

Bangkok Airways Public Company Limited
and its subsidiaries
Review report and interim consolidated financial statements
For the three-month period ended 31 March 2016

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 31 March 2016, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the three-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: 12 May 2016

Bangkok Airways Public Company Limited and its subsidiaries

Statement of financial position

As at 31 March 2016

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	As at		As at		
	Note	31 March 2016	31 December 2015	31 March 2016	31 December 2015
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents	4	4,952,496	4,627,981	4,416,011	4,094,773
Current investments	5	8,927,978	8,615,491	8,927,978	8,600,000
Trade and other receivables	3, 6	1,720,196	1,847,144	1,555,397	1,819,068
Prepaid expenses		153,579	193,073	129,968	178,913
Inventories	7	314,272	306,328	213,744	193,670
Other current assets		784,197	256,272	729,081	202,963
Total current assets		16,852,718	15,846,289	15,972,179	15,089,387
Non-current assets					
Restricted bank deposits		27,412	26,816	2,090	2,081
Investments in associates	8	2,601,280	2,450,269	3,349,730	3,278,981
Investments in subsidiaries	9	-	-	2,184,233	2,184,233
Other long-term investments	10	28,631,281	27,003,241	23,854,781	22,452,241
Long-term loans to related party	3	-	-	30,000	45,000
Investment properties	11	250,001	253,991	342,234	253,991
Property, plant and equipment	12	10,354,637	9,559,003	9,477,152	8,779,416
Intangible assets	13	696,138	711,522	208,183	211,962
Leasehold rights		46,580	47,111	46,580	47,111
Deferred tax assets		29,755	28,906	-	-
Other non-current assets	3	994,914	1,085,410	978,288	1,062,856
Total non-current assets		43,631,998	41,166,269	40,473,271	38,317,872
Total assets		60,484,716	57,012,558	56,445,450	53,407,259

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 31 March 2016

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	As at	As at	As at	As at	
	Note	31 March 2016	31 December 2015	31 March 2016	31 December 2015
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	3, 14	2,552,327	2,260,578	2,547,060	2,133,680
Current portion of long-term loans	15	243,520	242,020	233,520	233,520
Income tax payable		221,020	30,606	165,090	-
Current portion of liabilities arising from finance lease of aircrafts	16	232,929	192,340	232,929	192,340
Current portion of finance lease liabilities		68,208	65,675	41,871	44,977
Unearned income		2,053,616	2,328,069	2,048,740	2,325,478
Other current liabilities	3	1,309,435	1,405,772	876,626	1,009,770
Total current liabilities		6,681,055	6,525,060	6,145,836	5,939,765
Non-current liabilities					
Long-term loans - net of current portion	15	168,280	229,160	148,280	206,660
Liabilities arising from finance lease of aircrafts - net of current portion	16	2,665,693	2,188,319	2,665,693	2,188,319
Finance lease liabilities - net of current portion		83,431	86,368	36,266	46,077
Long-term loans from related party - net of current portion	17	11,325,713	11,354,130	11,325,713	11,354,130
Provision for long-term employee benefits		440,534	421,346	360,297	346,413
Deferred tax liabilities		5,331,632	5,040,278	4,572,482	4,326,228
Other non-current liabilities		49,285	72,234	-	-
Total non-current liabilities		20,064,568	19,391,835	19,108,731	18,467,827
Total liabilities		26,745,623	25,916,895	25,254,567	24,407,592

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 31 March 2016

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	As at 31 March 2016 (Unaudited but reviewed)	As at 31 December 2015 (Audited)	As at 31 March 2016 (Unaudited but reviewed)	As at 31 December 2015 (Audited)
Shareholders' equity				
Share capital				
Registered				
2,100,000,000 ordinary shares of Baht 1 each	2,100,000	2,100,000	2,100,000	2,100,000
Issued and fully paid up				
2,100,000,000 ordinary shares of Baht 1 each	2,100,000	2,100,000	2,100,000	2,100,000
Premium on ordinary shares	9,319,482	9,319,482	9,319,482	9,319,482
Retained earnings				
Appropriated - statutory reserve	120,000	120,000	120,000	120,000
Unappropriated	1,863,785	310,902	2,625,542	1,322,800
Other components of shareholders' equity	20,174,972	19,106,098	17,025,859	16,137,385
Equity attributable to owners of the Company	33,578,239	30,956,482	31,190,883	28,999,667
Non-controlling interests of the subsidiaries	160,854	139,181	-	-
Total shareholders' equity	33,739,093	31,095,663	31,190,883	28,999,667
Total liabilities and shareholders' equity	60,484,716	57,012,558	56,445,450	53,407,259
	-	-	-	-

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 31 March 2016

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Profit or loss:					
Revenues					
Passenger	3	6,138,646	5,459,729	6,138,804	5,459,834
Sales and service income	3	879,158	799,570	-	-
Freight	3	84,062	76,688	84,062	76,688
Passenger service charge		177,695	146,499	177,695	146,499
Dividend income	8	47	30	89,462	70,063
Interest income		39,663	77,793	38,836	76,677
Gain on exchange rate		60,725	3,883	55,939	2,324
Other income	3	395,704	169,672	449,764	209,252
Total revenues		7,775,700	6,733,864	7,034,562	6,041,337
Expenses					
Cost of sales and services	3	4,784,767	4,487,018	4,331,410	4,049,816
Selling expenses	3	486,311	406,106	481,664	401,747
Administrative expenses	3	413,840	363,850	286,275	253,662
Other expenses	3	395	487	-	-
Total expenses		5,685,313	5,257,461	5,099,349	4,705,225
Profit before share of profit from investments in associates,					
finance cost and income tax expenses		2,090,387	1,476,403	1,935,213	1,336,112
Share of profit from investments in associates	8	169,677	110,396	-	-
Profit before finance cost and income tax expenses		2,260,064	1,586,799	1,935,213	1,336,112
Finance cost		(443,667)	(381,433)	(439,537)	(376,313)
Profit before income tax expenses		1,816,397	1,205,366	1,495,676	959,799
Income tax expenses	18	(241,841)	(118,704)	(192,934)	(77,164)
Profit for the period		1,574,556	1,086,662	1,302,742	882,635
Other comprehensive income:					
<i>Other comprehensive income to be reclassified</i>					
<i>to profit or loss in subsequent periods:</i>					
Gain on changes in value of available-for-sale investments		1,336,093	3,033,360	1,110,593	2,520,860
Less: Income tax effect	18	(267,219)	(606,672)	(222,119)	(504,172)
Other comprehensive income to be reclassified					
to profit or loss in subsequent periods - net of income tax		1,068,874	2,426,688	888,474	2,016,688
<i>Other comprehensive income not to be reclassified</i>					
<i>to profit or loss in subsequent periods:</i>					
Actuarial loss on defined benefits plan		-	(63,380)	-	(63,380)
Less: Income tax effect	18	-	3,501	-	3,501
Other comprehensive income not to be reclassified					
to profit or loss in subsequent periods - net of income tax		-	(59,879)	-	(59,879)
Other comprehensive income for the period		1,068,874	2,366,809	888,474	1,956,809
Total comprehensive income for the period		2,643,430	3,453,471	2,191,216	2,839,444

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 31 March 2016

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Profit attributable to:					
Equity holders of the Company		1,552,883	1,069,939	1,302,742	882,635
Non-controlling interests of the subsidiaries		21,673	16,723		
		<u>1,574,556</u>	<u>1,086,662</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		2,621,757	3,436,748	2,191,216	2,839,444
Non-controlling interests of the subsidiaries		21,673	16,723		
		<u>2,643,430</u>	<u>3,453,471</u>		
Earnings per share					
	19				
Basic earnings per share					
Profit attributable to equity holders of the Company (Baht)		<u>0.74</u>	<u>0.51</u>	<u>0.62</u>	<u>0.42</u>
Number of ordinary shares (thousand shares)					
of Baht 1 each		<u>2,100,000</u>	<u>2,100,000</u>	<u>2,100,000</u>	<u>2,100,000</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 three-month period ended 31 March 2016

(Unit: Thousand Baht)

	Consolidated financial statements										
	Equity attributable to owners of the Company				Other components of equity						
	Issued and fully paid-up share capital	Premium on ordinary shares	Retained earnings		Other comprehensive income	Surplus on changes in value of available-for-sale investments	Discount on changes in shareholding in subsidiaries	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
			Appropriated	Unappropriated							
Balance as at 1 January 2015	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	-	-	-	1,069,939	-	-	-	1,069,939	16,723	1,086,662	
Other comprehensive income for the period	-	-	-	(59,879)	2,426,688	-	2,426,688	2,366,809	-	2,366,809	
Total comprehensive income for the period	-	-	-	1,010,060	2,426,688	-	2,426,688	3,436,748	16,723	3,453,471	
Balance as at 31 March 2015	<u>2,100,000</u>	<u>9,319,482</u>	<u>25,000</u>	<u>622,387</u>	<u>16,833,681</u>	<u>(154,884)</u>	<u>16,678,797</u>	<u>28,745,666</u>	<u>139,783</u>	<u>28,885,449</u>	
Balance as at 1 January 2016	2,100,000	9,319,482	120,000	310,902	19,260,983	(154,885)	19,106,098	30,956,482	139,181	31,095,663	
Profit for the period	-	-	-	1,552,883	-	-	-	1,552,883	21,673	1,574,556	
Other comprehensive income for the period	-	-	-	-	1,068,874	-	1,068,874	1,068,874	-	1,068,874	
Total comprehensive income for the period	-	-	-	1,552,883	1,068,874	-	1,068,874	2,621,757	21,673	2,643,430	
Balance as at 31 March 2016	<u>2,100,000</u>	<u>9,319,482</u>	<u>120,000</u>	<u>1,863,785</u>	<u>20,329,857</u>	<u>(154,885)</u>	<u>20,174,972</u>	<u>33,578,239</u>	<u>160,854</u>	<u>33,739,093</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 three-month period ended 31 March 2016

(Unit: Thousand Baht)

	Separate financial statements				Other components of equity		
	Issued and fully paid-up share capital	Premium on ordinary shares	Retained earnings		Other comprehensive income Surplus on changes in value of available-for-sale investments	Total other components of shareholders' equity	Total shareholders' equity
Appropriated			Unappropriated				
Balance as at 1 January 2015	2,100,000	9,319,482	25,000	560,783	12,103,396	12,103,396	24,108,661
Profit for the period	-	-	-	882,635	-	-	882,635
Other comprehensive income for the period	-	-	-	(59,879)	2,016,688	2,016,688	1,956,809
Total comprehensive income for the period	-	-	-	822,756	2,016,688	2,016,688	2,839,444
Balance as at 31 March 2015	<u>2,100,000</u>	<u>9,319,482</u>	<u>25,000</u>	<u>1,383,539</u>	<u>14,120,084</u>	<u>14,120,084</u>	<u>26,948,105</u>
Balance as at 1 January 2016	2,100,000	9,319,482	120,000	1,322,800	16,137,385	16,137,385	28,999,667
Profit for the period	-	-	-	1,302,742	-	-	1,302,742
Other comprehensive income for the period	-	-	-	-	888,474	888,474	888,474
Total comprehensive income for the period	-	-	-	1,302,742	888,474	888,474	2,191,216
Balance as at 31 March 2016	<u>2,100,000</u>	<u>9,319,482</u>	<u>120,000</u>	<u>2,625,542</u>	<u>17,025,859</u>	<u>17,025,859</u>	<u>31,190,883</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 three-month period ended 31 March 2016**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Cash flows from operating activities				
Profit before tax	1,816,397	1,205,366	1,495,676	959,799
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	247,399	193,132	187,710	139,535
Written-off bad debt	11	-	-	-
Reduction of inventory to net realisable value	75	33	75	33
Gain on sales of property, plant and equipment	(3,266)	(150)	(3,622)	(5)
Gain on sales of short-term investments	(1,608)	-	-	-
Gain from revaluation of short-term investments	-	(1,039)	-	-
Written off fixed assets	-	100	-	100
Share of profit from investments in associates	(169,677)	(110,396)	-	-
Provision for long-term employee benefits	19,857	16,155	14,553	11,643
Unrealised loss (gain) on exchange	(63,588)	4,276	(63,510)	4,588
Dividend income	(47)	(30)	(89,462)	(70,063)
Interest income	(39,663)	(77,793)	(38,836)	(76,677)
Interest expenses	443,667	381,433	439,537	376,313
Profit from operating activities before changes in operating assets and liabilities	2,249,557	1,611,087	1,942,121	1,345,266
Operating assets (increase) decrease				
Trade and other receivables	67,385	18,508	114,072	30,706
Inventories	(8,019)	16,688	(20,149)	7,999
Other current assets	(497,630)	(57,763)	(485,743)	(44,605)
Other assets	77,966	44,161	78,274	15,606
Operating liabilities increase (decrease)				
Trade and other payables	290,830	(116,454)	421,937	(30,683)
Other current liabilities	(376,494)	(337,082)	(406,691)	(347,367)
Payment of provision for long-term employee benefits	(669)	(15,192)	(669)	(15,192)
Other non-current liabilities	(22,949)	(959)	-	-
Cash flows from operating activities	1,779,977	1,162,994	1,643,152	961,730
Cash paid for corporate income tax	(21,722)	(21,126)	(3,709)	(2,700)
Net cash flows from operating activities	1,758,255	1,141,868	1,639,443	959,030

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 three-month period ended 31 March 2016**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Cash flows from investing activities				
Decrease (Increase) in restricted bank deposits	(596)	1,461	(9)	2,092
Decrease (Increase) in current investments	(327,942)	500,000	(327,978)	500,000
Acquisition of property, plant and equipment	(212,579)	(75,278)	(94,201)	(38,107)
Acquisition of investment property	-	-	(92,233)	-
Acquisition of intangible assets	(3,664)	(36,928)	(3,512)	(36,928)
Interest income	35,303	34,915	34,031	33,316
Acquisition of investment in associates	(87,131)	-	(87,131)	-
Acquisition of other long-term investments	(291,948)	-	(291,948)	-
Dividend income from investments in subsidiaries	-	-	72,998	19,999
Dividend income from investments in associates	162,915	121,512	162,915	121,512
Dividend income from long-term investments	47	30	47	-
Proceeds from sales of property, plant and equipment	7,536	1,894	7,061	20
Cash received from loan to related parties	-	-	15,000	-
Net cash flows from (used in) investing activities	(718,059)	547,606	(604,960)	601,904
Cash flows from financing activities				
Cash received from short-term loans	-	3,540	-	-
Cash received from long-term loans	-	5,000	-	-
Dividend paid to non-controlling interest of the subsidiaries	(2)	-	-	-
Repayment of long-term loans	(87,797)	(161,080)	(86,797)	(118,380)
Cash paid for liabilities under finance lease payable	(207,418)	(277,409)	(201,214)	(275,339)
Interest expense	(420,464)	(388,570)	(425,234)	(384,435)
Net cash flows used in financing activities	(715,681)	(818,519)	(713,245)	(778,154)
Net increase in cash and cash equivalents	324,515	870,955	321,238	782,780
Cash and cash equivalents at beginning of the period	4,627,981	2,175,125	4,094,773	1,877,259
Cash and cash equivalents at end of the period	4,952,496	3,046,080	4,416,011	2,660,039
	-	-	-	-
Supplemental cash flows information:				
Non-cash items				
Increase in accounts receivable from sales of investments	17,063	-	-	-
Decrease in accrued dividend income	(73,500)	(51,449)	(146,498)	(71,449)
Decrease in account payable from purchase of investments in associate	(16,382)	-	(16,382)	-
Increase (decrease) in account payable from purchase of assets	12,625	(3,887)	3,059	2,778
Decrease in account payable from purchase of intangible assets	-	(810)	-	(810)
Purchase assets under finance lease	798,531	713,524	779,814	681,896
Gain on changes in value of available-for-sale investments				
- net of income taxes	1,068,874	2,426,688	888,474	2,016,688
Actuarial loss on for post employment benefits plan - net of income taxes	-	(59,879)	-	(59,879)

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 period ended 31 March 2016

1. General information

1.1 The Company's general 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 Moo 14, Vibhavadirangsit Road, Chom Phon, Chatuchak, Bangkok.

1.2 Basis for preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standards No. 34 (revised 2015) “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

These consolidated interim financial statements are prepared by applying the same basis as that applied for the preparation of the consolidated financial statements for the year ended 31 December 2015, with there being no changes in the structure of shareholding in subsidiaries during the period.

1.4 New financial reporting standards

During the period, the Company and its subsidiaries have adopted the revised and new financial reporting standards and accounting treatment guidance issued by the Federation of Accounting Professions which become 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, 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 and its subsidiaries' financial statements

2. Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2015.

3. Related party transactions

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)
Bangkok Air Catering Samui 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
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

List of related companies	Relationship
Thai Petroleum Service Corp., Ltd.	Common shareholders and/or directors
Bangkok Golden Life Co., Ltd.	Common shareholders and/or directors
Bangpakong Golf Club Co., Ltd.	Common shareholders and/or directors
Prasartthong Osoth Co., Ltd.	Common shareholders and/or directors
Paradise Shopping Co., Ltd.	Common shareholders and/or directors
Bangkok Hospital Chiangmai Co., Ltd.	Common shareholders and/or directors
Bangkok Flight Training Center Co., Ltd.	Common shareholders and/or directors
Samui Park Avenue Co., Ltd.	Common shareholders and/or directors
Samitivej Plc.	Common shareholders and/or directors
Samui Accom Co., Ltd.	Common shareholders and/or directors
Sukhothai Property Co., Ltd.	Common shareholders and/or directors
The Sahakol Estate Co., Ltd.	Common shareholders and/or directors
Bangkok Save Drug Co., Ltd.	Common shareholders and/or directors
The Krungthep Thanakom Co., Ltd.	Common shareholders and/or directors
Bangkok Health Insurance Plc.	Common shareholders and/or directors
Bangkok Premier Life Insurance Broker Co., Ltd.	Common shareholders and/or directors
Bangkok United Mechanical Co., Ltd.	Common shareholders and/or directors
Siam Medical Co., Ltd.	Common shareholders and/or directors
Kiattana Transport Plc.	Common shareholders and/or directors
Khan Co., Ltd.	Common shareholders and/or directors
Sing Sian Yer Pao Co., Ltd.	Common shareholders and/or directors
Save Drug Center Co., Ltd.	Common shareholders and/or directors
Trat Golden Co., Ltd.	Common shareholders and/or directors
Three Sixtyfive Plc.	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

List of related companies	Relationship
Paolo Medic Co., Ltd.	Common shareholders and/or directors
Paolo Samut Prakarn Co., Ltd.	Common shareholders and/or directors
Pattaya Country Club Co., Ltd.	Common shareholders and/or directors
BIRA Property Co., Ltd.	Common shareholders and/or directors
MC Group Plc.	Common shareholders and/or directors
Mae Aroon Co., Ltd.	Common shareholders and/or directors
Modern Manu Co., Ltd.	Common shareholders and/or directors
Royal Bangkok Healthcare Co., Ltd.	Common shareholders and/or directors
Phyathai 1 Hospital Co., Ltd.	Common shareholders and/or directors
The PhyaThai 2 Hospital Co., Ltd.	Common shareholders and/or directors
Phyathai 3 Hospital Co., Ltd.	Common shareholders and/or directors
Sriracha Nakorn General Hospital Plc.	Common shareholders and/or directors
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
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

List of related companies	Relationship
Royal Oriental Energy Co., Ltd.	Common shareholders and/or directors
Bangkok Sky Estate Co., Ltd.	Common shareholders and/or directors
Grow Up 2014 Co., Ltd.	Common shareholders and/or directors
Fuel Pipeline Transportation Limited	Common shareholders and/or directors
Prapornnan Co., Ltd.	Common shareholders and/or directors
Pa Sanook Co., Ltd.	Common shareholders and/or directors
Loxley Plc.	Common shareholders and/or directors
Hansaphasanook Limited Partnership	Common shareholders and/or directors
PV Consulting Co., Ltd.	Deemed related party
Food and Store Co., Ltd.	Deemed related party
Bangkok Airways (Cambodia) Co., Ltd.	Deemed related party
More Than Free Co., Ltd.	Deemed related party
Prananporn Co., Ltd.	Deemed related party
Cool Latte Co., Ltd.	Deemed related party
Orange Digital Media Co., Ltd.	Deemed related party
A.P. Sheriff Co., Ltd.	Deemed related party
Bangkok Aviation Services Co., Ltd.	Deemed related party
Bangkok Security Services Co., Ltd.	Deemed related party
BAGS Ground Services Co., Ltd.	Deemed related party
Krungthep Limousine Co., Ltd.	Deemed related party
Natural Rice Co., Ltd.	Deemed related party
Airport Restaurant Co., Ltd.	Deemed related party
Koh Chang Accom Limited Partnership	Deemed related party
Café Di Bangkok Air Partnership	Deemed related party
Na Khao Pattana Co., Ltd.	Deemed related party

(Unaudited but reviewed)

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 statements		financial statements		
	For the three-month periods ended 31 March				
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Permission fee	-	-	63	44	Contract price
Concession lounge service income	-	-	6	5	Contract price
Rental income	-	-	1	-	Contract price
Catering service expenses	-	-	157	111	Contract price
Ground service expenses	-	-	124	118	Contract price
<u>Transactions with associates</u>					
Ground service income	1	1	-	-	Market price
Dividend income	-	-	89	70	As declared
Interest expenses	364	310	364	310	Contract price
Shipping service expenses	5	5	5	5	Actual charge
<u>Transactions with related companies</u>					
Permission fee	1	-	1	-	Actual charge
Catering service income	3	3	-	-	Contract price
Ground service income	1	1	-	-	Contract price
Rental income	3	2	3	2	Contract price
Passenger income	13	15	13	15	Authorised price
Utilities income	1	-	1	-	Actual charge
Freight income	11	-	11	-	Contract price
Utilities and Service expenses	2	-	2	-	Actual charge
Consulting income	1	1	1	1	Contract price
Advertising income	1	1	1	1	Contract price
Catering expenses	1	1	1	1	Contract price
Ground service expenses	146	82	133	72	Contract price
Management expenses	31	40	31	40	Contract price
Security expenses	15	18	15	18	Contract price
Rental expenses	1	1	-	-	Contract price
Employee expenses	2	1	2	1	Actual charge
Medical expenses	1	1	1	-	Market price
Aeronautical radio	141	135	136	129	Market price
Advertising expenses	-	1	-	1	Contract price
Flight cancelled and delayed compensation	1	-	1	-	Actual charge
Charter flight expense	32	-	32	-	Contract price

(Unaudited but reviewed)

As at 31 March 2016 and 31 December 2015, the balances of the accounts between the Company and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2016	2015	2016	2015
<u>Trade and other receivables - related parties (Note 6)</u>				
Subsidiaries	-	-	375,607	415,711
Associated companies	126,156	199,312	124,950	198,450
Related companies (related by shareholders and/or directors)	12,538	14,314	9,204	10,095
Total trade and other receivables - related parties	<u>138,694</u>	<u>213,626</u>	<u>509,761</u>	<u>624,256</u>
<u>Deposits - related parties (present as other non-current assets)</u>				
Associated companies	47,500	47,500	47,500	47,500
Related companies (related by shareholders and/or directors)	3,166	3,200	962	962
Total deposits - related parties	<u>50,666</u>	<u>50,700</u>	<u>48,462</u>	<u>48,462</u>
<u>Trade and other payables - related parties (Note 14)</u>				
Subsidiaries	-	-	275,277	178,932
Associated companies	137,967	124,496	129,454	115,653
Related companies (related by shareholders and/or directors)	182,336	184,400	176,649	179,761
Total trade and other payables - related parties	<u>320,303</u>	<u>308,896</u>	<u>581,380</u>	<u>474,346</u>
<u>Other current liabilities - related parties</u>				
Related companies (related by shareholders and/or directors)	26,000	26,000	-	-
Total other current liabilities - related parties	<u>26,000</u>	<u>26,000</u>	<u>-</u>	<u>-</u>

Loans to related party

As at 31 March 2016 and 31 December 2015, the balance of loans to and accrued interest receivables between the Company and related party and the movements during the period are as follows:

	(Unit: Thousand Baht)			
	Separate financial statements			
	Balance as at	Increase	Decrease	Balance as at
Loans to and accrued interest receivables	31 December	during the	during the	31 March
	2015	period	period	2016
Subsidiary	45,000	-	(15,000)	30,000
Total	<u>45,000</u>	<u>-</u>	<u>(15,000)</u>	<u>30,000</u>

Directors and management's benefits

During the three-month periods ended 31 March 2016 and 2015, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the three-month periods ended 31 March		For the three-month periods ended 31 March	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Short-term employee benefits	47	51	33	39
Post-employment benefits	2	1	2	1
Total	49	52	35	40

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 21.3.

4. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated financial		Separate	
	statements		financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
Cash	95,273	125,052	93,130	122,387
Bank deposits	4,726,909	4,447,890	4,322,881	3,972,386
Bills of exchange	130,314	55,039	-	-
Total	4,952,496	4,627,981	4,416,011	4,094,773

As at 31 March 2016, bank deposits in saving accounts, fixed deposits and bills of exchange carried interests between 0.10 and 1.10 percent per annum (31 December 2015: between 0.05 and 2.75 percent per annum) and Baht 41 million of cash is cash on hand of aboard stations (31 December 2015: Baht 55 million).

5. Current investments

(Unit: Thousand Baht)

	Consolidated financial		Separate	
	statements		financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
Fixed deposits over three months but not over one year	8,927,978	8,600,000	8,927,978	8,600,000
Trading securities	-	15,491	-	-
Total	8,927,978	8,615,491	8,927,978	8,600,000

As at 31 March 2016, fixed deposits carried interests between 1.6 and 2.0 percent per annum (31 December 2015: between 0.9 and 1.9 percent per annum).

6. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial		Separate financial	
	statements		statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	7,703	9,848	46,671	23,834
Past due				
Up to 3 months	3,671	2,552	11,402	1,871
3 - 6 months	73	1,027	58	921
6 - 12 months	1,122	1,219	1,064	1,198
Over 12 months	712	530	699	530
Total trade receivables - related parties, net	13,281	15,176	59,894	28,354

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	1,184,728	1,349,302	782,176	982,772
Past due				
Up to 3 months	364,927	259,646	250,625	189,363
3 - 6 months	5,647	7,219	4,337	6,736
6 - 12 months	5,041	14,526	4,669	13,318
Over 12 months	82,456	80,856	81,000	79,453
Total	1,642,799	1,711,549	1,122,807	1,271,642
Less: Allowance for doubtful debts	(92,377)	(92,377)	(91,003)	(91,003)
Total trade receivables - unrelated parties, net	1,550,422	1,619,172	1,031,804	1,180,639
Total trade receivables - net	1,563,703	1,634,348	1,091,698	1,208,993
<u>Other receivables</u>				
Other receivables - related parties	125,413	198,450	449,867	595,902
Total other receivables - related parties - net	125,413	198,450	449,867	595,902
Other receivables - Unrelated parties	40,150	23,416	22,902	23,243
Less: Allowance for doubtful debts	(9,070)	(9,070)	(9,070)	(9,070)
Total other receivables - unrelated parties - net	31,080	14,346	13,832	14,173
Total other receivables - net	156,493	212,796	463,699	610,075
Trade and other receivables - net	1,720,196	1,847,144	1,555,397	1,819,068

7. Allowance for diminution in value of inventories

Movements in the allowance for diminution in value of inventories account during the three-month period ended 31 March 2016 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2016	40,214	39,814
Provision for obsolete inventory during the period	75	75
Balance as at 31 March 2016	<u>40,289</u>	<u>39,889</u>

8. Investments in associates

8.1 Details of associates:

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			31 March 2016	31 December 2015	31 March 2016	31 December 2015	31 March 2016	31 December 2015
			(%)	(%)				
WFS - PG Cargo Company Limited	Cargo	Thailand	49.00	49.00	147,000	147,000	219,384	164,855
Samui Airport Property Fund (Leasehold)	Property Fund	Thailand	30.36	29.99	3,202,730	3,131,981	2,381,896	2,285,414
Total					<u>3,349,730</u>	<u>3,278,981</u>	<u>2,601,280</u>	<u>2,450,269</u>

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Separate financial statements			
			Shareholding percentage		Cost	
			31 March 2016	31 December 2015	31 March 2016	31 December 2015
			(%)	(%)		
WFS - PG Cargo Company Limited	Cargo	Thailand	49.00	49.00	147,000	147,000
Samui Airport Property Fund (Leasehold)	Property Fund	Thailand	30.36	29.99	3,202,730	3,131,981
Total					<u>3,349,730</u>	<u>3,278,981</u>

8.2 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:

(Unit: Thousand Baht)

Company's name	Consolidated financial statements		Separate financial statements	
	Share of profit from investments in associates during the three-month periods ended 31 March		Dividend received during the three-month periods ended 31 March	
	2016	2015	2016	2015
WFS - PG Cargo Company Limited	54,529	53,263	-	-
Samui Airport Property Fund (Leasehold)	115,148	57,133	89,415	70,063
Total	169,677	110,396	89,415	70,063

8.3 Fair value of investments in listed associate

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

(Unit: Million Baht)

Company's name	Fair value as at	
	31 March	31 December
	2016	2015
Samui Airport Property Fund (Leasehold)	6,836	5,670

9. Investments in subsidiaries

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

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost	
	31 March	31 December	31 March	31 December	31 March	31 December
	2016	2015	2016	2015	2016	2015
			(%)	(%)		
Bangkok Airways Holding Company Limited	1,001,000	1,001,000	99.99	99.99	1,000,999	1,000,999
Bangkok Airways Ground Services Company Limited	250	250	99.99	99.99	250	250
Worldwide Flight Services Bangkok Air Ground Handling Company Limited	670,000	670,000	90.00	90.00	603,515	603,515
Bangkok Air Catering Company Limited	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>

(Unaudited but reviewed)

As at 31 March 2016, the Company's investments in subsidiaries amounting to Baht 594 million (31 December 2015: Baht 594 million) have been used as collateral for credit facilities of the subsidiaries.

10. Others long-term investments

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
Available-for-sales securities				
Market capital	2,869,965	2,869,965	2,223,465	2,223,465
Add: Unrealised gain from revaluation	25,412,324	24,076,232	21,282,324	20,171,732
Available-for-sales securities - net	28,282,289	26,946,197	23,505,789	22,395,197
Debt securities held to maturity	50,000	50,000	50,000	50,000
Other investments	298,992	7,044	298,992	7,044
Total	28,631,281	27,003,241	23,854,781	22,452,241

Certain available-for-sales securities with market value as at 31 March 2016 amounting to Baht 14,875 million (31 December 2015: Baht 14,173 million) have been used as collateral for bank overdrafts, short-term loans from banks and long-term loans.

11. Investment properties

Movements of investment properties during the three-month period ended 31 March 2016 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2016	253,991	253,991
Acquisitions - at cost	-	92,223
Depreciation	(3,990)	(3,990)
Net book value as at 31 March 2016	250,001	342,234

As at 31 March 2016, the Company has pledged investment properties which net book value amounting to approximately Baht 11 million (31 December 2015: Baht 11 million) as collateral against credit facilities received from commercial bank.

12. Property, plant and equipment

Movements of the property, plant and equipment account during the three-month period ended 31 March 2016 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
	<hr/>	<hr/>
Net book value as at 1 January 2016	9,559,003	8,779,416
Acquisitions - at cost	1,023,735	877,074
Disposal - net book value at disposal date	(4,270)	(3,439)
Depreciation	(223,831)	(175,899)
Net book value as at 31 March 2016	<hr/> 10,354,637 <hr/>	<hr/> 9,477,152 <hr/>

As at 31 March 2016, the Company has aircrafts, vehicles and equipment under finance lease which net book value amounted to approximately Baht 5,410 million (31 December 2015: Baht 4,696 million)

As at 31 March 2016, certain property and equipment have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to approximately Baht 1,691 million (31 December 2015: Baht 1,492 million (separate financial statements: Baht 1,424 million (31 December 2015: Baht 1,228 million)).

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 discuss in Note 17.

Major portion of the Company's land together with the construction thereon are used as collateral for major portion of long-term loans as discussed in Note 15.

As at 31 March 2016, 5 aircrafts of the Company (31 December 2015: 4 aircrafts) 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.

13. 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 equipment and maintenance facilities	20 years

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

Movements of intangible assets during the three - month period ended 31 March 2016 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2016	711,522	211,962
Acquisition - at cost	3,664	3,512
Amortisation	(19,048)	(7,291)
Net book value as at 31 March 2016	696,138	208,183

(Unaudited but reviewed)

14. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2016	2015	2016	2015
Trade payables - related parties	312,897	301,573	573,728	466,790
Trade payables - unrelated parties	1,654,755	1,335,355	1,474,765	1,149,935
Other payables - related parties	7,406	7,323	7,652	7,556
Other payables - unrelated parties	558,454	610,137	485,190	506,733
Other payables for purchase of software and equipment	18,815	6,190	5,725	2,666
Total trade and other payables	<u>2,552,327</u>	<u>2,260,578</u>	<u>2,547,060</u>	<u>2,133,680</u>

15. Long-term loans

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2016	2015	2016	2015
Long-term loans	411,800	471,180	381,800	440,180
Less: Current portion	<u>(243,520)</u>	<u>(242,020)</u>	<u>(233,520)</u>	<u>(233,520)</u>
Long-term loans, net of current portion	<u>168,280</u>	<u>229,160</u>	<u>148,280</u>	<u>206,660</u>

Movements of long-term loans during the three-month period ended 31 March 2016 are summarised below.

(Unit: Thousand Baht)

	Consolidated	Separate
	financial	financial
	statements	statements
Balance as at 1 January 2016	471,180	440,180
Less: Repayment	<u>(59,380)</u>	<u>(58,380)</u>
Balance as at 31 March 2016	<u>411,800</u>	<u>381,800</u>

Long-term loans are secured by part of common shares of subsidiary, certain long-term investments of the Company, and the Company and related company's land and construction as described in Note 9, Note 10 and Note 12, respectively.

(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 31 March 2016 and 31 December 2015, the long-term credit facilities of the Company and its subsidiaries have been fully drawn down.

16. Liabilities arising from finance lease of aircrafts

Liabilities arising from finance lease of aircrafts have average terms of the agreements about 12 years (effective rate from 1.00% to 2.90%) are due as follow:

(Unit: Thousand Baht)

	Consolidated financial statements and Separate financial statements		
	31 March 2016		
	Liabilities arising from finance lease	Deferred interest expenses	Total
Within one year	281,046	(48,117)	232,929
After one year but within five years	1,118,836	(149,422)	969,414
More than five years	1,792,722	(96,443)	1,696,279
Total	3,192,604	(293,982)	2,898,622

(Unit: Thousand Baht)

	Consolidated financial statements and Separate financial statements		
	31 December 2015		
	Liabilities arising from finance lease	Deferred interest expenses	Total
Within one year	225,856	(33,516)	192,340
After one year but within five years	900,618	(104,328)	796,290
More than five years	1,458,993	(66,964)	1,392,029
Total	2,585,467	(204,808)	2,380,659

17. Long-term loan - related party

	(Unit: Thousand Baht)
	Consolidated and Separate financial statements
Balance as at 1 January 2016	11,354,130
Increase from compound interest	364,174
Less: Payment during period	(392,591)
Balance as at 31 March 2016	11,325,713
Less: Current portion	-
Long-term loans - related party - net of current portion	<u>11,325,713</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) (“the 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 Group (Bangkok Airways Public Co., Ltd. and/or its affiliates, and/or its subsidiaries) must hold not less than 25% of the number of units issued and offered for sale by the Fund for the period of 20 years (from 24 November 2006 to 23 November 2026).

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

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

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

As at 31 March 2016, the Company has pledged common shares of Bangkok Dusit Medical Services Public Company Limited amounting to 45 million shares (31 December 2015: 45 million shares) with a fair value of Baht 1,049 million (31 December 2015: Baht 999 million) as collateral.

18. 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 periods ended 31 March 2016 and 2015 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2016	2015	2016	2015
Current income tax:				
Interim corporate income tax charge	218,555	42,522	168,799	-
Deferred tax:				
Relating to origination and reversal of temporary differences	23,286	76,182	24,135	77,164
Income tax expense reported in the statement of comprehensive income	241,841	118,704	192,934	77,164

(Unaudited but reviewed)

The amounts of income tax relating to each component of other comprehensive income for the three-month periods ended 31 March 2016 and 2015 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
Deferred tax relating to				
Gain on changes in value of				
available-for-sale				
investments	(267,219)	(606,672)	(222,119)	(504,172)
Actuarial loss for post				
employment benefits				
plan	-	3,501	-	3,501
	<u>(267,219)</u>	<u>(603,171)</u>	<u>(222,119)</u>	<u>(500,671)</u>

19. 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.

20. 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.

	(Unit: Million Baht)											
	Airlines segment		Airports segment		Supporting Airlines Business segments		Other segments		Elimination of inter-segment revenues		Consolidation	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	For the three-month periods ended 31 March											
Revenue from external customers	6,223	5,537	178	146	847	773	32	27	-	-	7,280	6,483
Intersegment revenues	-	-	-	-	281	229	-	1	(281)	(230)	-	-
Total revenues	<u>6,223</u>	<u>5,537</u>	<u>178</u>	<u>146</u>	<u>1,128</u>	<u>1,002</u>	<u>32</u>	<u>28</u>	<u>(281)</u>	<u>(230)</u>	<u>7,280</u>	<u>6,483</u>
Segment operating profit (loss)	2,272	1,811	78	52	144	135	1	(2)	-	-	2,495	1,996
Unallocated income and expenses:												
Interest income											40	78
Gain on exchange rate											61	4
Other income											395	169
Selling expenses											(486)	(406)
Administrative expenses											(414)	(364)
Share of profit from investments in associates											170	110
Financial cost											(444)	(381)
Income tax expenses											(242)	(119)
Non-controlling interests of the subsidiaries											(22)	(17)
Profit for the period											<u>1,553</u>	<u>1,070</u>

21. Commitments and contingent liabilities

21.1 Operating lease commitments

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

As at 31 March 2016, future minimum lease payments required under aircraft lease agreements total USD 148 million (31 December 2015: USD 159 million).

The Company and its subsidiaries have future minimum lease payments required under concessions and non-cancellable service agreements, rental agreements of land and building with local and aboard were as follows.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2016	31 December 2015	31 March 2016	31 December 2015
Payable				
In up to 1 year	923	771	423	268
In over 1 and up to 5 years	2,136	2,100	194	171
In over 5 years	3,115	3,238	77	78

21.2 Capital commitments

- 1) As at 31 March 2016, the Company had capital commitments of Baht 39 million (31 December 2015: Baht 25 million) mainly in building improvement, and Baht 26 million (31 December 2015: Baht 34 million) relating to acquisition of software and office equipment for operations.
- 2) As at 31 March 2016, the Company had commitments as a result of its signature of a sale and purchase contract for 4 ATR aircrafts (31 December 2015: 5 ATR aircrafts) with Avions de Transport Regional G.I.E. Delivery of the aircraft is scheduled for between April 2016 and February 2017.

21.3 Guarantees

- 1) As at 31 March 2016, the Company has guaranteed bank credit facilities of its subsidiary companies amounting to Baht 302 million (31 December 2015: Baht 570 million) and as at 31 December 2015, the Company has guaranteed bank credit facilities of its associated companies amounting to Baht 165 million (31 March 2016: Nil)

(Unaudited but reviewed)

- 2) As at 31 March 2016 and 31 December 2015, there were the following outstanding bank guarantees issued by the banks in respect of certain performance bonds required in the normal course of business by the Company and its subsidiaries.

	Consolidated		Separate	
	financial statements		financial statements	
	31	31	31	31
	March	December	March	December
	2016	2015	2016	2015
	(Million)	(Million)	(Million)	(Million)
Letter of guarantees for land and building rental				
THB	26.88	161.55	20.08	19.18
Letter of guarantees for purchase of aircraft fuel				
THB	20.05	20.05	20.05	20.05
USD	-	0.03	-	0.03
Letter of guarantees for the concessionary contracts				
THB	270.32	142.81	-	-
Letter of guarantees for payments due to creditors				
USD	0.53	0.50	0.50	0.50
MYR	0.02	0.02	0.02	0.02
SGD	0.14	0.14	0.14	0.14
BDT	1.20	1.20	1.20	1.20
INR	18.80	18.80	18.80	18.80
Other letter of guarantees				
THB	51.28	50.61	35.05	35.95
EUR	0.01	0.01	0.01	0.01
USD	-	0.37	-	0.34

21.4 Pledges

As at 31 March 2016 and 31 December 2015, 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	31 March	31 December
		2016	2015
Bangkok Air Catering Co., Ltd.	BAC Gourmet House Co., Ltd.	85	125

21.5 Other commitments

- 1) As at 31 March 2016, the Company entered into agreements for aviation security services, for a period of two years and five months. Under the terms of the service agreements, the security service fees will be based on the actual number of flight departure and arrival. The totaling of the fee is approximately Baht 65 million (31 December 2015: Baht 112 million).
- 2) On 30 October 2015, the Company and an entity (“counterparty”) entered into a swap agreement to exchange return on investment. According to the agreement, the Company is obliged to pay fixed amount of payment in exchange of the investments’ return in a security of the counterparty. The agreement has a term of three years, ending on 5 November 2018. At maturity, the counterparty may choose among options as stipulated in the agreement.

As at 31 March 2016 and 31 December 2015, the future payments required under non-cancellable agreements were as follows:

	(Unit: Million Baht)	
	Consolidated and separate financial statements	
	31 March 2016	31 December 2015
Payable		
In up to 1 year	95	95
In over 1 and up to 3 years	151	174

21.6 Letter of credit facilities

The Company entered into a banking facilities agreement, with the branch of a foreign financial institution, granting a revolving credit facility, a guarantee facilities, and standby documentary credit amounting to USD 3 million. The Company has to comply with all conditions as stipulated in the agreement. As at 31 March 2016, the undrawn portion of this credit facilities amounted to USD 1.87 million (31 December 2015: USD 1.87 million).

21.7 Interest Rate Swap Transaction Agreement

As at 31 March 2016, the Company has interest rate swap agreements amounting to USD 32.2 million which are still effective. The interest rates received under these agreements are a floating rate of LIBOR-ICE and a fixed interest rate of 2.37 percent and the agreements mature between November 2026 and September 2027.

22. Litigations

The Company

- 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 4 April 2016, the Court dismissed the cases with claims of Baht 118,833, and these cases are finalised. The remaining case of one ex-employee is being considered by the Central labour Court.
- 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 2015. 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 judgement in favor of the Company with respect to the House and Land tax assessments of the years 2007 to 2010 and the years 2011 to 2014, and ordered Koh Samui Municipality to return the House and Land tax for the years 2007 to 2010 and the years 2011 to 2014 to the Company together with interest of 7.5% per annum. Koh Samui Municipality subsequently filed a petition to suspend the execution of the judgement and filed an appeal against such judgment with the Central Tax Court. Such appeal is currently being considered by the Supreme Court. On 5 April 2016, the Mayor of Koh Samui Municipality ordered a suspension of the House and Land tax reassessment for the year 2015 until the Supreme Court issues the final judgement on the aforementioned cases.

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 judgement, or in any other cases in dispute and under court proceedings and the Company's appeal for House and Land tax reassessment.

- 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 approximately 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. The Civil Court accepted the lawsuit but dismissed the petition for a temporary protection order. The plaintiff therefore filed an appeal of the decision of the Civil Court with the Supreme Court and the Supreme Court decided that the temporary protection order should be granted by the Civil Court, 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, November and December 2015, the Company paid the first, second, third and fourth installment of compensation to the plaintiff respectively in accordance with the dispute settlement agreement. Since June 2015 to present, the Company transferred approximately Baht 126 million from the escrow account back to the Company's bank account in Thailand.

- 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 being considered by the Supreme Court.
- 5) In July 2014, the Company was sued by a former employee, claiming Baht 34.6 million in severance pay. The case is being considering by the Central Labour Court.
- 6) In February 2016, the Company was sued by an individual in relation to distress caused to the plaintiff as a result of environmental impact and the obstruction of a public road, related to the operations of Samui Airport, seeking damages of Baht 2,130,000 plus interest at the rate of 7.5 percent per annum calculated from the day following the date of the filing of the case until the Company and dependents desist and/or resolve issues as requested by the plaintiff. Currently, the case is being considered by Koh Samui Provincial Court.

Subsidiary

- 7) During 2008, the subsidiary was sued by a construction contractor with respect to a breach of the construction contract, with total claims of Baht 68.6 million. On 31 March 2010, the Court of First Instance ordered the subsidiary to pay a settlement of Baht 25.4 million together with interest at 7.5% per annum computed from 15 October 2007 until compensation is fully settled. In March 2011, the subsidiary returned the retention of Baht 10.4 million to the plaintiff together with the corresponding interest.

On 14 July 2010, the subsidiary filed a request for a stay of execution with the Court of Appeal; and the subsidiary placed the remaining Baht 15 million and corresponding interest charges as a bond, in accordance with the order of the Court of Appeal.

On 16 February 2011 the Court of Appeal ordered the subsidiary to pay additional compensation for work amounting to Baht 13.6 million, together with interest at 7.5% per annum computed from 15 October 2007 until compensation is fully settled. Later, on 30 September 2011, the subsidiary filed an appeal with the Supreme Court.

On 20 April 2016, the Supreme Court ordered the subsidiary to pay a settlement of Baht 30.6 million together with interest at 7.5% per annum computed from 15 October 2007 until compensation is fully settled, and court fees totalling Baht 50.2 million. However, as at 31 March 2016, the subsidiary has set aside provision for liabilities arising as a result of this case. On 29 April 2016, the subsidiary made a payment to the plaintiff amounting to Baht 50.2 million in accordance with the Supreme Court's order.

23. Foreign currency risk

The 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	
	31	31	31	31	31	31
	March	December	March	December	March	December
2016	2015	2016	2015	2016	2015	
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
AUD	1	1	-	-	26.98	26.28
BDT	1,680	1,646	20	2	0.45	0.46
CNY	2	17	2	1	5.44	5.55
EUR	12	6	8	-	39.90	39.44
GBP	-	1	-	-	50.58	53.50
HKD	8	8	3	4	4.54	4.66
INR	107	155	21	22	0.53	0.54
JPY	5	20	1	1	0.31	0.30
RUB	4	23	-	-	0.52	0.50
SGD	2	2	-	-	26.09	25.52
USD	98	72	118	91	35.24	36.09
TWD	2	4	-	-	1.10	1.10
KRW	96	359	-	-	0.03	0.03
MYR	-	-	-	1	9.00	8.43
ZAR	1	1	-	-	2.36	2.36
PHP	1	1	-	-	0.77	0.77
IDR	724	921	27	27	0.003	0.003

(Unaudited but reviewed)

Foreign currency	Separate financial statements				Average exchange rate	
	Financial assets		Financial liabilities			
	31	31	31	31	31	31
	March	December	March	December	March	December
2016	2015	2016	2015	2016	2015	
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
AUD	1	1	-	-	26.98	26.28
BDT	1,680	1,646	20	2	0.45	0.46
CNY	2	17	2	1	5.44	5.55
EUR	12	6	1	-	39.90	39.44
HKD	8	8	3	4	4.54	4.66
INR	107	155	21	22	0.53	0.54
JPY	5	20	1	1	0.31	0.30
RUB	4	23	-	-	0.52	0.50
SGD	2	2	-	-	26.09	25.52
USD	96	70	113	82	35.24	36.09
TWD	2	4	-	-	1.10	1.10
KRW	96	359	-	-	0.03	0.03
MYR	-	-	-	1	9.00	8.43
ZAR	1	1	-	-	2.36	2.36
PHP	1	1	-	-	0.77	0.77
IDR	724	921	27	27	0.003	0.003

24. 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 43.30 percent (31 December 2015: 48.67 percent) of its annual fuel consumption. As at 31 March 2016, the Company still has an obligation from fuel price hedging until December 2016 amount of 600,000 barrels (31 December 2015: 345,000 barrels) of Jet fuel whereby the lowest and the highest jet

fuel prices are between USD 35 per barrel to USD 77 per barrel (31 December 2015: between USD 56 per barrel to USD 77 per barrel).

25. Fair value of financial instruments

Fair value is a price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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 31 March 2016 and 31 December 2015, the Company and its subsidiaries had the assets that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated Financial Statements			
	31 March 2016			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Available-for-sale investments				
Equity instruments	28,282	-	-	28,282

(Unit: Million Baht)

	Separate Financial Statements			
	31 March 2016			
	Level 1	Level 2	Level 3	Total

(Unaudited but reviewed)

Financial assets measured at fair value

Available-for-sale investments

Equity instruments	23,506	-	-	23,506
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(Unit: Million Baht)

Consolidated financial statements

31 December 2015

Level 1	Level 2	Level 3	Total
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Financial assets measured at fair value

Trading investments

Equity instruments	15	-	-	15
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Available-for-sale investments

Equity instruments	26,946	-	-	26,946
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(Unit: Million Baht)

Separate financial statements

31 December 2015

Level 1	Level 2	Level 3	Total
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Financial assets measured at fair value

Available-for-sale investments

Equity instruments	22,395	-	-	22,395
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During the current period, there were no transfers within the fair value hierarchy.

26. Events after the reporting period

The Annual General Meeting of the Company's shareholders, held on 12 April 2016, passed the resolution to approve dividend payment from the Company's operation during 1 July 2015 to 31 December 2015 at Baht 0.45 per share, totalling of Baht 945 million. The dividend is scheduled for payment on 27 April 2016. Also the meeting approved to allocate the net profit of 2015 as the legal reserve amounting to Baht 95 million.

27. Approval of financial statements

These interim consolidated financial statements were authorised for issue by the Company's authorised directors on 12 May 2016.