

Bangkok Airways Public Company Limited
and its subsidiaries
Review report and interim consolidated financial statements
For the three-month and six-month periods ended 30 June 2015

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Bangkok Airways Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Bangkok Airways Public Company Limited and its subsidiaries as at 30 June 2015, and the related consolidated statements of comprehensive income for the three-month and six-month periods ended 30 June 2015, the consolidated statements of changes in shareholders' equity and cash flows for the six-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of Bangkok Airways Public Company Limited for the same period. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*.

Pimjai Manitkajohnkit

Certified Public Accountant (Thailand) No. 4521

EY Office Limited

Bangkok: 10 August 2015

Bangkok Airways Public Company Limited and its subsidiaries

Statement of financial position

As at 30 June 2015

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June	31 December	30 June	31 December
		2015	2014	2015	2014
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents	5	4,908,638	2,175,125	4,502,126	1,877,259
Current investments	6	8,523,345	11,525,142	8,500,000	11,500,000
Trade and other receivables	3, 4	1,559,417	1,705,461	1,223,505	1,531,282
Prepaid expenses		193,481	218,187	177,712	205,752
Inventories	7	257,625	271,886	170,104	177,680
Other current assets		736,301	665,216	642,506	571,253
Total current assets		16,178,807	16,561,017	15,215,953	15,863,226
Non-current assets					
Restricted bank deposits	8, 25.7	26,791	191,779	2,056	167,675
Investments in associates	9	2,093,024	1,669,637	2,831,934	2,405,571
Investments in subsidiaries	10	-	-	2,184,233	2,184,233
Other long-term investments	12	23,848,601	20,936,196	19,830,601	17,410,196
Long-term loans to related party	4	-	-	58,284	63,284
Investment properties	11	488,451	494,742	488,451	494,742
Property, plant and equipment	13	7,626,240	7,033,543	6,827,418	6,234,141
Intangible assets	14	735,234	779,828	213,105	234,794
Leasehold rights		48,172	49,233	48,172	49,233
Deferred tax assets		28,369	25,070	-	-
Other non-current assets	4	758,652	837,844	744,517	779,498
Total non-current assets		35,653,534	32,017,872	33,228,771	30,023,367
Total assets		51,832,341	48,578,889	48,444,724	45,886,593

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

Bangkok Airways Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 June 2015

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June	31 December	30 June	31 December
		2015	2014	2015	2014
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	4, 15	2,276,177	2,440,124	2,156,686	2,298,246
Current portion of long-term loans	16	384,220	626,073	297,520	457,473
Income tax payable		43,259	57,114	-	-
Current portion of liabilities arising from finance lease					
of aircrafts	17	222,754	454,587	222,754	454,587
Current portion of finance lease liabilities	18	48,094	38,328	31,918	29,120
Short-term loans from related parties	4	78	-	-	-
Unearned revenues		1,960,551	2,151,213	1,959,689	2,147,705
Other current liabilities	4	915,091	967,023	605,095	640,864
Total current liabilities		5,850,224	6,734,462	5,273,662	6,027,995
Non-current liabilities					
Long-term loans - net of current portion	16	325,920	441,180	323,420	440,180
Liabilities arising from finance lease of aircrafts					
- net of current portion	17	1,021,507	508,108	1,021,507	508,108
Finance lease liabilities - net of current portion	18	77,667	63,788	38,338	42,957
Long-term loans from related party					
- net of current portion	19	11,303,947	11,285,745	11,303,947	11,285,745
Provision for long-term employee benefits		403,759	328,553	336,643	270,393
Deferred tax liabilities		4,305,085	3,711,604	3,697,635	3,202,554
Other non-current liabilities		73,238	73,471	-	-
Total non-current liabilities		17,511,123	16,412,449	16,721,490	15,749,937
Total liabilities		23,361,347	23,146,911	21,995,152	21,777,932

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

Bangkok Airways Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 June 2015

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2015 (Unaudited but reviewed)	31 December 2014 (Audited)	30 June 2015 (Unaudited but reviewed)	31 December 2014 (Audited)
Shareholders' equity				
Share capital				
Registered				
2,100,000,000 ordinary shares of Baht 1 each	2,100,000	2,100,000	2,100,000	2,100,000
Issued and fully paid up				
2,100,000,000 ordinary shares of Baht 1 each	2,100,000	2,100,000	2,100,000	2,100,000
Premium on ordinary shares	9,319,482	9,319,482	9,319,482	9,319,482
Retained earnings				
Appropriated - statutory reserve	25,000	25,000	25,000	25,000
Unappropriated	293,970	(387,673)	965,370	560,783
Other components of shareholders' equity	16,582,033	14,252,109	14,039,720	12,103,396
Equity attributable to owners of the Company	28,320,485	25,308,918	26,449,572	24,108,661
Non-controlling interests of the subsidiaries	150,509	123,060	-	-
Total shareholders' equity	28,470,994	25,431,978	26,449,572	24,108,661
Total liabilities and shareholders' equity	51,832,341	48,578,889	48,444,724	45,886,593
	-	-	-	-

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

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Directors

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Directors

(Unaudited but reviewed)

Bangkok Airways Public Company Limited and its subsidiaries**Statement of comprehensive income****For the three-month period ended 30 June 2015**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Profit or loss:					
Revenues					
Passenger	4	3,987,200	3,719,510	3,987,289	3,719,771
Sales and service income	4	752,122	612,962	-	-
Freight	4	82,826	77,110	82,826	77,110
Passenger service charge		122,007	115,366	122,006	115,366
Dividend income	4, 9.2	280,100	243,756	384,217	282,544
Gain on sales of investments		70	3,370	-	-
Interest income		69,002	5,232	67,130	3,029
Gain on exchange rate		113,267	35,571	110,165	32,284
Other income	4	156,805	113,031	198,088	147,748
Total revenues		5,563,399	4,925,908	4,951,721	4,377,852
Expenses					
Cost of sales and services	4	4,391,279	4,303,585	3,921,429	3,900,309
Selling expenses	4	431,416	358,628	428,232	354,612
Administrative expenses	4	379,724	313,296	267,330	216,985
Other expenses	4	226	2,267	-	-
Total expenses		5,202,645	4,977,776	4,616,991	4,471,906
Profit (loss) before share of profit from investments in associates, finance cost and income tax expenses					
		360,754	(51,868)	334,730	(94,054)
Share of profit from investments in associates	9.2	108,880	103,332	-	-
Profit (loss) before finance cost and income tax expenses		469,634	51,464	334,730	(94,054)
Finance costs		(399,875)	(407,024)	(395,562)	(397,102)
Profit (loss) before income tax expenses		69,759	(355,560)	(60,832)	(491,156)
Tax income	20	32,487	34,224	62,564	55,716
Profit (loss) for the period		102,246	(321,336)	1,732	(435,440)
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Gain (loss) on changes in value of available-for-sale investments		(120,955)	4,065,987	(100,455)	3,379,237
Less: Income tax effect	20	24,191	(813,198)	20,091	(675,848)
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		(96,764)	3,252,789	(80,364)	2,703,389
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial loss on defined benefits plan		-	-	-	-
Less: Income tax effect	20	99	-	99	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		99	-	99	-
Other comprehensive income for the period		(96,665)	3,252,789	(80,265)	2,703,389
Total comprehensive income for the period		5,581	2,931,453	(78,533)	2,267,949

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

(Unaudited but reviewed)

Bangkok Airways Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the three-month period ended 30 June 2015

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Profit attributable to:					
Equity holders of the Company		91,484	(325,888)	1,732	(435,440)
Non-controlling interests of the subsidiaries		10,762	4,552		
		<u>102,246</u>	<u>(321,336)</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		(5,181)	2,926,901	(78,533)	2,267,949
Non-controlling interests of the subsidiaries		10,762	4,552		
		<u>5,581</u>	<u>2,931,453</u>		
Earnings per share					
	22				
Basic earnings per share					
Profit (loss) attributable to equity holders of the Company (Baht)		<u>0.044</u>	<u>(0.206)</u>	<u>0.001</u>	<u>(0.276)</u>
Weighted average number of ordinary shares (Thousand shares)					
of Baht 1 each		<u>2,100,000</u>	<u>1,580,000</u>	<u>2,100,000</u>	<u>1,580,000</u>

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

(Unaudited but reviewed)

Bangkok Airways Public Company Limited and its subsidiaries**Statement of comprehensive income****For the six-month period ended 30 June 2015**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Profit or loss:					
Revenues					
Passenger	4	9,446,929	8,677,606	9,447,123	8,677,924
Sales and service income	4	1,551,692	1,337,391	-	-
Freight	4	159,514	152,594	159,514	152,594
Passenger service charge		268,506	269,138	268,505	269,138
Dividend income	4, 9.2	280,130	243,786	454,280	352,607
Gain on sales of investments		70	3,374	-	7,000
Interest income		146,795	10,295	143,807	6,872
Gain on exchange rate		117,150	-	112,489	-
Other income	4	326,477	286,069	407,340	354,508
Total revenues		12,297,263	10,980,253	10,993,058	9,820,643
Expenses					
Cost of sales and services	4	8,878,297	8,746,468	7,971,245	7,940,830
Selling expenses	4	837,522	714,415	829,979	707,034
Administrative expenses	4	743,574	669,840	520,992	470,487
Loss on exchange rate		-	3,631	-	12,289
Other expenses	4	713	2,758	-	-
Total expenses		10,460,106	10,137,112	9,322,216	9,130,640
Profit before share of profit from investments in associates, finance cost and income tax expenses					
Share of profit from investments in associates	9.2	219,276	208,214	-	-
Profit before finance cost and income tax expenses		2,056,433	1,051,355	1,670,842	690,003
Finance cost		(781,308)	(825,205)	(771,875)	(803,313)
Profit (loss) before income tax expenses		1,275,125	226,150	898,967	(113,310)
Tax income (expenses)	20	(86,217)	(21,325)	(14,600)	35,719
Profit (loss) for the period		1,188,908	204,825	884,367	(77,591)
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Gain on changes in value of available-for-sale investments		2,912,405	5,886,668	2,420,405	4,892,419
Less: Income tax effect	20	(582,481)	(1,177,334)	(484,081)	(978,484)
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		2,329,924	4,709,334	1,936,324	3,913,935
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Actuarial loss on defined benefits plan		(63,380)	-	(63,380)	-
Less: Income tax effect	20	3,600	-	3,600	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		(59,780)	-	(59,780)	-
Other comprehensive income for the period		2,270,144	4,709,334	1,876,544	3,913,935
Total comprehensive income for the period		3,459,052	4,914,159	2,760,911	3,836,344

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

(Unaudited but reviewed)

Bangkok Airways Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the six-month period ended 30 June 2015

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
<u>Note</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Profit attributable to:				
Equity holders of the Company	1,161,423	187,925	884,367	(77,591)
Non-controlling interests of the subsidiaries	27,485	16,900		
	<u>1,188,908</u>	<u>204,825</u>		
Total comprehensive income attributable to:				
Equity holders of the Company	3,431,567	4,897,259	2,760,911	3,836,344
Non-controlling interests of the subsidiaries	27,485	16,900		
	<u>3,459,052</u>	<u>4,914,159</u>		
Earnings per share	22			
Basic earnings per share				
Profit (loss) attributable to equity holders of the Company (Baht)	<u>0.553</u>	<u>0.119</u>	<u>0.421</u>	<u>(0.049)</u>
Weighted average number of ordinary shares (Thousand shares)				
of Baht 1 each	<u>2,100,000</u>	<u>1,580,000</u>	<u>2,100,000</u>	<u>1,580,000</u>

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

(Unaudited but reviewed)

Bangkok Airways Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the six-month period ended 30 June 2015

(Unit: Thousand Baht)

	Consolidated financial statements											
	Equity attributable to owners of the Company					Other components of equity						
	Issued and fully paid-up share capital	Premium on ordinary shares	Capital reserve for share-based payment transactions	Retained earnings		Other comprehensive income	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							
Balance as at 31 December 2013	1,580,000	270,000	207,300	210,000	(4,148,032)	9,115,837	(154,884)	8,960,953	7,080,221	111,491	7,191,712	
Profit for the period	-	-	-	-	187,925	-	-	-	187,925	16,900	204,825	
Other comprehensive income for the period	-	-	-	-	-	4,709,334	-	4,709,334	4,709,334	-	4,709,334	
Total comprehensive income for the period	-	-	-	-	187,925	4,709,334	-	4,709,334	4,897,259	16,900	4,914,159	
Balance as at 30 June 2014	1,580,000	270,000	207,300	210,000	(3,960,107)	13,825,171	(154,884)	13,670,287	11,977,480	128,391	12,105,871	
Balance as at 31 December 2014	2,100,000	9,319,482	-	25,000	(387,673)	14,406,993	(154,884)	14,252,109	25,308,918	123,060	25,431,978	
Profit for the period	-	-	-	-	1,161,423	-	-	-	1,161,423	27,485	1,188,908	
Other comprehensive income for the period	-	-	-	-	(59,780)	2,329,924	-	2,329,924	2,270,144	-	2,270,144	
Total comprehensive income for the period	-	-	-	-	1,101,643	2,329,924	-	2,329,924	3,431,567	27,485	3,459,052	
Decrease on non-controlling interests of the subsidiaries	-	-	-	-	-	-	-	-	-	(36)	(36)	
Dividend paid (Note 21)	-	-	-	-	(420,000)	-	-	-	(420,000)	-	(420,000)	
Balance as at 30 June 2015	2,100,000	9,319,482	-	25,000	293,970	16,736,917	(154,884)	16,582,033	28,320,485	150,509	28,470,994	

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

(Unaudited but reviewed)

Bangkok Airways Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the six-month period ended 30 June 2015

(Unit: Thousand Baht)

Separate financial statements

	Issued and fully paid-up share capital	Premium on ordinary shares	Capital reserve for share-based payment transactions	Retained earnings		Other components of equity		Total shareholders' equity
				Appropriated	Unappropriated	Other comprehensive income Surplus on changes in value of available-for-sale investments	Total other components of shareholders' equity	
Balance as at 31 December 2013	1,580,000	270,000	207,300	210,000	(3,344,134)	7,706,038	7,706,038	6,629,204
Loss for the period	-	-	-	-	(77,591)	-	-	(77,591)
Other comprehensive income for the period	-	-	-	-	-	3,913,935	3,913,935	3,913,935
Total comprehensive income for the period	-	-	-	-	(77,591)	3,913,935	3,913,935	3,836,344
Balance as at 30 June 2014	<u>1,580,000</u>	<u>270,000</u>	<u>207,300</u>	<u>210,000</u>	<u>(3,421,725)</u>	<u>11,619,973</u>	<u>11,619,973</u>	<u>10,465,548</u>
Balance as at 31 December 2014	2,100,000	9,319,482	-	25,000	560,783	12,103,396	12,103,396	24,108,661
Profit for the period	-	-	-	-	884,367	-	-	884,367
Other comprehensive income for the period	-	-	-	-	(59,780)	1,936,324	1,936,324	1,876,544
Total comprehensive income for the period	-	-	-	-	824,587	1,936,324	1,936,324	2,760,911
Dividend paid (Note 21)	-	-	-	-	(420,000)	-	-	(420,000)
Balance as at 30 June 2015	<u>2,100,000</u>	<u>9,319,482</u>	<u>-</u>	<u>25,000</u>	<u>965,370</u>	<u>14,039,720</u>	<u>14,039,720</u>	<u>26,449,572</u>

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

(Unaudited but reviewed)

Bangkok Airways Public Company Limited and its subsidiaries**Cash flow statement****For the six-month period ended 30 June 2015**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Cash flows from operating activities				
Profit (loss) before tax	1,275,125	226,150	898,967	(113,310)
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	393,033	305,889	283,306	213,736
Reversal of allowance for doubtful accounts	-	(23,558)	-	(23,558)
Written off doubtful debts	-	14,045	-	14,045
Reduction (increase) of inventory to net realisable value	4,883	676	(117)	676
Gain on sales of property, plant and equipment	(1,230)	(514)	(1,106)	(516)
Gain on sales of leasehold rights	-	(3,610)	-	(3,610)
Gain on sales of short-term investments	(70)	(3,374)	-	(7,000)
Loss from revaluation of short-term investments	67	263	-	-
Written off fixed assets	100	11,812	100	11,812
Share of profit from investments in associates	(219,276)	(208,214)	-	-
Provision for long-term employee benefits	35,710	23,118	26,754	20,174
Unrealised loss on exchange	16,670	35,361	16,979	36,423
Dividend income	(280,130)	(243,786)	(454,280)	(352,607)
Interest income	(146,795)	(10,245)	(143,807)	(6,872)
Finance costs	781,308	825,205	771,875	803,313
Profit from operating activities before changes in operating assets and liabilities	1,859,395	949,218	1,398,671	592,706
Operating assets (increase) decrease				
Trade and other receivables	123,147	547,451	145,184	474,201
Short-term loans to related parties	-	19,855	-	-
Inventories	9,377	(14,365)	7,693	(20,251)
Other current assets	(9,568)	205,699	38,075	249,323
Other assets	93,461	(146,102)	48,467	(171,176)
Operating liabilities increase (decrease)				
Trade and other payables	(149,662)	(151,885)	(130,349)	(75,446)
Other current liabilities	(245,539)	(634,091)	(225,030)	(1,013,566)
Liabilities under finance lease payable	(444,416)	(297,820)	(437,332)	(295,477)
Provision for long-term employee benefits	(23,884)	(5,029)	(23,884)	(4,715)
Other non-current liabilities	(232)	1	-	(5,000)
Cash flows from (used in) operating activities	1,212,079	472,932	821,495	(269,401)
Cash paid for interest expenses	(764,744)	(826,938)	(757,012)	(798,836)
Cash paid for income tax expenses	(50,902)	(25,166)	(5,489)	(4,432)
Net cash flows from (used in) operating activities	396,433	(379,172)	58,994	(1,072,669)

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

(Unaudited but reviewed)

Bangkok Airways Public Company Limited and its subsidiaries**Cash flow statement (continued)****For the six-month period ended 30 June 2015**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Cash flows from investing activities				
Decrease in restricted bank deposits	164,988	1,983	165,619	2,624
Decrease in current investments	3,000,000	470,000	3,000,000	470,000
Acquisition of property, plant and equipment	(184,245)	(289,661)	(126,595)	(160,591)
Acquisition of intangible assets	(47,907)	(89,688)	(47,351)	(89,688)
Interest income	71,615	12,623	73,292	7,924
Dividend income from investment in subsidiaries	-	-	138,799	-
Dividend income from investment in associates	251,652	150,813	251,652	150,813
Dividend income from long-term investments	280,130	243,786	232,028	201,794
Proceeds from sales of property, plant and equipment	3,379	517	1,505	517
Proceeds from sales of leasehold rights	-	10,907	-	10,907
Cash paid for investment in associates	(426,363)	-	(426,363)	-
Cash paid for investment in subsidiaries from non-controlling interest	(36)	-	-	-
Cash received from sales of short-term investments	902	10,408	-	418,250
Net cash flows from investing activities	3,114,115	521,688	3,262,586	1,012,550
Cash flows from financing activities				
Decrease in bank overdrafts and short-term loans				
from financial institutions	-	(659,870)	-	(650,000)
Cash received from short-term loans	78	-	-	30,685
Cash received from long-term loans	10,000	-	-	-
Repayment of long-term loans	(367,113)	(615,889)	(276,713)	(450,089)
Dividend paid	(420,000)	-	(420,000)	-
Net cash flows used in financing activities	(777,035)	(1,275,759)	(696,713)	(1,069,404)
Net increase (decrease) in cash and cash equivalents	2,733,513	(1,133,243)	2,624,867	(1,129,523)
Cash and cash equivalents at beginning of the period	2,175,125	2,552,859	1,877,259	2,234,506
Cash and cash equivalents at end of the period (Note 5)	4,908,638	1,419,616	4,502,126	1,104,983
	-	-	-	-
Supplemental cash flows information:				
Non-cash items				
Increase in receivable from sales of short-term investments	898	2,500	-	-
Decrease in dividend receivable	(29,400)	-	(168,199)	-
Increase (decrease) in payable from purchase of assets	(9,170)	14,496	(6,406)	12,496
Decrease in payable from purchase of intangible asset	(1,397)	-	(1,397)	-
Purchase assets under finance lease	714,447	25,121	681,896	24,006
Gain on changes in value of available-for-sale investments	2,329,924	4,709,334	1,936,324	3,913,935

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

Bangkok Airways Public Company Limited and its subsidiaries
Notes to consolidated interim financial statements
For the three-month and six-month periods ended 30 June 2015

1. General information

1.1 Corporate information

Bangkok Airways Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the provision of air transportation and airport services. Its registered address is 99 Mu 14, Vibhavadirangsit Road, Chom Phon, Chatuchak, Bangkok.

1.2 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standards No. 34 (revised 2014) “Interim Financial Reporting”, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders’ equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

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

1.3 Basis of consolidation

The basis of consolidation is the same as that for the consolidated financial statements for the year ended 31 December 2014, with there being no structural changes relating to the subsidiaries during the period, except for as discussed in Note 10 to financial statements.

1.4 New financial reporting standards

During the period, the Company has adopted the revised (revised 2014) and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements. However, some of these standards involve changes to key principles, which are summarised below:

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognise actuarial gains and losses immediately in other comprehensive income while the former standard allowed the entity to recognise such gains and losses immediately in either profit or loss or other comprehensive income, or to recognise them gradually in profit or loss.

The Company and its subsidiaries have changed the recognition of actuarial gains and losses in the current period from an immediate recognition in profit or loss to an immediate recognition in other comprehensive income and adjusted the current period's transactions and restated the prior period's financial statements, presented as comparative information, as if the Company and its subsidiaries had always applied this accounting policy.

TFRS 10 Consolidated Financial Statements

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the content of TAS 27 *Consolidated and Separate Financial Statements* dealing with consolidated financial statements. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company and its subsidiaries have control over investees and determining which entities have to be included in preparation of the consolidated financial statements.

This standard does not have any impact on the Company's and its subsidiaries' financial statements.

TFRS 12 Disclosure of Interests in Other Entities

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact on the financial statements of the Company and its subsidiaries.

TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurement. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effects of the adoption of this standard are to be recognised prospectively.

This standard does not have any significant impact on the Company's and its subsidiaries' financial statements.

2. Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2014, except for the changes in accounting policies as a result of the adoption of new and revised standards, as discussed in Note 1.4 to the financial statements.

3. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 June 2015	31 December 2014	30 June 2015	31 December 2014
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	8,994	22,662	22,189	52,806
Past due				
Up to 3 months	4,536	4,375	3,976	18,724
3 - 6 months	921	430	958	430
6 - 12 months	354	143	354	131
Over 12 months	220	229	177	186
Total trade receivables - related parties, net	15,025	27,839	27,654	72,277

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial		Separate financial	
	statements		statements	
	30	31	30	31
	June	December	June	December
	2015	2014	2015	2014
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	1,149,130	1,323,710	797,897	986,487
Past due				
Up to 3 months	211,212	128,652	129,194	30,641
3 - 6 months	9,445	25,266	8,797	18,244
6 - 12 months	17,535	6,773	15,258	2,507
Over 12 months	75,307	80,612	74,648	80,590
Total	1,462,629	1,565,013	1,025,794	1,118,469
Less: Allowance for doubtful debts	(92,045)	(90,778)	(91,003)	(89,736)
Total trade receivables - unrelated parties, net	1,370,584	1,474,235	934,791	1,028,733
Total trade receivables - net	1,385,609	1,502,074	962,445	1,101,010
<u>Other receivables</u>				
Other receivables - related parties	169,098	199,577	257,250	426,463
Total other receivables - related parties, net	169,098	199,577	257,250	426,463
Other receivables - unrelated parties	13,780	12,880	12,880	12,879
Less: Allowance for doubtful debts	(9,070)	(9,070)	(9,070)	(9,070)
Total other receivables - unrelated parties, net	4,710	3,810	3,810	3,809
Total other receivables - net	173,808	203,387	261,060	430,272
Trade and other receivables - net	1,559,417	1,705,461	1,223,505	1,531,282

4. Related party transactions

During the period, 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 financial statements		Separate financial statements		Pricing Policy
	For the three-month periods ended				
	30 June				
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Permission fee	-	-	42	36	Contract price
Concession lounge service income	-	-	5	3	Contract price
Rental income	-	-	1	1	Contract price
Catering service expenses	-	-	93	99	Contract price
Ground service expenses	-	-	113	110	Contract price
<u>Transactions with associates</u>					
Ground service income	1	1	-	-	Contract price
Collection fee income	1	1	-	-	Contract price
Dividend income	-	-	152	81	As declared
Finance costs	340	322	340	322	Contract price
Shipping service expenses	7	5	7	5	Actual charge
<u>Transactions with related companies</u>					
Permission fee	2	1	2	1	Contract price
Catering service income	5	1	-	-	Contract price
Rental income	2	7	2	7	Contract price
Passenger income	7	11	7	11	Authorized price
Consulting income	1	1	1	1	Contract price
Utilities income	1	-	1	-	Actual charge
Sponsor income	-	1	-	1	Contract price
Dividend income	279	243	232	202	As declared
Catering service expenses	1	1	1	1	Contract price
Ground service expenses	132	56	123	47	Contract price
Management expenses	40	50	40	50	Contract price
Security expenses	15	18	15	18	Contract price

(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Pricing Policy
	For the three-month periods ended				
	30 June				
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	
Rental expenses	1	3	-	1	Contract price
Employee expenses	-	14	-	13	Actual charge
Medical expenses	2	-	1	-	Market price
Aeronautical radio expenses	120	118	112	114	Market price

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Pricing Policy
	For the six-month periods ended				
	30 June				
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Permission fee	-	-	86	73	Contract price
Concession lounge service income	-	-	10	8	Contract price
Rental income	-	-	1	2	Contract price
Catering service expenses	-	-	204	211	Contract price
Ground service expenses	-	-	231	222	Contract price
<u>Transactions with associates</u>					
Interest income	-	1	-	1	MLR
Ground service income	2	2	-	-	Contract price
Collection fee income	1	1	-	-	Contract price
Dividend income	-	-	222	151	As declared
Finance costs	650	643	650	643	Contract price
Shipping service expenses	12	8	12	8	Actual charge
<u>Transactions with related companies</u>					
Permission fee	2	1	2	1	Contract price
Catering service income	8	1	-	-	Contract price
Ground service income	1	1	-	-	Contract price
Rental income	4	8	4	8	Contract price
Passenger income	22	29	22	29	Authorised price
Consulting income	2	1	2	1	Contract price
Utilities income	1	-	1	-	Actual charge
Advertising income	1	-	1	-	Contract price
Sponsor income	-	1	-	1	Contract price

(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Pricing Policy
	For the six-month periods ended				
	30 June				
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	
Dividend income	279	243	232	202	As declared
Catering service expense	2	1	2	1	Contract price
Ground service expenses	214	117	195	100	Contract price
Management expenses	80	88	80	88	Contract price
Security expenses	33	26	33	26	Contract price
Rental expenses	2	4	-	2	Contract price
Employee expenses	1	16	1	14	Actual charge
Medical expenses	2	-	1	-	Market price
Aeronautical radio expenses	255	281	241	275	Market price

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)
Gourmet Primo 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

List of related companies	Relationship
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 Hospital Sanamchan 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
Bangkok Save Drug Co.,Ltd.	Common shareholders and/or directors
The Krungthep Thanakom 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
Khan Co.,Ltd.	Common shareholders and/or directors
Sing Sian Yer Pao Co.,Ltd.	Common shareholders and/or directors
Save Drug Center 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

List of related companies	Relationship
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
Myriad Materials Co.,Ltd.	Common shareholders and/or directors
MC Group Plc.	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
The Phya Thai II Hospital Co., Ltd.	Common shareholders and/or directors
Phya Thai 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
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 Palm Beach Royal Wing Co.,Ltd.	Common shareholders and/or directors
Samui Airport Shop 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
SBI Thai Online Securities Co.,Ltd.	Common shareholders and/or directors

List of related companies	Relationship
Advance Information Technology Plc.	Common shareholders and/or directors
Sabai Sabai Niwet Co.,Ltd.	Common shareholders and/or directors
Khao Kor Wind Power Co.,Ltd.	Common shareholders and/or directors
Sustainable Energy Corporation Co.,Ltd.	Common shareholders and/or directors
Greenline Synergy Co., Ltd.	Common shareholders and/or directors
Bangkok Hospital Khao Yai Co., Ltd.	Common shareholders and/or directors
Bangkok Pattaya Hospital Co., Ltd.	Common shareholders and/or directors
Bangkok Phuket Hospital Co., Ltd.	Common shareholders and/or directors
Bangkok Phuket International Hospital Co., Ltd.	Common shareholders and/or directors
General Hospital Products Plc.	Common shareholders and/or directors
Land & Vege Co., Ltd.	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
Prananorn 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
Bangkok Aviation Services Co.,Ltd.	Deemed related party
Bangkok Security Services Co.,Ltd.	Deemed related party
BAGS Ground Services Co.,Ltd.	Deemed related party
Krungthep Limousine Co.,Ltd.	Deemed related party
Natural Rice Co.,Ltd.	Deemed related party
Airport Restaurant Co.,Ltd.	Deemed related party
Koh Chang Accom Limited Partnership	Deemed related party
Café Di Bangkok Air Partnership	Deemed related party
Na Khao Pattana Co., Ltd.	Deemed related party

(Unaudited but reviewed)

As at 30 June 2015 and 31 December 2014, the balances of the accounts between the Company and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2015	31 December 2014	30 June 2015	31 December 2014
<u>Trade and other receivables - related parties (Note 3)</u>				
Subsidiaries	-	-	105,400	274,502
Associated companies	169,726	199,247	169,061	198,460
Related companies (related by shareholders and/or directors)	14,397	28,169	10,443	25,778
Total trade and other receivables - related parties	<u>184,123</u>	<u>227,416</u>	<u>284,904</u>	<u>498,740</u>
<u>Deposits - related parties (present as other non-current assets)</u>				
Associated companies	47,500	47,500	47,500	47,500
Related companies (related by shareholders and/or directors)	3,166	3,062	962	962
Total deposits - related parties	<u>50,666</u>	<u>50,562</u>	<u>48,462</u>	<u>48,462</u>
<u>Trade and other payables - related parties (Note 15)</u>				
Subsidiaries	-	-	150,150	168,923
Associated companies	108,527	111,858	99,936	103,306
Related companies (related by shareholders and/or directors)	196,291	122,236	190,858	118,238
Total trade and other payables - related parties	<u>304,818</u>	<u>234,094</u>	<u>440,944</u>	<u>390,467</u>
<u>Other current liabilities - related parties</u>				
Related companies (related by shareholders and/or directors)	21,800	-	-	-
Total other current liabilities - related parties	<u>21,800</u>	<u>-</u>	<u>-</u>	<u>-</u>

Loans to related parties

As at 30 June 2015 and 31 December 2014, the balance of loans between the Company and accrued interest receivables and the movement are as follows:

(Unit: Thousand Baht)

	Separate financial statements			
	Balance as at 31 December 2014	Increase during the period	Decrease during the period	Balance as at 30 June 2015
Loans to and accrued interest receivables				
Subsidiary	<u>63,284</u>	<u>-</u>	<u>(5,000)</u>	<u>58,284</u>
Total	<u>63,284</u>	<u>-</u>	<u>(5,000)</u>	<u>58,284</u>

Loans from related parties

As at 30 June 2015 and 31 December 2014, the balance of loans and accrued interest payables between the subsidiaries and those related parties and the movement are as follows:

(Unit: Thousand Baht)

Loans from and accrued interest payables	Consolidated financial statements			
	Balance as at 31 December 2014	Increase during the period	Decrease during the period	Balance as at 30 June 2015
Directors	-	3,540	(3,462)	78
Total	-	3,540	(3,462)	78

Directors and management's benefits

During the three-month and six-month periods ended 30 June 2015 and 2014, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	For the three-month periods ended 30 June		For the three-month periods ended 30 June	
	2015	2014	2015	2014
Short-term employee benefits	42	47	31	37
Post-employment benefits	2	1	1	-
Total	44	48	32	37

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	For the six-month periods ended 30 June		For the six-month periods ended 30 June	
	2015	2014	2015	2014
Short-term employee benefits	93	89	70	71
Post-employment benefits	3	2	2	1
Total	96	91	72	72

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 24.4 to the financial statements.

5. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June	31 December	30 June	31 December
	2015	2014	2015	2014
Cash	161,188	168,188	158,967	165,814
Bank deposits	4,660,750	2,006,937	4,343,159	1,711,445
Bills of exchange	86,700	-	-	-
Total	4,908,638	2,175,125	4,502,126	1,877,259

As at 30 June 2015, bank deposits in saving accounts, fixed deposits and bills of exchange carried interests between 0.05 and 2.75 percent per annum (31 December 2014: between 0.10 and 2.75 percent per annum) and Baht 102 million (31 December 2014: Baht 118 million) of cash is cash on hand of aboard stations.

6. Current investments

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June	31 December	30 June	31 December
	2015	2014	2015	2014
Fixed deposits over three months but not over one year	8,500,000	11,500,000	8,500,000	11,500,000
Trading securities	23,345	25,142	-	-
Total	8,523,345	11,525,142	8,500,000	11,500,000

As at 30 June 2015, fixed deposits carried interests between 1.25 and 3.00 percent per annum (31 December 2014: between 2.2 and 3.0 percent per annum).

7. Allowance for diminution in value of inventory

Movements in the allowance for diminution in value of inventory account during the six-month period ended 30 June 2015 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2015	42,159	42,029
Provision for obsolete inventory (Reversal)	4,883	(117)
Balance as at 30 June 2015	47,042	41,912

8. Restricted bank deposits

As at 31 December 2014, current account amounting to Baht 166 million represent temporary suspended. During the current period, the bank changed the status of the bank account from suspended to normal status, as discussed in Note 25.3 to financial statements.

9. Investments in associates

9.1 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	
			30 June 2015	31 December 2014	30 June 2015	31 December 2014	30 June 2015	31 December 2014
			(%)	(%)				
WFS - PG Cargo Co., Ltd.	Cargo	Thailand	49.00	49.00	147,000	147,000	255,986	219,422
Samui Airport Property Fund (Leasehold)	Property Fund	Thailand	27.52	25.00	2,681,934	2,255,571	1,834,234	1,447,405
S.E.A. Aviation Co., Ltd.	Transportation and cargo	Thailand	10.00	10.00	3,000	3,000	2,804	2,810
Total					2,831,934	2,405,571	2,093,024	1,669,637

(Unaudited but reviewed)

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Separate financial statements			
			Shareholding percentage		Cost	
			30 June 2015	31 December 2014	30 June 2015	31 December 2014
			(%)	(%)		
WFS - PG Cargo Company Limited	Cargo	Thailand	49.00	49.00	147,000	147,000
Samui Airport Property Fund (Leasehold)	Property Fund	Thailand	27.52	25.00	2,681,934	2,255,571
S.E.A. Aviation Co., Ltd.	Transportation and cargo	Thailand	10.00	10.00	3,000	3,000
Total					2,831,934	2,405,571

9.2 Share of profit/loss and dividend received

During the period, 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	Consolidated		Separate	
	financial statements		financial statements	
	Share of profit/loss from investments in associates during the three-month periods ended 30 June		Dividend received during the three-month periods ended 30 June	
	2015	2014	2015	2014
WFS - PG Cargo Co., Ltd.	56,800	56,696	73,500	-
Samui Airport Property Fund (Leasehold)	52,085	46,629	78,689	80,750
S.E.A. Aviation Co., Ltd.	(5)	7	-	-
Total	108,880	103,332	152,189	80,750

(Unaudited but reviewed)

(Unit: Thousand Baht)

Company's name	Consolidated financial statements		Separate financial statements	
	Share of profit/loss from investments in associates during the six-month periods ended 30 June		Dividend received during the six-month periods ended 30 June	
	2015	2014	2015	2014
WFS - PG Cargo Co., Ltd.	110,064	102,855	73,500	-
Samui Airport Property Fund (Leasehold)	109,218	105,361	148,752	150,813
S.E.A. Aviation Co., Ltd.	(6)	(2)	-	-
Total	219,276	208,214	222,252	150,813

9.3 Fair value of investments in listed associates

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

(Unit: Million Baht)

Company's name	Fair value as at	
	30 June 2015	31 December 2014
	Samui Airport Property Fund (Leasehold)	4,733
Total	4,733	4,109

9.4 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	
	30 June 2014	31 December 2013	30 June 2014	31 December 2013	30 June 2014	31 December 2013
	WFS - PG Cargo Co., Ltd.	300	300	1,151	1,154	589
Samui Airport Property Fund (Leasehold)	9,208	9,208	10,478	10,542	61	61
S.E.A Aviation Co.,Ltd.	30	30	28	29	-	-

(Unaudited but reviewed)

(Unit: Million Baht)

Company's name	Total revenues				Profit			
	For the three-month periods ended		For the six-month periods ended		For the three-month periods ended		For the six-month periods ended	
	30 June		30 June		30 June		30 June	
	2015	2014	2015	2014	2015	2014	2015	2014
WFS - PG Cargo Co., Ltd.	394	389	773	760	116	116	225	210
Samui Airport Property Fund (Leasehold)	308	288	636	625	298	278	616	605
S.E.A Aviation Co.,Ltd.	-	-	-	-	-	-	-	-

The financial statements of S.E.A. Aviation Company Limited for the six-month periods ended 30 June 2015 and 2014 were not reviewed by its auditor.

10. Investments in subsidiaries

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

Company's name	(Unit: Thousand Baht)					
	Paid-up capital		Shareholding percentage		Cost	
	30 June	31 December	30 June	31 December	30 June	31 December
	2015	2014	2015	2014	2015	2014
Bangkok Airways Holding Co.,Ltd.	1,001,000	1,001,000	99.99	99.99	1,000,999	1,000,999
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	90.00	90.00	603,515	603,515
Bangkok Air Catering Co.,Ltd.	500,000	500,000	90.00	90.00	579,469	579,469
Investments in subsidiary companies					<u>2,184,233</u>	<u>2,184,233</u>

The Company's investments in subsidiaries amounting to Baht 594 million (31 December 2014: Baht 594 million) have been used as collateral for credit facilities of the subsidiaries.

On 25 December 2014, the Company's Board of Directors Meeting approved an investment by Bangkok Airways Holding Company Limited in the establishment of Gourmet Premo Company Limited, in order to produce and process food for distribution. Bangkok Airways Holding Company Limited holds 99.99 percent of Gourmet Premo Company Limited, which was incorporated and registered with the Ministry of Commerce on 29 January 2015 with registered share capital of Baht 50 million.

In May 2015, Bangkok Air Catering Co., Ltd. increased its interest in the equity of Bangkok Air Catering Phuket Co., Ltd. by purchasing 30,000 shares of common stock, and resulted in the increase in proportion of shareholding from 69.99% to 99.99%.

11. Investment properties

The net book value of investment properties as at 30 June 2015 and 31 December 2014 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2015	2014	2015	2014
Cost	556,242	556,242	556,242	556,242
Less: Accumulated depreciation	(67,791)	(61,500)	(67,791)	(61,500)
Net book value	<u>488,451</u>	<u>494,742</u>	<u>488,451</u>	<u>494,742</u>
Depreciation included in the statement of comprehensive income for the period/year	<u>6,291</u>	<u>5,392</u>	<u>6,291</u>	<u>5,392</u>

The Company has pledged investment properties which net book value amounting to approximately Baht 157 million (31 December 2014: Baht 157 million) as collateral against credit facilities received from commercial bank.

12. Others long-term investments

	(Unit: Thousand Baht)			
	Consolidated financial		Separate financial	
	statements		statements	
	30 June	31 December	30 June	31 December
	2015	2014	2015	2014
Available-for-sales securities				
Market capital	2,869,965	2,869,965	2,223,465	2,223,465
Add: Unrealised gain from revaluation	20,921,150	18,008,745	17,549,650	15,129,245
Available-for-sales securities - net	23,791,115	20,878,710	19,773,115	17,352,710
Debt securities held to maturity	50,000	50,000	50,000	50,000
Other investments	7,486	7,486	7,486	7,486
Total	<u>23,848,601</u>	<u>20,936,196</u>	<u>19,830,601</u>	<u>17,410,196</u>

Certain available-for-sales securities with market value as at 30 June 2015 amounting to Baht 19,765 million (31 December 2014: Baht 17,345 million) have been used as collateral for bank overdrafts, short-term loans from banks and long-term loans.

13. Property, plant and equipment

Movements of the property, plant and equipment account during the six-month period ended 30 June 2015 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
	<hr/>	<hr/>
Net book value as at 1 January 2015	7,033,543	6,234,141
Acquisitions during the period - at cost	889,522	802,085
Transfer from intangible assets - net book value at transfer date	54,088	54,088
Disposal during the period - net book value at disposal date	(2,149)	(398)
Written off during the period - net book value	(100)	(100)
Depreciation for the period	(348,664)	(262,398)
Net book value as at 30 June 2015	<hr/> <hr/> 7,626,240	<hr/> <hr/> 6,827,418

As at 30 June 2015, 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 1,499 million (31 December 2014: Baht 1,487 million) (Separate financial statements: Baht 1,240 million (31 December 2014: Baht 1,233 million)).

The Samui 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 discussed in Note 19 to financial statements.

Major portion of the Company's land together with the construction thereon are used as collateral for major portion of bank overdrafts, short-term loans from banks and long-term loans as discussed in Note 16 to financial statements.

As at 30 June 2015, 4 aircrafts of the Company are under conditional sales agreements. The Company treats these conditional sales agreements as finance leases and treats the seller per the agreements as the lessor of the aircraft. The lessor of the aircraft has subleased them from the owners.

The Aircraft Lease Agreements specify the right of the lessor to buy the aircraft from the owner. However, if the lessors do not comply with the Aircraft Lease Agreement, the owner has the right to take back the aircraft, and in that event the Company would not be able to utilise or take ownership of the aircraft, even if the Company has made the agreed payments to the lessor. Under the Aircraft Lease Agreement, the Company will take ownership of the aircraft when it has paid the final installment to the lessor and the owner of the aircraft has transferred ownership to the lessor.

14. 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 Company and its subsidiaries have net book value of intangible assets as at 30 June 2015 and 31 December 2014 are presented below.

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>			<u>Separate financial statements</u>		
	<u>Concessions</u>	<u>Computer software</u>	<u>Total</u>	<u>Concessions</u>	<u>Computer software</u>	<u>Total</u>
As at 30 June 2015						
Cost	920,732	360,715	1,281,447	-	338,905	338,905
Less: Accumulated amortisation	(403,217)	(142,996)	(546,213)	-	(125,800)	(125,800)
Net book value	<u>517,515</u>	<u>217,719</u>	<u>735,234</u>	<u>-</u>	<u>213,105</u>	<u>213,105</u>
As at 31 December 2014						
Cost	920,732	372,569	1,293,301	-	351,315	351,315
Less: Accumulated amortisation	(380,262)	(133,211)	(513,473)	-	(116,521)	(116,521)
Net book value	<u>540,470</u>	<u>239,358</u>	<u>779,828</u>	<u>-</u>	<u>234,794</u>	<u>234,794</u>

(Unaudited but reviewed)

15. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2015	2014	2015	2014
Trade payables - related parties	297,664	228,442	433,485	384,797
Trade payables - unrelated parties	1,389,623	1,457,398	1,228,372	1,278,546
Other payables - related parties	6,804	5,653	7,459	5,670
Other payables - unrelated parties	567,390	723,368	486,771	620,831
Other payables for purchase of software and equipment - related parties	350	-	-	-
Other payable for purchase of software and equipment - unrelated parties	14,346	25,263	599	8,402
Total trade and other payables	<u>2,276,177</u>	<u>2,440,124</u>	<u>2,156,686</u>	<u>2,298,246</u>

16. Long-term loans

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2015	2014	2015	2014
Long-term loans	710,140	1,067,253	620,940	897,653
Less: Current portion	(384,220)	(626,073)	(297,520)	(457,473)
Long-term loans, net of current portion	<u>325,920</u>	<u>441,180</u>	<u>323,420</u>	<u>440,180</u>

Movements of long-term loans during the six-month period ended 30 June 2015 is summarised below.

(Unit: Thousand Baht)

	Consolidated	Separate
	financial	financial
	statements	statements
Balance as at 1 January 2015	1,067,253	897,653
Add: Addition	10,000	-
Less: Repayment loans	(367,113)	(276,713)
Balance as at 30 June 2015	<u>710,140</u>	<u>620,940</u>

(Unaudited but reviewed)

Long-term loans are secured by part of the Company and related company's land and construction, common shares of subsidiary, and certain long-term investments of the Company.

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 30 June 2015, the long-term credit facilities of the Company and its subsidiaries which have not yet been drawn down amounted to Baht 145 million (Company only: Baht - million).

17. Liabilities arising from finance lease of aircrafts

Liabilities arising from finance lease of aircrafts (effective rate from 0.88 percent to 6.94 percent) are due as follow:

(Unit: Thousand Baht)

	Consolidated financial statements and Separate financial statements		
	30 June 2015		
	Liabilities arising from finance lease	Deferred interest expenses	Total
Within one year	246,863	(24,109)	222,754
After one year but within five years	426,943	(64,818)	362,125
More than five years	703,246	(43,864)	659,382
Total	1,377,052	(132,791)	1,244,261

(Unit: Thousand Baht)

	Consolidated financial statements and Separate financial statements		
	31 December 2014		
	Liabilities arising from finance lease	Deferred interest expenses	Total
Within one year	472,690	(18,103)	454,587
After one year but within five years	193,554	(14,240)	179,314
More than five years	338,720	(9,926)	328,794
Total	1,004,964	(42,269)	962,695

18. Liabilities under finance lease agreements

(Unit: Thousand Baht)

	Consolidated financial		Separate financial	
	statements		statements	
	30 June	31 December	30 June	31 December
	2015	2014	2015	2014
Liabilities under finance lease				
agreements	135,448	109,858	74,158	76,607
Less: Deferred interest expenses	(9,687)	(7,742)	(3,902)	(4,530)
Total	125,761	102,116	70,256	72,077
Less : Portion due within one year	(48,094)	(38,328)	(31,918)	(29,120)
Liabilities under finance lease				
agreements - net of current portion	77,667	63,788	38,338	42,957

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		
	30 June 2015		
	Less than		
	1 year	1-5 years	Total
Future minimum lease payments	53,453	81,995	135,448
Deferred interest expenses	(5,359)	(4,328)	(9,687)
Present value of future minimum lease payments	48,094	77,667	125,761

(Unit: Thousand Baht)

	Consolidated financial statements		
	31 December 2014		
	Less than		
	1 year	1-5 years	Total
Future minimum lease payments	42,551	67,307	109,858
Deferred interest expenses	(4,223)	(3,519)	(7,742)
Present value of future minimum lease payments	38,328	63,788	102,116

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements		
	30 June 2015		
	Less than 1 year	1-5 years	Total
Future minimum lease payments	34,544	39,614	74,158
Deferred interest expenses	(2,626)	(1,276)	(3,902)
Present value of future minimum lease payments	31,918	38,338	70,256

(Unit: Thousand Baht)

	Separate financial statements		
	31 December 2014		
	Less than 1 year	1-5 years	Total
Future minimum lease payments	31,893	44,714	76,607
Deferred interest expenses	(2,773)	(1,757)	(4,530)
Present value of future minimum lease payments	29,120	42,957	72,077

19. Long-term loan - related party

(Unit: Thousand Baht)

Balance as at 1 January 2015	11,285,745
Increase from compound interest	650,221
Less: Payment during period	(632,019)
Balance as at 30 June 2015	11,303,947
Less: portion due within one year	-
Long-term loans - related party, net of current portion	<u>11,303,947</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 Public Company Limited 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 45 million shares (31 December 2014: 45 million shares) with a fair value of Baht 882 million (31 December 2014: Baht 774 million) as at 30 June 2015, 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.

20. Income tax

Interim corporate income tax was calculated on profit before income tax for the period, using the estimated effective tax rate for the year.

Income tax expenses for the three-month and six-month periods ended 30 June 2015 and 2014 are made up as follows:

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
For the three-month periods ended 30 June				
	2015	2014	2015	2014
Current income tax:				
Interim corporate income tax charge	32,139	(59,989)	-	(81,023)
Adjustment in respect of current income tax of previous year	255	(200)	-	(200)
Deferred tax:				
Relating to origination and reversal of temporary differences	(64,881)	25,965	(62,564)	25,507
Tax income reported in the statements of comprehensive income	(32,487)	(34,224)	(62,564)	(55,716)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
For the six-month periods ended 30 June				
	2015	2014	2015	2014
Current income tax:				
Interim corporate income tax charge	74,661	56,800	-	-
Adjustment in respect of current income tax of previous year	255	(200)	-	(200)
Deferred tax:				
Relating to origination and reversal of temporary differences	11,301	(35,275)	14,600	(35,519)
Tax expenses (income) reported in the statements of comprehensive income	86,217	21,325	14,600	(35,719)

(Unaudited but reviewed)

The amounts of income tax relating to each component of other comprehensive income for the three-month and six-month periods ended 30 June 2015 and 2014 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the three-month periods ended 30 June			
2015	2014	2015	2014	
Deferred tax relating to				
(Gain) loss on changes in value of				
available-for-sale investments	24,191	(813,198)	20,091	(675,848)
Actuarial loss on defined benefit				
plan	99	-	99	-
	<u>24,290</u>	<u>(813,198)</u>	<u>20,190</u>	<u>(675,848)</u>

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the six-month periods ended 30 June			
2015	2014	2015	2014	
Deferred tax relating to				
Gain on changes in value of				
available-for-sale investments	(582,481)	(1,177,334)	(484,081)	(978,484)
Actuarial loss on defined				
benefits plan	3,600	-	3,600	-
	<u>(578,881)</u>	<u>(1,177,334)</u>	<u>(480,481)</u>	<u>(978,484)</u>

21. Dividend paid

	Approved by	Total	Dividend
		dividend	per share
		(Million Baht)	(Baht)
Final dividends for 2014	Annual General Meeting of		
income	the shareholders on		
	23 April 2015	<u>420</u>	<u>0.20</u>

22. Earnings per share

Basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period.

23. Segment information

The Company and its subsidiaries are organised into business units based on its products and services. During the current period, the Company and its subsidiaries have not changed the organisation of their reportable segments.

(Unaudited but reviewed)

(Unit: Million Baht)

	Airlines segment		Airports segment		Supporting Airlines Business segments		Other segments		Elimination of inter-segment revenues		Consolidation	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	For the three-month periods ended 30 June											
Revenue from external customers	4,070	3,797	122	115	728	613	24	-	-	-	4,944	4,525
Intersegment revenues	-	-	-	-	205	211	-	-	(205)	(211)	-	-
Total revenues	<u>4,070</u>	<u>3,797</u>	<u>122</u>	<u>115</u>	<u>933</u>	<u>824</u>	<u>24</u>	<u>-</u>	<u>(205)</u>	<u>(211)</u>	<u>4,944</u>	<u>4,525</u>
Segment operating profit (loss)	453	209	23	11	78	1	(2)	-			552	221
Unallocated income and expenses:												
Dividend income											280	244
Gain from sales of current investments											-	3
Interest income											69	5
Gain on exchange rate											113	36
Other income											157	113
Selling expenses											(431)	(359)
Administrative expenses											(379)	(313)
Other expenses											(1)	(2)
Share of profit of associated companies											109	103
Finance costs											(400)	(407)
Income tax expenses											33	35
Non-controlling interests of the subsidiaries											(11)	(5)
Profit (loss) for the period											<u>91</u>	<u>(326)</u>

(Unaudited but reviewed)

(Unit: Million Baht)

	Airlines segment		Airports segment		Supporting Airlines Business segments		Other segments		Elimination of inter-segment revenues		Consolidation	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	For the six-month periods ended 30 June											
Revenue from external customers	9,607	8,831	268	269	1,501	1,337	51	-	-	-	11,427	10,437
Intersegment revenues	-	-	-	-	434	435	1	-	(435)	(435)	-	-
Total revenues	<u>9,607</u>	<u>8,831</u>	<u>268</u>	<u>269</u>	<u>1,935</u>	<u>1,772</u>	<u>52</u>	<u>-</u>	<u>(435)</u>	<u>(435)</u>	<u>11,427</u>	<u>10,437</u>
Segment operating profit (loss)	2,264	1,514	75	77	213	99	(4)	-			2,548	1,690
Unallocated income and expenses:												
Dividend income											280	244
Gain from sales of current investments											-	3
Interest income											147	10
Gain on exchange rate											117	-
Other income											326	286
Selling expenses											(837)	(714)
Administrative expenses											(743)	(670)
Loss on exchange rate											-	(3)
Other expenses											(1)	(3)
Share of profit of associated companies											219	208
Finance costs											(781)	(825)
Income tax expenses											(86)	(21)
Non-controlling interests of the subsidiaries											(28)	(17)
Profit for the period											<u>1,161</u>	<u>188</u>

24. Commitments and contingent liabilities

24.1 Operating lease commitments

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

As at 30 June 2015, future minimum lease payments required under aircraft lease agreements total USD 145 million (31 December 2014: USD 157 million).

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

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2015	31 December 2014	30 June 2015	31 December 2014
Payable				
In up to 1 year	755	715	268	227
In over 1 and up to 5 years	1,954	1,917	142	170
In over 5 years	3,423	3,663	78	73

24.2 Capital commitments

24.2.1 As at 30 June 2015, the Company and its subsidiaries had capital commitments of Baht 10 million (31 December 2014: Baht 11 million) mainly in building improvement, and Baht 61 million (31 December 2014: Baht 75 million) relating to acquisition of software and office equipment for the Company's operations.

24.2.2 As at 30 June 2015, the Company had commitments as a result of its signature of a sale and purchase contract for 7 ATR aircrafts (31 December 2014: 8 ATR aircrafts) with Avions de Transport Regional G.I.E. Delivery of the aircraft is scheduled for between July 2015 and February 2017.

24.3 Guarantees

(a) As at 30 June 2015, the Company has guaranteed bank credit facilities of its subsidiaries companies amounting to Baht 1,305 million (31 December 2014: Baht 1,910 million) and associated companies amounting to Baht 165 million (31 December 2014: Baht 165 million).

- (b) As at 30 June 2015, the Company has outstanding bank guarantees of approximately Baht 67.5 million, USD 0.5 million, INR 18.8 million, BDT 1.2 million, MYR 0.02 million, EUR 0.01 million and SGD 0.1 million issued by banks on behalf of the Company in the normal course of business (31 December 2014: Baht 73.2 million, USD 0.5 million, INR 18.8 million, BDT 1.2 million, MYR 0.02 million, EUR 0.01 million and SGD 0.1 million) and its subsidiaries have outstanding bank guarantees of approximately Baht 291 million (31 December 2014: Baht 293 million).

24.4 Pledges

As at 30 June 2015 and 31 December 2014, the Company and its subsidiaries have the following contingent liabilities in respect of guarantees for loan and bank overdraft facilities.

		(Unit: Million Baht)	
Guarantor	Guarantee	30 June 2015	31 December 2014
Bangkok Air Catering Co.,Ltd.	BAC Gourmet House Co.,Ltd.	125	51

24.5 Other commitments

As at 30 June 2015, the Company had commitments of Baht 9 million in respect of uncalled portion of investments in a company (31 December 2014: Baht 9 million).

25. Litigation

The Company

- 25.1 The Company was sued by 3 ex-employees claiming Baht 0.2 million in bonuses for 2007. The Company opposed the claim, citing that the employees resigned in May 2008, making them ineligible for the bonus for the previous year that was paid in 2008. On 12 May 2014, the Court dismissed the case brought by 1 ex-employee claiming Baht 61,000, and this case is finalised. The cases of 2 ex-employees, are being considered by the Supreme Court.

25.2 Koh Samui Municipality assessed House and Land tax for Samui Airport amounting to Baht 119 million for the years 2007 to 2010, and Baht 38.8 million for each of the years 2011 to 2014. The Company disagreed with such tax assessment of House and Land tax by Koh Samui Municipality since it was not in line with the law and relevant facts. The Company therefore, filed an appeal, requesting a reassessment of the House and Land tax, pursuant to its rights granted by law. However, since the House and Land Tax Act B.E. 2475 (1932) provides that the payment of assessed House and Land tax is to be made prior to submitting a case before the court, the Company was required to pay the amount of House and Land tax that had been assessed to Koh Samui Municipality.

The Company filed suit against Koh Samui Municipality with the Central Tax Court to demand Koh Samui Municipality return the House and Land tax paid. The Central Tax Court rendered a judgment in favor of the Company with respect to the House and Land tax assessments of the years 2007 to 2010 and the years 2011 and 2012, and ordered Koh Samui Municipality to return the House and Land tax for the years 2007 to 2010 and the years 2011 and 2012 to the Company together with interest of 7.5 percent per annum. Koh Samui Municipality subsequently filed a petition to suspend the execution of the judgment and filed an appeal against such judgment with the Central Tax Court. Such appeal is currently being considered by the Supreme Court. In addition, the Company filed suit against Koh Samui Municipality with the Central Tax Court with respect to the House and Land tax of the year 2013 and 2014 and this is currently being considered by the Central Tax Court.

The Company has confirmed that the relevant accounting record is made for accounting purposes only and it does not prejudice and should be construed as a waiver of the Company's legal right to claim the House and Land tax from Koh Samui Municipality in accordance with the court judgment, or in any other cases in dispute and under court proceedings and the Company's appeal for House and Land tax reassessment.

25.3 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 BDT 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 8. 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. On 28 September 2014, The Company signed a dispute settlement agreement, whereby the Company undertook to pay a net settlement of USD 0.8 million, or BDT 64 million, which is equal to about Baht 26 million. The settlement will be paid split in five equal installments. Moreover, HSBC Bank changed the status of the bank account from suspended to normal status and transferred BDT 64 million to an escrow account to pay the plaintiff once the plaintiff complies with the conditions stipulated in the dispute settlement agreement and escrow agreement.

In May 2015, the Company paid the first installment of compensation to the plaintiff in accordance with the dispute settlement agreement. In June 2015, the Company transferred approximately Baht 10 million from the escrow account back to the Company's bank account in Thailand.

25.4 In February 2014, the Company was sued by a former employee, claiming damages of Baht 91.4 million for tort and breach of an employment contract. Subsequently, in April 2014, the Company countersued the plaintiff, claiming damages of Baht 10.2 million for breach of a training and learning contract. In March 2015, the Court ordered the plaintiff to pay Baht 1.8 million, together with interest at 7.5% per annum. The plaintiff filed an appeal of the case with the Supreme Court. Currently, the case is pending in the Supreme Court.

25.5 In July 2014, The Company was sued by former employee, claiming Baht 34.6 million in severance pay. The case is being considering by the Central Labour Court.

25.6 In November 2014, the Company was sued by passenger, claiming Baht 0.5 million for cancelled ticket. The case is being considering by the Court.

Subsidiaries

25.7 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, together with interest at 7.5% per annum computed from 15 October 2007 until the compensation is fully settled. 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.

26. Foreign currency risk

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

Foreign currency	Consolidated financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	as at		as at		as at	
	30	31	30	31	30	31
	June	December	June	December	June	December
2015	2014	2015	2014	2015	2014	
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
AUD	1	1	-	-	25.91	26.81
BDT	1,483	1,347	2	13	0.43	0.42
CNY	5	14	2	2	5.45	5.30
EUR	5	8	-	-	37.79	40.05
GBP	-	1	-	-	53.11	51.15
HKD	7	18	4	5	4.36	4.25
INR	107	157	16	34	0.53	0.52
JPY	15	45	-	2	0.28	0.27
RUB	2	18	-	-	0.61	0.56
SGD	1	1	-	-	25.07	24.89
USD	68	65	68	63	33.78	32.96
TWD	1	6	-	-	1.09	1.04
KRW	96	341	-	-	0.03	0.03
MYR	-	-	1	1	8.96	9.43

Foreign currency	Separate financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	as at		as at		as at	
	30	31	30	31	30	31
	June	December	June	December	June	December
2015	2014	2015	2014	2015	2014	
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
AUD	1	1	-	-	25.91	26.81
BDT	1,483	1,347	2	13	0.43	0.42
CNY	5	14	2	2	5.45	5.30
EUR	5	8	-	-	37.79	40.05
GBP	-	1	-	-	53.11	51.15
HKD	7	18	4	5	4.36	4.25
INR	107	157	16	34	0.53	0.52
JPY	15	45	-	2	0.28	0.27
RUB	2	18	-	-	0.61	0.56
SGD	1	1	-	-	25.07	24.89
USD	65	63	54	53	33.78	32.96
TWD	1	6	-	-	1.09	1.04
KRW	96	341	-	-	0.03	0.03
MYR	-	-	1	1	8.96	9.43

27. Fuel Price Risk

Fuel price fluctuation depends on supply and demand of global economic situation and political uncertainty worldwide. Fuel price has direct impact on the Company's operating result as fuel plays vital factor in airline industry.

The Company has implemented jet fuel price hedging in order to reduce the risk of fuel price volatility, to protect the value of the Company for shareholders and all concerned and is not to be treated as a profit-marking venture.

This was in accordance with the Company's policy, specifying that fuel hedging be conducted on a regular basis at not lower than 50 percent and not more than 70 percent of annual fuel consumption. Whereby the tenor of each contract would be for a period of not more than 12 months. The Company selected a financial tool that was suitable for the market situation by establishing the lowest and highest prices of jet fuel, whereby the Company would incur the difference in USD currency, should the price of jet fuel falls below the lowest price. On the contrary, the Company would be compensated should the price of jet fuel rises higher than the highest price.

The Company's hedge portion account to 57.03 percent (31 December 2014: 58.60 percent) of its annual fuel consumption. As at 30 June 2015, the Company still has an obligation from fuel price hedging until December 2015 amount of 270,000 barrels (31 December 2014: 735,000 barrels) of Jet fuel whereby the lowest and the highest jet fuel prices are between USD 96.90 per barrel to USD 102.70 per barrel (31 December 2014: between USD 96.90 per barrel to USD 119.27 per barrel).

28. Fair value of financial instruments

The Company and its subsidiaries use the market approach to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available.

Fair value hierarchy

In applying the above-mentioned valuation techniques, the Company and its subsidiaries endeavor to use relevant observable inputs as much as possible. TFRS 13 *Fair Value Measurement* establishes a fair value hierarchy categorising such inputs into three levels as follows:

(Unaudited but reviewed)

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

As of 30 June 2015, the Company and its subsidiaries had the assets that was measured at fair value using different levels of inputs as follows:

(Unit: Thousand Baht)

	Consolidated Financial Statements			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Trading investments				
Equity instruments	23,345	-	-	23,345
Available-for-sale investments				
Equity instruments	23,791,115	-	-	23,791,115

(Unit: Thousand Baht)

	Separate Financial Statements			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Available-for-sale investments				
Equity instruments	19,773,115	-	-	19,773,115

During the current period, there were no transfers within the fair value hierarchy.

29. Approval of financial statements

These interim consolidated financial statements were authorised for issue by the Company's authorised directors on 10 August 2015.