

Bangkok Airways Public Company Limited  
and its subsidiaries  
Review report and interim consolidated financial statements  
For the three-month and nine-month periods ended  
30 September 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 September 2015, and the related consolidated statements of comprehensive income for the three-month and nine-month periods ended 30 September 2015, the consolidated statements of changes in shareholders' equity and cash flows for the nine-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: 11 November 2015

**Bangkok Airways Public Company Limited and its subsidiaries**

**Statement of financial position**

**As at 30 September 2015**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September	31 December	30 September	31 December
		2015	2014	2015	2014
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	5	9,017,765	2,175,125	8,533,931	1,877,259
Current investments	6	4,820,270	11,525,142	4,800,000	11,500,000
Trade and other receivables	3, 4	1,559,134	1,705,461	1,177,355	1,531,282
Prepaid expenses		222,206	218,187	206,578	205,752
Inventories	7	265,464	271,886	169,906	177,680
Other current assets		501,929	665,216	412,970	571,253
<b>Total current assets</b>		<b>16,386,768</b>	<b>16,561,017</b>	<b>15,300,740</b>	<b>15,863,226</b>
<b>Non-current assets</b>					
Restricted bank deposits	8, 26.3	26,828	191,779	2,093	167,675
Investments in associates	9	2,368,245	1,669,637	3,038,267	2,405,571
Investments in subsidiaries	10	-	-	2,184,233	2,184,233
Other long-term investments	12	22,512,947	20,936,196	18,720,447	17,410,196
Long-term loans to related party	4	-	-	53,284	63,284
Investment properties	11	482,737	494,742	482,737	494,742
Property, plant and equipment	13	8,372,841	7,033,543	7,556,735	6,234,141
Intangible assets	14	729,271	779,828	217,823	234,794
Leasehold rights		47,641	49,233	47,641	49,233
Deferred tax assets		28,564	25,070	-	-
Other non-current assets	4	831,866	837,844	815,150	779,498
<b>Total non-current assets</b>		<b>35,400,940</b>	<b>32,017,872</b>	<b>33,118,410</b>	<b>30,023,367</b>
<b>Total assets</b>		<b>51,787,708</b>	<b>48,578,889</b>	<b>48,419,150</b>	<b>45,886,593</b>

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 September 2015**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September	31 December	30 September	31 December
		2015	2014	2015	2014
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Trade and other payables	4, 15	2,264,530	2,440,124	2,181,852	2,298,246
Current portion of long-term loans	16	332,120	626,073	243,520	457,473
Income tax payable		18,565	57,114	-	-
Current portion of liabilities arising from finance lease					
of aircrafts	17	276,906	454,587	276,906	454,587
Current portion of finance lease liabilities	18	58,903	38,328	39,695	29,120
Unearned revenues		1,927,564	2,151,213	1,926,074	2,147,705
Other current liabilities	4	1,620,477	967,023	1,249,014	640,864
<b>Total current liabilities</b>		<b>6,499,065</b>	<b>6,734,462</b>	<b>5,917,061</b>	<b>6,027,995</b>
<b>Non-current liabilities</b>					
Long-term loans - net of current portion	16	272,540	441,180	265,040	440,180
Liabilities arising from finance lease of aircrafts					
- net of current portion	17	1,655,498	508,108	1,655,498	508,108
Finance lease liabilities - net of current portion	18	84,395	63,788	42,415	42,957
Long-term loans from related party					
- net of current portion	19	11,306,138	11,285,745	11,306,138	11,285,745
Provision for long-term employee benefits		420,869	328,553	349,274	270,393
Deferred tax liabilities		4,007,990	3,711,604	3,445,640	3,202,554
Other non-current liabilities		71,762	73,471	-	-
<b>Total non-current liabilities</b>		<b>17,819,192</b>	<b>16,412,449</b>	<b>17,064,005</b>	<b>15,749,937</b>
<b>Total liabilities</b>		<b>24,318,257</b>	<b>23,146,911</b>	<b>22,981,066</b>	<b>21,777,932</b>

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 September 2015**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>		
	30 September	31 December	30 September	31 December	
	Note	2015	2014	2015	2014
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Shareholders' equity</b>					
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	21	70,000	25,000	70,000	25,000
Unappropriated		303,423	(387,673)	796,651	560,783
Other components of shareholders' equity		15,513,863	14,252,109	13,151,951	12,103,396
Equity attributable to owners of the Company		27,306,768	25,308,918	25,438,084	24,108,661
Non-controlling interests of the subsidiaries		162,683	123,060	-	-
<b>Total shareholders' equity</b>		<b>27,469,451</b>	<b>25,431,978</b>	<b>25,438,084</b>	<b>24,108,661</b>
<b>Total liabilities and shareholders' equity</b>		<b>51,787,708</b>	<b>48,578,889</b>	<b>48,419,150</b>	<b>45,886,593</b>
		-	-	-	-

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 September 2015**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
<b>Profit or loss:</b>					
<b>Revenues</b>					
Passenger	4	4,860,036	4,196,914	4,860,198	4,197,113
Sales and service income	4	783,637	616,979	-	-
Freight	4	85,252	89,935	85,252	89,935
Passenger service charge		160,044	130,491	160,045	130,491
Dividend income	4, 9.2	290	308	79,703	215,917
Gain on sales of investments		-	16	-	-
Interest income		66,982	2,987	65,363	1,252
Gain on exchange rate		177,958	30,002	176,432	26,831
Other income	4	229,837	216,612	273,791	254,245
<b>Total revenues</b>		<b>6,364,036</b>	<b>5,284,244</b>	<b>5,700,784</b>	<b>4,915,784</b>
<b>Expenses</b>					
Cost of sales and services	4	4,672,883	4,306,321	4,207,792	3,912,961
Selling expenses	4	442,862	406,015	439,034	401,628
Administrative expenses	4	390,101	336,877	276,910	238,771
Other expenses		3,739	-	658	-
<b>Total expenses</b>		<b>5,509,585</b>	<b>5,049,213</b>	<b>4,924,394</b>	<b>4,553,360</b>
<b>Profit before share of profit from investments in associates, finance cost and income tax expenses</b>					
Share of profit from investments in associates	9.2	148,368	119,615	-	-
<b>Profit before finance cost and income tax expenses</b>		<b>1,002,819</b>	<b>354,646</b>	<b>776,390</b>	<b>362,424</b>
Finance cost		(409,353)	(403,052)	(405,162)	(396,182)
<b>Profit (loss) before income tax expenses</b>		<b>593,466</b>	<b>(48,406)</b>	<b>371,228</b>	<b>(33,758)</b>
Income tax revenues (expenses)	20	(2,645)	1,887	29,247	21,229
<b>Profit (loss) for the period</b>		<b>590,821</b>	<b>(46,519)</b>	<b>400,475</b>	<b>(12,529)</b>
<b>Other comprehensive income:</b>					
<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		(1,335,212)	2,305,656	(1,109,712)	1,916,156
Less: Income tax effect	20	267,042	(461,131)	221,943	(383,231)
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		(1,068,170)	1,844,525	(887,769)	1,532,925
<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	806	-	806	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		806	-	806	-
<b>Other comprehensive income for the period</b>		<b>(1,067,364)</b>	<b>1,844,525</b>	<b>(886,963)</b>	<b>1,532,925</b>
<b>Total comprehensive income for the period</b>		<b>(476,543)</b>	<b>1,798,006</b>	<b>(486,488)</b>	<b>1,520,396</b>

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 September 2015**

(Unit: Thousand Baht)

	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<b>Profit attributable to:</b>					
Equity holders of the Company		578,647	(51,845)	400,475	(12,529)
Non-controlling interests of the subsidiaries		12,174	5,326		
		<u>590,821</u>	<u>(46,519)</u>		
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		(488,717)	1,792,680	(486,488)	1,520,396
Non-controlling interests of the subsidiaries		12,174	5,326		
		<u>(476,543)</u>	<u>1,798,006</u>		

(Unit: Baht)

<b>Earnings per share</b>		23			
Basic earnings per share					
Profit (loss) attributable to equity holders of the Company		<u>0.28</u>	<u>(0.03)</u>	<u>0.19</u>	<u>(0.01)</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 nine-month period ended 30 September 2015**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
<b>Profit or loss:</b>					
<b>Revenues</b>					
Passenger	4	14,306,965	12,874,520	14,307,321	12,875,037
Sales and service income	4	2,335,329	1,954,370	-	-
Freight	4	244,766	242,529	244,766	242,529
Passenger service charge		428,550	399,629	428,550	399,629
Dividend income	4, 9.2	280,420	244,094	533,983	568,524
Gain on sales of investments		70	3,390	-	7,000
Interest income		213,777	13,232	209,170	8,124
Gain on exchange rate		295,108	26,371	288,921	14,542
Other income	4	556,314	502,663	681,131	608,753
<b>Total revenues</b>		<b>18,661,299</b>	<b>16,260,798</b>	<b>16,693,842</b>	<b>14,724,138</b>
<b>Expenses</b>					
Cost of sales and services	4	13,551,180	13,052,789	12,179,037	11,853,791
Selling expenses	4	1,280,384	1,120,430	1,269,013	1,108,662
Administrative expenses	4	1,133,675	1,006,717	797,902	709,258
Other expenses	4	4,452	2,690	658	-
<b>Total expenses</b>		<b>15,969,691</b>	<b>15,182,626</b>	<b>14,246,610</b>	<b>13,671,711</b>
<b>Profit before share of profit from investments in associates, finance cost and income tax expenses</b>					
		2,691,608	1,078,172	2,447,232	1,052,427
Share of profit from investments in associates	9.2	367,644	327,829	-	-
<b>Profit before finance cost and income tax expenses</b>		<b>3,059,252</b>	<b>1,406,001</b>	<b>2,447,232</b>	<b>1,052,427</b>
Finance cost		(1,190,661)	(1,228,257)	(1,177,037)	(1,199,495)
<b>Profit (loss) before income tax expenses</b>		<b>1,868,591</b>	<b>177,744</b>	<b>1,270,195</b>	<b>(147,068)</b>
Income tax revenues (expenses)	20	(88,862)	(19,438)	14,647	56,948
<b>Profit (loss) for the period</b>		<b>1,779,729</b>	<b>158,306</b>	<b>1,284,842</b>	<b>(90,120)</b>
<b>Other comprehensive income:</b>					
<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		1,577,193	8,192,324	1,310,693	6,808,575
Less: Income tax effect	20	(315,439)	(1,638,465)	(262,138)	(1,361,715)
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		1,261,754	6,553,859	1,048,555	5,446,860
<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	4,406	-	4,406	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		(58,974)	-	(58,974)	-
<b>Other comprehensive income for the period</b>		<b>1,202,780</b>	<b>6,553,859</b>	<b>989,581</b>	<b>5,446,860</b>
<b>Total comprehensive income for the period</b>		<b>2,982,509</b>	<b>6,712,165</b>	<b>2,274,423</b>	<b>5,356,740</b>

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 nine-month period ended 30 September 2015**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
<b>Profit attributable to:</b>					
Equity holders of the Company		1,740,070	136,080	1,284,842	(90,120)
Non-controlling interests of the subsidiaries		39,659	22,226		
		<u>1,779,729</u>	<u>158,306</u>		
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		2,942,850	6,689,939	2,274,423	5,356,740
Non-controlling interests of the subsidiaries		39,659	22,226		
		<u>2,982,509</u>	<u>6,712,165</u>		

(Unit: Baht)

<b>Earnings per share</b>	23				
Basic earnings per share					
Profit (loss) attributable to equity holders of the Company		<u>0.83</u>	<u>0.09</u>	<u>0.61</u>	<u>(0.06)</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 nine-month period ended 30 September 2015

(Unit: Thousand Baht)

<b>Consolidated financial statements</b>												
Equity attributable to owners of the Company												
					Other components of equity							
					Other comprehensive income							
					Surplus							
					on changes	Discount on	Total other	Total equity	Equity attributable	Total		
					in value of	changes in	components of	attributable to	to non-controlling	shareholders'		
					available-for-sale	shareholding in	shareholders'	owners of	interests of	equity		
					investments	subsidiaries	equity	the Company	the subsidiaries	equity		
Issued and fully paid-up share capital		Premium on ordinary shares	Capital reserve for share-based payment transactions	Retained earnings								
				Appropriated	Unappropriated							
<b>Balance as at 31 December 2013</b>		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		-	-	-	-	136,080	-	-	-	136,080	22,226	158,306
Other comprehensive income for the period		-	-	-	-	-	6,553,859	-	6,553,859	6,553,859	-	6,553,859
Total comprehensive income for the period		-	-	-	-	136,080	6,553,859	-	6,553,859	6,689,939	22,226	6,712,165
<b>Balance as at 30 September 2014</b>		<u>1,580,000</u>	<u>270,000</u>	<u>207,300</u>	<u>210,000</u>	<u>(4,011,952)</u>	<u>15,669,696</u>	<u>(154,884)</u>	<u>15,514,812</u>	<u>13,770,160</u>	<u>133,717</u>	<u>13,903,877</u>
-												
<b>Balance as at 31 December 2014</b>		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		-	-	-	-	1,740,070	-	-	-	1,740,070	39,659	1,779,729
Other comprehensive income for the period		-	-	-	-	(58,974)	1,261,754	-	1,261,754	1,202,780	-	1,202,780
Total comprehensive income for the period		-	-	-	-	1,681,096	1,261,754	-	1,261,754	2,942,850	39,659	2,982,509
Decrease on non-controlling interests												
of subsidiaries		-	-	-	-	-	-	-	-	-	(36)	(36)
Transferred to statutory reserve		-	-	-	45,000	(45,000)	-	-	-	-	-	-
Dividend paid (Note 22)		-	-	-	-	(945,000)	-	-	-	(945,000)	-	(945,000)
<b>Balance as at 30 September 2015</b>		<u>2,100,000</u>	<u>9,319,482</u>	<u>-</u>	<u>70,000</u>	<u>303,423</u>	<u>15,668,747</u>	<u>(154,884)</u>	<u>15,513,863</u>	<u>27,306,768</u>	<u>162,683</u>	<u>27,469,451</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 (continued)**

**For the nine-month period ended 30 September 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	
<b>Balance as at 31 December 2013</b>	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	-	-	-	-	(90,120)	-	-	(90,120)
Other comprehensive income for the period	-	-	-	-	-	5,446,860	5,446,860	5,446,860
Total comprehensive income for the period	-	-	-	-	(90,120)	5,446,860	5,446,860	5,356,740
<b>Balance as at 30 September 2014</b>	<u>1,580,000</u>	<u>270,000</u>	<u>207,300</u>	<u>210,000</u>	<u>(3,434,254)</u>	<u>13,152,898</u>	<u>13,152,898</u>	<u>11,985,944</u>
<b>Balance as at 31 December 2014</b>	2,100,000	9,319,482	-	25,000	560,783	12,103,396	12,103,396	24,108,661
Profit for the period	-	-	-	-	1,284,842	-	-	1,284,842
Other comprehensive income for the period	-	-	-	-	(58,974)	1,048,555	1,048,555	989,581
Total comprehensive income for the period	-	-	-	-	1,225,868	1,048,555	1,048,555	2,274,423
Transferred to statutory reserve	-	-	-	45,000	(45,000)	-	-	-
Dividend paid (Note 22)	-	-	-	-	(945,000)	-	-	(945,000)
<b>Balance as at 30 September 2015</b>	<u>2,100,000</u>	<u>9,319,482</u>	<u>-</u>	<u>70,000</u>	<u>796,651</u>	<u>13,151,951</u>	<u>13,151,951</u>	<u>25,438,084</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 nine-month period ended 30 September 2015**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<b>Cash flows from operating activities</b>				
Profit (loss) before tax	1,868,591	177,744	1,270,195	(147,068)
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	604,809	470,118	437,323	328,203
Allowance for doubtful accounts (reversal)	6,623	(42,668)	6,623	(43,709)
Loss from written off doubtful debts	-	14,045	-	14,045
Reduction of inventory to net realisable value (reversal)	(1,902)	1,113	(2,172)	1,113
Gain on sales of property, plant and equipment	(9,186)	(2,225)	(9,062)	(2,227)
Gain on sales of leasehold rights	-	(3,610)	-	(3,610)
Gain on sales of short-term investments	(70)	(3,390)	-	(7,000)
(Gain) loss from revaluation of short-term investments	3,142	(1,623)	-	-
Written off fixed assets	100	11,812	100	11,812
Share of profit from investments in associates	(367,644)	(327,829)	-	-
Provision for long-term employee benefits	53,566	36,940	40,131	30,283
Loss from liquidation of associate	483	-	658	-
Unrealised loss on exchange	58,471	42,465	58,356	42,169
Dividend income	(280,420)	(244,094)	(533,983)	(568,524)
Interest income	(213,777)	(13,232)	(209,170)	(8,124)
Finance costs	1,190,661	1,228,257	1,177,037	1,199,495
Profit from operating activities before changes in operating assets and liabilities	2,913,447	1,343,823	2,236,036	846,858
Operating assets (increase) decrease				
Trade and other receivables	6,911	386,853	75,707	323,892
Short-term loans to related parties	-	54,155	-	34,300
Inventories	8,324	(15,764)	9,946	(16,411)
Other current assets	(173,493)	(147,620)	(134,208)	(119,385)
Other assets	76,906	(117,290)	35,353	(134,805)
Operating liabilities increase (decrease)				
Trade and other payables	(213,279)	8,311	(134,218)	106,952
Other current liabilities	421,294	(351,570)	379,463	(775,338)
Liabilities under finance lease payable	(361,662)	(348,130)	(350,383)	(345,110)
Provision for long-term employee benefits	(24,630)	(6,984)	(24,630)	(6,670)
Other non-current liabilities	(1,709)	6,125	-	(5,000)
Cash flows from (used in) operating activities	2,652,109	811,909	2,093,066	(90,717)
Cash paid for interest expenses	(1,163,346)	(1,214,950)	(1,151,177)	(1,180,126)
Cash paid for income tax expenses	(126,605)	(92,839)	(22,046)	(33,226)
<b>Net cash flows from (used in) operating activities</b>	<b>1,362,158</b>	<b>(495,880)</b>	<b>919,843</b>	<b>(1,304,069)</b>

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 nine-month period ended 30 September 2015**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<b>Cash flows from investing activities</b>				
(Increase) decrease in restricted bank deposits	164,951	(1,117)	165,582	2,025
Decrease in current investments	6,700,000	470,000	6,700,000	470,000
Acquisition of long-term investments	-	(327)	-	(327)
Acquisition of property, plant and equipment	(294,864)	(495,446)	(206,334)	(280,570)
Acquisition of intangible assets	(59,479)	(98,099)	(57,824)	(95,347)
Interest income	260,550	15,087	265,765	8,815
Dividend income from investment in subsidiaries	-	-	138,799	-
Dividend income from investment in associates	456,258	271,137	456,258	271,137
Dividend income from long-term investments	280,420	244,094	232,075	201,837
Proceeds from sales of property, plant and equipment	11,387	2,235	9,513	2,235
Proceeds from sales of leasehold rights	-	10,907	-	10,907
Cash received from sales of short-term investments	1,800	16,035	-	418,250
Cash received from sales of long-term investments	442	-	442	-
Cash paid for investment in subsidiaries from non-controlling interest	(36)	-	-	-
Cash paid for investment in associates	(635,696)	-	(635,696)	-
Cash received from liquidation of associate	2,342	-	2,342	-
<b>Net cash flows from investing activities</b>	<b>6,888,075</b>	<b>434,506</b>	<b>7,070,922</b>	<b>1,008,962</b>
<b>Cash flows from financing activities</b>				
Decrease in bank overdrafts and short-term loans				
from financial institutions	-	(121,365)	-	(100,000)
Cash received from short-term loans	3,540	-	-	30,685
Repayment of short-term loans	(3,540)	-	-	-
Cash received from long-term loans	20,000	-	-	-
Repayment of long-term loans	(482,593)	(780,709)	(389,093)	(576,709)
Dividend paid	(945,000)	-	(945,000)	-
<b>Net cash flows used in financing activities</b>	<b>(1,407,593)</b>	<b>(902,074)</b>	<b>(1,334,093)</b>	<b>(646,024)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>6,842,640</b>	<b>(963,448)</b>	<b>6,656,672</b>	<b>(941,131)</b>
Cash and cash equivalents at beginning of the period	2,175,125	2,552,859	1,877,259	2,234,506
<b>Cash and cash equivalents at end of the period (Note 5)</b>	<b>9,017,765</b>	<b>1,589,411</b>	<b>8,533,931</b>	<b>1,293,375</b>
	-	-	-	-
<b>Supplemental cash flows information:</b>				
Non-cash items				
Increase (decrease) in dividend receivable	(154,350)	95,550	(293,149)	95,550
Increase in payable from purchase of assets	20,074	38,263	334	42,416
Decrease in payable from purchase of intangible assets	(1)	-	(1)	-
Purchase assets under finance lease	1,507,838	36,876	1,465,410	30,907
Gain on changes in value of available-for-sale investments (Net of income taxes)	1,261,754	6,553,859	1,048,555	5,446,860
Actuarial loss on deferred benefits plan (Net of income taxes)	(58,974)	-	(58,974)	-

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 nine-month periods ended 30 September 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 9 and 10 to financial statements.

## 1.4 New financial reporting standards

### (a) Financial reporting standard that became effective in the current 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.

#### **(b) Financial reporting standard issued during the period and not yet effective**

During the period, the Federation of Accounting Professions issued a number of the revised financial reporting standards (revised 2015) which is effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards. The Company's management believes that the revised financial reporting standards will not have any significant impact on the financial statements when it is initially applied.

#### **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**

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	30	31	30	31
	September 2015	December 2014	September 2015	December 2014
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	14,090	22,662	25,819	52,806
Past due				
Up to 3 months	11,945	4,375	9,628	18,724
3 - 6 months	1,590	430	1,058	430
6 - 12 months	920	143	917	131
Over 12 months	177	229	177	186
Total trade receivables - related parties, net	28,722	27,839	37,599	72,277
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	1,136,385	1,323,710	774,041	986,487
Past due				
Up to 3 months	280,014	128,652	181,170	30,641
3 - 6 months	43,905	25,266	28,231	18,244
6 - 12 months	19,689	6,773	18,623	2,507
Over 12 months	73,490	80,612	71,572	80,590
Total	1,553,483	1,565,013	1,073,637	1,118,469
Less: Allowance for doubtful debts	(92,045)	(90,778)	(91,003)	(89,736)
Total trade receivables - unrelated parties, net	1,461,438	1,474,235	982,634	1,028,733
Total trade receivables - net	1,490,160	1,502,074	1,020,233	1,101,010
<u>Other receivables</u>				
Other receivables - related parties	66,198	199,577	154,350	426,463
Total other receivables - related parties, net	66,198	199,577	154,350	426,463
Other receivables - unrelated parties	11,846	12,880	11,842	12,879
Less: Allowance for doubtful debts	(9,070)	(9,070)	(9,070)	(9,070)
Total other receivables - unrelated parties, net	2,776	3,810	2,772	3,809
Total other receivables - net	68,974	203,387	157,122	430,272
Trade and other receivables - net	1,559,134	1,705,461	1,177,355	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		Separate		Transfer Pricing Policy
	financial		financial		
	statements		statements		
	For the three-month periods ended				
	30 September				
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Passenger income	-	-	-	1	Authorised price
Permission fee income	-	-	44	38	Contract price
Concession lounge service income	-	-	5	5	Contract price
Rental income	-	-	1	2	Contract price
Catering service expenses	-	-	106	109	Contract price
Ground service expenses	-	-	115	114	Contract price
Shipping service expenses	-	-	1	-	Actual charge
<u>Transactions with associates</u>					
Catering service income	1	-	-	-	Contract price
Dividend income	-	-	80	216	As declared
Finance costs	349	324	349	324	Contract price
Shipping service expenses	5	4	5	4	Actual charge
<u>Transactions with related companies</u>					
Passenger income	11	15	11	15	Authorised price
Permission fee income	2	1	2	1	Contract price
Catering service income	5	1	-	-	Contract price
Ground service income	1	1	-	-	Contract price
Rental income	2	2	2	2	Contract price
Charter flight income	16	-	16	-	Contract price
Freight income	1	-	1	-	Contract price
Consulting income	-	1	-	1	Contract price
Compensation income	3	-	3	-	Agree upon
Sponsor income	1	-	1	-	Contract price
Utilities income	1	1	1	1	Actual charge
Sales of fixed assets	7	-	7	-	Contract price
Catering service expenses	1	2	1	2	Contract price
Ground service expenses	135	96	124	88	Contract price

(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated		Separate		Transfer Pricing Policy
	financial		financial		
	statements		statements		
	For the three-month periods ended				
	30 September				
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	
Management expenses	47	52	47	52	Contract price
Security expenses	19	1	18	1	Contract price
Rental expenses	-	1	-	-	Contract price
Employee expenses	2	-	2	1	Actual charge
Medical expenses	1	2	-	1	Market price
Advertising expenses	1	1	1	1	Contract price
Utilities expenses	1	1	-	-	Actual charge
Aeronautical radio expenses	116	125	116	121	Market price
Flight cancelled and delayed compensation	1	-	1	-	Actual charge

(Unit: Million Baht)

	Consolidated		Separate		Transfer Pricing Policy
	financial		financial		
	statements		statements		
	For the nine-month periods ended				
	30 September				
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Passenger income	-	-	-	1	Authorised price
Permission fee income	-	-	130	111	Contract price
Concession lounge service income	-	-	15	13	Contract price
Rental income	-	-	2	4	Contract price
Catering service expenses	-	-	310	320	Contract price
Ground service expenses	-	-	346	336	Contract price
Shipping service expenses	-	-	1	-	Actual charge
<u>Transactions with associates</u>					
Interest income	-	1	-	1	MLR
Ground service income	2	2	-	-	Contract price
Collection fee income	1	1	-	-	Contract price
Catering service income	1	-	-	-	Contract price
Dividend income	-	-	302	367	As declared
Finance costs	999	967	999	967	Contract price
Shipping service expenses	17	12	17	12	Actual charge

(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer Pricing Policy
	For the nine-month periods ended				
	30 September				
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	
<u>Transactions with related companies</u>					
Passenger income	33	44	33	44	Authorised price
Permission fee income	4	2	4	2	Contract price
Catering service income	13	2	-	-	Contract price
Ground service income	2	2	-	-	Contract price
Rental income	6	10	6	10	Contract price
Charter flight income	16	-	16	-	Contract price
Freight income	1	-	1	-	Contract price
Consulting income	2	2	2	2	Contract price
Compensation income	3	5	3	5	Agree upon
Advertising income	1	-	1	-	Contract price
Sponsor income	1	1	1	1	Contract price
Utilities income	2	1	2	1	Actual charge
Sales of fixed assets	7	-	7	-	Contract price
Dividend income	279	243	232	202	As declared
Catering service expense	3	3	3	3	Contract price
Ground service expenses	349	213	319	188	Contract price
Management expenses	127	103	127	103	Contract price
Security expenses	52	49	51	49	Contract price
Rental expenses	2	5	-	2	Contract price
Employee expenses	3	16	3	15	Actual charge
Medical expenses	3	2	1	1	Market price
Advertising expense	1	1	1	1	Contract price
Utilities expense	1	1	-	-	Actual charge
Aeronautical radio expenses	371	406	357	396	Market price
Flight cancelled and delayed compensation	1	-	1	-	Actual charge

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
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

List of related companies	Relationship
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
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

List of related companies	Relationship
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
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 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
Bangkok Hospital Chiangrai 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

List of related companies	Relationship
Pranaporn 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

As at 30 September 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 September 2015	31 December 2014	30 September 2015	31 December 2014
<b><u>Trade and other receivables - related parties (Note 3)</u></b>				
Subsidiaries	-	-	104,924	274,502
Associated companies	68,148	199,247	66,150	198,460
Related companies (related by shareholders and/or directors)	26,772	28,169	20,875	25,778
Total trade and other receivables - related parties	<u>94,920</u>	<u>227,416</u>	<u>191,949</u>	<u>498,740</u>
<b><u>Deposits - related parties (present as other non-current assets)</u></b>				
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>
<b><u>Trade and other payables - related parties (Note 15)</u></b>				
Subsidiaries	-	-	208,170	168,923
Associated companies	117,350	111,858	108,696	103,306
Related companies (related by shareholders and/or directors)	171,386	122,236	167,026	118,238
Total trade and other payables - related parties	<u>288,736</u>	<u>234,094</u>	<u>483,892</u>	<u>390,467</u>
<b><u>Other current liabilities - related parties (present as other non-current liabilities)</u></b>				
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 September 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 September 2015
Loans to and accrued interest receivables				
Subsidiary	63,284	-	(10,000)	(53,284)
Total	63,284	-	(10,000)	(53,284)

Loans from related parties

As at 30 September 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)

	Consolidated financial statements			
	Balance as at 31 December 2014	Increase during the period	Decrease during the period	Balance as at 30 September 2015
Loans from and accrued interest payables				
Directors	-	3,541	(3,541)	-
Total	-	3,541	(3,541)	-

Directors and management's benefits

During the three-month and nine-month periods ended 30 September 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 September		For the three-month periods ended 30 September	
	2015	2014	2015	2014
Short-term employee benefits	41	38	29	28
Post-employment benefits	2	1	2	1
Total	43	39	31	29

(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	For the nine-month periods ended 30 September		For the nine-month periods ended 30 September	
	2015	2014	2015	2014
Short-term employee benefits	134	127	99	99
Post-employment benefits	5	3	4	2
Total	139	130	103	101

#### Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 25.4 to the financial statements.

#### **5. Cash and cash equivalents**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September	31 December	30 September	31 December
	2015	2014	2015	2014
Cash	136,685	168,188	134,498	165,814
Bank deposits	8,789,187	2,006,937	8,399,433	1,711,445
Bills of exchange	91,893	-	-	-
Total	9,017,765	2,175,125	8,533,931	1,877,259

As at 30 September 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 78 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 September	31 December	30 September	31 December
	2015	2014	2015	2014
Fixed deposits over three months but not over one year	4,800,000	11,500,000	4,800,000	11,500,000
Trading securities	20,270	25,142	-	-
<b>Total</b>	<b>4,820,270</b>	<b>11,525,142</b>	<b>4,800,000</b>	<b>11,500,000</b>

As at 30 September 2015, fixed deposits carried interests between 1.63 and 1.75 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 nine-month period ended 30 September 2015 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
<b>Balance as at 1 January 2015</b>	42,159	42,029
Provision for obsolete inventory (Reversal)	(1,902)	(2,172)
<b>Balance as at 30 September 2015</b>	<b>40,257</b>	<b>39,857</b>

**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 26.3 to financial statements.



## 9.2 Share of profit and dividend received

During the period, the Company has recognised its share of profit 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		Separate	
	financial statements		financial statements	
	Share of profit from investments in associates during the three-month periods ended 30 September		Dividend received during the three-month periods ended 30 September	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
WFS - PG Cargo Co., Ltd.	55,428	64,650	-	146,999
Samui Airport Property Fund (Leasehold)	92,919	54,959	79,656	68,875
S.E.A. Aviation Co., Ltd.	21	6	-	-
<b>Total</b>	<b>148,368</b>	<b>119,615</b>	<b>79,656</b>	<b>215,874</b>

Company's name	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	Share of profit from investments in associates during the nine-month periods ended 30 September		Dividend received during the nine-month periods ended 30 September	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
WFS - PG Cargo Co., Ltd.	165,492	167,505	73,500	146,999
Samui Airport Property Fund (Leasehold)	202,137	160,320	228,408	219,688
S.E.A. Aviation Co., Ltd.	15	4	-	-
<b>Total</b>	<b>367,644</b>	<b>327,829</b>	<b>301,908</b>	<b>366,687</b>

### 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 September	31 December
	2015	2014
Samui Airport Property Fund (Leasehold)	5,263	4,109
Total	5,263	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	31	30	31	30	31
	September	December	September	December	September	December
	2015	2014	2015	2014	2015	2014
WFS - PG Cargo Co., Ltd.	300	300	1,092	1,154	417	645
Samui Airport Property Fund (Leasehold)	9,208	9,208	10,580	10,542	140	61
S.E.A Aviation Co.,Ltd.	-	30	-	29	-	-

(Unit: Million Baht)

Company's name	Total revenues				Profit			
	For the three-month periods ended		For the nine-month periods ended		For the three-month periods ended		For the nine-month periods ended	
	30 September		30 September		30 September		30 September	
	2015	2014	2015	2014	2015	2014	2015	2014
WFS - PG Cargo Co., Ltd.	403	222	1,176	982	113	111	338	321
Samui Airport Property Fund (Leasehold)	347	321	983	946	337	311	953	916
S.E.A Aviation Co.,Ltd.	-	-	-	-	-	-	-	-

On 30 June 2015, the Extraordinary General Meeting of Shareholders No. 2/2558 of S.E.A Aviation Co., Ltd. passed a resolution to approve the dissolution and liquidation of that company and to return capital to its shareholders. The Company received proceeds from the dissolution and liquidation amounting to Baht 2.34 million.

**10. 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		(Unit: Thousand Baht) Cost	
	30	31	30	31	30	31
	September	December	September	December	September	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 September 2015 and 31 December 2014 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2015	2014	2015	2014
Cost	556,242	556,242	556,242	556,242
Less: Accumulated depreciation	(73,505)	(61,500)	(73,505)	(61,500)
Net book value	<u>482,737</u>	<u>494,742</u>	<u>482,737</u>	<u>494,742</u>
Depreciation included in the statement of comprehensive income for the period/year	<u>12,005</u>	<u>5,392</u>	<u>12,005</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 September	31 December	30 September	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	19,585,938	18,008,745	16,439,938	15,129,245
Available-for-sales securities - net	<u>22,455,903</u>	<u>20,878,710</u>	<u>18,663,403</u>	<u>17,352,710</u>
Debt securities held to maturity	50,000	50,000	50,000	50,000
Other investments	<u>7,044</u>	<u>7,486</u>	<u>7,044</u>	<u>7,486</u>
Total	<u>22,512,947</u>	<u>20,936,196</u>	<u>18,720,447</u>	<u>17,410,196</u>

Certain available-for-sales securities with market value as at 30 September 2015 amounting to Baht 18,656 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 nine-month period ended 30 September 2015 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
	<u>                    </u>	<u>                    </u>
<b>Net book value as at 1 January 2015</b>	7,033,543	6,234,141
Acquisitions during the period - at cost	1,822,776	1,672,078
Transfer from intangible assets - net book value at transfer date	54,088	54,088
Disposal during the period - net book value at disposal date	(2,201)	(451)
Written off during the period - net book value	(100)	(100)
Depreciation for the period	(535,265)	(403,021)
<b>Net book value as at 30 September 2015</b>	<u>8,372,841</u>	<u>7,556,735</u>

As at 30 September 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 1,471 million (31 December 2014: Baht 1,487 million) (Separate financial statements: Baht 1,218 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 September 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 September 2015 and 31 December 2014 are presented below.

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	Concessions	Computer software	Total	Concessions	Computer software	Total
As at 30 September 2015						
Cost	920,732	373,683	1,294,415	-	350,773	350,773
Less: Accumulated amortisation	(414,730)	(150,414)	(565,144)	-	(132,950)	(132,950)
Net book value	506,002	223,279	729,271	-	217,823	217,823
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	540,470	239,358	779,828	-	234,794	234,794

(Unaudited but reviewed)

## 15. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2015	2014	2015	2014
Trade payables - related parties	279,647	228,442	474,564	384,797
Trade payables - unrelated parties	1,343,222	1,457,399	1,185,102	1,278,546
Other payables - related parties	9,089	5,652	9,328	5,670
Other payables - unrelated parties	587,235	723,368	504,123	620,831
Other payable for purchase of software and equipment - unrelated parties	45,337	25,263	8,735	8,402
Total trade and other payables	<u>2,264,530</u>	<u>2,440,124</u>	<u>2,181,852</u>	<u>2,298,246</u>

## 16. Long-term loans

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2015	2014	2015	2014
Long-term loans	604,660	1,067,253	508,560	897,653
Less: Current portion	<u>(332,120)</u>	<u>(626,073)</u>	<u>(243,520)</u>	<u>(457,473)</u>
Long-term loans, net of current portion	<u>272,540</u>	<u>441,180</u>	<u>265,040</u>	<u>440,180</u>

Movements of long-term loans during the nine-month period ended 30 September 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	20,000	-
Less: Repayment loans	<u>(482,593)</u>	<u>(389,093)</u>
Balance as at 30 September 2015	<u>604,660</u>	<u>508,560</u>

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.

(Unaudited but reviewed)

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 September 2015, the long-term credit facilities of the Company and its subsidiaries which have not yet been drawn down amounted to Baht 35 million (The Company only: None).

#### 17. Liabilities arising from finance lease of aircrafts

Liabilities arising from finance lease of aircrafts (effective rate from 0.93 percent to 6.94 percent) are due as follow:

(Unit: Thousand Baht)

	Consolidated financial statements and Separate financial statements		
	30 September 2015		
	Liabilities arising from finance lease	Deferred interest expenses	Total
Within one year	305,771	(28,865)	276,906
After one year but within five years	681,469	(86,181)	595,288
More than five years	1,116,859	(56,649)	1,060,210
Total	<u>2,104,099</u>	<u>(171,695)</u>	<u>1,932,404</u>

(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	<u>1,004,964</u>	<u>(42,269)</u>	<u>962,695</u>

**18. Liabilities under finance lease agreements**

(Unit: Thousand Baht)

	Consolidated financial		Separate financial	
	statements		statements	
	30	31	30	31
	September	December	September	December
	2015	2014	2015	2014
Liabilities under finance lease				
agreements	153,421	109,858	86,529	76,607
Less: Deferred interest expenses	(10,123)	(7,742)	(4,419)	(4,530)
Total	143,298	102,116	82,110	72,077
Less : Portion due within one year	(58,903)	(38,328)	(39,695)	(29,120)
Liabilities under finance lease				
agreements - net of current portion	84,395	63,788	42,415	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 September 2015		
	Less than		
	1 year	1-5 years	Total
Future minimum lease payments	64,775	88,646	153,421
Deferred interest expenses	(5,872)	(4,251)	(10,123)
Present value of future minimum lease payments	58,903	84,395	143,298

(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 September 2015		
	Less than 1 year	1-5 years	Total
Future minimum lease payments	42,665	43,864	86,529
Deferred interest expenses	(2,970)	(1,449)	(4,419)
Present value of future minimum lease payments	39,695	42,415	82,110

(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)

<b>Balance as at 1 January 2015</b>	11,285,745
Increase from compound interest	999,474
Less: Payment during period	(979,081)
<b>Balance as at 30 September 2015</b>	11,306,138
Less: portion due within one year	-
<b>Long-term loans - related party, net of current portion</b>	<u>11,306,138</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 833 million (31 December 2014: Baht 774 million) as at 30 September 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 nine-month periods ended 30 September 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 September				
	2015	2014	2015	2014
<b>Current income tax:</b>				
Interim corporate income tax charge	32,087	20,160	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(29,442)	(22,047)	(29,247)	(21,229)
<b>Income tax expense (revenue) reported in the statement of comprehensive income</b>	<b>2,645</b>	<b>(1,887)</b>	<b>(29,247)</b>	<b>(21,229)</b>

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
For the nine-month periods ended 30 September				
	2015	2014	2015	2014
<b>Current income tax:</b>				
Interim corporate income tax charge	106,748	76,960	-	-
Adjustment in respect of current income tax of previous year	255	(200)	-	(200)
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(18,141)	(57,322)	(14,647)	(56,748)
<b>Income tax expense (revenue) reported in the statement of comprehensive income</b>	<b>88,862</b>	<b>19,438</b>	<b>(14,647)</b>	<b>(56,948)</b>



(Unaudited but reviewed)

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the three-month periods ended 30 September			
	2015	2014	2015	2014
Deferred tax relating to				
(Gain) loss on changes in value of				
available-for-sale investments	264,042	(461,131)	221,943	(383,231)
Actuarial loss on defined benefit				
plan	806	-	806	-
	<u>267,848</u>	<u>(461,131)</u>	<u>222,749</u>	<u>(383,231)</u>

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the nine-month periods ended 30 September			
	2015	2014	2015	2014
Deferred tax relating to				
Gain on changes in value of				
available-for-sale investments	(315,439)	(1,638,465)	(262,138)	(1,361,715)
Actuarial loss on defined				
benefits plan	4,406	-	4,406	-
	<u>(311,033)</u>	<u>(1,638,465)</u>	<u>(257,732)</u>	<u>(1,361,715)</u>

## 21. Statutory reserve

On 24 September 2015, the Board of Directors Meeting of the Company passed a resolution to approve to set aside a statutory reserve at 5% of the net income for the first six months of the year 2015. According to this, the statutory reserve was set at Baht 45 million.

**22. Dividend paid**

	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Final dividends for 2014 income	Annual General Meeting of the shareholders on 23 April 2015	420	0.20
Interim dividends for 2015 income	Board of Directors' meeting on 24 September 2015	525	0.25
		945	0.45

**23. 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.

**24. 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 September											
Revenue from external customers	4,945	4,286	161	131	754	617	29	-	-	-	5,889	5,034
Intersegment revenues	-	1	-	-	222	223	1	-	(223)	(224)	-	-
Total revenues	4,945	4,287	161	131	976	840	30	-	(223)	(224)	5,889	5,034
Segment operating profit	1,058	693	61	35	97	-	-	-			1,216	728
Unallocated income and expenses:												
Interest income											67	3
Gain on exchange rate											178	30
Other income											230	216
Selling expenses											(443)	(406)
Administrative expenses											(390)	(337)
Other expenses											(4)	-
Share of profit of associated companies											149	120
Finance cost											(409)	(403)
Income tax revenue (expenses)											(3)	2
Non-controlling interests of the subsidiaries											(12)	(5)
Profit (loss) for the period											579	(52)

(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 nine-month periods ended 30 September											
Revenue from external customers	14,552	13,117	429	400	2,255	1,954	80	-	-	-	17,316	15,471
Intersegment revenues	-	1	-	-	656	658	2	-	(658)	(659)	-	-
Total revenues	14,552	13,118	429	400	2,911	2,612	82	-	(658)	(659)	17,316	15,471
Segment operating profit (loss)	3,322	2,207	136	112	310	99	(4)	-			3,764	2,418
Unallocated income and expenses:												
Dividend income											280	244
Gain from sales of investments											-	3
Interest income											214	13
Gain on exchange rate											295	26
Other income											556	503
Selling expenses											(1,280)	(1,120)
Administrative expenses											(1,134)	(1,007)
Other expenses											(4)	(3)
Share of profit of associated companies											368	328
Finance cost											(1,190)	(1,228)
Income tax expenses											(89)	(19)
Non-controlling interests of the subsidiaries											(40)	(22)
Profit for the period											1,740	136

## 25. Commitments and contingent liabilities

### 25.1 Operating lease commitments

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

As at 30 September 2015, future minimum lease payments required under aircraft lease agreements total USD 135 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 abroad were as follows.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2015	31 December 2014	30 September 2015	31 December 2014
Payable				
In up to 1 year	698	715	241	227
In over 1 and up to 5 years	1,990	1,917	121	170
In over 5 years	3,301	3,663	78	73

### 25.2 Capital commitments

25.2.1 As at 30 September 2015, the Company and its subsidiaries had capital commitments of Baht 14 million (31 December 2014: Baht 11 million) mainly in building improvement, and Baht 37 million (31 December 2014: Baht 75 million) relating to acquisition of software and office equipment for the Company's operations, and USD 7 million relating to purchasing of aero engine, and USD 0.3 million relating to security deposit of aircraft leasing.

25.2.2 As at 30 September 2015, the Company had commitments as a result of its signature of a sale and purchase contract for 6 ATR aircrafts (31 December 2014: 8 ATR aircrafts) with Avions de Transport Regional G.I.E. Delivery of the aircraft is scheduled for between November 2015 and February 2017.

### 25.3 Guarantees

- (a) As at 30 September 2015, the Company has guaranteed bank credit facilities of its subsidiaries companies amounting to Baht 1,200 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 September 2015, the Company has outstanding bank guarantees of approximately Baht 78.56 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 292 million (31 December 2014: Baht 293 million).

### 25.4 Pledges

As at 30 September 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 September 2015	31 December 2014
Bangkok Air Catering Co.,Ltd.	BAC Gourmet House Co.,Ltd.	125	51

### 25.5 Other commitments

As at 31 December 2014, the Company had commitments of Baht 9 million in respect of uncalled portion of investments in a company (30 September 2015: None).

### 25.6 Letter of credit facility

On 27 August 2015, the Company entered into a banking facility agreement, with the branch of a foreign financial institution, granting a revolving credit facility, a guarantee facility, and standby documentary credit amounting to USD 3.0 million. As at 30 September 2015, the undrawn portion of this credit facility amounted to USD 2.26 million.

## 26. Litigation

### The Company

- 26.1 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.

26.2 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.

26.3 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, September and November 2015, the Company paid the first, second and third installment of compensation to the plaintiff respectively in accordance with the dispute settlement agreement. Since June 2015 to present, the Company transferred approximately Baht 66 million from the escrow account back to the Company's bank account in Thailand.



- 26.4 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.
- 26.5 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.
- 26.6 In November 2014, the Company was sued by passenger, claiming Baht 0.5 million for cancelled ticket. On 14 October 2015, the Company has agreed to a compromise agreement. The Company will pay to passenger totaling 25,000 Baht within 30 days and the Court has completely sentenced in accordance with that compromise agreement on the same day. On 29 October 2015, the Company has already transferred such payment to the passenger.

### **Subsidiaries**

- 26.7 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.

**27. 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
	September	December	September	December	September	December
2015	2014	2015	2014	2015	2014	
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
AUD	1	1	-	-	25.49	26.81
BDT	1,565	1,347	2	13	0.47	0.42
CNY	9	14	2	2	5.73	5.30
EUR	7	8	-	-	40.91	40.05
GBP	-	1	-	-	55.13	51.15
HKD	6	18	4	5	4.70	4.25
INR	105	157	19	34	0.55	0.52
JPY	8	45	1	2	0.30	0.27
RUB	1	18	-	-	0.55	0.56
SGD	1	1	-	-	25.51	24.89
USD	75	65	89	63	36.37	32.96
TWD	3	6	-	-	1.10	1.04
KRW	49	341	-	-	0.03	0.03
MYR	-	-	1	1	8.18	9.43
ZAR	1	-	-	-	2.60	2.84

Foreign currency	Separate financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	as at		as at		as at	
	30	31	30	31	30	31
	September	December	September	December	September	December
2015	2014	2015	2014	2015	2014	
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
AUD	1	1	-	-	25.49	26.81
BDT	1,565	1,347	2	13	0.47	0.42
CNY	9	14	2	2	5.73	5.30
EUR	7	8	-	-	40.91	40.05
GBP	-	1	-	-	55.13	51.15
HKD	6	18	4	5	4.70	4.25
INR	105	157	19	34	0.55	0.52
JPY	8	45	1	2	0.30	0.27
RUB	1	18	-	-	0.55	0.56
SGD	1	1	-	-	25.51	24.89
USD	72	63	76	53	36.37	32.96
TWD	3	6	-	-	1.10	1.04
KRW	49	341	-	-	0.03	0.03
MYR	-	-	1	1	8.18	9.43
ZAR	1	-	-	-	2.60	2.84

## 28. 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 58.84 percent (31 December 2014: 58.60 percent) of its annual fuel consumption. As at 30 September 2015, the Company still has an obligation from fuel price hedging until December 2015 amount of 75,000 barrels (31 December 2014: 735,000 barrels) of Jet fuel whereby the lowest and the highest jet fuel prices are between USD 68 per barrel to USD 101.35 per barrel (31 December 2014: between USD 96.90 per barrel to USD 119.27 per barrel).

## 29. 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:

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 September 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
<b>Financial assets measured at fair value</b>				
Trading investments				
Equity instruments	20,270	-	-	20,270
Available-for-sale investments				
Equity instruments	22,455,903	-	-	22,455,903

	(Unit: Thousand Baht)			
	Separate Financial Statements			
	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>				
Available-for-sale investments				
Equity instruments	18,663,403	-	-	18,663,403

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

### 30. Approval of financial statements

These interim consolidated financial statements were authorised for issue by the Company's authorised directors on 11 November 2015.