC as specified in the Office of the SEC's letter. Moreover, the Company and its subsidiaries adjusted an accounting items in operating lease and a subsidiary's litigation.

The cumulative effect of the prior year adjustments has been presented in the statements of changes in shareholders' equity.

The amounts of adjustments affecting the statements of financial position and the statements of comprehensive income are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements				Separate financial statements			
	As at 31	As at 31	As at 31	As at 1	As at 31	As at 31	As at 31	As at 1
	December	December	December	January	December	December	December	January
	2013	2012	2011	2011	2013	2012	2011	2011
<b>Statement of financial position</b>								
Decrease in prepaid expenses	(223,224)	(187,211)	(148,461)	(111,761)	(223,224)	(187,211)	(148,461)	(111,761)
Decrease in investments in associates	(24,231)	(22,698)	(20,045)	(17,001)	-	-	-	-
Increase in non-current liabilities	55,943	53,630	49,571	26,165	-	-	-	-
Decrease in non-controlling interests of the subsidiaries	(10,551)	(10,320)	(9,372)	(6,075)	-	-	-	-
Decrease in unappropriated retained earnings	(292,847)	(253,219)	(208,705)	(148,852)	(223,224)	(187,211)	(148,461)	(111,761)

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	For the years ended 31 December			For the years ended 31 December		
	2013	2012	2011	2013	2012	2011
<b>Statement of comprehensive income</b>						
<b>Profit or loss:</b>						
Increase in cost of sales and services	36,664	39,877	37,992	36,013	38,750	36,700
Increase in administrative expenses	1,662	2,932	17,819	-	-	-
Increase in finance cost	-	-	4,295	-	-	-
Decrease in share of income from investments in associates	(1,533)	(2,653)	(3,044)	-	-	-
Decrease in non-controlling interests of the subsidiaries	(231)	(948)	(3,297)	-	-	-
Decrease in profit attributable to equity holders of the Company	(39,628)	(44,514)	(59,853)	(36,013)	(38,750)	(36,700)
Decrease in basic earnings per share (Baht)	(0.026)	(0.037)	(0.050)	(0.024)	(0.032)	(0.031)

## **6. Significant accounting policies**

### **6.1 Revenue recognition and expense**

#### *Passenger revenues*

Revenue from ticket sales is recognised as revenue when transportation is provided.

#### *Sales of goods*

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

#### *Service rendered*

Revenue from passenger, freight and passenger service charge are recognised in profit or loss when the services are provided.

#### *Aircraft rental*

Revenue from aircraft rental is recognised in profit or loss based on rental period.

#### *Interest income*

Interest income is recognised on an accrual basis based on the effective interest rate.

#### *Dividends*

Dividends are recognised when the right to receive the dividends is established.

#### *Finance cost*

Interest expenses are recognised on an accrual basis and calculated using the effective interest rate.

### **6.2 Cash and cash equivalents**

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

### **6.3 Trade accounts receivable**

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



#### **6.4 Inventories**

Finished goods are valued at the lower of cost (first in - first out) and net realisable value.

Spare parts, supplies and air-tickets are valued at cost (moving average method) and constitute part of expenses wherever consumed.

#### **6.5 Investments**

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

The fair value of marketable securities is based on the latest bid price of the last working day of the year. The fair value of unit trusts is determined from their net asset value.

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

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

#### **6.6 Investment properties**

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 20 years. Depreciation of the investment properties is included in determining income.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

## **6.7 Property, plant and equipment/Depreciation**

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

Depreciation of plant and equipment is calculated by reference to their costs on a straight-line basis over the estimated useful lives as follows:

Buildings and improvements	-	3 and 20	years
Airport and improvements	-	20	years
Aircrafts	-	20	years
Aircrafts parts and ground equipment	-	3 and 14	years
Furniture, fixtures and equipment	-	3 and 10	years
Vehicles	-	5	years

Depreciation is included in determining income.

No depreciation is provided on land and construction in progress.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

## **6.8 Intangible assets**

The intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

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

A summary of the intangible assets with finite useful lives is as follows:

	<u>Useful lives</u>
Concessions	20 years
Computer software	5 years

## **6.9 Related party transactions**

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

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

## **6.10 Long-term leases**

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

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

## **6.11 Foreign currencies**

The consolidated and separate financial statements are presented in Baht which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

## **6.12 Impairment of assets**

At the end of each reporting period, the Company and its subsidiaries performs impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

## **6.13 Employee benefits**

### ***Short-term employee benefits***

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

### ***Post-employment benefits***

#### *Defined contribution plans*

The Company, its subsidiaries and their employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company and its subsidiaries. The fund's assets are held in a separate trust fund and the Company and its subsidiaries' contributions are recognised as expenses when incurred.

#### *Defined benefit plans*

The Company and its subsidiaries have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in profit or loss.

## **6.14 Provisions**

Provisions are recognised when the Company and its subsidiaries have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

## **6.15 Income tax**

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

### **Current tax**

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

### **Deferred tax**

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

## **6.16 Share-based payment**

The Company recognises share-based payment transactions when services from employees are rendered, based on the fair value of the share options on the grant date. The expenses are recorded over the vesting period, in accordance with the conditions regarding length of service rendered by employees stipulated in the share-based payment plan, together with a corresponding increase in "Capital reserve for share-based payment transactions" in shareholders' equity.

Estimating fair value for share-based payment transactions requires management to exercise judgement, and to apply assumptions.

## **7. Significant accounting judgements and estimates**

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

### **Leases**

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

### **Allowance for doubtful accounts**

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

### **Impairment of equity investments**

The Company and its subsidiaries treat available-for-sale investments and other investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgement of the management.

### **Property plant and equipment/Depreciation**

In determining depreciation of plant and equipment, the management is required to make estimations of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

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

## Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

## Post-employment benefits under defined benefit plans

The obligation under the defined benefit plans is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

## Litigation

The Company and its subsidiaries have contingent liabilities as a result of litigation. The Company's management has used judgement to assess of the results of the litigation. The Company and its subsidiaries recorded contingent liabilities as at the end of reporting period.

## 8. Related party transactions

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

(Unit: Million Baht)

	Consolidated			Separate			Transfer Pricing Policy
	financial statements			financial statements			
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	
<u>Transactions with subsidiary companies</u>							
(eliminated from the consolidated financial statements)							
Passenger income	-	-	-	-	2	1	Authorized price
Permission fee	-	-	-	145	106	105	Contract price
Ground service income	-	-	-	-	1	-	Contract price
Concession lounge service income	-	-	-	17	-	-	Contract price
Interest income	-	-	-	-	6	6	MLR
Rental income	-	-	-	5	6	6	Contract price
Consulting income	-	-	-	-	8	12	Contract price
Dividend income	-	-	-	115	-	-	As declared
Catering service expenses	-	-	-	345	308	205	Contract price
Utilities expenses	-	-	-	-	1	-	Actual charge

(Unit: Million Baht)

	Consolidated			Separate			Transfer Pricing Policy
	financial statements			financial statements			
	2013	2012	2011	2013	2012	2011	
Ground service expenses	-	-	-	372	360	296	Contract price
Employee expenses	-	-	-	-	12	12	Contract price
Interest expenses	-	-	-	-	1	-	Contract price
<u>Transactions with associated companies</u>							
Interest income	8	13	12	8	13	12	MLR
Ground service income	3	2	1	-	-	-	Market price
Collection fee income	1	2	2	-	-	-	Contract price
Dividend income	-	-	-	426	355	226	As declared
Interest expenses	1,332	1,314	1,283	1,332	1,314	1,283	Contract price
Shipping service expenses	18	18	13	18	18	13	Actual charge
Employee expenses	3	4	-	-	-	-	Contract price
<u>Transactions with related companies</u>							
Catering service income	2	1	7	-	-	-	Contract price
Duty fee income	31	-	-	31	-	-	Cost plus margin
Permission fee	-	30	-	-	30	-	Contract price
Ground service income	3	2	2	-	-	-	Contract price
Rental income	5	-	-	5	-	-	Contract price
Passenger income	84	65	58	84	65	58	Contract price
Charter flight	12	3	18	12	3	18	Contract price
Gain on sales of investments	-	227	-	-	-	-	Contract price
Consulting income	3	6	2	3	6	2	Contract price
Sponsor income	1	1	1	1	1	1	Agree upon
Dividend income	219	134	91	188	115	77	As declared
Ground service expenses	175	64	35	175	64	35	Contract price
Loss from sales of investments	-	-	-	-	28	-	Contract price
Medical expenses	3	2	2	3	2	2	Market price
Catering service income	1	1	-	1	1	-	Contract price
Management expenses	40	60	49	40	60	49	Contract price
Security expenses	18	30	30	18	30	30	Contract price
Stock management expenses	1	8	5	1	8	5	Contract price
Rental expenses	1	-	-	1	-	-	Contract price
Advertising expense	1	-	-	1	-	-	Contract price
Employee expenses	20	7	3	17	7	3	Market price
Aeronautical radio	403	326	305	393	326	305	Market price
Organizing expenses	-	4	1	-	4	1	Agree upon
<u>Transactions with management and directors</u>							
Interest income	1	47	46	1	47	46	MLR



The relationships between the Company and the related companies are presented below.

List of related companies	Relationship
Bangkok Air Catering Co.,Ltd.	Subsidiary
Bangkok Airways Ground Service Co.,Ltd.	Subsidiary
Worldwide Flight Services Bangkok Air Ground Handling Co.,Ltd.	Subsidiary
Bangkok Airways Holding Co.,Ltd.	Subsidiary
BAC Gourmet House Co.,Ltd.	Subsidiary (held by a subsidiary)
Bangkok Air Catering Phuket Co.,Ltd.	Subsidiary (held by a subsidiary)
SA Services Co.,Ltd.	Subsidiary (held by a subsidiary)
BFS Cargo DMK Co.,Ltd.	Subsidiary (held by a subsidiary)
WFS-PG Cargo Co.,Ltd.	Associate
Samui Airport Property Fund (Leasehold)	Associate
S.E.A. Aviation Co.,Ltd.	Associate
Bangkok Dusit Medical Services Plc.	Common shareholders and/or directors
South East Air Co.,Ltd.	Common shareholders and/or directors
Thai Cargo Airline Co.,Ltd.	Common shareholders and/or directors
Bangkok Media & Broadcasting Co.,Ltd.	Common shareholders and/or directors
Bangkok Helicopter Services Co.,Ltd.	Common shareholders and/or directors
Thai Petroleum Service Corp.,Ltd.	Common shareholders and/or directors
Bangkok Golden Life Co.,Ltd.	Common shareholders and/or directors
Bangpakong Golf Club Co.,Ltd.	Common shareholders and/or directors
Prasartthong Osoth Co.,Ltd.	Common shareholders and/or directors
Paradise Shopping Co.,Ltd.	Common shareholders and/or directors
Bangkok Hospital Chiangmai Co.,Ltd.	Common shareholders and/or directors
Bangkok Flight Training Center Co.,Ltd.	Common shareholders and/or directors
Samui Park Avenue Co.,Ltd.	Common shareholders and/or directors
Samitivej Plc.	Common shareholders and/or directors
Samui Accom Co.,Ltd.	Common shareholders and/or directors
Sukhothai Property Co.,Ltd.	Common shareholders and/or directors
The Sahakol Estate Co.,Ltd.	Common shareholders and/or directors
Amsito Thai Petroleum Service Co.,Ltd.	Common shareholders and/or directors
Bangkok Health Insurance Plc.	Common shareholders and/or directors
Bangkok Premier Life Insurance Broker Co., Ltd.	Common shareholders and/or directors
Bangkok United Mechanical Co.,Ltd.	Common shareholders and/or directors
Siam Medical Co., Ltd.	Common shareholders and/or directors
Kiattana Transport Plc.	Common shareholders and/or directors

List of related companies	Relationship
Khan Co.,Ltd.	Common shareholders and/or directors
Sing Sian Yer Pao Co.,Ltd.	Common shareholders and/or directors
Sodexo Support Services (Thailand) Ltd.	Common shareholders and/or directors
Sodexo Healthcare Support Services (Thailand) Ltd.	Common shareholders and/or directors
Trat Golden Co.,Ltd.	Common shareholders and/or directors
Three Sixtyfive Plc.	Common shareholders and/or directors
THN Network Co.,Ltd.	Common shareholders and/or directors
Thai Kodama Co.,Ltd.	Common shareholders and/or directors
Thonburi Medical Centre Plc.	Common shareholders and/or directors
Dhammachart Na Thai Co.,Ltd.	Common shareholders and/or directors
Nippon Pack (Thailand) Plc.	Common shareholders and/or directors
National Healthcare Systems Co.,Ltd.	Common shareholders and/or directors
Bangkok Travel Club Co.,Ltd.	Common shareholders and/or directors
Bangkok Total Communication Co.,Ltd.	Common shareholders and/or directors
Bangkok River Rest Co.,Ltd.	Common shareholders and/or directors
BDMS Training Co.,Ltd.	Common shareholders and/or directors
BDMS Accounting Co.,Ltd.	Common shareholders and/or directors
Bangkok Airtour (1988) Co.,Ltd.	Common shareholders and/or directors
Prasit Patana Plc.	Common shareholders and/or directors
Parute (2008) Co.,Ltd.	Common shareholders and/or directors
Paolo Medic Co.,Ltd.	Common shareholders and/or directors
Paolo Samut Prakarn Co.,Ltd.	Common shareholders and/or directors
Diamond Building Products Plc.	Common shareholders and/or directors
Pattaya Country Club Co.,Ltd.	Common shareholders and/or directors
Paradigm Asia Limited	Common shareholders and/or directors
BIRA Property Co.,Ltd.	Common shareholders and/or directors
Myraid Materials Co.,Ltd.	Common shareholders and/or directors
Mae Aroon Co.,Ltd.	Common shareholders and/or directors
Modern Manu Co.,Ltd.	Common shareholders and/or directors
Royal Bangkok Healthcare Co.,Ltd.	Common shareholders and/or directors
Phyathai 1 Hospital Co.,Ltd.	Common shareholders and/or directors
Phyathai 2 Hospital Co.,Ltd.	Common shareholders and/or directors
Phyathai 3 Hospital Co.,Ltd.	Common shareholders and/or directors
Sriracha Nakorn General Hospital Plc.	Common shareholders and/or directors
The Royal Ceramic Industry Plc.	Common shareholders and/or directors
Legal Connect Consultant Co.,Ltd.	Common shareholders and/or directors
Vanachai Group Plc.	Common shareholders and/or directors

List of related companies	Relationship
Aeronautical Radio of Thailand Ltd.	Common shareholders and/or directors
Visunee Landing Co.,Ltd.	Common shareholders and/or directors
Thai Medical Center Plc.	Common shareholders and/or directors
Samui Convenient Store Co.,Ltd.	Common shareholders and/or directors
Samui Airport Shop Co.,Ltd.	Common shareholders and/or directors
Samui Palm Beach Royal Wing Co.,Ltd.	Common shareholders and/or directors
Samui Palm Beach Resort Co.,Ltd.	Common shareholders and/or directors
The Medic Pharma Co., Ltd.	Common shareholders and/or directors
Golden Lime Plc.	Common shareholders and/or directors
Finansia Syrus Securities Plc.	Common shareholders and/or directors
Asiaworks Television Ltd.	Common shareholders and/or directors
A.N.B. Laboratories Co.,Ltd.	Common shareholders and/or directors
Advance Information Technology Plc.	Common shareholders and/or directors
PV Consulting Co., Ltd.	Deemed related party
Food and Store Co., Ltd.	Deemed related party
Bangkok Airways (Cambodia) Co.,Ltd.	Deemed related party
More Than Free Co.,Ltd.	Deemed related party
Prananporn Co.,Ltd.	Deemed related party
Cool Latte Co.,Ltd.	Deemed related party
Orange Digital Media Co.,Ltd.	Deemed related party
A.P. Sheriff Co.,Ltd.	Deemed related party

The balances of the accounts between the Company and those related companies are as follows:

	(Unit: Thousand Baht)					
	Consolidated			Separate		
	financial statements			financial statements		
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b><u>Trade and other receivables - related parties (Note 11)</u></b>						
Subsidiaries	-	-	-	42,206	29,695	47,802
Associated companies	852	635	378	-	-	-
Related companies (related by shareholders and/or directors)	<u>87,058</u>	<u>1,476,095</u>	<u>13,371</u>	<u>86,475</u>	<u>1,476,085</u>	<u>12,642</u>
Total trade and other receivables - related parties	<u>87,910</u>	<u>1,476,730</u>	<u>13,749</u>	<u>128,681</u>	<u>1,505,780</u>	<u>60,444</u>
<b><u>Deposits - related parties (Note 20)</u></b>						
Associated companies	47,500	47,500	47,500	47,500	47,500	47,500
Related companies (related by shareholders and/or directors)	<u>72</u>	<u>72</u>	<u>72</u>	<u>72</u>	<u>72</u>	<u>72</u>
Total deposits - related parties	<u>47,572</u>	<u>47,572</u>	<u>47,572</u>	<u>47,572</u>	<u>47,572</u>	<u>47,572</u>

(Unit: Thousand Baht)

	Consolidated			Separate		
	financial statements			financial statements		
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b><u>Trade and other payables - related parties (Note 22)</u></b>						
Subsidiaries	-	-	-	161,231	160,055	140,981
Associated companies	115,479	109,588	105,775	106,070	101,354	92,415
Related companies (related by shareholders and/or directors)	121,426	59,289	61,836	121,209	57,254	61,641
Total and other payables - related parties	<u>236,905</u>	<u>168,877</u>	<u>167,611</u>	<u>388,510</u>	<u>318,663</u>	<u>295,037</u>
<b><u>Other current liabilities - related parties</u></b>						
Subsidiaries	-	-	-	418,250	-	-
Total other current liabilities - related parties	<u>-</u>	<u>-</u>	<u>-</u>	<u>418,250</u>	<u>-</u>	<u>-</u>

**Loans to related parties and loan from related parties**

The balance of loans between the Company and those related companies and the movement are as follows:

(Unit: Thousand Baht)

Loans to	Consolidated financial statements			
	Balance as at	Increase	Decrease	Balance as at
	31 December 2012	during the year	during the year	31 December 2013
Director	310,570	60,642	(350,903)	20,309
Associated companies	178,463	6,986	(149,744)	35,705
Related companies (related by directors)	141,641	10,266	(151,698)	209
	630,674	77,894	(652,345)	56,223
Less: Allowance for doubtful	(141,641)	(10,057)	151,698	-
Total	<u>489,033</u>	<u>67,837</u>	<u>(500,647)</u>	<u>56,223</u>

(Unit: Thousand Baht)

Loans to	Consolidated financial statements			
	Balance as at	Increase	Decrease	Balance as at
	31 December 2011	during the year	during the year	31 December 2012
Director	589,718	576,824	(855,972)	310,570
Associated companies	179,624	12,583	(13,744)	178,463
Related companies (related by directors)	151,968	171	(10,498)	141,641
	921,310	589,578	(880,214)	630,674
Less: Allowance for doubtful	(151,637)	(171)	10,167	(141,641)
Total	<u>769,673</u>	<u>589,407</u>	<u>(870,047)</u>	<u>489,033</u>

(Unit: Thousand Baht)

Loans to	Separate financial statements			
	Balance as at 31 December 2012	Increase during the year	Decrease during the year	Balance as at 31 December 2013
Director	289,025	60,444	(349,469)	-
Subsidiaries	69,068	-	(5,784)	63,284
Associated companies	178,463	6,986	(149,744)	35,705
Related companies (related by directors)	141,812	10,057	(151,698)	171
	678,368	77,487	(656,695)	99,160
Less: Allowance for doubtful	(141,812)	(10,057)	151,698	(171)
Total	536,556	67,430	(504,997)	98,989

(Unit: Thousand Baht)

Loans to	Separate financial statements			
	Balance as at 31 December 2011	Increase during the year	Decrease during the year	Balance as at 31 December 2012
Director	557,550	576,155	(844,680)	289,025
Subsidiaries	188,629	39,640	(159,201)	69,068
Associated companies	179,624	12,583	(13,744)	178,463
Related companies (related by directors)	146,588	171	(4,947)	141,812
	1,072,391	628,549	(1,022,572)	678,368
Less: Allowance for doubtful	(146,588)	(171)	4,947	(141,812)
Total	925,803	628,378	(1,017,625)	536,556

(Unit: Thousand Baht)

Loans from	Separate financial statements			
	Balance as at 31 December 2012	Increase during the year	Decrease during the year	Balance as at 31 December 2013
Subsidiaries	27,756	27,849	(55,605)	-
Total	27,756	27,849	(55,605)	-

(Unit: Thousand Baht)

Loans from	Separate financial statements			
	Balance as at 31 December 2011	Increase during the year	Decrease during the year	Balance as at 31 December 2012
Subsidiaries	9,888	17,868	-	27,756
Total	9,888	17,868	-	27,756

### Directors and management's benefits

During the year ended the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

	Consolidated			Separate		
	financial statements			financial statements		
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Short-term employee benefits	205	113	97	171	77	70
Post-employment benefits	15	19	6	14	12	4
Total	<u>220</u>	<u>132</u>	<u>103</u>	<u>185</u>	<u>89</u>	<u>74</u>

### Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 38.4 to the financial statements.

## **9. Cash and cash equivalents**

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Cash	51,455	36,192	31,566	49,734	34,467	30,910
Bank deposits	2,381,404	3,629,460	1,227,480	2,184,772	3,498,985	1,045,647
Bills of exchange	120,000	-	100,000	-	-	100,000
Total	<u>2,552,859</u>	<u>3,665,652</u>	<u>1,359,046</u>	<u>2,234,506</u>	<u>3,533,452</u>	<u>1,176,557</u>

As at 31 December 2013, bank deposits in saving accounts, fixed deposits and bills of exchange carried interests between 0.10 and 3.15 percent per annum (2012: between 0.10 and 2.70 percent per annum).

## **10. Current investments**

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Bills of exchange - at call	470,000	-	-	470,000	-	-
Trading securities	41,040	59,728	26,315	411,250	-	-
Total	<u>511,040</u>	<u>59,728</u>	<u>26,315</u>	<u>881,250</u>	<u>-</u>	<u>-</u>

During the current year, the subsidiary sold trading securities with book values totaling Baht 112 million (2012: Baht 139 million) and recognised gains on the sales amounting to Baht 5 million in profit or loss (2012: Baht 6 million).

On 26 December 2013, a Board of Directors Meeting passed a resolution to sell 3.5 million common shares of Bangkok Dusit Medical Services Plc. to Bangkok Airways Holding Company Limited, a subsidiary at a market price on 26 December 2013 of Baht 119.50 per share (market price as at 31 December 2013 was Baht 117.50 per share), or for a total of Baht 418.25 million. The company received payment from the subsidiary on 27 December 2013 and transferred the common shares on 31 January 2014.

## 11. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<u>Trade receivables - related parties</u>						
Aged on the basis of due dates						
Not yet due	7,931	8,163	5,156	46,447	22,635	44,484
Past due						
Up to 3 months	5,301	7,522	785	5,292	19,742	1,185
3 - 6 months	4,531	404	16	4,531	404	416
6 - 12 months	37,388	2,000	1,246	37,388	2,000	6,446
Over 12 months	12,378	159,810	143,602	12,378	159,833	158,853
Total	67,529	177,899	150,805	106,036	204,614	211,384
Less: Allowance for doubtful debts	(18,018)	(176,264)	(144,833)	(18,018)	(176,264)	(160,860)
Total trade receivables - related parties, net	49,511	1,635	5,972	88,018	28,350	50,524
<u>Trade receivables - unrelated parties</u>						
Aged on the basis of due dates						
Not yet due	1,037,947	1,260,847	969,458	671,545	962,119	696,720
Past due						
Up to 3 months	451,386	180,547	138,121	357,784	117,648	36,777
3 - 6 months	22,228	39,350	24,681	20,710	36,950	18,790
6 - 12 months	20,313	19,102	50,775	20,313	12,166	48,019
Over 12 months	87,082	60,051	25,280	86,996	60,051	21,136
Total	1,618,956	1,559,897	1,208,315	1,157,348	1,188,934	821,442
Less: Allowance for doubtful debts	(112,149)	(82,066)	(70,191)	(112,149)	(80,041)	(68,675)
Total trade receivables - unrelated parties, net	1,506,807	1,477,831	1,138,124	1,045,199	1,108,893	752,767
Total trade receivable - net	1,556,318	1,479,466	1,144,096	1,133,217	1,137,243	803,291

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>Other receivables</b>						
Advances - related party	2,130	2,125	2,125	2,130	2,125	2,125
Note receivable from sales of assets and investments in subsidiaries	-	1,467,818	-	-	1,467,818	-
Others receivable - related parties	36,269	5,152	5,652	38,533	7,487	7,795
Total other receivables - related parties - net	38,399	1,475,095	7,777	40,663	1,477,430	9,920
Others receivable - unrelated parties	93,512	37,364	103,631	93,480	37,361	75,980
Less: Allowance for doubtful debts	(9,070)	-	-	(9,070)	-	-
Total other receivables - unrelated parties - net	84,442	37,364	103,631	84,410	37,361	75,980
Total other receivables	122,841	1,512,459	111,408	125,073	1,514,791	85,900
Total trade and other receivables - net	1,679,159	2,991,925	1,255,504	1,258,290	2,652,034	889,191

## 12. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements								
	Cost			Reduce cost to net realisable value			Inventories-net		
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Spareparts	157,379	191,277	145,703	(40,840)	(39,843)	(16,568)	116,539	151,434	129,135
Duty free inventory	-	25,946	11,588	-	-	-	-	25,946	11,588
Foods and catering	48,006	39,645	35,692	-	-	-	48,006	39,645	35,692
Air Tickets	511	459	500	-	-	-	511	459	500
Others	63,492	13,157	10,102	(130)	-	-	63,362	13,157	10,102
Total	269,388	270,484	203,585	(40,970)	(39,843)	(16,568)	228,418	230,641	187,017



(Unit: Thousand Baht)

	Separate financial statements								
	Cost			Reduce cost to net realisable value			Inventories-net		
	2013	2012	2011	2013	2012	2011	2013	2012	2011
Spareparts	157,379	145,101	111,924	(40,840)	(39,843)	(16,568)	116,539	105,258	95,356
Duty free inventory	-	25,946	11,588	-	-	-	-	25,946	11,588
Foods and catering	21,875	17,780	9,056	-	-	-	21,875	17,780	9,056
Air Tickets	511	459	500	-	-	-	511	459	500
Others	13,338	13,157	9,403	-	-	-	13,338	13,157	9,403
<b>Total</b>	<b>193,103</b>	<b>202,443</b>	<b>142,471</b>	<b>(40,840)</b>	<b>(39,843)</b>	<b>(16,568)</b>	<b>152,263</b>	<b>162,600</b>	<b>125,903</b>

### 13. Restricted bank deposits

These represent current account which temporary suspense as discussed in Note 39.4.

### 14. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

Company's name	Paid-up capital			Shareholding percentage			Cost		
	2013	2012	2011	2013	2012	2011	2013	2012	2011
				(%)	(%)	(%)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
Samui Palm Beach Resort Co.,Ltd.	-	-	200,000	-	-	95.00	-	-	190,000
Bangkok Airways (Cambodia) Co.,Ltd.	-	USD 1,000,000	USD 1,000,000	-	96.00	96.00	-	9,478	9,478
Bangkok Airways Holding Co.,Ltd.	1,001,000	571,000	571,000	99.99	99.99	99.99	1,000,999	570,999	570,999
Sukhothai Property Co., Ltd.	-	-	322,000	-	-	99.99	-	-	322,000
Samui Park Avenue Co., Ltd.	-	-	10,000	-	-	99.99	-	-	10,000
BAC Group Services Co., Ltd.	-	-	2,500	-	-	99.99	-	-	2,500
Bangkok Flight Training Center Co., Ltd.	-	-	37,500	-	-	69.99	-	-	26,250
Bangkok Airways Ground Services Co.,Ltd.	250	250	-	99.99	99.99	-	250	250	-
Worldwide Flight Services Bangkok Air Ground Handling Co.,Ltd.	670,000	670,000	670,000	90.00	88.13	88.13	603,515	590,500	590,500
Bangkok Air Catering Co.,Ltd.	500,000	500,000	500,000	90.00	59.80	59.80	579,469	299,000	299,000
Universal Catering & Services (Mauritius) Co.,Ltd.	-	-	USD 270,000	-	-	100.00	-	-	9,608
<b>Total</b>							<b>2,184,233</b>	<b>1,470,227</b>	<b>2,030,335</b>
Less: Allowance for loss on diminution in value of investments							-	(9,478)	(37,478)
<b>Investment in subsidiary companies - net</b>							<b>2,184,233</b>	<b>1,460,749</b>	<b>1,992,857</b>

The Company's investments in subsidiaries amounting to Baht 594 million (2012: Baht 594 million) have been used as collateral for credit facilities of the subsidiaries.

On 1 December 2012, the Company signed a purchase and sell agreement with The Sahakol Estate Co.,Ltd., a related party, to sell investments in 4 subsidiaries (Samui Palm Beach Resorts Co.,Ltd., Sukothai Property Co.,Ltd., Samui Park Avenue Co.,Ltd. and Bangkok Flight Training Center Co.,Ltd.) for a total of Baht 454 million, whereby the related company is to pay for the shares by issuing promissory notes with terms of one year (maturing within 27 December 2013) that are guaranteed by a local bank. The Company redeemed the promissory notes during the year 2013.

During the current year, the Company sold investment in Bangkok Airways (Cambodia) Company Limited to Cambodia Regional Services Cooperation Company Limited with USD 0.24 million. The Company received all cash on 28 March 2013.

On 29 March 2013, the Company increased its interest in the equity of Worldwide Flight Services Bangkok Air Ground Handling Co., Ltd. by purchasing 1,252,900 shares of common stock from PV Consulting Co., Ltd. at a price of Baht 10.38 per share, totaling Baht 13 million or USD 442,936, and increased its interest in Bangkok Air Catering Co., Ltd. by purchasing 15,100,000 shares of common stock from Food & Store Co., Ltd. at a price of Baht of 18.61 per share, totaling Baht 281 million. As a result, its shareholdings in both of these subsidiaries increased to 90 percent.

On 27 December 2013, the Company fully paid up the 10,000,000 additional shares of Bangkok Airways Holding Company Limited at a price of Baht 43 per share, totaling Baht 430 million.

## 15. Investments in associates

### 15.1 Details of associates:

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements								
			Shareholding percentage			Cost			Carrying amounts based on equity method		
			2013 (%)	2012 (%)	2011 (%)	2013	2012	2011	2013	2012 (Restated)	2011 (Restated)
WFS - PG Cargo Co., Ltd.	Cargo	Thailand	49.00	49.00	49.00	147,000	147,000	147,000	383,706	326,298	234,325
Samui Airport Property Fund (Leasehold)	Property Fund	Thailand	25.00	25.00	25.00	2,255,571	2,255,571	2,255,571	1,539,202	1,628,203	1,716,562
S.E.A. Aviation Co., Ltd.	Transportation and cargo	Thailand	10.00	10.00	10.00	3,000	3,000	3,000	2,822	2,880	2,912
<b>Total</b>						<u>2,405,571</u>	<u>2,405,571</u>	<u>2,405,571</u>	<u>1,925,730</u>	<u>1,957,381</u>	<u>1,953,799</u>

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Separate financial statements									Carrying amounts based on		
			Shareholding percentage			Cost			Allowance for impairment of investments			cost method - net		
			2013	2012	2011	2013	2012	2011	2013	2012	2011	2013	2012	2011
			(%)	(%)	(%)									
WFS - PG Cargo														
Company Limited	Cargo	Thailand	49.00	49.00	49.00	147,000	147,000	147,000	-	-	-	147,000	147,000	147,000
Samui Airport														
Property														
Fund (Leasehold)	Property Fund	Thailand	25.00	25.00	25.00	2,255,571	2,255,571	2,255,571	-	-	-	2,255,571	2,255,571	2,255,571
S.E.A. Aviation Co., Ltd.														
	Transportation and cargo	Thailand	10.00	10.00	10.00	3,000	3,000	3,000	-	-	-	3,000	3,000	3,000
Total						2,405,571	2,405,571	2,405,571	-	-	-	2,405,571	2,405,571	2,405,571

## 15.2 Share of profit/loss and dividend received

During the years, the Company has recognised its share of profit/loss from investments in associate companies in the consolidated financial statements and dividend income in the separate financial statements as follows:

Company's name	(Unit: Thousand Baht)					
	Consolidated financial statements			Separate financial statements		
	Share of profit/loss from investments in associates during the year			Dividend received during the year		
	2013	2012	2011	2013	2012	2011
WFS - PG Cargo Co., Ltd.	189,708	180,174	119,310	132,300	88,200	-
Samui Airport Property Fund (Leasehold)	204,311	178,828	137,678	293,313	267,188	225,625
S.E.A. Aviation Co., Ltd.	(59)	(32)	(39)	-	-	-
Total	393,960	358,970	256,949	425,613	355,388	225,625

## 15.3 Fair value investments in listed associates

In respect of investments in associated companies that are listed companies on the Stock Exchange of Thailand, their fair values are as follows:

(Unit: Million Baht)

Company's name	Fair value as at 31 December		
	2013	2012	2011
Samui Airport Property Fund (Leasehold)	3,753	3,990	2,304
Total	3,753	3,990	2,304

## 15.4 Summarised financial information of associates

Financial information of the associated companies were summaries below.

(Unit: Million Baht)

Company's name	Paid-up capital as at			Total assets as at			Total liabilities as at			Total revenues for the years			Profit for the years		
	31 December			31 December			31 December			ended 31 December			ended 31 December		
	2013	2012	2011	2013	2012	2011	2013	2012	2011	2013	2012	2011	2013	2012	2011
				(Restated)	(Restated)		(Restated)	(Restated)					(Restated)	(Restated)	
WFS - PG Cargo Co.,Ltd.	300	300	300	1,259	1,424	1,435	455	737	936	1,421	1,371	1,187	387	368	243
Samui Airport Property Fund (Leasehold)	9,208	9,208	9,208	10,552	10,365	10,444	62	62	60	1,230	1,136	979	1,191	1,098	942
S.E.A Aviation Co., Ltd.	30	30	30	29	29	30	-	-	-	-	-	-	(1)	-	-

## 16. Investment properties

The net book value of investment properties is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	Land awaiting for sales	Office and shops for rent	Total	Land awaiting for sales	Office and shops for rent	Total
31 December 2013						
Cost	235,226	107,829	343,055	235,226	107,829	343,055
Less: Accumulated depreciation	-	(30,738)	(30,738)	-	(30,738)	(30,738)
Net book value	235,226	77,091	312,317	235,226	77,091	312,317
31 December 2012						
Cost	235,226	107,829	343,055	235,226	107,829	343,055
Less: Accumulated depreciation	-	(25,347)	(25,347)	-	(25,347)	(25,347)
Net book value	235,226	82,482	317,708	235,226	82,482	317,708
31 December 2011						
Cost	989,066	26,182	1,015,248	999,592	134,012	1,133,604
Less: Accumulated depreciation	-	(4,898)	(4,898)	-	(24,854)	(24,854)
Net book value	989,066	21,284	1,010,350	999,592	109,158	1,108,750

A reconciliation of the net book value of investment properties for the years were presented below.

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	2013	2012	2011	2013	2012	2011
Net book value at beginning of year	317,708	1,010,350	649,554	317,708	1,108,750	753,345
Acquisition of assets	-	1,384	362,105	-	1,384	362,105
Increase from sales of investments in subsidiaries - net book value	-	93,464	-	-	-	-
Disposals - net book value	-	(785,836)	-	-	(785,836)	-
Depreciation charged	(5,391)	(1,654)	(1,309)	(5,391)	(6,590)	(6,700)
Net book value at end of year	<u>312,317</u>	<u>317,708</u>	<u>1,010,350</u>	<u>312,317</u>	<u>317,708</u>	<u>1,108,750</u>

The fair value of the investment properties as at 31 December 2013 and 2012 stated below:

(Unit: Thousand Baht)

	<u>2013</u>	<u>2012</u>
Land awaiting for sales	312,805	312,275
Office and shops for rent	30,329	29,439

The fair values of the above investment properties have been determined based on valuations performed by an accredited independent valuer determined based on market prices and, for some land, the valuation prices from The Treasury Department.

The Company have pledged investment properties amounting to approximately Baht 161 million (2012: Baht 234 million) as collateral against credit facilities received from financial institutions.

## 17. Others long-term investments

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	2013	2012	2011	2013	2012	2011
Available-for-sales securities						
Market capital	2,869,966	2,834,601	2,136,914	2,223,465	2,265,101	1,567,414
Add: Unrealised gain from						
revaluation	11,394,798	10,944,277	7,774,871	9,632,548	9,584,277	6,963,121
Available-for-sales securities - net	14,264,764	13,778,878	9,911,785	11,856,013	11,849,378	8,530,535
Debt securities held to maturity	50,000	50,000	-	50,000	50,000	-
Other investments	7,159	7,527	6,874	7,159	7,527	6,874
Total	14,321,923	13,836,405	9,918,659	11,913,172	11,906,905	8,537,409

Certain available-for-sales securities of the Company and its subsidiaries with market value as at 31 December 2013 amounting to Baht 12,260 million (2012: Baht 11,843 million) have been used as collateral for short-term loans from financial institutions and long-term loans.

## 18. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements								
	Land	Building and improvements	Airport and improvements	Aircrafts	Aircrafts parts and ground equipment	Furniture, fixture and equipment	Vehicles	Construction in progress	Total
<b>Cost</b>									
1 January 2011	1,722,098	1,957,321	808,082	4,364,932	1,906,737	1,150,385	552,390	71,271	12,533,216
Purchase	388,495	6,425	-	-	104,187	38,970	24,492	162,826	725,395
Disposal	-	(5,402)	-	-	-	(7,755)	(19,938)	(121)	(33,216)
Transfer in (out) / adjust	(12)	56,326	545	-	-	16,175	877	(93,872)	(19,961)
31 December 2011	2,110,581	2,014,670	808,627	4,364,932	2,010,924	1,197,775	557,821	140,104	13,205,434
Purchase	60,817	16,955	-	-	151,088	74,229	38,994	149,378	491,461
Disposal	(7,209)	(25,030)	-	-	(6,763)	(22,163)	(24,578)	(2,010)	(87,753)
Transfer to investment properties	(10,526)	(107,829)	-	-	-	-	-	-	(118,355)
Decrease from sale of investments									
in subsidiaries	(334,506)	(403,770)	-	-	-	(140,063)	(3,722)	(17,914)	(899,975)
Transfer in (out) / adjust	-	88,766	14,690	-	-	31,460	91	(135,022)	(15)
31 December 2012	1,819,157	1,583,762	823,317	4,364,932	2,155,249	1,141,238	568,606	134,536	12,590,797
Purchase	1,354	9,856	-	-	285,638	64,219	21,161	181,317	563,545
Disposal	(16,378)	(60,893)	(5,693)	-	(849,128)	(459,013)	(67,648)	(19,577)	(1,478,330)
Transfer in (out)	-	65,687	6,873	-	4,004	11,592	13,330	(101,486)	-
31 December 2013	1,804,133	1,598,412	824,497	4,364,932	1,595,763	758,036	535,449	194,790	11,676,012

(Unit: Thousand Baht)

## Consolidated financial statements

	Land	Building and improvements	Airport and improvements	Aircrafts	Aircrafts parts and ground equipment	Furniture, fixture and equipment	Vehicles	Construction in progress	Total
<b>Accumulated depreciation</b>									
1 January 2011	-	567,205	424,843	1,752,006	1,430,359	916,776	442,181	-	5,533,370
Depreciation for the year	-	118,280	34,186	163,761	95,012	90,870	51,385	-	553,494
Depreciation - disposal	-	(3,853)	-	-	-	(7,241)	(18,483)	-	(29,577)
31 December 2011	-	681,632	459,029	1,915,767	1,525,371	1,000,405	475,083	-	6,057,287
Depreciation for the year	-	120,327	32,970	172,826	103,062	71,668	35,296	-	536,149
Depreciation - disposal	-	(5,248)	-	-	(6,758)	(21,407)	(23,784)	-	(57,197)
Transfer to investment properties	-	(24,891)	-	-	-	-	-	-	(24,891)
Decrease from sale of investments in subsidiaries	-	(167,706)	-	-	-	(128,694)	(3,563)	-	(299,963)
31 December 2012	-	604,114	491,999	2,088,593	1,621,675	921,972	483,032	-	6,211,385
Depreciation for the year	-	89,075	34,837	168,293	125,014	66,125	28,710	-	512,054
Depreciation - disposal	-	(51,704)	(2,604)	-	(812,553)	(451,943)	(67,470)	-	(1,386,274)
Transfer in (out)	-	-	-	-	218	(218)	-	-	-
31 December 2013	-	641,485	524,232	2,256,886	934,354	535,936	444,272	-	5,337,165



(Unit: Thousand Baht)

## Consolidated financial statements

	Land	Building and improvements	Airport and improvements	Aircrafts	Aircrafts parts and ground equipment	Furniture, fixture and equipment	Vehicles	Construction in progress	Total
<b>Net book value</b>									
31 December 2011	2,110,581	1,333,038	349,598	2,449,165	485,553	197,370	82,738	140,104	7,148,147
31 December 2012	1,819,157	979,648	331,318	2,276,339	533,574	219,266	85,574	134,536	6,379,412
31 December 2013	1,804,133	956,927	300,265	2,108,046	661,409	222,100	91,177	194,790	6,338,847
<b>Depreciation for the years ended 31 December</b>									
2011 (Baht 428 million included in cost at sales and services, and the balance in selling and administrative expenses)									553,494
2012 (Baht 386 million included in cost at sales and services, and the balance in selling and administrative expenses)									536,149
2013 (Baht 443 million included in cost at sales and services, and the balance in selling and administrative expenses)									512,054

(Unit: Thousand Baht)

## Separate financial statements

	Land	Building and improvements	Airport and improvements	Aircrafts	Aircrafts parts and ground equipment	Furniture, fixture and equipment	Vehicles	Construction in progress	Total
<b>Cost</b>									
1 January 2011	1,377,066	1,373,808	808,082	4,364,932	1,324,737	752,661	338,034	57,704	10,397,024
Purchase	388,495	9	-	-	52,602	23,655	11,627	143,560	619,948
Disposal	-	(4,104)	-	-	-	(6,568)	(15,218)	-	(25,890)
Transfer in (out)/adjust	(12)	46,233	545	-	-	11,748	877	(79,345)	(19,954)
31 December 2011	1,765,549	1,415,946	808,627	4,364,932	1,377,339	781,496	335,320	121,919	10,971,128
Purchase	60,817	-	-	-	69,055	39,481	31,075	115,677	316,105
Disposal	(7,209)	(18,265)	-	-	(6,763)	(17,112)	(24,019)	(2,010)	(75,378)
Transfer in (out)	-	68,921	14,690	-	-	17,348	91	(101,050)	-
31 December 2012	1,819,157	1,466,602	823,317	4,364,932	1,439,631	821,213	342,467	134,536	11,211,855
Purchase	1,354	-	-	-	193,639	55,140	13,652	160,369	424,154
Disposal	(16,378)	(56,486)	(5,693)	-	(849,028)	(455,573)	(67,648)	(19,577)	(1,470,383)
Transfer in (out)	-	65,687	6,873	-	-	15,596	13,330	(101,486)	-
31 December 2013	1,804,133	1,475,803	824,497	4,364,932	784,242	436,376	301,801	173,842	10,165,626
<b>Accumulated depreciation</b>									
1 January 2011	-	413,011	424,843	1,752,006	1,214,552	670,521	298,018	-	4,772,951
Depreciation for the year	-	82,527	34,186	163,761	44,154	47,431	22,080	-	394,139
Depreciation - disposal	-	(3,594)	-	-	-	(6,492)	(13,764)	-	(23,850)
31 December 2011	-	491,944	459,029	1,915,767	1,258,706	711,460	306,334	-	5,143,240
Depreciation for the year	-	82,865	32,970	172,826	51,034	34,948	18,934	-	393,577
Depreciation - disposal	-	(4,035)	-	-	(6,758)	(16,910)	(23,224)	-	(50,927)
31 December 2012	-	570,774	491,999	2,088,593	1,302,982	729,498	302,044	-	5,485,890
Depreciation for the year	-	75,311	34,837	168,293	64,161	36,009	13,312	-	391,923
Depreciation - disposal	-	(50,209)	(2,604)	-	(812,488)	(448,856)	(67,471)	-	(1,381,628)
31 December 2013	-	598,876	524,232	2,256,886	554,655	316,651	247,885	-	4,496,185

(Unit: Thousand Baht)

Separate financial statements

	Land	Building and improvements	Airport and improvements	Aircrafts	Aircrafts parts and ground equipment	Furniture, fixture and equipment	Vehicles	Construction in progress	Total
<b>Net book value</b>									
31 December 2011	1,765,549	924,002	349,598	2,449,165	118,633	70,036	28,986	121,919	5,827,888
31 December 2012	1,819,157	895,828	331,318	2,276,339	136,649	91,715	40,423	134,536	5,725,965
31 December 2013	1,804,133	879,927	300,265	2,108,046	229,587	119,725	53,916	173,842	5,669,441
<b>Depreciation for the years ended 31 December</b>									
2011 (Baht 264 million included in cost at sales and services, and the balance in selling and administrative expenses)									394,139
2012 (Baht 271 million included in cost at sales and services, and the balance in selling and administrative expenses)									393,577
2013 (Baht 330 million included in cost at sales and services, and the balance in selling and administrative expenses)									391,923

As at 31 December 2013, the Company and its subsidiaries have aircrafts, vehicles and equipment under finance lease which net book value amounted to approximately Baht 2,175 million (2012 : Baht 2,346 million)

As at 31 December 2013, certain property and equipments have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to approximately Baht 2,656 million (2012: Baht 2,617 million (separate financial statements: Baht 2,433 million 2012: Baht 2,289 million).

An airport including its facilities are used as collateral for compliance with the term and condition in the lease and services from facilities agreements with a Property Fund as discuss in Note 26.

Major portion of the Company's land together with the construction and project's assets of subsidiaries thereon are used as collateral for long-term loans as discuss in Note 23.

All aircrafts of the Company as at 31 December 2013 are purchased under conditional agreements. The ownership of the aircrafts will be transferred to the Company upon final payment.

#### **19. Intangible assets**

Two subsidiary companies have signed contracts with Airports of Thailand Public Company Limited (AOT) (which has sole right to operate Suvarnabhumi Airport), in order to engage in various projects at the Airport for 20 years from the day it opened officially (from 28 September 2006 to 27 September 2026). The subsidiaries have to pay annual benefits to AOT, in amounts not less than the minimum compensation rates set for each year, throughout the period of the concession.

<u>Company</u>	<u>Project</u>	<u>Period</u>
Bangkok Air Catering Co., Ltd.	Catering	20 years
Worldwide Flight Services Bangkok Air Ground Handling Co., Ltd.	Ground service equipments and maintenance facilities	20 years

The rights in buildings and other components of each project are transferred to Ministry of Finance.

The net book value of intangible assets is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	Computer		Total	Computer		Total
	Concessions	software		Concessions	software	
As at 31 December 2013:						
Cost	920,732	241,717	1,162,449	-	223,524	223,524
Less: Accumulated amortisation	(334,247)	(111,116)	(445,363)	-	(95,230)	(95,230)
Net book value	<u>586,485</u>	<u>130,601</u>	<u>717,086</u>	<u>-</u>	<u>128,294</u>	<u>128,294</u>
As at 31 December 2012:						
Cost	920,732	171,082	1,091,814	-	153,392	153,392
Less: Accumulated amortisation	(288,232)	(103,997)	(392,229)	-	(88,828)	(88,828)
Net book value	<u>632,500</u>	<u>67,085</u>	<u>699,585</u>	<u>-</u>	<u>64,564</u>	<u>64,564</u>
As at 31 December 2011:						
Cost	920,732	115,352	1,036,084	-	95,339	95,339
Less: Accumulated amortisation	(242,090)	(97,140)	(339,230)	-	(81,187)	(81,187)
Net book value	<u>678,642</u>	<u>18,212</u>	<u>696,854</u>	<u>-</u>	<u>14,152</u>	<u>14,152</u>

A reconciliation of the net book value of intangible assets for the years is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	2013	2012	2011	2013	2012	2011
Net book value at beginning of year	699,585	696,854	743,566	64,564	14,152	12,402
Acquisition of computer software	70,635	56,115	6,941	70,132	55,944	6,831
Written off - net book value	-	-	(97)	-	-	-
Decrease from sale of investments in subsidiaries - net book value	-	(896)	-	-	-	-
Amortisation	<u>(53,134)</u>	<u>(52,488)</u>	<u>(53,556)</u>	<u>(6,402)</u>	<u>(5,532)</u>	<u>(5,081)</u>
Net book value at end of year	<u>717,086</u>	<u>699,585</u>	<u>696,854</u>	<u>128,294</u>	<u>64,564</u>	<u>14,152</u>

## 20. Other non-current assets

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	2013	2012	2011	2013	2012	2011
Deposit	589,386	447,003	426,110	578,817	441,739	419,747
Share deposit	-	-	1,898,500	-	-	1,898,500
Withholding tax	143,040	40,601	40,602	91,227	40,601	40,602
Others	2,695	2,695	3,198	2,695	2,695	2,695
<b>Total</b>	<b>735,121</b>	<b>490,299</b>	<b>2,368,410</b>	<b>672,739</b>	<b>485,035</b>	<b>2,361,544</b>

## 21. Bank overdrafts and short-term loans from banks

(Unit: Thousand Baht)

	Interest rate (percent per annum)	Consolidated financial statements			Separate financial statements		
		2013	2012	2011	2013	2012	2011
Bank overdrafts	7.00 - 10.00	21,365	-	13,565	-	-	-
Short-term loans from financial institutions	3.25 - 7.90	650,000	1,670,000	1,185,000	650,000	1,670,000	1,140,000
<b>Total</b>		<b>671,365</b>	<b>1,670,000</b>	<b>1,198,565</b>	<b>650,000</b>	<b>1,670,000</b>	<b>1,140,000</b>

Bank overdrafts and short-term loans from banks are secured by available for sales securities investment of the Company and its subsidiary, director and the director's securities.

## 22. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	2013	2012	2011	2013	2012	2011
Trade payables - related parties	191,689	134,668	159,463	352,287	289,683	265,463
Trade payables - unrelated parties	1,384,140	1,155,041	1,117,052	1,333,652	1,106,181	1,030,638
Other payables - related parties	45,216	34,209	8,148	36,223	28,980	29,574
Other payables - unrelated parties	703,888	434,338	454,515	490,573	229,811	259,961
Other payables for purchase of software and equipment	32,061	70,763	13,139	4,361	53,968	5,042
<b>Total trade and other payables</b>	<b>2,356,994</b>	<b>1,829,019</b>	<b>1,752,317</b>	<b>2,217,096</b>	<b>1,708,623</b>	<b>1,590,678</b>

## 23. Long-term loans

### Company

(Unit: Thousand Baht)

Loan	Credit Facility	Interest rate (percent per annum)	Period (year)	Agreement Date	Repayment	Separate financial statements		
						2013	2012	2011
1	100	Year 1 : MLR - 0.75 Year 2 onward : MLR	7	10 August 2005	Monthly	-	-	13,850
2	119	Year 1 : MLR - 0.50 Year 2 onward : MLR	7	23 March 2006	Monthly	-	5,811	26,811
3	78	Year 1 : MLR - 1.00 Year 2 : MLR - 0.50 Year 3 onward : MLR	7	20 December 2006	Monthly	-	19,229	39,629
4	300	6.75	5	31 March 2009	Monthly	-	144,095	204,168
5	420	Year 1-2 : MLR - 0.50 Year 3 onward : MLR	6	29 October 2009	Monthly	261,000	345,000	387,000
6	135	Year 1-2 : MLR - 0.50 Year 3 onward : MLR	6	29 October 2009	Monthly	44,290	76,790	101,290
7	1,100	Year 1 : MLR - 1.0 Year 2 : MLR - 0.50 Year 3 onward : MLR	7	20 August 2010	Monthly	677,600	860,000	1,042,400
8	250	MLR	5	9 November 2010	Monthly	127,500	178,000	225,500
9	500	5.50	7	9 May 2011	Yearly	231,582	398,187	500,000
10	300	5.50	7	24 June 2011	Monthly	192,000	235,200	278,400
11	53	6.00	7	24 January 2012	Monthly	37,620	45,540	-
12	100	6.00	7	24 January 2012	Monthly	8,650	7,830	-
13	65	6.00	5	24 January 2012	Monthly	-	1,910	-
Total						1,580,242	2,317,592	2,819,048
Less: Current portion						(628,838)	(595,824)	(534,871)
Long-term loans, net of current portion						951,404	1,721,768	2,284,177

## Subsidiaries

(Unit: Thousand Baht)

Company	Credit Facilities	Interest rate (percent per annum)	Period (year)	Agreement Date	Repayment	2013	2012	2011
Worldwide Flight Services Bangkok Air Ground Handling Co., Ltd.	630	MLR - 1.50	12	15 March 2004	Quarterly	297,000	407,000	467,000
Worldwide Flight Services Bangkok Air Ground Handling Co., Ltd.	160	MLR	6	17 August 2006	Quarterly	-	-	46,825
Bangkok Air Catering Co., Ltd.	710	MLR - 1.00 to MLR	8	23 February 2006	Every 6 months	205,000	385,000	525,000
BAC Gourmets House Co., Ltd.	6	MLR	4	20 December 2010	Quarterly	2,100	3,950	5,600
BAC Gourmets House Co., Ltd.	40	MLR	4	24 April 2012	Quarterly	22,800	31,300	-
Samui Palm Beach Resort Co.,Ltd.	135	MLR - 2.0 to MLR + 2.5	11	12 October 2004	Monthly	-	-	87,107
Samui Palm Beach Royal Wings Co.,Ltd.	152	MLR - 2.0 to MLR + 2.5	11	3 August 2006	Monthly	-	-	144,760
Total						526,900	827,250	1,276,292
Less: Current portion						(357,300)	(300,350)	(253,995)
Long term loan, net of current portion						169,600	526,900	1,022,297

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	2013	2012	2011	2013	2012	2011
Total	2,107,142	3,144,842	4,095,340	1,580,242	2,317,592	2,819,048
Less: Current portion	(986,138)	(896,174)	(788,866)	(628,838)	(595,824)	(534,871)
Long-term loans, net of current portion	1,121,004	2,248,668	3,306,474	951,404	1,721,768	2,284,177

Long-term loans are secured by part of the Company and its subsidiaries' land and construction, project's assets at Suvarnabhumi Airport of subsidiary, rights on the agreements of subsidiaries with Airport of Thailand Public Company Limited, common shares of subsidiary, certain available for sales securities of the Company and its subsidiary, director and the director's securities.

The loan agreements contain covenants as specified in the agreements that, among other things, require the Company and its subsidiaries to maintain certain debt to equity and debt service coverage ratios according to the agreements.

As at 31 December 2013, the long-term credit facilities of the Company and its subsidiaries which have not yet been drawn down amounted to Baht 131 million (Company only: Baht 131 million) (2012: the Company and its subsidiaries: Baht 146 million) (Company only: Baht 146 million)).



## 24. Liabilities arising from finance lease of aircrafts

Liabilities arising from finance lease of aircrafts (effective rate from 6.68 percent to 7.79 percent) are due as follow:

(Unit: Thousand Baht)

	Consolidated financial statements and Separate financial statements		
	2013		
	Liabilities arising from finance lease	Deferred interest expenses	Total
Within one year	471,139	(47,312)	423,827
After one year but within five years	422,197	(13,538)	408,659
<b>Total</b>	<b>893,336</b>	<b>(60,850)</b>	<b>832,486</b>

(Unit: Thousand Baht)

	Consolidated financial statements and Separate financial statements		
	2012		
	Liabilities arising from finance lease	Deferred interest expenses	Total
Within one year	410,318	(69,899)	340,419
After one year but within five years	838,907	(56,839)	782,068
<b>Total</b>	<b>1,249,225</b>	<b>(126,738)</b>	<b>1,122,487</b>

(Unit: Thousand Baht)

	Consolidated financial statements and Separate financial statements		
	2011		
	Liabilities arising from finance lease	Deferred interest expenses	Total
Within one year	328,924	(90,082)	238,842
After one year but within five years	1,282,621	(131,080)	1,151,541
<b>Total</b>	<b>1,611,545</b>	<b>(221,162)</b>	<b>1,390,383</b>

## 25. Liabilities under finance lease agreements

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	2013	2012	2011	2013	2012	2011
Liabilities under finance lease agreements	64,068	69,268	40,643	55,015	60,046	31,265
Less: Deferred interest expenses	(4,274)	(5,187)	(2,810)	(3,622)	(4,428)	(2,068)
Total	59,794	64,081	37,833	51,393	55,618	29,197
Less : Portion due within one year	(26,541)	(25,162)	(15,579)	(22,694)	(21,845)	(12,290)
Liabilities under finance lease agreements - net of current portion	33,253	38,919	22,254	28,699	33,773	16,907

The Company and its subsidiaries have entered into the finance lease agreements with leasing companies for rental of motor vehicles and equipment for use in its operation, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are generally between 3 and 5 years.

Future minimum lease payments required under the finance lease agreements were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		
	31 December 2013		
	Less than 1 year	1-5 years	Total
Future minimum lease payments	28,980	35,088	64,068
Deferred interest expenses	(2,439)	(1,835)	(4,274)
Present value of future minimum lease payments	26,541	33,253	59,794

(Unit: Thousand Baht)

	Consolidated financial statements		
	31 December 2012		
	Less than 1 year	1-5 years	Total
Future minimum lease payments	28,010	41,258	69,268
Deferred interest expenses	(2,848)	(2,539)	(5,187)
Present value of future minimum lease payments	25,162	38,919	64,081

(Unit: Thousand Baht)

Consolidated financial statements

31 December 2011

	Less than		
	1 year	1-5 years	Total
Future minimum lease payments	17,205	23,438	40,643
Deferred interest expenses	(1,626)	(1,184)	(2,810)
Present value of future minimum lease payments	<u>15,579</u>	<u>22,254</u>	<u>37,833</u>

(Unit: Thousand Baht)

Separate financial statements

31 December 2013

	Less than		
	1 year	1-5 years	Total
Future minimum lease payments	24,761	30,254	55,015
Deferred interest expenses	(2,067)	(1,555)	(3,622)
Present value of future minimum lease payments	<u>22,694</u>	<u>28,699</u>	<u>51,393</u>

(Unit: Thousand Baht)

Separate financial statements

31 December 2012

	Less than		
	1 year	1-5 years	Total
Future minimum lease payments	24,283	35,763	60,046
Deferred interest expenses	(2,438)	(1,990)	(4,428)
Present value of future minimum lease payments	<u>21,845</u>	<u>33,773</u>	<u>55,618</u>

(Unit: Thousand Baht)

Separate financial statements

31 December 2011

	Less than		
	1 year	1-5 years	Total
Future minimum lease payments	13,579	17,686	31,265
Deferred interest expenses	(1,289)	(779)	(2,068)
Present value of future minimum lease payments	<u>12,290</u>	<u>16,907</u>	<u>29,197</u>

## 26. Long-term loans - related party

(Unit: Thousand Baht)

	Consolidated financial statements and Separate financial statements
Balance as at 1 January 2011 - as restated	10,600,747
Increase from compound interest	1,283,035
Less: Payment during period	(973,146)
Balance as at 31 December 2011 - as restated	10,910,636
Increase from compound interest	1,314,162
Less: Payment during period	(1,127,407)
Balance as at 31 December 2012 - as restated	11,097,391
Increase from compound interest	1,331,658
Less: Payment during period	(1,221,560)
Balance as at 31 December 2013	11,207,489
Less: portion due within one year	-
Long-term loans - related party - net of current portion	<u>11,207,489</u>

On 24 November 2006, the Company entered into an agreement to lease Samui Airport, together with its facilities, to Samui Airport Property Fund (Leasehold) (Fund) for a period of 30 years (from 24 November 2006 to 23 November 2036) for Baht 9,300 million. The Company pledged the assets leased to the Fund, with a collateral values of Baht 20,900 million, to guarantee performance in accordance with the lease agreement. Under the term of the agreement, the Company (Bangkok Airways Co., Ltd. and/or its affiliates, and/or its subsidiaries) must hold not less than 25% of the number of units issued and offered for sale by the Fund for the period of 20 years (from 24 November 2006 to 23 November 2026).

On the same date, the Company entered into an agreement to sublease the Samui Airport from the Fund for a period of 3 years, renewable for 9 times of 3 years each, and another agreement under which the Company is to receive utilities system service at the Samui Airport from the Fund for a period of 30 years (from 24 November 2006 to 23 November 2036). Payments on these agreements are as follows:

Sublease	- Baht 26,125,000 per month
Utilities system service	
- Fixed	- Baht 21,375,000 per month
- Additional	- Vary based on number of departing passengers and number of flight arrivals

The Company has to arrange for a bank guarantee to be issued by a commercial bank in Thailand and/or deposit cash as security in the bank account of the Fund and/or pledge of listed securities and/or other securities, such that their aggregate value is equal to 12 months of the sub-lease fee specified in Sub-Lease Agreement plus the fixed service fee specified in Utilities System Service Agreement. If listed securities and/or other securities are pledged, collateral value is not to be less than 120 percent of the pledged collateralized amount throughout the pledge period.

The Company has pledged common shares of Bangkok Dusit Medical Services Public Company Limited amounting to 8.5 million shares (2012: 8.5 million shares) with a fair value of Baht 999 million (2012: Baht 965 million) as at 31 December 2013, as collateral.

During the year 2013, the Company changed the way it recorded these long-term loans, to include fixed rental expenses, fixed service expenses and variable service expenses in computing the effective interest rate. This change in calculation method caused the book value of long-term loans to increase, since cumulative estimated future liabilities over the term of the contract are recorded in the financial statements. This effect to this is that in some years the long-term loans balance is increased due to compounding of interest.

## **27. Provision for long-term employee benefits**

Provision for long-term employee benefits, which is compensations on employees' retirement, was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>Defined benefit obligation at</b>						
<b>beginning of year</b>	160,919	115,340	88,386	121,243	82,604	64,969
Current service cost	30,001	29,406	23,702	18,761	19,128	15,194
Interest cost	5,829	4,375	3,363	4,334	3,110	2,441
Benefits paid during the year	(21,190)	(410)	(111)	(20,464)	-	-
Actuarial loss	110,926	16,401	-	112,820	16,401	-
Decrease from sale of investments						
in subsidiaries	-	(4,193)	-	-	-	-
<b>Provisions for long-term employee</b>						
<b>benefits at end of year</b>	<u>286,485</u>	<u>160,919</u>	<u>115,340</u>	<u>236,694</u>	<u>121,243</u>	<u>82,604</u>

Long-term employee benefit expenses included in the profit or loss was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Current service cost	30,001	29,406	23,702	18,761	19,128	15,194
Interest cost	5,829	4,375	3,363	4,334	3,110	2,441
Actuarial loss recognised during the year	110,926	16,401	-	112,820	16,401	-
Total expense recognised in profit or loss	<u>146,756</u>	<u>50,182</u>	<u>27,065</u>	<u>135,915</u>	<u>38,639</u>	<u>17,635</u>
Line items under which such expenses are included in profit or loss						
Cost of sales and service	96,658	28,666	17,692	93,674	19,848	10,756
Selling and administrative expenses	50,098	21,516	9,373	42,241	18,791	6,879

Principal actuarial assumptions at the valuation date were as follows:

(Unit: Percent per annum)

	Consolidated financial statements			Separate financial statements		
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Discount rate	3.96 - 4.10	3.36 - 4.17	3.00 - 4.17	3.96	3.58	3.76
Future salary increase rate	4.00 - 6.00	4.00 - 5.00	4.00 - 5.00	6.00	5.00	5.00
Staff turnover rate						
(dependent on age)	0.00 - 31.00	0.00 - 46.00	0.00 - 46.00	5.00 - 9.00	8.00 - 10.00	5.00 - 10.00

Amounts of defined benefit obligation and experience adjustments on the obligation for the current and previous three periods are as follows:

(Unit: Thousand Baht)

	Defined benefit obligation		Experience adjustments on the obligation	
	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements
Year 2013	286,485	236,694	39,633	41,857
Year 2012	160,919	121,243	7,813	7,813
Year 2011	115,340	82,604	-	-
Year 2010	88,386	64,969	-	-

## 28. Share capital

On 7 February 2013, the Board of Directors Meeting No.2/2013 passed a resolution to call up the residual payment of 75 percent of the 5 million registered share capital at Baht 7.50 per share, resulting in an increase in called-up capital to Baht 1,250 million. The Company registered the increase its called-up capital with the Ministry of Commerce on 27 February 2013.

On 26 February 2013, the Extraordinary Annual Meeting of the shareholders No.1/2556 passed resolutions approving the followings:

- 1) A change in the par value of the Company's share from Baht 10 to Baht 1 per share, resulting in an increase in number of the ordinary shares from 125 million ordinary shares to 1,250 million ordinary shares.
- 2) An increase of Baht 850 million in the registered capital, from Baht 1,250 million to Baht 2,100 million. The Company registered the capital increase with the Ministry of Commerce on 27 February 2013.
- 3) Consider to approve an increase in the Company's share capital.
  - 3.1 Up to 300 million shares with a par value of Baht 1 each to be reserved for the right offering to be made to the Company's existing shareholders at the proportion of shareholding (right offering). On 21 March 2013, the Company registered its paid-up share capital of Baht 1,550 million with the Ministry of Commerce.
  - 3.2 The allotment of common shares to directors and employees of the Company (ESOP) as discussed in Note 29. On 29 March 2013, the Company registered its paid-up share capital of Baht 1,580 million with the Ministry of Commerce. According to this, the Company has premium on ordinary shares totalling Baht 270 million.

3.3 Up to 520 million shares with a par value of Baht 1 each to be reserved for the Initial Public Offering.

Reconciliation of number of ordinary shares

(Unit: Shares)

	Consolidated financial statements and Separate financial statements		
	2013	2012	2011
<b>Registered ordinary shares</b>			
Number of ordinary shares at the beginning of the year	125,000,000	120,000,000	120,000,000
Increase registered ordinary shares	85,000,000	5,000,000	-
Decrease in par value from Baht 10 each to Baht 1 each	1,890,000,000	-	-
Number of ordinary shares at the end of the year	<u>2,100,000,000</u>	<u>125,000,000</u>	<u>120,000,000</u>
<b>Issued and paid-up ordinary shares</b>			
Number of ordinary shares at the beginning of the year	121,250,000	120,000,000	120,000,000
Increase paid-up ordinary shares - Baht 10 each	<u>3,750,000</u>	<u>1,250,000</u>	-
	125,000,000	121,250,000	120,000,000
Decrease in par value from Baht 10 each to Baht 1 each	1,125,000,000	-	-
Right offering	300,000,000	-	-
ESOP	<u>30,000,000</u>	-	-
Number of ordinary shares at the end of the year	<u>1,580,000,000</u>	<u>121,250,000</u>	<u>120,000,000</u>

**29. Capital reserve for share-based payment transactions**

On 26 February 2013, the Company allotted 30,000,000 common shares to employees and directors of the Company. The details are as follows:

No. of shares reserved for exercise: 30,000,000 shares

Offering date: 26 February 2013

Exercise price: Equal to or higher than net book value of the Company as at 31 December 2012 (approximately or equal to Baht 10)

Allotment method: The Company allotted the common shares to directors, management and employees eligible as of 31 January 2013, with the allocations dependent on position, length of service and responsibilities.



Lock up period: No shares may be sold for six months after the Company's shares start trading on the Stock Exchange of Thailand, while up to 50% of shares may be sold during the seventh to the twelfth month after the shares start trading, and there are no limitations on the sale of shares once a period of twelve months has passed since the shares started trading.

The estimated fair value of each share option granted is Baht 16.91, as calculated by a financial advisor qualified independent party using the Discounted Cash Flow with Weighted Average Cost of Capital Method, applying a discount rate of 12.32 percent.

During the year 2013, the Company recorded expenses amounting to Baht 207.3 million as personnel expenses. As at 31 December 2013, the Company has capital reserves for share-based payment of Baht 207.3 million.

### 30. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

### 31. Expenses by nature

Significant expenses by nature are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Salary and wages and other employee benefits	4,046,376	3,282,090	2,730,784	2,852,041	2,204,772	1,780,275
Depreciation	517,445	537,803	554,803	397,314	400,167	400,839
Amortization expenses	55,446	54,802	69,114	8,714	7,844	20,638
Rental expenses from operating lease	1,748,522	1,549,563	1,388,404	1,645,855	1,452,153	1,300,177
Fuel expenses	4,158,783	3,852,728	3,049,204	4,158,783	3,852,728	3,049,204
Repair and maintenance	1,531,653	1,313,540	1,005,404	1,420,196	1,220,014	931,748
Ground service expenses	726,714	483,603	344,367	1,098,712	843,178	639,942
Raw materials and supply used	457,131	437,037	375,925	-	-	-

## 32. Income tax

### 32.1 Deferred tax assets / liabilities

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements				Separate financial statements			
	31 December 2013	31 December 2012 (Restated)	31 December 2011 (Restated)	1 January 2011	31 December 2013	31 December 2012 (Restated)	31 December 2011 (Restated)	1 January 2011
<b>Deferred tax assets</b>								
Allowance for diminution in value								
of inventory	8,194	7,969	3,314	4,845	8,168	7,969	3,314	4,845
Impairment of assets	1,215	-	-	-	-	-	-	-
Accumulate depreciation - building and equipment	480	403	337	-	-	-	-	-
Accrued expense	13,117	11,463	10,233	8,389	1,284	-	-	-
Unrealised loss on re-measuring trading securities	-	-	-	-	1,400	-	-	-
Provision for long-term employee benefits	28,209	15,755	9,797	4,868	18,250	7,820	3,962	2,056
Tax loss carry forward	-	32,607	305,603	714,642	-	-	217,486	498,532
<b>Total</b>	<b>51,215</b>	<b>68,197</b>	<b>329,284</b>	<b>732,744</b>	<b>29,102</b>	<b>15,789</b>	<b>224,762</b>	<b>505,433</b>
<b>Deferred tax liabilities</b>								
Unrealised gain on re-measuring available-for-sale securities	2,278,959	2,188,855	1,554,974	1,192,578	1,926,509	1,916,855	1,392,624	1,126,278
Unrealised gain on transfer of investments	-	-	-	-	68,250	-	-	-
Accrued income	400	-	-	-	400	-	-	-
Liabilities arising from finance lease of aircrafts	233,940	230,771	209,777	323,275	233,940	230,771	209,777	323,275
Finance lease liabilities	469	672	762	1,402	469	672	762	1,402
<b>Total</b>	<b>2,513,768</b>	<b>2,420,298</b>	<b>1,765,513</b>	<b>1,517,255</b>	<b>2,229,568</b>	<b>2,148,298</b>	<b>1,603,163</b>	<b>1,450,955</b>
<b>Deferred tax assets - net</b>	<b>23,513</b>	<b>52,408</b>	<b>104,522</b>	<b>227,311</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred tax liabilities - net</b>	<b>2,486,066</b>	<b>2,404,509</b>	<b>1,540,751</b>	<b>1,011,822</b>	<b>2,200,466</b>	<b>2,132,509</b>	<b>1,378,401</b>	<b>945,522</b>

### 32.2 Income tax expenses

Income tax expenses for the year are made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	2013	2012 (Restated)	2011 (Restated)	2013	2012 (Restated)	2011 (Restated)
<b>Current income tax:</b>						
Current income tax charge	118,840	176,407	8,774	49,861	123,233	-
Adjustment in respect of current income tax of previous year	718	-	-	-	-	-
<b>Deferred tax:</b>						
Relating to origination and reversal of temporary differences	20,348	281,991	289,322	58,303	229,877	166,533
<b>Income tax expenses reported in the statements of comprehensive income</b>	<b>139,906</b>	<b>458,398</b>	<b>298,096</b>	<b>108,164</b>	<b>353,110</b>	<b>166,533</b>

Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for year is as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	2013	2012	2011	2013	2012	2011
		(Restated)	(Restated)		(Restated)	(Restated)
Accounting profit before tax	1,129,925	2,290,786	588,726	1,067,976	1,687,783	382,998
Applicable tax rate	20%	23%	30%	20%	23%	30%
Accounting profit before tax multiplied by applicable tax rate	225,985	526,881	176,618	213,595	388,190	114,899
Adjustment in respect of current income tax of previous year	718	-	-	-	-	-
Effects of changes in the applicable tax rates	-	(3,153)	5,800	-	(924)	(39,172)
Effects of:						
BOI Privilege (Note 33)	(252,831)	(212,377)	(109,364)	(252,831)	(212,377)	(109,364)
Tax exempted revenue	(85,149)	(76,654)	(26,062)	(103,922)	(44,014)	(48,874)
Non-deductible expenses	279,620	252,392	265,897	279,678	250,870	263,837
Additional expense deduction allowed	(28,437)	(28,691)	(14,793)	(28,356)	(28,635)	(14,793)
Total	(86,797)	(65,330)	115,678	(105,431)	(34,156)	90,806
Income tax expenses reported in the statements of comprehensive income	139,906	458,398	298,096	108,164	353,110	166,533

### 32.3 Income tax relating to each component of other comprehensive income

The amounts of income tax relating to each component of other comprehensive income for the year are as follows:

(Unit: Thousand Baht)

	Consolidated			Separate		
	financial statements			financial statements		
	2013	2012	2011	2013	2012	2011
		(Restated)	(Restated)		(Restated)	(Restated)
Deferred tax relating to						
Increasing in gain on re-measuring available-for-sale investments	90,104	633,881	362,396	9,654	524,231	266,346
	90,104	633,881	362,396	9,654	524,231	266,346

In October 2011, the cabinet passed a resolution to reduce the corporate income tax rate from 30 percent to 23 percent in 2012, and then to 20 percent from 2013. In addition, in order to comply with the resolution of the cabinet, in December 2011, the decreases in tax rates for 2012 - 2014 were enacted through a royal decree. The Company and its subsidiaries have reflected the changes in the income tax rates in its deferred tax calculation, as presented above.

### 33. Promotional privileges

By virtue of the provisions of Investment Promotion Act, the Company was granted certain privileges by exemption from income tax for net income from promoted business for eight years as follows:

Promotion certificate No.	Description	Commencing date	Expiring date
Air transportation operations			
2072(2)/2548	6 aircrafts with capacity of 795 seats	1 July 2007	30 June 2015
2199(2)/2551	3 aircrafts with capacity of 430 seats	30 January 2009	29 January 2017
1204(2)/2555	2 aircrafts with capacity of 300 seats	11 March 2012	10 March 2020
2019(2)/2555	1 aircraft with capacity of 162 seats	30 November 2012	29 November 2020
1208(2)/2556	4 aircrafts with capacity of 600 seats	18 May 2013	17 May 2021
Commercial airport operations			
1352(2)/2550	Samui airport	1 May 2007	30 April 2015
Catering operations			
2110(3)/2549	Manufacturing food	-	-

As a promotion company, the Company must comply with certain conditions and restrictions provided for in the promotional certificates.

The Company's operating revenues for the years are below shown divided according to promoted and non-promoted operations.

(Unit: Million Baht)

	Promoted operations			Non-promoted operations			Total		
	2013	2012	2011	2013	2012	2011	2013	2012	2011
Sales									
Passenger	10,865	10,936	9,725	5,619	3,665	1,685	16,484	14,601	11,410
Others	839	838	700	1,718	1,968	1,604	2,557	2,806	2,304
Total sales	11,704	11,774	10,425	7,337	5,633	3,289	19,041	17,407	13,714

### 34. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year, after adjusting the number of ordinary shares in proportion to the change in the par value of the shares from Baht 10 to Baht 1 per share as discussed in Note 28, because these change were occurred after the end of the reporting period but before the financial statements were authorised for issue. The number of ordinary shares of the prior year used for the calculation, as presented for comparative purposes, has been adjusted in proportion to the change in the par value of the shares as a result of the change in the par value of the shares had been occurred at the beginning of the earliest period reported.

The following table sets forth the computation of basic earnings per share:

	Profit for the years			Weighted average number of ordinary shares			Earnings per share		
	2013	2012	2011	2013	2012	2011	2013	2012	2011
	(Thousand Baht)	(Thousand Baht) (Restated)	(Thousand Baht) (Restated)	(Thousand shares)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht) (Restated)	(Baht) (Restated)
Consolidated									
financial statements	932,462	1,771,290	281,690	1,511,194	1,209,520	1,200,000	0.62	1.46	0.23
Separate									
financial statements	959,813	1,334,673	216,464	1,511,194	1,209,520	1,200,000	0.64	1.10	0.18

### 35. Segment information

Operating segment information is reported in a manner consistent with the internal reporting the chief operating decision maker has received and regularly reviewed to make decisions about resources to be allocated to the segment and assess its performance.

For management purposes, the Company and its subsidiaries are organised into business units based on their services, and there are the following three reportable segments:

- The airlines segment, which sells tickets and provides services to passengers.
- The airports segment, which provides location services for passengers and airlines.
- The supporting airlines business segment, which provides ground handling, cargo and catering services for airlines and customers.

The Company and its subsidiaries have aggregated operating segments of hotels, holding, duty free and training and presented as reportable segment of other segment. Since such operating segments do not meet the quantitative thresholds as set out in the financial reporting standard.

Chief operating decision maker monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the financial statements. However, the Company and its subsidiaries financing (including finance costs, finance income and income taxes) are managed on a Group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an agreed upon basis.

Inter-segment revenues are eliminated on consolidation.

The following tables present revenue, profit and total assets information regarding the Company and its subsidiaries' operating segments for the years, respectively.

(Unit: Million Baht)

	Airlines segment			Airports segment			Supporting airlines business segments			Other segments			Elimination of inter-segment revenues			Consolidation		
	2013	2012	2011	2013	2012	2011	2013	2012	2011	2013	2012	2011	2013	2012	2011	2013	2012	2011
Revenues from external customers	16,735	14,864	11,599	486	447	369	2,656	2,301	2,059	43	146	157	-	-	-	19,920	17,758	14,184
Intersegment revenues	-	2	1	-	-	-	722	668	500	-	14	12	(722)	(684)	(513)	-	-	-
Total revenues	<u>16,735</u>	<u>14,866</u>	<u>11,600</u>	<u>486</u>	<u>447</u>	<u>369</u>	<u>3,378</u>	<u>2,969</u>	<u>2,559</u>	<u>43</u>	<u>160</u>	<u>169</u>	<u>(722)</u>	<u>(684)</u>	<u>(513)</u>	<u>19,920</u>	<u>17,758</u>	<u>14,184</u>
Segment operating profit	4,390	4,196	3,015	75	94	91	420	284	266	-	19	16				4,885	4,593	3,388
Unallocated income and expenses:																		
Gain on sales of investments																42	819	325
Gain on sales of investments in subsidiaries																3	227	-
Dividend income																220	135	91
Other income																538	581	922
Selling expenses																(1,425)	(1,090)	(958)
Administrative expenses																(1,690)	(1,432)	(1,160)
Loss on sales from disposal of leasehold right																-	-	(369)
Other expenses																(71)	(34)	(61)
Share of income from investments in associates																394	359	257
Finance cost																(1,766)	(1,868)	(1,846)
Income tax expenses																(140)	(458)	(298)
Non-controlling interests of the subsidiaries																(58)	(61)	(9)
Profit for the year																<u>932</u>	<u>1,771</u>	<u>282</u>

	Airlines segment			Airports segment			Supporting airlines business segments			Unallocated assets			Total assets		
	2013	2012	2011	2013	2012	2011	2013	2012	2011	2013	2012	2011	2013	2012	2011
Segment total assets	<u>3,767</u>	<u>3,750</u>	<u>3,883</u>	<u>2,451</u>	<u>2,452</u>	<u>2,454</u>	<u>2,337</u>	<u>2,099</u>	<u>2,177</u>	<u>21,838</u>	<u>23,707</u>	<u>18,937</u>	<u>30,393</u>	<u>32,008</u>	<u>27,451</u>

Transfer prices between business segments are as set out in Note 8 to the financial statements.

Of total revenue from the airlines, airports and supporting airlines business segments of the Company and its subsidiaries, 69 percent was derived from domestic operations.

For the year 2013 and 2012, the Company and its subsidiaries have no major customer with revenue of 10 percent or more of an entity's revenues.

### 36. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 2 percent to 5 percent of basic salary. The fund, which is managed by MFC Assets Management Public Co., Ltd., will be paid to employees upon termination in accordance with the fund rules. During the year 2013, the Company contributed Baht 32 million (2012: Baht 25 million) to the fund.

Subsidiaries and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and subsidiaries contribute to the fund monthly at the rate of 3 percent to 7 percent of basic salary. The fund, which is managed by Tisco Assets Management Public Co., Ltd., will be paid to employees upon termination in accordance with the fund rules. During the year 2013, Subsidiaries contributed Baht 16 million (2012: Baht 23 million) to the fund.

### 37. Dividends

	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)
Interim dividends for 2012 income	Extraordinary Annual Meeting of the shareholders on 26 February 2013	850,000	7.01
Final dividends for 2012 income	Annual General Meeting of the shareholders on 25 April 2013	350,000	0.22
Interim dividends for 2013 income	Board of Directors' meeting on 25 April 2013	449,954	0.28
Interim dividends for 2013 income	Board of Directors' meeting on 22 August 2013	379,200	0.24
Interim dividends for 2013 income	Board of Directors' meeting on 28 November 2013	395,000	0.25
		2,424,154	8.00



	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)
Interim dividends for 2012 income	Annual General Meeting of the shareholders on 22 November 2012	654,750	5.40
		<u>654,750</u>	<u>5.40</u>
Final dividends on 2010 income	Annual General Meeting of the shareholders on 27 April 2011	120,000	1.00
Interim dividends for 2011 income	Board of Directors' meeting on 23 June 2011	480,000	4.00
Interim dividends for 2011 income	Annual General Meeting of the shareholders on 25 August 2011	300,000	2.50
		<u>900,000</u>	<u>7.50</u>

### 38. Commitments and contingent liabilities

#### 38.1 Operating lease commitments

The Company has entered into several aircraft lease agreements with foreign companies, office premises and utilities.

As at 31 December 2013, future minimum lease payments required under aircraft lease agreements total USD 125 million (2012: USD 118 million).

Future minimum lease payments required under concessions and non-cancellable rental agreements of building with local and aboard were as follows.

	(Unit: Million Baht)					
	Consolidated			Separate		
	financial statements			financial statements		
	As at 31 December			As at 31 December		
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Payable						
In up to 1 year	589	490	479	77	58	63
In over 1 year and up to 5 years	1,770	1,793	1,697	58	85	36
In over 5 years	4,118	4,563	5,127	74	78	20

### 38.2 Capital commitments

As at 31 December 2013, the Company and its subsidiaries had capital commitments of Baht 30 million (2012: Nil) mainly in runway improvement and building improvement, and Baht 129 million (2012: Nil) relating to acquisition of software and office equipment for the Company's operations.

### 38.3 Guarantees

- (a) As at 31 December 2013, the Company has guaranteed bank credit facilities of its subsidiaries companies amounting to Baht 1,910 million (2012: Baht 2,235 million) and associated companies amounting to Baht 165 million (2012: Baht 1,040 million).
- (b) As at 31 December 2013, the Company has outstanding bank guarantees of approximately Baht 73.0 million, USD 1.3 million, INR 29.8 million, BDT 1.2 million, MYR 1.0 million and SGD 0.1 million issued by banks on behalf of the Company in the normal course of business (2012: Baht 105.7 million, USD 2.5 million, INR 23.9 million, BDT 7.5 million, MYR 1.0 million and SGD 0.1 million) and its subsidiaries have outstanding bank guarantees of approximately Baht 282 million (2012: Baht 281 million).

### 38.4 Pledges

#### **The Company and its subsidiaries**

38.4.1 The Company and its subsidiaries have the following contingent liabilities in respect of loan guarantees.

(Unit: Million Baht)

Guarantor	Guarantee	As at 31 December		
		2013	2012	2011
Bangkok Air Catering Co.,Ltd.	BAC Gourmet House Co.,Ltd.	46	46	6
Samui Palm Beach Resort Co.,Ltd.	Samui Palm Beach Royal Wings Co.,Ltd.	-	-	132

38.4.2 The Company and its subsidiaries have the following contingent liabilities in respect of guarantees for bank overdraft facilities.

(Unit: Million Baht)

Guarantor	Guarantee	As at 31 December		
		2013	2012	2011
Bangkok Air Catering Co.,Ltd.	BAC Gourmet House Co.,Ltd.	5	5	1
Samui Palm Beach Resort Co.,Ltd.	Samui Palm Beach Royal Wings Co.,Ltd.	-	-	7

### 39. Litigation

#### The Company

- 39.1 The Company was sued by 3 ex-employees claiming Baht 0.2 million for bonus of 2007. The Company protested the claim citing the resignation took place in May 2008 making them ineligible for the previous year's bonus which made a payment during the year 2008. At present, the case is being considered by the Supreme Court.
- 39.2 The Company was sued by a plaintiff who acted as an agent in finding sponsorship of the Company's annual events; "Bangkok Airways Samui Super Beach Volleyball 2005" and "Bangkok Airways Open 2005", for a payment of commissions at the rate of 10 percent of the amounts received from sponsorship of these events in the years 2006 and 2007. The claimed amount is Baht 0.6 million together with interest at a rate of 7.5 percent per annum, calculated from 3 September 2008. The Company is disputing the claim citing that the plaintiff was hired as an agent exclusively for the year 2005, making the plaintiff ineligible for the commissions for the years 2006 and 2007. At present, the case is being considered by the Supreme Court.
- 39.3. Koh Samui Municipality made the assessment of the House and Land tax for Samui Airport between the year 2007 to the year 2010 in the total amount of Baht 119 million and in the amount of Baht 38.8 million for each of the year 2011 to the year 2013. The Company disagreed with such tax assessment as the assessment of the House and Land tax by Koh Samui Municipality was not in line with laws and relevant facts. The Company, therefore, filed an appeal for reassessment of the House and Land tax pursuant to rights permitted by the laws. However, since the House and Land Tax Act B.E. 2475 (1932) provides that the payment of assessed the House and Land tax shall be made prior to submitting the case before the court, the Company is required to pay such House and Land tax as earlier assessed to Koh Samui Municipality.

The Company filed suit against Koh Samui Municipality with the Central Tax Court to demand Koh Samui Municipality to return the paid House and Land tax. In this regards, the Central Tax Court rendered the judgment in favor of the Company with respect to the House and Land tax assessment of the year 2007 to the year 2010 and that of the year 2011 and the year 2012 and ordered Koh Samui Municipality to repay the House and Land tax for the year 2007 to the year 2010 and for the year 2011 and the year 2012 to the Company with the interest rate of 7.5 per year. Koh Samui Municipality subsequently filed the petition to suspend the execution of the judgment and filed an appeal against such judgment to the Central Tax Court. Such appeal is currently being considered by the Supreme Court. In addition, the Company filed an appeal against the assessment of House and Land tax for the year 2013, which is currently under the consideration of the committee considering the reassessment request.

The Company hereby confirms that the relevant accounting record is made for accounting purposes only and shall neither prejudice, nor shall be construed as a waiver of the Company's legal rights to claim for the House and Land tax to be repaid by Koh Samui Municipality according to the court judgment, including any other cases in disputes and being in the court proceedings and the Company's appeal for House and Land tax reassessment.

39.4 The Company was sued by a plaintiff who acted as an agent for ticketing and air cargo services operated in Bangladesh. The plaintiff filed a civil lawsuit against the Company with the Civil Court, alleging that the Company was in breach of agreement as a result of the non-renewal of the agency appointment, resulting in damages amounting Bangladeshi Taka 807 million, or about Baht 308 million, and petitioned the court to issue an order of temporary protection prohibiting the Company from any transactions through the Company's accounts at the Banani Branch of HSBC Bank, as discussed in Note 13. The court of first instance accepted the lawsuit but dismissed the petition for a temporary protection order. The plaintiff therefore filed an appeal of the decision of the court of first instance with the Supreme Court and the Supreme Court decided that the temporary protection order should be granted by the court of first instance, and dissolved after 2 months from the date the order is received. The Company has engaged legal counsel to dispute the charges since the renewal of an agreement appointing an agent is the Company's right and the agreement appointing the agent did not stipulate that the Company required the consent of the agent in the matter of renewal of the agreement. Subsequently, the Company and plaintiff have attempted to conclude a settlement agreement, whereby the Company would have to pay

compensation amounting to USD 1.6 million, or Baht 52 million, to a plaintiff. The company has already set aside full provision for the compensation in the accounts. At present, the Company and plaintiff are in the process of signing a settlement agreement.

39.5 In February 2014, the Company was sued by a former employee, claiming damages of Baht 91.4 million as a result of tort and the breach of an employment contract. At present, the case is being considered by the Labour Court.

### **Subsidiaries**

39.6 During 2008, the subsidiary was sued for Baht 68.6 million by its construction contractor in a dispute between the parties over the subsidiary's opinion that the contractor had not complied with the terms and conditions of a construction contract. On 20 April 2010, the Court of First Instance ordered the subsidiary to pay compensation of Baht 25.4 million, together with interest at 7.5% per annum computed from 15 October 2007 until the compensation is fully settled. On 14 July 2010, the subsidiary sought a stay of execution from the Court of Appeal.

In March 2011, the subsidiary returned the retention, amounting to Baht 10.4 million, to the plaintiff, together with the corresponding interest, or a total of Baht 13.1 million. Moreover, on 17 March 2011, the subsidiary placed the remaining Baht 15 million and the corresponding interest charge, or a total of Baht 19.8 million, as a bond, in accordance with an order of the Court of Appeal. On 2 June 2011, the Court of Appeal ordered the subsidiary to pay for incremental costs amounting to Baht 13.6 million. Later, on 30 September 2011, the subsidiary filed an appeal of the case with the Supreme Court. Currently, the case is pending in the Supreme Court and the outcome cannot yet be determined. However, the subsidiary believes that the provisions made in the accounts are adequate to cover any losses that may arise from this case.

## **40. Financial instruments**

### **40.1 Financial risk management**

The Company's financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade accounts receivable, loans, investments, and short-term and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

## **Credit risk**

The Company is exposed to credit risk primarily with respect to trade accounts receivable, loans, other receivable and notes receivable. The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Company does not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of receivables, loans, other receivables and notes receivable as stated in the statement of financial position.

## **Interest rate risk**

The Company's exposure to interest rate risk relates primarily to its cash at banks, bank overdrafts, debentures and long-term borrowings. However, since most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

Significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statement							
31 December 2013							
Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)	
Within 1 year	1-5 years	Over 5 years					
<b>Financial assets</b>							
Cash and cash equivalent	120	-	-	1,113	1,319	2,552	0.1 - 3.15
Current investments	470	-	-	-	41	511	2.35
Trade and other receivables	-	-	-	-	1,679	1,679	-
Restricted bank deposits	22	-	-	-	167	189	1.60 - 3.10
Other long-term investments	-	-	50	-	14,272	14,322	4.375
Long term loans to related parties	-	-	20	34	2	56	1, MLR
	612	-	70	1,147	17,480	19,309	
<b>Financial liabilities</b>							
Bank overdrafts and short-term loans from banks	650	-	-	21	-	671	3.25 - 7.38
Trade and other payables	-	-	-	-	2,357	2,357	-
Long-term loans	186	284	-	1,637	-	2,107	5.5 - 6.0 MLR - 1.5 to MLR
Liabilities arising from finance lease of aircrafts	424	408	-	-	-	832	6.68 - 7.79
Finance lease liabilities	27	33	-	-	-	60	2.19 - 8.07
Long-term loans from related parties	-	-	11,207	-	-	11,207	12.64
	1,287	725	11,207	1,658	2,357	17,234	

(Unit: Million Baht)

Consolidated financial statement							
31 December 2012							
Fixed interest rates							
Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)	
<b>Financial assets</b>							
Cash and cash equivalents	2	-	-	2,741	922	3,665	0.625 - 2.7
Current investments	-	-	-	-	60	60	-
Trade and other receivables	-	-	-	-	2,992	2,992	-
Short-term loans to related parties	-	-	-	289	-	289	1.00, MLR
Restricted bank deposits	20	-	-	-	150	170	3.125
Other long-term investments	-	-	-	-	13,836	13,836	-
Long-term loans to related parties	13	8	-	178	1	200	1.00, MLR
	<u>35</u>	<u>8</u>	<u>-</u>	<u>3,208</u>	<u>17,961</u>	<u>21,212</u>	
<b>Financial liabilities</b>							
Bank overdrafts and short-term loans							
from banks	1,670	-	-	-	-	1,670	4.25 - 4.50
Trade and other payables	-	-	-	-	1,829	1,829	-
Long-term loans	214	594	25	1,892	420	3,145	5.5-6.75, MLR - 1.5 to MLR
Liabilities arising from finance lease of aircrafts	340	782	-	-	-	1,122	6.68 - 7.79
Finance lease liabilities	25	39	-	-	-	64	2.4 - 6.61
Long-term loans from related parties	-	-	11,097	-	-	11,097	12.64
	<u>2,249</u>	<u>1,415</u>	<u>11,122</u>	<u>1,892</u>	<u>2,249</u>	<u>18,927</u>	

(Unit: Million Baht)

Consolidated financial statement							
31 December 2011							
Fixed interest rates							
Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)	
<b>Financial assets</b>							
Cash and cash equivalents	105	-	-	358	896	1,359	0.1 - 2.85
Current investments	-	-	-	-	26	26	-
Trade and other receivables	-	-	-	-	1,256	1,256	-
Short-term loans to related parties	-	-	-	558	-	558	MLR
Restricted bank deposits	20	-	-	-	-	20	2.50
Other long-term investments	-	-	-	-	9,919	9,919	-
Long-term loans to related parties	-	31	-	180	1	212	MLR
	<u>125</u>	<u>31</u>	<u>-</u>	<u>1,096</u>	<u>12,098</u>	<u>13,350</u>	

(Unit: Million Baht)

Consolidated financial statement						
31 December 2011						
Fixed interest rates						
Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
<b>Financial liabilities</b>						
Bank overdrafts and short-term loans						
from banks	1,199	-	-	-	1,199	5.00 - 8.00
Trade and other payables	-	-	-	1,752	1,752	-
Long-term loans	188	733	62	3,112	4,095	5.5 - 6.75, MLR + 0.25, MLR - 1.5 to MLR
Liabilities arising from finance lease of						
aircrafts	239	1,151	-	-	1,390	6.68 - 7.79
Finance lease liabilities	16	22	-	-	38	2.55 - 8.07
Long-term loans from related parties	-	-	10,911	-	10,911	12.64
	<u>1,642</u>	<u>1,906</u>	<u>10,973</u>	<u>3,112</u>	<u>1,752</u>	<u>19,385</u>

(Unit: Million Baht)

Separate financial statement						
31 December 2013						
Fixed interest rates						
Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
<b>Financial assets</b>						
Cash and cash equivalents	-	-	974	1,260	2,234	0.1 - 2.7
Current investments	470	-	-	411	881	2.35
Trade and other receivables	-	-	-	1,258	1,258	-
Restricted bank deposits	1	-	-	167	168	1.60
Other long-term investments	-	-	50	11,863	11,913	4.375
Long-term loans to related parties	-	-	34	65	99	MLR
	<u>471</u>	<u>-</u>	<u>50</u>	<u>1,008</u>	<u>15,024</u>	<u>16,553</u>



(Unit: Million Baht)

Separate financial statement							
31 December 2013							
Fixed interest rates							
Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate	
							(% per annum)
<u>Financial liabilities</u>							
Bank overdrafts and short-term loans							
from banks	650	-	-	-	650	3.25 - 3.75	
Trade and other payables	-	-	-	2,217	2,217	-	
Long-term loans	186	284	1,110	-	1,580	5.5 - 6.0, MLR - 1.0 to MLR	
Liabilities arising from finance lease of aircrafts	424	408	-	-	832	6.68 - 7.79	
Finance lease liabilities	22	29	-	-	51	4.93 - 8.07	
Long-term loans from related parties	-	-	11,207	-	11,207	12.64	
	<u>1,282</u>	<u>721</u>	<u>11,207</u>	<u>1,110</u>	<u>2,217</u>	<u>16,537</u>	

(Unit: Million Baht)

Separate financial statement							
31 December 2012							
Fixed interest rates							
Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate	
							(% per annum)
<u>Financial assets</u>							
Cash and cash equivalents	2	-	2,626	905	3,533	0.1 - 2.7	
Trade and other receivables	-	-	-	2,652	2,652	-	
Short-term loans to related parties	-	-	289	-	289	MLR	
Restricted bank deposits	-	-	-	150	150	-	
Other long-term investments	-	-	-	11,907	11,907	-	
Long-term loans to related parties	-	-	248	-	248	MLR	
	<u>2</u>	<u>-</u>	<u>3,163</u>	<u>15,614</u>	<u>18,779</u>		

(Unit: Million Baht)

Separate financial statement						
31 December 2012						
Fixed interest rates						
Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
<u>Financial liabilities</u>						
Bank overdrafts and short-term loans from banks	1,670	-	-	-	1,670	4.25 - 4.50
Trade and other payables	-	-	-	1,709	1,709	-
Short-term loans from related parties	28	-	-	-	28	1
Long-term loans	214	594	25	1,485	2,318	5.5 - 6.75, MLR
Liabilities arising from finance lease of aircrafts	340	782	-	-	1,122	6.68 - 7.79
Finance lease liabilities	22	34	-	-	56	5.17 - 6.61
Long-term loans from related parties	-	-	11,097	-	11,097	12.64
	<u>2,274</u>	<u>1,410</u>	<u>11,122</u>	<u>1,485</u>	<u>17,099</u>	

(Unit: Million Baht)

Separate financial statement							
31 December 2011							
Fixed interest rates							
Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)	
<u>Financial assets</u>							
Cash and cash equivalent	105	-	-	210	861	1,176	0.1 - 2.85
Trade and other receivables	-	-	-	-	889	889	-
Short-term loans to related parties	-	-	-	558	-	558	MLR
Other long-term investments	-	-	-	-	8,537	8,537	-
Long term loans to related parties	-	-	-	368	-	368	MLR
	<u>105</u>	<u>-</u>	<u>-</u>	<u>1,136</u>	<u>10,287</u>	<u>11,528</u>	

(Unit: Million Baht)

Separate financial statement							
31 December 2011							
Fixed interest rates							
Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Effective interest rate	
							(% per annum)
<b>Financial liabilities</b>							
Bank overdrafts and short-term loans							
from banks	1,140	-	-	-	1,140	5.00 - 5.50	
Trade and other payables	-	-	-	1,591	1,591	-	
Short-term loans from related parties	10	-	-	-	10	1	
Long-term loans	188	733	62	1,836	2,819	5.5 - 6.75, MLR - 0.5 to MLR	
Liabilities arising from finance lease of							
aircrafts	239	1,151	-	-	1,390	6.68 - 7.79	
Finance lease liabilities	12	17	-	-	29	4.93 - 8.07	
Long-term loans from related parties	-	-	10,911	-	10,911	12.64	
	<u>1,589</u>	<u>1,901</u>	<u>10,973</u>	<u>1,836</u>	<u>1,591</u>	<u>17,890</u>	

**Foreign currency risk**

The balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Consolidated financial statements								
	Financial assets as at 31 December			Financial liabilities as at 31 December			Average exchange rate as at 31 December		
	2013 (Million)	2012 (Million)	2011 (Million)	2013 (Million)	2012 (Million)	2011 (Million)	2013 (Baht per 1 foreign currency unit)	2012	2011
AUD	2	1	1	-	-	-	29.18	31.78	32.20
BDT	869	525	349	7	17	10	0.42	0.38	0.39
CNY	5	5	1	2	1	2	5.41	4.92	5.03
EUR	3	3	4	16	-	1	45.02	40.56	41.03
GBP	1	1	2	-	-	-	53.92	49.35	48.86
HKD	12	20	11	7	3	2	4.23	3.95	4.08
INR	181	154	130	16	12	15	0.53	0.56	0.59
JPY	31	37	21	-	-	1	0.31	0.35	0.41
RUB	25	23	8	-	-	-	1.00	1.01	0.99
SGD	1	1	1	-	-	-	25.88	25.03	24.39
USD	24	31	25	58	60	69	32.81	30.63	31.69
MYR	-	-	-	1	-	-	9.97	10.01	9.99

Foreign currency	Separate financial statements								
	Financial assets			Financial liabilities			Average exchange rate		
	as at 31 December			as at 31 December			as at 31 December		
	2013	2012	2011	2013	2012	2011	2013	2012	2011
(Million)	(Million)	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)			
AUD	2	1	1	-	-	-	29.18	31.78	32.20
BDT	869	525	349	7	17	10	0.42	0.38	0.39
CNY	5	5	1	2	1	2	5.41	4.92	5.03
EUR	3	3	4	2	-	1	45.02	40.56	41.03
GBP	1	1	2	-	-	-	53.92	49.35	48.86
HKD	12	20	11	7	3	2	4.23	3.95	4.08
INR	181	154	130	16	12	15	0.53	0.56	0.59
JPY	31	37	21	-	-	1	0.31	0.35	0.41
RUB	25	23	8	-	-	-	1.00	1.01	0.99
SGD	1	1	1	-	-	-	25.88	25.03	24.39
USD	23	31	25	48	59	69	32.81	30.63	31.69
MYR	-	-	-	1	-	-	9.97	10.01	9.99

## 40.2 Fuel Price Risk

The Company's fuel price risk hedges covered 58.3 percent (2012: 61.8 percent) of its total fuel consumption. As at 31 December 2013, the Company had outstanding obligations from fuel price hedging until December 2013, amounting to 375,000 barrels (2012: 405,000 barrels) of jet fuel, with the lowest forward price being USD 112 per barrel and the highest contract price being USD 125 per barrel (2012: lowest price was USD 106 per barrel and highest price was USD 128.45 per barrel).

The Company has obligations in respect of the fuel price difference if the fuel price is lower than contract price and conversely, the Company will be compensated for the price difference if the fuel price is higher than the contract price.

## 40.3 Fair values of financial instruments

Since the majority of the Company's financial instruments are short-term in nature or bear floating interest rates, their fair values are not expected to be materially different from the amounts presented in statement of financial position.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instruments or by using an appropriate valuation technique, depending on the nature of the instrument.

#### **41. Capital management**

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2013, the Group's debt-to-equity ratio was 3.23:1 (2012: 3.15:1) and the Company's was 3.34:1 (2012: 3.15:1).

#### **42. Events after the reporting period**

On 12 February 2014, the Company signed a sale and purchase contract for 6 ATR aircrafts with Avions de Transport Regional G.I.E.. Delivery of the aircraft is scheduled for between November 2014 and February 2016.

#### **43. Approval of financial statements**

These financial statements were authorised for issue by the Company's Board of Directors on 28 March 2014.